



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON

MAY 17, 2018

MANAGEMENT INFORMATION CIRCULAR

APRIL 6, 2018



Centennial Place, East Tower
1900, 520 – 3rd Avenue SW
Calgary, Alberta, T2P 0R3

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual and special meeting (the “**Meeting**”) of holders of common shares (“**Common Shares**”) of SDX Energy Inc. (the “**Corporation**”) will be held at Holiday Inn London Oxford Circus, Meeting Room 3, 57-59 Welbeck Street, London, W1G 9BL, London, United Kingdom, on Thursday the 17th day of May, 2018 at 9:00 am (UK time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2017;
2. to elect the board of directors for the ensuing year;
3. to appoint PricewaterhouseCoopers LLP, Chartered Accountants, United Kingdom, as auditors of the Corporation, at a remuneration to be fixed by the board of directors;
4. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution approving the stock option plan of the Corporation. See “*Matters to be Considered at the Meeting – Approval of Stock Option Plan*” in the Management Information Circular of the Corporation dated April 6, 2018 (the “**Circular**”) for details;
5. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution approving the long term incentive plan of the Corporation. See “*Matters to be Considered at the Meeting – Approval of LTIP*” in the Circular for details; and
6. to transact such other business as may be properly brought before the Meeting or any adjournment or adjournments thereof.

The details of all matters proposed to be put before shareholders at the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting. At the Meeting, shareholders will be asked to approve each of the foregoing items. Only shareholders of record at the close of business on April 6, 2018 are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat.

DATED at the City of Calgary, in the Province of Alberta this 6th day of April, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

“*Michael Doyle*”

Michael Doyle

Non-Executive Chairman and Director

IMPORTANT

A shareholder may attend the Meeting in person or may be represented thereat by proxy. It is desirable that as many Common Shares as possible be represented at the Meeting. If you do not expect to attend and would like your Common Shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. In accordance with the by-laws of the Corporation, all proxies, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Corporation, TSX Trust Company, 301 - 100, Adelaide Street West, Toronto, ON, M5H 4H1, no later than 9:00 am (UK time)/4:00 am (Toronto time) on Tuesday, May 15, 2018, or not less than 48 hours (excluding Saturdays, Sundays and holidays) preceding any adjournment of the Meeting. You may also send your proxies by fax to (416) 595-9593 or vote your shares online at www.voteproxyonline.com.

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**MANAGEMENT INFORMATION CIRCULAR
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 17, 2018**

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of SDX Energy Inc. (the “**Corporation**”) for use at the annual and special meeting of the holders of common shares (the “**Common Shares**”) of the Corporation to be held at Holiday Inn London Oxford Circus, Meeting Room 3, 57-59 Welbeck Street, London, W1G 9BL, London, United Kingdom, on Thursday, the 17th day of May, 2018 at 9:00 am (UK time) (the “**Meeting**”), or at any adjournment thereof, for the purposes set forth in the Notice of Meeting. The information contained herein is given as of the 6th day of April, 2018 except where otherwise indicated. There is enclosed herewith a form of proxy for use at the Meeting. The Corporation’s audited consolidated financial statements for the financial year ended December 31, 2017 will be presented at the meeting. Each shareholder who is entitled to attend at meetings of shareholders is encouraged to participate in the Meeting and shareholders are urged to vote in person or by proxy on matters to be considered.

PERSONS MAKING THE SOLICITATION

This solicitation is made on behalf of the management of the Corporation. The cost incurred in the preparation and mailing of both the proxy and this Management Information Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Corporation who will not be directly compensated therefor.

In accordance with National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held on record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

Those shareholders desiring to be represented by proxy must deposit their respective forms of proxy with TSX Trust Company (“**TSX Trust**”) at 301 - 100, Adelaide Street West, Toronto, ON, M5H 4H1, by no later than 9:00 am (UK time)/4:00 am (Toronto time) on May 15, 2018 or not less than 48 hours (excluding Saturdays, Sundays and holidays) preceding any adjournment of the Meeting. You may also send your proxies by fax to (416) 595-9593 or vote your shares online at www.voteproxyonline.com. A proxy must be executed by the shareholder or by his attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. A proxy is valid only at the Meeting in respect of which it is given or any adjournment of the Meeting.

Each shareholder submitting a proxy has the right to appoint a person to represent him or it at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. The shareholder may exercise this right by striking out the names of the persons so designated and inserting the name of the desired representative in the blank space provided, or by completing another form of proxy and in either case depositing the proxy with TSX Trust at the place and within the time specified above for the deposit of proxies.

An instrument of proxy may be revoked by the person giving it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person by depositing an instrument in writing executed by the shareholder or its attorney authorized in writing with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or its attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized, and deposited with TSX Trust at the place specified above for the deposit of proxies and at any time up to and including the last business day preceding the Meeting, or any adjournment thereof.

NOTICE AND ACCESS

The Canadian Securities Administrators have adopted amendments to NI 54-101, which allow for the use of the “notice-and-access” regime for the delivery of meeting materials.

Under the notice-and-access regime, reporting issuers are permitted to deliver the meeting materials by posting them on SEDAR as well as a website other than SEDAR and sending a notice package to each shareholder receiving the meeting materials under this regime. The notice package must include: (i) the relevant form of proxy or voting instruction form; (ii) basic information about the meeting and the matters to be voted on; (iii) instructions on how to obtain a paper copy of the meeting materials; and (iv) a plain-language explanation of how the notice-and-access system operates and how the meeting materials can be accessed online. Where prior consent has been obtained, a reporting issuer can send this notice package to shareholders electronically. This notice package must be mailed to shareholders from whom consent to electronic delivery has not been received.

The Corporation has elected to send its meeting materials to Beneficial Shareholders (as defined herein) using the notice-and-access regime. Accordingly, the Corporation will send the above-mentioned notice package to Beneficial Shareholders which includes instructions on how to access the Corporation’s meeting materials online and how to request a paper copy of these materials. Distribution of the Corporation’s meeting materials pursuant to the notice-and-access regime has the potential to substantially reduce printing and mailing costs.

Notwithstanding the notice-and-access regime, the *Canada Business Corporations Act* (“CBCA”) requires the Corporation to deliver a paper copy of the meeting materials to a registered shareholder unless such shareholder provides written consent to electronic delivery. In order to ensure compliance with the CBCA, registered shareholders will be mailed a copy of the meeting materials this year, together with a mail card soliciting a registered shareholders’ consent to electronic delivery in future years.

EXERCISE OF DISCRETION

The Common Shares represented by the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder.

The persons appointed under the enclosed form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy and Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. If any such matters should come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxy in accordance with their best judgment unless the shareholder has specified to the contrary or that Common Shares are to be withheld from voting. At the time of printing of this Management Information Circular, the management of the Corporation is not aware of any such amendment, variation or other matter.

Unless otherwise specified, proxies in the accompanying form will be voted in favour of each of the matters set forth in the Notice of Meeting, provided that in the event that a vacancy occurs among the nominees,

hereinafter set forth, for the directors of the Corporation prior to the Meeting, as a result of death or for any other reason, proxies shall not be voted with respect to such vacancy.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting.

If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, *not* be registered in the shareholder’s name. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. In the United Kingdom, the vast majority of such Common Shares are held through CREST (an electronic trading system) and are registered under the name of Link Market Services Trustees Limited.

Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. Each Beneficial Shareholder should therefore ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The Intermediaries (or their service companies) are responsible for forwarding the meeting materials to each Beneficial Shareholder, unless the Beneficial Shareholder has waived the right to receive them.

In accordance with the requirements of NI 54-101, proxy-related materials will be distributed to the clearing agencies and Intermediaries for onward distribution to Beneficial Shareholders of the Corporation.

Intermediaries are required to forward such materials to Beneficial Shareholders of the Corporation unless the Beneficial Shareholders have waived the right to receive them. Very often, Intermediaries will use service companies to forward the Management Information Circular to beneficial shareholders.

Generally, a Beneficial Shareholder who has not waived the right to receive meeting materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Beneficial Shareholder and must be completed, but not signed, by the Beneficial Shareholder and deposited with TSX Trust; or
- (b) more typically, be given a Voting Information Form (“VIF”) which is not signed by the Intermediary, and which, when properly completed and signed by the Beneficial Shareholder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the Common Shares that they beneficially own. **Should a Beneficial Shareholder of the Corporation wish to vote at the Meeting in person, the Beneficial Shareholder should follow the procedure in the request for voting instructions**

provided by or on behalf of the Intermediary and print their name in the Appointee box which will grant the Beneficial Shareholder the right to attend the Meeting and vote in person. Beneficial Shareholders of the Corporation should carefully follow the instructions of their Intermediary, including those regarding when and where the completed request for voting instructions is to be delivered. Beneficial Shareholders of the Corporation who wish to change their vote must, in sufficient time in advance of the Meeting, arrange with their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set out above.

If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance. All references to shareholders in this Management Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at April 6, 2018, the Corporation had 204,493,040 Common Shares outstanding. Each Common Share confers upon the holder thereof the right to one vote. The close of business on April 6, 2018 is the record date for the determination of shareholders who are entitled to notice of, and to attend and vote at, the Meeting (the “**Record Date**”). Only those shareholders of record on the Record Date are entitled to notice of, and to attend and vote at the Meeting. Any transferee or person acquiring Common Shares after the Record Date may, on proof of ownership of Common Shares, demand of TSX Equity not later than 10 days before the Meeting that their name be included in the list of persons entitled to attend and vote at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof there are six registered holders that beneficially own, control or direct, directly or indirectly, more than 3% of the voting rights attached to all of the outstanding Common Shares.

The Corporation may not have accurate information regarding Beneficial Shareholders of the Corporation as it is not entitled to such information and cannot access such information under Canadian securities laws. Further, under the securities laws of Canada the threshold for the disclosure of interests in the share capital of the Corporation is 10%. Accordingly, the Corporation cannot necessarily be aware of interests below this figure.

Company	Holding	% of Voting Rights⁽¹⁾
MEA Energy Investment Company Limited	39,876,803	19.50%
Ingalls & Snyder LLC	36,890,714	18.04%
Highclere Investors	10,788,380	5.28%
AXA Investment Managers SA	8,466,890	4.14%
River & Mercantile	7,000,000	3.42%
Mr Nikolas D. Monoyios	6,258,980	3.06%

Note:

(1) Based on 204,493,040 Common Shares issued and outstanding as at the date hereof.

EXECUTIVE COMPENSATION - COMPENSATION DISCUSSION AND ANALYSIS

Overview of Compensation Program

The compensation committee (the “**Compensation Committee**”) of the board of directors of the Corporation (the “**Board**”) exercises general responsibility regarding the overall compensation policy for the senior employees and executive officers of the Corporation. Subject to the approval of the Board, it is responsible for: (i) recommending the salary and benefits of the Chief Executive Officer and Chief Financial Officer, subject to terms of any existing contractual arrangements; (ii) recommending the general compensation structure and policies and programs for the Corporation and the salary and benefit levels for the senior officers and management; (iii) reviewing the Corporation’s stock option plan and long term incentive plan and authorizing its use, determining the number of options or awards, and the terms thereof, that may be issued under the stock option plan and/or long term incentive plan of the Corporation during any particular period and issuing or authorizing the issuance of such options or awards in accordance with the plans; (iv) reviewing and making recommendations to the Board on issues that arise in relation to any employment contracts in force from time to time; (v) reviewing annually all other benefit programs for salaried personnel; (vi) reviewing and approving severance arrangements for senior officers and management; (vii) reviewing the executive compensation disclosure required to be included in the information circular for the shareholders’ annual meeting; (viii) recommending the compensation for members of the Board, as well as for committee members, including the compensation of the Chairman of the Board and any chairman of a Board committee; (ix) reviewing and making recommendations on the succession plan for the Chief Executive Officer and for key employees of the Corporation; and (x) reviewing and making recommendations on any material changes in human resources policy, procedure, remuneration and benefits.

Compensation Philosophy and Objectives

The objectives of the Corporation’s executive compensation policy are to attract and retain individuals of high calibre to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation’s strategic objectives and to align the interests of executive officers with the long-term interests of the shareholders of the Corporation. These objectives are designed to ensure that the Corporation continues to grow shareholder value. The Corporation’s compensation policy is designed to pay for performance and, accordingly, the performance of the Corporation and of the Chief Executive Officer and Chief Financial Officer as individuals are both examined by the Compensation Committee. The Corporation’s compensation program for all of the Corporation’s employees, including the Corporation’s executive officers, is comprised of three principal components: base salary, short-term incentive compensation (comprised of annual discretionary cash bonuses) and long-term incentive compensation (comprised of discretionary stock options or long term incentive plan awards).

Together, these components are designed to achieve the following key objectives:

- J to support the Corporation’s overall business strategy and objectives;
- J to provide market competitive compensation that is substantially performance based;
- J to provide incentives which encourage superior corporate performance and retention of highly skilled and talented employees; and
- J to align executive compensation with corporate performance and therefore shareholders’ interests.

The aggregate value of these principal components and related benefits is used as a basis for assessing the overall competitiveness of the Corporation’s compensation package. The fixed element of compensation provides a competitive base of secure compensation required to attract and retain executive talent. The variable performance based, or “at risk” compensation, is designed to encourage both short-term and long-term performance of the

Corporation. At more senior levels of the organization, a significant portion of compensation eligible to be paid is variable performance based compensation which places a greater emphasis on rewarding executives for their individual contributions, business results of the Corporation and long-term value creation for shareholders of the Corporation.

Compensation Review Process

When determining compensation, including the assessment of the competitiveness of the Corporation’s compensation program, management and the Compensation Committee reviews the compensation practices of companies in its selected peer group.

To provide benchmarking information, the Corporation reviews freely available, industry reports and general compensation surveys conducted by independent consultants which provide comparative information. Specifically, the Compensation Committee reviewed two PwC Reports (“Executive & Management Reward Survey 2017 FTSE SMC Market Overview” and “Mid-cap remuneration trends for post IPO companies”). The Compensation Committee considered these reports, amongst other things, in its determination of compensation for the Corporation’s executive officers.

In April 2017, the Corporation engaged a specialist consultancy team from PricewaterhouseCoopers (“PwC”) who are independent from the PwC team that carries out the annual audit of the Corporation’s financial statements, to carry out a detailed review of executive and non-executive director pay programs, and, to support the Corporation in designing and implementing short term and long term incentive schemes. The Compensation Committee considered the findings of PwC in determining the salary and bonus levels of the executive directors, the annual fees of the non-executive directors and the structure of the new long term incentive plan.

The following table lists the total fees paid to PwC (in 2017) and Hugessen Consultancy (in 2016). Hugessen carried out an initial review of executive and director pay programs and provided some context on the design of potential short term and long term incentive schemes:

	Executive Compensation-Related Fees	All Other Fees
2017	GBP £92,850	Nil ⁽¹⁾
2016	C\$42,000	Nil

Note:

(1) Does not include fees billed by the Corporation’s external auditor, which is described under “*Audit Committee – External Auditor Service Fees (By Category)*” below.

The Chief Executive Officer annually assesses the individual performance and development of each executive officer, and recommends to the Compensation Committee the appropriate salary, annual incentive and long-term incentive for each individual. The Compensation Committee then reviews these recommendations, in conjunction with its own review of the Corporation’s performance, executive performance and comparative data, and thereafter recommends to the Board the compensation package payable to the executive officers for the Board’s review, discussion and approval.

The Compensation Committee considers numerous factors in assessing performance of the Chief Executive Officer and other executive officers and these are described below in the sections covering Short-Term Incentive Compensation – Annual Cash Bonuses, Long Term Incentive Compensation – Share Options and Long Term Incentive Compensation - LTIP.

Elements of the Corporation's Compensation Program

Base Salaries

The base salary component is intended to provide a fixed level of competitive pay that reflects each executive officer's primary duties and responsibilities and the level of skills and experience required to successfully perform their role. The Corporation intends to pay base salaries to its executive officers, including the Chief Executive Officer, that are competitive with those for similar positions within the Corporation's selected peer group. For the Corporation's executive officers, base salaries are targeted at the median of the Corporation's comparative peer group. Salaries of the executive officers, including that of the Chief Executive Officer, are reviewed annually by the Corporation's Compensation Committee and adjustments are made taking into account the executive's job responsibilities, demonstration of capability and the market comparative information.

Short-Term Incentive Compensation – Annual Cash Bonuses

In addition to base salaries, the Corporation has a discretionary bonus plan pursuant to which the Board, upon recommendation of the Compensation Committee, may award annual cash bonuses to executive officers. The bonus element of the Corporation's executive compensation program is designed to retain top quality talent and reward both corporate and individual performance during the Corporation's last completed financial year. To determine bonus awards for senior executives, including the Named Executive Officers, the Compensation Committee considers both the executive's personal performance and the performance of the Corporation measured against stretching annual performance targets covering Strategic/Financial metrics including share price performance, cash flow and working capital targets. Operational metrics including organic and inorganic production and reserves growth targets. Health, Safety and Environmental metrics and certain 'Other' metrics surrounding liquidity, cost control and financial performance. The proposed bonus amounts for executive officers are recommended by the Compensation Committee for review, discussion and approval by the Board of Directors.

Long Term Incentive Compensation – Share Options

Executive officers, along with all of the Corporation's officers, directors, employees, contractors and other service providers, are eligible to participate in the Corporation's stock option plan (the "**Stock Option Plan**"). The Stock Option Plan continues to provide a long-term incentive designed to reward eligible participants for their contribution in enhancing total shareholder return over the long-term both on an absolute and relative basis. The Stock Option Plan promotes an ownership perspective among the executives, encourages the retention of key executives and provides an incentive to enhance shareholder value by furthering the Corporation's growth and profitability. As with most companies in the Corporation's peer group, options form an integral component of the total compensation package provided to the Corporation's executive officers. Participation in the Stock Option Plan rewards overall corporate performance, as measured through the price of the Common Shares. In addition, the Stock Option Plan enables executives to develop and maintain a significant ownership position in the Corporation. This results in a significant portion of executive compensation being "at risk" and directly linked to the achievement of business results and long-term value creation.

Options are normally recommended by management and approved by the Compensation Committee and Board of Directors upon the commencement of an individual's employment with the Corporation based on the level of their respective responsibility within the Corporation. Additional grants may be made periodically, generally on an annual basis, to ensure that the number of options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Corporation. In considering additional grants, a number of factors are considered including the number of options held by such individual, the exercise price and implied value of the options, the term remaining on those options and the total number of options the Corporation has available for grant under its securities compensation plans. See "*Executive Compensation – Stock Option Plan*" for a description of the detailed terms of the Stock Option Plan. Whilst the Stock Option Plan will remain in place, any future option awards will only be made to Directors who are not executive officers, as the

Compensation Committee has introduced a new long term incentive plan for employees, directors and executive officers. The Compensation Committee believes that this new plan, which is explained below, will better align meaningful elements of participants' total rewards with shareholder value creation.

Long Term Incentive Compensation – LTIP

Directors and executive officers, along with all of the Corporation's employees, are eligible to participate in the Corporation's long term incentive plan (the "**LTIP**"). The LTIP provides a long-term incentive designed to reward eligible participants for their contribution in driving strategic, operational, financial and shareholder return performance. The LTIP assists the Corporation in recognizing the need to ensure that executive officers and key employees from its operational, commercial, technical and financial divisions, who are critical to executing the Corporation's strategy over the next phase of its development, are retained and incentivised to generate long term value for shareholders. The LTIP, which vests after three years, has stretching performance targets over this period covering EBITDAX, Production, 2P reserves and Relative and Absolute Share Price performance metrics. This results in a significant portion of executive compensation being "at risk" and directly linked to the achievement of business results and long-term value creation.

Grants of awards to directors and executive officers under the LTIP are determined and approved by the Compensation Committee and further approved by the Board of Directors. Awards to other key employees under the LTIP are normally recommended by management and approved by the Compensation Committee and Board of Directors based on the level of their respective responsibility within the Corporation. Awards will normally be made upon the commencement of a key employee's employment with the Corporation and additional grants may be made periodically, generally on an annual basis, to directors, executive officers and key employees as an important component of the Remuneration Policy. The Compensation Committee ensures that the number of awards granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Corporation. In considering additional grants, a number of factors are considered including the number of options and awards held by such individual, the exercise price and implied value of the options, the term remaining on those options and awards and the total number of options and awards the Corporation has available for grant under its securities compensation plans. See "*Executive Compensation – LTIP*" for a description of the detailed terms of the LTIP.

Risks Associated with Compensation Policies and Practices

The oversight and administration of the Corporation's executive compensation program requires the Compensation Committee to consider risks associated with the Corporation's compensation policies and practices. Potential risks with compensation policies and compensation awards are considered at annual meetings of the Compensation Committee at which compensation related recommendations to the Board are formulated.

The Corporation's executive compensation policies and practices are intended to align management incentives with the long-term interests of the Corporation and its shareholders. In each case, the Corporation seeks an appropriate balance of risk and reward. Practices that are designed to avoid inappropriate or excessive risks include (i) the Corporation's operating strategy and related compensation philosophy, (ii) the effective balance, in each case, between cash and equity mix, near-term and long-term focus, corporate and individual performance, and financial and non-financial performance; and (iii) a multi-faceted approach to performance evaluation and compensation which discourages risky behaviour.

The Compensation Committee believes that the Corporation's total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

The Corporation does not prohibit the Named Executive Officers (see definition under Summary Compensation Table on page 10) or the directors of the Corporation from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are

designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such person. The Named Executive Officers and directors have advised the Corporation that they have not entered into any such agreements. To the extent that they subsequently enter into an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, their economic exposure to the Corporation, insider reporting laws in Canada provide that they must file a report disclosing the existence and material terms of the agreement, arrangement or understanding within five days of the event.

Compensation Governance

The policies and practices adopted by the Board to determine the compensation of the Corporation's executive officers and directors is described under "*Executive Compensation – Compensation Discussion and Analysis*".

The Compensation Committee is comprised of two directors, Michael Raynes (Chair) and David Mitchell, each of whom are independent. The skills and experience of each Committee member in executive compensation that is relevant to his responsibilities and the making of decisions on the suitability of the Corporation's compensation policies and practices is as follows:

Michael Raynes (Chair)

Mr. Raynes is the Managing Partner of MEA Energy Advisory UK LLP, an Energy focussed investment advisory partnership, and a Director of MEA Energy Investment Company Limited. MEA Energy Investment Company Limited is a significant shareholder in SDX Energy Inc. Previously Mr. Raynes was the Chief Operating Officer of Waha Capital with responsibility for all investing activity including Sales & Trading, Private Equity, Infrastructure, Real Estate and Energy. Mr. Raynes brings with him an intricate understanding of investing in the Middle East and North Africa and has established a strong track record of adding value to businesses and generating strong returns for investors.

Prior to Mr. Raynes' role at Waha Capital, he was a Senior Investment Banker with Barclays Capital in London.

David Mitchell

Mr. Mitchell, is a successful oil and gas executive with more than 35 years proven track record in the International arena, including with BP and Nexen. During this time, Mr. Mitchell discovered and built projects with his teams in the Middle East, West Africa, Latin America and the North Sea. He has lived and worked in a number of countries including a year with BP Egypt.

Mr. Mitchell received his BSc Honours Geology from the University of London and his MPhil Mining Engineering from the University of Nottingham, UK. Mr. Mitchell was appointed CEO of Madison PetroGas on joining in 2008, building the company prior to the merger with Sea Dragon Energy in 2015.

The Compensation Committee's mandate is to oversee the compensation policies of the Corporation. See "*Compensation Discussion and Analysis – Overview of Compensation Program*" for a summary of the Compensation Committee's responsibilities and powers.

Summary

The Corporation's compensation policies have allowed the Corporation to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing shareholder value. The Compensation Committee has reviewed the compensation regime and is satisfied that the current levels of total

compensation are reflective of competitive market practices, align pay for performance with the interests of shareholders and support the Corporation's objective to attract, retain and motivate highly capable executive talent. The Compensation Committee and the Board will continue to review compensation policies to ensure that they are competitive within the oil and natural gas industry and consistent with the performance of the Corporation.

Summary Compensation Table

All compensation related tables in this section are denominated in Canadian dollars unless otherwise stated. The following table sets forth all compensation earned by persons acting in the positions of Chief Executive Officer, Chief Financial Officer and the three most highly compensated executive officers of the Corporation or its subsidiaries, at the end of the most recently completed financial year, who earned greater than \$150,000 in total salary and bonus, during the three most recently completed financial years (the "Named Executive Officers").

Name and principal position	Year	Salary (\$)	Option-based awards ⁽⁵⁾⁽⁶⁾ (\$)	Long-term incentive plans ⁽⁷⁾ (\$)	Non-equity incentive plan compensation		Total Compensation (\$)
					Annual incentive plans ⁽⁸⁾ (\$)	All other Compensation ⁽⁹⁾ (\$)	
Paul Welch ⁽¹⁾ President and Chief Executive Officer	2017	564,901	Nil	1,226,175	395,431	106,160	2,292,667
	2016	576,716	Nil	Nil	471,345	83,147	1,131,208
	2015	614,626	406,903	Nil	Nil	84,919	1,106,448
Mark Reid ⁽²⁾ Chief Financial Officer	2017	416,455	Nil	884,110	308,025	24,482	1,633,072
	2016	331,334	Nil	Nil	266,841	18,816	616,991
	2015	55,396	203,451	Nil	Nil	2,566	261,413
Ahmed Farid Moaaz ⁽³⁾ Country Manager Egypt (to July 2017)	2017	168,424	Nil	Nil	Nil	481,220	649,644
	2016	295,465	Nil	Nil	Nil	Nil	295,465
	2015	321,236	203,451	Nil	Nil	Nil	524,687
Lonny Baumgardner Country Manager Morocco (From January 2017) ⁽⁴⁾	2017	413,722	Nil	71,965	156,917	119,571	762,175

Notes:

- (1) Mr. Welch was appointed President and Chief Executive Officer on April 12, 2013. Mr Welch's 2017, 2016 and 2015 salary were paid in US\$ and GBP. They have been converted at the year-end US rates of 1.2553, 1.3467 and 1.3872 respectively to CDN and at the year-end GBP rates of 1.6941, 1.6567 and 2.0529 respectively to CDN
- (2) Mr. Reid was appointed Chief Financial Officer on November 13, 2015. Mr Reid's 2017, 2016 and 2015 salary were paid in GBP. They have been converted at the year-end GBP rates of 1.6941, 1.6567 and 2.0529 respectively to CDN.
- (3) Mr. Moaaz's 2017, 2016 and 2015 salary were paid in US\$ and EGP. In 2016 and 2015, Mr. Moaaz elected to receive a portion of his salary in EGP. They have been converted at the year-end EGP rates of 0.0739 and 0.1766 respectively to CDN and the US rates of 1.2553, 1.3467 and 1.3872 to CDN, respectively. Upon his resignation in July 2017, under Egyptian law Mr Moaaz was entitled to termination benefits amounting to C\$481,220.
- (4) Mr. Baumgardner was appointed Country Manager Morocco on January 27, 2017. Mr Baumgardner's 2017 salary was paid in USD and Moroccan Dirhams ("MAD"). They have been converted at the year-end MAD rate of 0.1346 to CDN and the US rate of 1.2553 to CDN, respectively.
- (5) The value of the Option Based Awards attributed to Mr Welch, Mr Reid and Mr. Moaaz is the theoretical fair value of these awards calculated using the prescribed Black-Scholes related methodology as set out in IFRS 2 Share Based Payment. The current market value of these Awards is set out on page 15. The Black-Scholes assumptions used by the Corporation for the options granted on November 30, 2015 were: (i) an initial expected useful life of 5 years; (ii) a forfeiture rate of 0; (iii) volatilities of 115.5% and (iv) risk-free interest rate of 0.81%.

- (6) The Corporation cancelled the 2014 and 2013 previously granted options as a condition of the business combination between the Corporation and Madison PetroGas Ltd, effective October 1, 2015. The fair value of the cancelled options for the Named Executive Officers, shown in the table above, as calculated by the Black-Scholes model was \$634,800.
- (7) The value of the Long Term Incentive Plan benefits attributed to Mr Welch and Mr Reid is the theoretical fair value of these awards calculated using the prescribed Black-Scholes related methodology as set out in IFRS 2 Share Based Payment. As noted on page 15 however, these awards have a current market value of Nil as none of the performance conditions have yet been met. The Black-Scholes assumptions used by the Corporation for the LTIP options granted on July 31, 2017 were: (i) an initial expected useful life of 3 years; (ii) a forfeiture rate of 0; (iii) volatilities of 61.0% and (iv) risk-free interest rate of 0.28%.
- (8) Up until 2017, given the early stage of the Company's development, it was always unclear as to whether or not bonuses would be awarded. As such, cash bonuses paid to the CEO and CFO were recognised in the period in which they were paid. This meant that the 2016 bonus, which was awarded and paid in 2017, was recognised in the Financial Statements for the year to December 31, 2017 which also reflects the accrued 2017 bonus. Given this, the analysis above shows the 2016 and 2017 bonuses allocated in the periods to which they relate rather than the year of the Financial Statements in which they are recorded.
- (9) None of the Named Executive Officers, with the exception of Messrs. Welch and Baumgardner, received perquisites, including property or personal benefits not generally available to all employees that in aggregate were worth \$50,000 or more, or were worth 10% or more of the Named Executive Officer's total salary for the financial year ended December 31, 2017.
Mr. Welch received other compensation of \$106,160 in regard to BUPA worldwide medical insurance (39,756 GBP), tax advice and support related to the calculation, completion and filing of U.S. and U.K. annual personal tax returns (20,750 GBP) and life insurance (2,160 GBP).
Mr. Baumgardner received other compensation of \$119,571 in regard to accommodation, car benefit, health insurance and flights allowance, in his capacity as Morocco Country Manager.

The Stock Option Plan

In order to attract and retain qualified personnel and provide incentives and rewards to the directors, officers, employees and consultants of the Corporation, the Board adopted the Stock Option Plan, which was amended and reapproved, by the shareholders on September 16, 2016. The maximum number of Common Shares issuable under both the Stock Option Plan and LTIP is currently 20,449,304 Common Shares (being 10% of the issued and outstanding Common Shares).

Principal features of the Stock Option Plan include:

1. The Stock Option Plan is administered by the Board or a committee thereof (the "**Administrators**") who designate qualified participants and set appropriate terms for the granting of options.
2. The maximum number of Common Shares which may be reserved for issuance pursuant to the Stock Option Plan is 10% of the outstanding listed Common Shares and the Common Shares reserved for issuance to any one person shall not exceed 5% of the outstanding Common Shares.
3. The options may be exercisable for a maximum of five years, subject to extension in certain circumstances where the expiry date occurs in a blackout period.
4. The price of the options shall be fixed by the Administrators and shall not be less than the market price of the Common Shares.
5. The option vesting period is over a period of three years or as otherwise determined at the discretion of the Administrators.
6. The Stock Option Plan contains provisions to prevent dilution, to protect holders of options in the event of reorganization and to allow limited amendments of individual grants by the Administrators.

The Stock Option Plan provides that in the event of a sale of all or substantially all of its assets or in the event of a change of control of the Corporation a person that has participated in the Stock Option Plan (the

“**Participant**”) shall be entitled to exercise in full or in part any unexercised option previously granted under the Stock Option Plan, whether vested or not, until the earlier of the expiration of the period during which an option may be exercised or the expiration of ninety days after the termination of the employment of the Participant with the Corporation or its subsidiary, or ninety days after the cessation or termination of the Participant as a director, officer or employee of, or provider of services to the Corporation or its subsidiary.

No options were exercised during the recently completed financial year ended December 31, 2017 by the Named Executive Officers.

The Long Term Incentive Plan

In order to attract and retain qualified personnel and provide incentives and rewards to the executive officers who are directors and employees of the Corporation or its subsidiaries (“**Relevant Employees**”), the Board adopted the LTIP, which is being put forth for approval by the shareholders at the Meeting. No Common Shares will be issued pursuant to awards granted under the LTIP until such time as such shareholder approval is received. The maximum number of Common Shares issuable under both the LTIP and the Stock Option Plan is currently 20,449,304 Common Shares (being 10% of the issued and outstanding Common Shares). The LTIP provides for the grant of awards to Relevant Employees consisting of conditional share awards (a conditional right under the LTIP to acquire Common Shares) or options (a right to acquire Common Shares).

Principal features of the LTIP include:

1. The LTIP is administered by the Board or a committee thereof (the “**Grantor**”) who may determine which Relevant Employees shall be granted awards and set appropriate terms for the granting of awards.
2. The number of Common Shares that may be issued or reserved for issuance under the awards granted pursuant to the LTIP, together with all Common Shares which may be issued under options granted pursuant to the Stock Option Plan, may not exceed 10% of the Corporation’s issued and outstanding Common Shares at the time of grant.
3. Awards granted pursuant to the LTIP will normally vest on the third anniversary of the date of grant of the awards, subject to the achievement of certain strategic, operational, financial and shareholder return performance criteria and the continued employment of the Relevant Employee. The awards for the executive officers who are also directors are subject to malus and claw back provisions and a further 2 year holding period from the date of vesting. It should be noted that malus and claw back provisions contained in the rules of the LTIP can be applied to awards made to all Relevant Employees.
4. Awards must not be granted to a Relevant Employee if the result of granting the award would be that, at the proposed grant date, the market value of the Common Shares subject to that award, when aggregated with the market value of the Common Shares subject to any other award granted to him under the LTIP in the same financial year, would exceed 200% of his annual remuneration.
5. Awards must not be granted to a Relevant Employee if the result of granting the award would be that:
 - a) the number of Common Shares subject to that award, when aggregated with the number of Common Shares subject to any other award granted to him under the LTIP in a twelve month period would exceed 1% of the issued and outstanding Common Shares at that time; or
 - b) the number of Common Shares subject to that award, when aggregated with the number of Common Shares subject to any other award granted to him under the LTIP or pursuant to any other options or awards granted under any other Employees’ Share Scheme (as defined in section 1166 of the Companies Act 2006 of the United Kingdom) (whether or not discretionary) operated by the Corporation or its subsidiaries, in a twelve month period would exceed 5% of the issued and outstanding Common Shares at that time.

6. The aggregate amount of all Common Shares subject to awards granted to all insiders under the LTIP in a twelve month period must not exceed 2% of the issued and outstanding Common Shares at that time.
7. The aggregate number of Common Shares subject to all awards granted to all Relevant Employees performing investor relations activities under the LTIP or pursuant to any other options or awards granted under any other Employees' Share Scheme (whether or not discretionary) operated by the Corporation or its subsidiaries, in a twelve month period must not exceed 2% of the issued and outstanding Common Shares at that time.
8. The award price, if any, shall be determined by the Grantor, and may be any price.
9. The vesting of an award and the extent to which it vests will be subject to the satisfaction of any applicable performance target and any other conditions set by the Grantor on or before the date of grant of the award.
10. The LTIP contains provisions to prevent dilution, to protect holders of options in the event of reorganization and to allow limited amendments of individual grants by the Grantor.
11. Awards shall expire, on;
 - a) in the case of Options, the expiry of the applicable exercise period;
 - b) the Board determining that any performance target and/or any other conditions imposed has not been satisfied either in whole or in part in respect of the award and can no longer be satisfied in whole or in part, in which case the award shall lapse to the extent that the performance target and/or any other conditions imposed can no longer be satisfied;
 - c) the holder ceasing to be a Relevant Employee (subject to certain exceptions);
 - d) any other date for lapse provided under the LTIP; and
 - e) the date on which the holder becomes bankrupt or enters into a compromise with his creditors generally.
12. If a holder dies, a proportion of each award held by him which has not vested will vest immediately. The proportion of each Award which shall vest shall be determined by the Board at its absolute discretion taking into account such factors as the Board may consider relevant (including the applicable performance target and the time the award has been held by the holder).
13. If a holder ceases to be in Relevant Employment by reason of:
 - a) injury, ill-health or disability evidenced to the satisfaction of the Board;
 - b) redundancy within the meaning of the Employment Rights Act 1996 of the United Kingdom (or any applicable equivalent overseas legislation) evidenced to the satisfaction of the Board;
 - c) retirement by agreement with the company by which he is employed;
 - d) the holder being employed by a company which ceases to be a subsidiary of the Corporation;
 - e) the holder being employed in an undertaking or part of an undertaking which is transferred to a person who is not a subsidiary of the Corporation;

f) or any other circumstances if the Board decides in any particular case,

any award held by him which has not vested will continue until the normal time of vesting and the performance target and/or any other conditions shall be considered at the time of vesting. Alternatively, the Board may decide that an award will vest immediately in which case the proportion of the award which shall vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant.

14. If it is proposed that a holder, while continuing to be in Relevant Employment, should work in a country other than the country in which he is currently working and, by reason of the change, the holder would suffer less favourable tax treatment in respect of his award or become subject to a restriction on his ability to exercise an option, to have issued or transferred to him the Common Shares subject to an award or to hold or deal in such Common Shares or the proceeds of sale of such Common Shares, an award may, at the absolute discretion of the Board, vest immediately either in full or to the extent determined by the Board in its absolute discretion and subject to such conditions as it may require taking into account such factors as the Board may consider relevant.
15. The LTIP provides that in the event a person obtains control of the Corporation as a result of making an offer or bid to acquire Common Shares, if a person becomes entitled or bound to acquire shares in the Corporation under sections 206 to 206.1 of the *Canada Business Corporations Act*, a person obtains control of the company pursuant to an arrangement approved by the court under section 192 of the *Canada Business Corporations Act*, notice is given of a resolution for the voluntary winding-up of the Corporation or if the Board becomes aware that the Corporation will be affected by a demerger, distribution (which is not an ordinary dividend) or other transaction not otherwise covered by the LTIP, the Board, in its absolute discretion, taking into account such factors as the Board may consider relevant (including the applicable performance target and the time the award has been held by the holder), shall determine the proportion of an award which shall vest on the relevant date.

In relation to an option, the vested portion of the option may be exercised at any time:

- a) during the period of 6 months (or if the Board determines a longer period shall apply, that period) beginning with the time the person making the offer has obtained control;
- b) during the period beginning with the date the person serves notice under section 206(3) of the *Canada Business Corporations Act* and ending 7 clear days before the date on which the person ceases to be entitled to serve such a notice;
- c) during the period of 6 months from the arrangement being approved by the court;
- d) during the period of 6 months from the date of the notice or, if earlier, on completion of the winding-up; or
- e) during a period as shall be determined by the Board in respect of a demerger, distribution (which is not an ordinary dividend) or other transaction not otherwise covered by the LTIP.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of incentive plan awards outstanding at the end of the financial year ended December 31, 2017 held by the Named Executive Officers.

Name	Option-based Awards				LTIP/Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested ⁽²⁾	Market or payout value of share-based awards that have not vested ⁽²⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Ahmed Farid Moaaz	400,000	0.63	December 1, 2020	128,000	N/A	N/A	N/A
Lonny Baumgardner	Nil	N/A	N/A	N/A	147,361	Nil	Nil
Mark Reid	400,000	0.63	December 1, 2020	128,000	1,111,111	Nil	Nil
Paul Welch	800,000	0.63	December 1, 2020	256,000	1,541,000	Nil	Nil

Note:

- (1) Based on the closing price of the Common Shares on December 29, 2017 of \$0.95, being the last day the Common Shares traded on the TSX-V during the financial year ended December 31, 2017.
- (2) The number of LTIP shares that have not vested represents the maximum number of shares that potentially can vest. The actual number of shares that do eventually vest will be based on the extent to which the stretching performance targets measured over a three year period are actually achieved. None of these performance targets had been achieved as at December 31, 2017, and thus the LTIP shares have no market or payout value.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information in respect of the value of incentive plan awards held by the Named Executive Officers vested during the financial year ended December 31, 2017.

Name	Option-based awards - value vested during year ⁽¹⁾⁽²⁾⁽³⁾ (\$)	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Ahmed Farid Moaaz	42,667	Nil	Nil
Mark Reid	42,667	Nil	308,025
Paul Welch	85,333	Nil	395,431

Notes:

- (1) Represents the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date based on the difference between the closing market price of the Corporation's Common Shares on the vesting date and the exercise price of the options held.
- (2) Options are priced at the market price at the time of grant.
- (3) Options granted to employees, consultants and officers vest over a three-year period, with 1/3 vesting on the first anniversary of the date of grant, 1/3 vesting on the second anniversary and the remaining 1/3 vesting on the third anniversary.

Termination and Change of Control Benefits

Employment Agreements

Except as set out below, the Corporation has not entered into any employment contracts with Named Executive Officers or any compensatory plan, contract or arrangement whereby a Named Executive Officer would receive payment from the Corporation in the event of (a) the resignation, retirement or termination of a Named Executive Officer, (b) a change of control of the Corporation or (c) a change in a Named Executive Officer's responsibilities, except pursuant to statute or common law rights.

Mr. Paul Welch was appointed President, Chief Executive Officer and Chief Operating Officer of the Corporation on April 12, 2013. The Corporation has entered into an employment contract with Mr. Welch. Pursuant to the terms of the employment contract, the Corporation is entitled to terminate Mr. Welch's employment at any time, without cause, by providing Mr. Welch written notice of the termination or, at the Corporation's sole discretion, by paying Mr. Welch compensation in lieu of notice of an amount equal to the base salary (450,000 USD per annum as of December 31, 2017) that Mr. Welch would have received during the applicable notice period, or any combination of written notice and payment in lieu of notice. If Mr. Welch is provided with a payment in lieu of notice for any portion, Mr. Welch's eligibility for all health and benefit plans shall cease immediately on the last day of active employment, unless otherwise required by law. The termination notice period or termination payment shall be a minimum of 12 months' salary.

Mr. Mark Reid was appointed Chief Financial Officer of the Corporation on November 13, 2015. The Corporation has entered into an employment contract with Mr. Reid. Pursuant to the terms of the employment contract, the Corporation is entitled to terminate Mr. Reid's employment at any time, without cause, by providing Mr. Reid written notice of the termination or, at the Corporation's sole discretion, by paying Mr. Reid compensation in lieu of notice of an amount equal to the base salary (250,000 GBP per annum as of December 31, 2017) that Mr. Reid would have received during the applicable notice period, or any combination of written notice and payment in lieu of notice. If Mr. Reid is provided with a payment in lieu of notice for any portion, Mr. Reid's eligibility for all health and benefit plans shall cease immediately on the last day of active employment, unless otherwise required by law. The termination notice period or termination payment shall be a minimum of 6 months' salary. If there is a Change of Control within the Corporation, and notice of termination is given by the Corporation to Mr. Reid, then the applicable notice period shall be a minimum of 12 months' salary.

Mr. Lonny Baumgardner was appointed Country Manager Morocco of the Corporation on January 27, 2017. The Corporation has entered into an employment contract with Mr. Baumgardner. Pursuant to the terms of the employment contract, the Corporation is entitled to terminate Mr. Baumgardner's employment at any time, without cause, by providing Mr. Baumgardner written notice of the termination or, at the Corporation's sole discretion, by paying Mr. Baumgardner compensation in lieu of notice of an amount equal to the base salary (275,000 USD per annum as of December 31, 2017) that Mr. Baumgardner would have received during the applicable notice period, or any combination of written notice and payment in lieu of notice. If Mr. Baumgardner is provided with a payment in lieu of notice for any portion, Mr. Baumgardner's eligibility for all health and benefit plans shall cease immediately on the last day of active employment, unless otherwise required by law. The termination notice period or termination payment shall be a minimum of 6 months' salary.

Assuming that the triggering events occurred on December 31, 2017 for the scenarios outlined in the paragraphs above: (a) Mr. Welch would be entitled to receive 450,000 USD (12 months' salary, assuming no notice period) (b) Mr. Reid would be entitled to receive 125,000 GBP (6 months' salary, assuming no notice period), or for a change of control, Mr. Reid would be entitled to receive 250,000 GBP (12 months, salary, assuming no notice period) and (c) Mr. Baumgardner would be entitled to receive 137,500 USD (6 months' salary, assuming no notice period).

In addition to the foregoing, the option agreements entered into between the Corporation and the Named Executive Officers under the Stock Option Plan provide that if a bona fide third party offer is made for the Common Shares of the Corporation, then the Corporation shall notify the optionee of the offer and the optionee shall be entitled to exercise all options (including unvested options which shall be deemed to vest) so as to enable the optionee to tender the option shares pursuant to such exercise to the offer. Further, in the event of a change of control of the Corporation or the sale of all or substantially all of the Corporation's assets, all unvested options shall immediately become vested and be considered vested options as of the date of the change of control.

The LTIP provides that in the event a person obtains control of the Corporation as a result of making an offer or bid to acquire Common Shares, the Board, in its absolute discretion, taking into account such factors as the Board may consider relevant, shall determine the proportion of an award which shall vest on the relevant date. In relation to an option, the vested portion of the option may be exercised at any time during the period of 6 months (or if the Board determines a longer period shall apply, that period) beginning with the time the person making the offer has obtained control.

In the event of an offer to acquire the Corporation, all unvested options held by Named Executive Officers under the Stock Option Plan as at December 31, 2017 would vest and be immediately exercisable on December 31, 2017. If this occurred, the Named Executive Officers would receive the following amounts, based on the difference between the closing price of the Common Shares on the TSX-V on December 29, 2017, being the last day the Common Shares traded during the year ended December 31, 2017 and the exercise price of such options and assuming the vesting in full of all awards granted under the LTIP: (a) Mr. Moaaz – \$128,000 (b) Mr. Reid - \$128,000 and (c) Mr. Welch –\$256,000.

Compensation of Directors

Director Compensation Table

For the financial year ended December 31, 2017, the independent directors of the Corporation received a fee for serving on the Board and were reimbursed for their expenses for attending meetings of the Board and any committees thereof. The following table sets out the compensation paid to directors of the Corporation for the financial year ended December 31, 2017.

Name⁽¹⁾	Fees Earned (\$) ⁽²⁾	Option-based awards (\$) ⁽³⁾	All other compensation (\$)	Total (\$)
Michael Doyle	75,128	41,600	Nil	116,728
David Mitchell	51,034	41,600	Nil	92,634
David Richards	53,121	41,600	Nil	94,721
Michael Raynes	37,697	41,600	Nil	79,297

Notes:

- (1) Information for Mark Reid, the Chief Financial Officer and Paul Welch, the President and Chief Executive Officer is provided under "Summary Compensation Table".
- (2) Other than as set forth below, until April 30, 2017, the Directors were entitled to receive an annual retainer of 25,000 USD and 5,000 USD per annum for each Committee chair they hold. Mr. Doyle was also entitled to receive 10,000 USD per annum as the Chairman of the Corporation. Effective May 1, 2017, the Directors are entitled to receive an annual retainer of 30,000 USD and 5,000 USD per annum for each Committee chair they hold. Mr. Doyle is also entitled to receive 25,000 USD per annum as the Chairman of the Corporation. The fees received during 2017 have been converted at the year-end US rate of 1.2553 to CDN.
- (3) The value of the Option Based Awards attributed to Mr Doyle, Mr Mitchell, Mr Richards and Mr Raynes is the theoretical fair value of these awards calculated using the prescribed Black-Scholes related methodology as set out in IFRS 2 Share Based Payment. The current market value of these Awards is set out on page 18. The Black-Scholes assumptions used by the Corporation for the options granted on July 12, 2017 were: (i) an initial expected useful life of 5 years; (ii) a forfeiture rate of 0; (iii) volatilities of 70% and (iv) risk-free interest rate of 0.8%.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of outstanding incentive plan awards held by the directors at the end of the financial year ended December 31, 2017. The directors do not receive share-based awards.

Name⁽¹⁾	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options⁽²⁾ (\$)
Michael Doyle	160,000	0.76	July 12, 2022	30,400
	160,000	0.63	December 1, 2020	51,200
David Mitchell	160,000	0.76	July 12, 2022	30,400
	160,000	0.63	December 1, 2020	51,200
David Richards	160,000	0.76	July 12, 2022	30,400
	160,000	0.63	December 1, 2020	51,200
Michael Raynes	160,000	0.76	July 12, 2022	30,400

Notes:

- (1) Information for Mark Reid, the Chief Financial Officer of the Corporation and Paul Welch, the President and Chief Executive Officer of the Corporation is provided on page 14 and 15 under “*Outstanding Share-Based Awards and Option-Based Awards*”.
- (2) Based on the closing price of the Common Shares on December 20, 2017 of \$0.95, being the last day the Common Shares traded on the TSX-V during the financial year ended December 31, 2017

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information in respect of the value of incentive plan awards held by the directors vested during the financial year ended December 31, 2017. The directors do not receive share-based awards.

Name⁽²⁾	Option-based awards - value vested during year⁽¹⁾ (\$)
Michael Doyle	17,067
David Mitchell	17,067
David Richards	17,067
Michael Raynes	Nil

Notes:

- (1) Represents the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date based on the difference between the closing market price of the Corporation’s Common Shares on the vesting date and the exercise price of the options held.
- (2) Information for Mark Reid, the Chief Financial Officer of the Corporation and Paul Welch, the President and Chief Executive Officer is provided at page 15 under “*Incentive Plan Awards – Value Vested or Earned During the Year*”.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as at December 31, 2017 with respect to the Corporation’s compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)
Equity compensation plans approved by security holders	2,851,667 ⁽¹⁾	\$0.65	6,233,763 ⁽¹⁾
Equity compensation plans not approved by security holders	3,566,808 ⁽¹⁾	\$Nil	7,797,066 ⁽¹⁾

Note:

- (1) The Stock Option Plan and LTIP are rolling 10% plans and accordingly the number of shares available for issuance on a certain date under such plans will be determined based on the number of Common Shares outstanding at that date. On December 31, 2017, the Corporation had 204,493,040 Common Shares issued and outstanding resulting in a maximum number of 20,449,304 Common Shares that could be issued. As at December 31, 2017 the Corporation had granted 2,851,667 stock options and 3,566,808 LTIP units which were outstanding. For the purposes of the above table, the 14,030,829 stock options/LTIP units remaining available for future issuance have been allocated in proportion to the issued stock options and LTIP units as at December 31, 2017. As of the date of this Management Information Circular, the Corporation had 204,493,040 Common Shares issued and outstanding and the number of securities available for issuance under the equity compensation plans, and in accordance with the rolling 10% limit is 20,449,304. Stock options and LTIP currently issued and outstanding as at the date of the Management Information Circular are 10,066,172 with 10,383,132 remaining available for future issuance.

Indebtedness of Directors and Executive Officers

No executive officer, director, employee, former executive officer, former director, former employee, proposed nominee for election as a director, or associate of any such person has been indebted to the Corporation or its subsidiaries at any time since the commencement of the Corporation's last completed financial year, nor is, or at any time since the commencement of the Corporation's last completed financial year has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

AUDIT COMMITTEE

Terms of Reference for the Audit Committee

The Audit Committee of the Corporation is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of the Corporation. The Audit Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures. See Appendix A attached hereto for a copy of the Audit Committee Terms of Reference.

Composition of the Audit Committee

The Audit Committee currently consists of David Richards (Chair), Michael Doyle and Michael Raynes. All members of the Audit Committee have been determined to be independent, and all members are considered to be financially literate, as such terms are defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110").

Relevant Education and Experience of Audit Committee Members

The education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is as follows.

David Richards - Chair

Mr. Richards is a Fellow of the Institute of Chartered Professional Accountants of Alberta. He founded Network Capital Management Inc., a successful Calgary based investment management company focused on private equity, in 1997 and served as President and Managing Director until June 30, 2016. Mr. Richards is currently Chairman of privately owned Network Capital Inc. which provides advisory services and capital to emerging and expanding businesses.

Mr. Richards formerly served as managing tax partner with PricewaterhouseCoopers and senior tax partner with Arthur Andersen and Co. He is a Past President of the Alberta Chamber of Commerce and a past Vice President of the Calgary Chamber of Commerce. Mr. Richards is currently a director of Standard Exploration. Previous public board experience includes Boardwalk Real Estate Investment Trust, Alliance Atlantis Movie Distribution Income Fund, Forte Energy, Wilmington Capital Management Inc., Mood Media Inc. and Parkbridge Lifestyle Communities. Mr. Richards has been a lecturer for The Canadian Tax Foundation and the University of Calgary as well as a columnist for The Calgary Herald newspaper.

Michael Doyle

Michael Doyle is a Professional Geophysicist and Certified Corporate Director (ICD.D) with over 40 years of wide-ranging experience in the finance and development of international energy and resource projects. Mr. Doyle is a principal of privately-held CanPetro International Ltd. He is also a director or officer of a number of companies, principally in the petroleum sector. His previous experience includes acting as Chairman of NYSE listed Equal Energy, and as principal and Chief Executive of Petrel Robertson Ltd. where he was responsible for providing advice and project management to clients in Canada and numerous other parts of the globe.

Mr. Doyle was a founding director and Chairman of an SDX Energy Inc. predecessor company, Madison PetroGas, from its inception in 2003.

Michael Raynes

Mr. Raynes is the Managing Partner of MEA Energy Advisory UK LLP, an Energy focussed investment advisory partnership, and a Director of MEA Energy Investment Company Limited. MEA Energy Investment Company Limited is a significant shareholder in SDX Energy Inc. Previously Mr. Raynes was the Chief Operating Officer of Waha Capital with responsibility for all investing activity including Sales & Trading, Private Equity, Infrastructure, Real Estate and Energy. Mr. Raynes brings with him an intricate understanding of investing in the Middle East and North Africa and has established a strong track record of adding value to businesses and generating strong returns for investors.

Prior to Mr. Raynes' role at Waha Capital, he was a Senior Investment Banker with Barclays Capital in London.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed fiscal year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed fiscal year has the Corporation relied on: (i) the De Minimis Non-Audit Services exemption provided for in section 2.4 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”); (ii) an exemption contained in subsection 6.1.1(4), 6.1.1(5) or 6.1.1(6) of NI 52-110; or (iii) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110. However, as a “venture issuer” and as so permitted, the Corporation is relying on

the exemptions provided by section 6.1 of NI 52-110 with respect to Part 3 – *Composition of the Audit Committee* and Part 5 – *Reporting Obligations*.

Pre-Approval Policies and Procedures

The Corporation has not adopted specific policies and procedures for the engagement of non-audit services, however, the duties of the Audit Committee include the review and pre-approval of all non-audit services to be provided by the external auditor’s firm or its affiliates (including estimated fees) and the consideration of the effect of such services on the independence of the external audit.

External Auditor Service Fees (By Category)

The following table discloses the fees billed by the Corporation’s external auditor for the period indicated.

Period Ended	Audit Fees (GBP£) ⁽¹⁾	Audit-Related Fees (US\$) ⁽²⁾	Tax Fees (GBP£) ⁽³⁾	All Other Fees (Cdn\$) ⁽⁴⁾	All Other Fees (GBP£) ⁽⁴⁾	All Other Fees (USD\$) ⁽⁴⁾
December 31, 2017	£139,500	Nil	£20,750	\$164,751	£97,250	£131,245
December 31, 2016	£105,000	Nil	£18,710	\$217,541	£131,310	\$161,536

Notes:

- (1) The aggregate fees billed for audit services. **These fees are in GBP**
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit review of the Corporation’s financial statements and are not disclosed in the ‘Audit Fees’ column. **These fees are in US\$.**
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services. **These fees are in GBP.**
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

CORPORATE GOVERNANCE

Attached to this Management Information Circular as Appendix B, is the Corporation’s corporate governance disclosure prescribed by Form 58-101F2 – *Corporate Governance Disclosure*.

MATTERS TO BE CONSIDERED AT THE MEETING

1. Financial Statements

The audited consolidated financial statements of the Corporation for the year ended December 31, 2017 and the independent auditor’s report thereon will be tabled at the Meeting, but no vote by the shareholders with respect thereto is required or proposed to be taken. A copy of the audited consolidated financial statements and the independent auditor’s report thereon, have previously been sent to the shareholders.

2. Election of Directors

At the Meeting, it is proposed that six directors be elected until the next annual meeting of shareholders or until their successors are elected or appointed. **Each director nominee will be elected on an individual basis and not as a member of a slate.** Each director elected will hold office until the close of the next annual meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the By-laws of the Corporation.

The persons named in the enclosed form of proxy, if named as proxy, intend to vote proxies in favour of the election of the nominees hereinafter set forth as directors for the ensuing year.

There are currently six directors of the Corporation. Pursuant to the *Canada Business Corporations Act*

(“CBCA”), the current directors of the Corporation cease to hold office at the close of the Meeting.

The following table sets forth, in respect of each nominee, the province and country of residence, the period during which each has served as a director, all positions currently held with the Corporation, principal occupation and the approximate number of Common Shares beneficially owned, controlled or directed, directly or indirectly, as of April 6, 2018. The information contained herein is based upon information furnished by the respective nominees.

Name and Province and Country of Residence	Date Since Served as a Director	Office or Position	Present Principal Occupation	Number of Common Shares Beneficially Owned, or Controlled or Directed
Paul Welch London, U.K.	September 12, 2013	President, Chief Executive Officer and Director	Chief Executive Officer and President of the Corporation since April 2013. Prior thereto Chief Executive Officer of Chariot Oil and Gas Limited from October 2009 to December 2012. Prior thereto, Regional Manager of Pioneer Natural Resources Company.	703,145
Michael Doyle ⁽¹⁾⁽³⁾⁽⁴⁾ Calgary, Alberta	October 1, 2015	Non-Executive Chairman and Director	Non-Executive Chairman and Director of the Corporation since October 1, 2015. Prior thereto Chairman and Director of Madison PetroGas from its inception in 2003 until September 30, 2015. Mr. Doyle is also a Director of CanPetro International Ltd., Richmond Road Capital Corp. and Colson Capital Corp.	2,200,158
David Mitchell ⁽³⁾⁽⁵⁾ Calgary, Alberta	October 1, 2015	Non-Executive Director	Non-Executive Director of the Corporation since October 1, 2015. Prior thereto Chief Executive Officer of Madison PetroGas from joining in 2008 until September 30, 2015.	1,701,950

Name and Province and Country of Residence	Date Since Served as a Director	Office or Position	Present Principal Occupation	Number of Common Shares Beneficially Owned, or Controlled or Directed
David Richards ⁽⁴⁾ Calgary, Alberta	October 1, 2015	Non-Executive Director	<p>Mr. Richards is a Fellow of the Institute of Chartered Professional Accountants of Alberta. He founded Network Capital Management Inc., a successful Calgary based investment management company focused on private equity, in 1997 and served as President and Managing Director until June 30, 2016. Mr. Richards is currently Chairman of privately owned Network Capital Inc. which provides advisory services and capital to emerging and expanding businesses.</p> <p>Mr. Richards formerly served as managing tax partner with PricewaterhouseCoopers and senior tax partner with Arthur Andersen and Co. He is a Past President of the Alberta Chamber of Commerce and a past Vice President of the Calgary Chamber of Commerce. Mr. Richards is currently a director of Standard Exploration. Previous public board experience includes Boardwalk Real Estate Investment Trust, Alliance Atlantis Movie Distribution Income Fund, Forte Energy, Wilmington Capital Management Inc., Mood Media Inc. and Parkbridge Lifestyle Communities. Mr. Richards has been a lecturer for The Canadian Tax Foundation and the University of Calgary as well as a columnist for The Calgary Herald newspaper.</p>	1,000,000
Michael Raynes ⁽²⁾⁽⁴⁾⁽⁵⁾ London, U.K.	September 16, 2016	Non-Executive Director	<p>Director MEA Energy Investments Company Ltd. and Chief Operating Officer Waha Capital. Prior thereto, Global Head of Aerospace, Defense and Trade Finance at Barclays Capital in London between February 2002 and September 2008.</p>	39,908,805

Name and Province and Country of Residence	Date Since Served as a Director	Office or Position	Present Principal Occupation	Number of Common Shares Beneficially Owned, or Controlled or Directed
Mark Reid London, U.K.	September 16, 2016	Chief Financial Officer and Director	Chief Financial Officer of the Corporation from November 13, 2015 to present; CFO and Director of Chariot Oil and Gas Limited from April 2012 to May 2015. CFO and Director of Aurelian Oil and Gas PLC from September 2009 to April 2012.	281,785

Notes:

- (1) Michael Doyle is a principal of CanPetro International Ltd which holds 907,764 Common Shares of the Corporation which is included within the number of common shares shown above.
- (2) Michael Raynes is the Board representative of MEA Energy Investments Company Ltd., which holds 39,876,803 Common Shares of the Corporation.
- (3) Member of the Reserves Committee.
- (4) Member of the Audit Committee.
- (5) Member of the Compensation Committee.

No proposed director of the Corporation is, as at the date of this Management Information Circular, or has been, within the preceding 10 years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that: (i) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

Except as described below, no proposed director of the Corporation is, as at the date of this Management Information Circular, or has been, within the preceding 10 years, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Michael Doyle was a director of Brevia Energy Inc., an Alberta oil and gas producer, which entered into a voluntary receivership in January 2016 as a result of financial difficulties.

No proposed director of the Corporation has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets.

No proposed director of the Corporation has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in deciding whether to vote for a proposed director.

3. Appointment of Auditors

At the Meeting, shareholders will be asked to pass an ordinary resolution appointing PricewaterhouseCoopers LLP (UK), Chartered Accountants, to serve as auditors of the Corporation to hold office until the close of the next Annual and Special Meeting of shareholders or until such firm is removed from office or resigns as provided by law, at a remuneration to be fixed by the Board. PricewaterhouseCoopers LLP (UK) has served as auditors of the Corporation since October 4, 2013. In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by shareholders who vote in person or by proxy at the Meeting.

The persons named in the enclosed form of proxy, if named as proxy, intend to vote proxies in favour of the ordinary resolution to appoint PricewaterhouseCoopers LLP (UK), Chartered Accountants, as auditors of the Corporation at a remuneration to be fixed by the Board and to hold such office until the next annual meeting of the Corporation.

4. Approval of Stock Option Plan

Pursuant to the policies of the TSX-V, listed issuers are permitted to have “rolling” stock option plans reserving a maximum of 10% of the issued shares of the Corporation at the time of the stock option grant (“**Rolling Plan**”). The Stock Option Plan is considered to be a Rolling Plan. The Stock Option Plan, as amended from time to time, was initially approved by the shareholders of the Corporation on September 18, 2008, and was amended and reapproved most recently, by the shareholders of the Corporation on September 16, 2016. The policies of the TSX-V require that Rolling Plans be approved annually by the shareholders of listed issuers. Accordingly, the shareholders of the Corporation will be asked to consider and, if thought appropriate, approve an ordinary resolution approving the Stock Option Plan, in the manner set forth below. The Stock Option Plan has not been amended since it was last approved by the shareholders of the Corporation.

The text of the ordinary resolution which management intends to place before the Meeting for the approval of the Stock Option Plan is as follows:

“BE IT HEREBY RESOLVED as an ordinary resolution of the Corporation that:

1. the stock option plan (the “**Stock Option Plan**”) of SDX Energy Inc. (the “**Corporation**”), substantially in the form attached as Schedule C to the Management Information Circular of the Corporation dated April 6, 2018, be and is hereby approved and adopted as the stock option plan of the Corporation;
2. the form of Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and
3. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by shareholders who vote in person or by proxy at the Meeting.

The persons named in the enclosed form of proxy, if named as proxy, intend to vote proxies in favour of the ordinary resolution to approve the Stock Option Plan.

5. Approval of LTIP

Pursuant to the policies of the TSX-V, listed issuers are permitted to have Rolling Plans. The LTIP is considered to be a Rolling Plan. The policies of the TSX-V require that Rolling Plans be approved annually by the shareholders of listed issuers. The LTIP was adopted by the Board in July 2017 but has not yet been submitted to the shareholders for approval. Accordingly, the shareholders of the Corporation will be asked to consider and, if thought appropriate, approve an ordinary resolution approving the LTIP, in the manner set forth below.

The text of the ordinary resolution which management intends to place before the Meeting for the approval of the LTIP is as follows:

“BE IT HEREBY RESOLVED as an ordinary resolution of the Corporation that:

1. the long term incentive plan (the **“LTIP”**) of SDX Energy Inc. (the **“Corporation”**), substantially in the form attached as Schedule D to the Management Information Circular of the Corporation dated April 6, 2018, be and is hereby approved and adopted as the long term incentive plan of the Corporation;
2. the form of LTIP may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and
3. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by shareholders who vote in person or by proxy at the Meeting.

The persons named in the enclosed form of proxy, if named as proxy, intend to vote proxies in favour of the ordinary resolution to approve the LTIP.

6. Other Matters to be Acted Upon

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in the best judgment of the person or persons voting the proxy.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as described below, none of the Corporation’s directors or executive officers or companies or persons that beneficially own, control or direct, directly or indirectly, or a combination of both, more than 3% of the Corporation’s Common Shares, proposed nominees for election as directors of the Corporation or any of their respective associates and affiliates, has any material interest in any transaction with the Corporation since the commencement of the Corporation’s last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

On May 20, 2016, SDX Energy Inc. was admitted to the London Stock Exchange (AIM) and completed a private placing of 42,201,835 new Common shares by way of a firm placing of shares issued on admission of 38,291,835 common shares and a conditional placing of 3,910,000 common shares which were deemed firm and subsequently issued on July 25, 2016. Pursuant to the subscription agreement entered into between the Corporation and MEA Energy Investment Company Limited (**“MEA”**) relating to this placing and conditional placing, the Corporation has given MEA the right to appoint one director to the Board for so long as it holds at

least 9.9 per cent, of the then issued Common Shares of the Corporation. Accordingly, as MEA continues to hold more than 9.9 per cent of the issued Common Shares of the Corporation at the date of this Circular, the Board has put forward Michael Raynes, MEA's nominee, as a nominee for election as a director of the Corporation at the Meeting. See "*Matters to be Considered at the Meeting – Election of Directors*" for additional information.

There are potential conflicts of interest to which the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in other business opportunities on their own behalf and on behalf of other corporations, and situations may arise where such directors and officers will be in competition with the Corporation. Individuals concerned shall be governed in any conflicts or potential conflicts by applicable law and internal policies of the Corporation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, except as described below.

All of the directors and officers of the Corporation, hold options to acquire Common Shares pursuant to the Stock Option Plan. At the Meeting, shareholders will be asked to consider, and if thought appropriate, approve an ordinary resolution approving the Plan. See "*Matters to be considered at the Meeting – Approval of Stock Option Plan*".

MANAGEMENT CONTRACTS

There are no management functions of the Corporation or any of its subsidiaries which are, to any substantial degree, performed other than by the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation or its subsidiaries.

ADDITIONAL INFORMATION

Additional financial information is provided in the Corporation's audited consolidated financial statements and management's discussion and analysis for the financial year ended December 31, 2017.

Any request for these documents can be made by contacting the Chief Executive Officer of SDX Energy Inc. at 38 Welbeck Street, London, W1G 8DP, United Kingdom and/or fax +44 (0)203 219 5655. Additional information relating to the Corporation can also be obtained on SEDAR under the Corporation's profile at www.sedar.com.

APPENDIX A

SDX ENERGY INC.

AUDIT COMMITTEE TERMS OF REFERENCE (INCLUDING AUDIT CHAIR POSITION DESCRIPTION)

I. PURPOSE

The primary function of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of SDX Energy Inc. (the “**Corporation**”) is to assist the Board in fulfilling its oversight responsibilities with respect to:

- A. the integrity of financial information that will be provided to the shareholders, regulatory bodies and others;
- B. compliance with accounting and finance based legal and regulatory requirements;
- C. the systems of internal controls that management and the Board have established;
- D. the independent auditor’s qualifications and independence and the performance of audit processes;
- E. financial policies and strategies including capital structure; and
- F. financial risk management practices.

Primary responsibility for the financial reporting, information systems, financial risk management and internal controls of the Corporation is vested in management and is overseen by the Board.

II. COMPOSITION AND OPERATIONS

- A. The Committee shall be composed of not fewer than three (3) members of the Board as determined by the Board each of whom will at all times be independent and financially literate as those terms are defined in National Instrument 52-110 - *Audit Committees*, as may be amended from time to time, and possess:
 - 1. an understanding of the accounting principles used by the Corporation to prepare its financial statements;
 - 2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
 - 3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and
 - 4. an understanding of internal controls and procedures for financial reporting.

Committee members and the Chair of the Committee will be appointed by the Board following the annual meeting of the Corporation or from time to time, as necessary and shall serve at the discretion of the Board until the immediately following annual meeting, unless their office is earlier vacated.

- B. The Corporation’s auditor shall be advised of the names of the Committee members and will receive notice of and be invited to attend meetings of the Committee, and to be heard at those meetings on matters relating to the auditor’s duties.

- C. The Committee shall meet with the external auditors as it deems appropriate to consider any matter that the Committee or auditors determine should be brought to the attention of the Board or shareholders.
- D. The Committee shall meet at least once (by person or by teleconference) in each fiscal quarter to review and recommend approval by the Board of the Corporation's quarterly financial statements and managements' discussion and analysis ("MD&A") for the immediately preceding fiscal quarter and to review and recommend approval by the full Board of the annual financial statements and MD&A for the immediately preceding fiscal year and as often thereafter as required to discharge the duties of the Committee.
- E. The Chair of the Committee will, in consultation with the members, determine the schedule, time and place of meetings, and after consultation with management and the external auditor, establish the agenda for meetings.
- F. A quorum for a meeting of the Committee shall be a majority of members of the Committee present in person or by conference call.
- G. Notice of the time and place of every meeting shall be given in writing, by email or facsimile to each member of the Committee at least 48 hours prior to the time fixed for such meeting, provided that a member may in any manner waive a notice of meeting. Notice of the time and place of every meeting shall be given in writing, by email or facsimile to all members of the Board not appointed members of the Committee at least 48 hours prior to the time fixed for such meeting. All members of the Board not appointed members of the Committee shall be entitled to attend and participate as non-voting members of the Committee at all meetings of the Committee.
- H. The Committee Chair in consultation with the members of the Committee determines guests who may attend a meeting, in whole or in part.
- I. Members of the Committee shall be entitled to reasonable compensation for the services performed by them in discharging their duties and to be reimbursed for all out of pocket expenses incurred by them in performance of these services. All members of the Board not appointed members of the Committee will not be entitled to any compensation or reimbursement for expenses for attending a meeting of the Committee.
- J. Every question at the Committee meeting shall be decided by a majority of votes cast; in the event of a tie vote on any matters, such matters shall be presented to the Board for its consideration and determination.

III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will perform the following duties:

A. Financial Statements Disclosure and Other Financial Information

The Committee will review and recommend for approval to the Board financial information that will be made publicly available. This includes:

1. the Corporation's annual financial statements and MD&A and report to the Board before the financial statements are approved by the Board;
2. the Corporation's quarterly financial statements, MD&A and news release; and
3. the annual information form (if any), any prospectus or private placement offering document and any other material financial information required by applicable regulatory authorities.

4. the Corporation's Ceiling Test calculation and the carrying value of its assets on the Corporation's balance sheet.

Review and discuss:

5. the appropriateness of accounting policies and financial reporting practices used by the Corporation;
6. any significant proposed changes in financial reporting and accounting policies and practices to be adopted by the Corporation; and
7. any new or pending developments in accounting and reporting standards that may affect the Corporation.

Be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure previously referred to and periodically assess the adequacy of those procedures.

B. Risk Management, Internal Control and Information Systems

The Committee will review and obtain reasonable assurance that the risk management, internal control and information systems are operating effectively to produce accurate, appropriate and timely management and financial information. This includes:

1. review the Corporation's risk management controls and policies;
2. consider whether the information systems appear to be reliable and the systems of internal controls are properly designed and effectively implemented through discussions with and reports from management and the external auditor;
3. review management steps to implement and maintain appropriate internal control procedures including a review of policies; and
4. review the performance and independence of the Corporation's internal auditor and internal audit function and whether the internal auditor has had full access to the Corporation's books, records and personnel.

C. External Audit and Review

The Committee will oversee the work of the external auditor and will review the planning and results of external audit activities. This includes:

1. review and recommend to the Board, for shareholder approval, engagement of the external auditor;
2. review and recommend to the Board the external auditor's compensation;
3. review the annual external audit plan, including but not limited to the following:
 - (a) engagement letter
 - (b) objectives and scope of the external audit work;
 - (c) procedures for quarterly review of financial statements;
 - (d) materiality limit;
 - (e) areas of audit risk;
 - (f) staffing;
 - (g) timetable; and

- (h) proposed fees.
- 4. meet with the external auditor to discuss the Corporation's annual financial statements and MD&A (and the quarterly financial statements and MD&A if deemed necessary) and the auditor's report including the appropriateness of accounting policies and underlying estimates and resolve any disagreements between management and the external auditors regarding financial reporting;
- 5. meet with the external auditor on a regular basis and at least annually in the absence of management;
- 6. review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including:
 - (a) any difficulties encountered, or restriction imposed by management, during the annual audit;
 - (b) any significant accounting or financial reporting issue;
 - (c) if completed, the auditor's evaluation of the Corporation's system of internal controls, procedures and documentation or parts thereof;
 - (d) the post audit or management letter containing any findings or recommendation of the external auditor, including management's response thereto and the subsequent follow-up to any identified internal control weaknesses;
 - (e) any other matters the external auditor brings to the Committee's attention; and
 - (f) assess the qualifications, performance and independence of the external auditor and consider the annual appointment of external auditor for recommendation to the Board;
- 7. review the auditor's report, if any, on all material corporate subsidiaries;
- 8. review and receive assurances on the independence of the external auditor;
- 9. review and pre-approve all non-audit services to be provided by the external auditor's firm or its affiliates (including estimated fees), and consider the effect on the independence of the external audit;
- 10. take reasonable steps to ensure that, prior to public disclosure of the Corporation's annual financial statements and MD&A, the external auditor is a participating audit firm and is in compliance with any restriction or sanction imposed by the Canadian Public Accountability Board under National Instrument 52-108 - *Auditor Oversight*.

D. Financial Management and Leadership

- 1. Review the Corporation's financial strategy considering current and future business needs, capital markets and credit availability.
- 2. Review the Corporation's capital structure including debt and equity components, current and expected financial leverage and interest rate and foreign currency exposures and make recommendations to the Board.
- 3. Review the financing of the Corporation's annual operating plan and make recommendations to the Board.
- 4. Review the Corporation's cash flow forecasts on a regular basis, consider the expected solvency requirements and make recommendations to the Board.

5. Regularly review current and expected future compliance with covenants under all financing arrangements.
6. Review any proposed issues of equity instruments including equity and hybrid securities and make recommendations to the Board.
7. Review any proposed material issues of debt including public and private debt, credit facilities with banks and others and other credit arrangements such as capital and operating leases and make recommendations to the Board.
8. Receive and review reports on significant issues of or changes to debt and to equity securities, credit facilities with banks and others and other credit arrangements such as capital and operating leases.

E. Other

The Committee will also:

1. review insurance coverage of significant business risks and uncertainties;
2. review policies and procedures for the review and approval of officers' and directors' expenses and approve these expenses.
3. periodically review the terms of reference for the Committee and make recommendations to the Board as required;
4. establish procedures for and handle:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters and under the Whistleblower Policy; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing or other matters under the Whistleblower Policy.
5. review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation; and
6. make enquires about potential claims, assessments and other contingent liabilities.

IV. ACCOUNTABILITY

- A. The Committee Chair has the responsibility to make periodic reports to the Board, as requested, on financial matters relative to the Corporation.
- B. The Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.

V. COMMITTEE TIMETABLE

A proposed timetable of the Committee meetings shall be prepared at the beginning of each fiscal year.

VI. RELIANCE ON EXPERTS

In contributing to the Committees' discharging of its duties under this mandate, each member shall be entitled to rely in good faith on:

- A. financial statements of the Corporation represented to the member by an officer of the Corporation, or in a written report of the external auditor, to present fairly the financial position of the Corporation and the results of its operations in accordance with generally accepted accounting principles; and

- B. any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

The Board is of the view that monitoring of the Corporation's financial reporting and disclosure policies and procedures cannot be reasonably met unless the following activities (the "**Fundamental Activities**") are, in all material respects, conducted effectively:

- A. the Corporation's accounting functions are performed in accordance with a system of internal financial controls designed to capture and record properly and accurately all of the Corporation's financial transactions;
- B. the internal financial controls are regularly assessed for effectiveness and efficiency;
- C. the Corporation's quarterly and annual financial statements and MD&A are properly prepared by management in accordance with generally accepted accounting principles; and
- D. the annual financial statements are reported on by an external auditor appointed by the shareholders of the Corporation.

VII. ADVISORS/RESOURCES

The Committee will have the sole authority to retain, oversee, compensate and terminate independent advisors who assist the Committee in its activities and will receive adequate funding from the Corporation for independent advisors and ordinary administrative expenses that are needed or appropriate for the Committee to carry out its duties.

VIII. LIMITATION OF COMMITTEE'S DUTIES

In contributing to the Committee's discharging of its duties under these terms of reference, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in these terms of reference is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Committee's duties is monitoring and reviewing to endeavour to gain reasonable assurance (but not to ensure) that the Fundamental Activities are being conducted effectively and that the objectives of the Corporation's financial reporting are being met and to enable the Committee to report thereon to Board.

IX. DUTIES OF THE COMMITTEE CHAIR

In addition to fulfilling his or her duties as an individual director, the duties of the committee chair are to:

- A. serve as the Committee's role model for responsible, ethical and effective decision making;
- B. lead the Committee in discharging all duties set out in the Committee Terms of Reference and as are delegated to the authority of the Committee by the Board;
- C. take reasonable steps to ensure that the Committee members execute their duties pursuant to the Terms of Reference;
- D. manage the affairs of the Committee to ensure that the Committee is organized properly and functions effectively;
- E. arrange for a Committee secretary to assist with agendas, minutes and logistical matters;
- F. ensure that notice of all meetings of the Committee are provided to the external auditor;

- G. preside at, and together with the members of the Committee, management, external auditors and advisors, as appropriate, call, schedule and prepare the agenda for each meeting of the Committee;
- H. ensure that the Committee meets in closed sessions with the external auditors;
- I. co-ordinate with the CFO, Corporate Secretary, management and the external auditors such that:
 - 1. documents are delivered to members in sufficient time in advance of Committee meetings for a thorough review;
 - 2. matters are properly presented for the member's consideration at meetings;
 - 3. the members have an appropriate opportunity to discuss issues at each meeting;
 - 4. the members have an appropriate opportunity to question management, employees and the external auditors regarding financial results, internal controls, the collection of financial information and all other matters of importance to the Committee; and
 - 5. the members work constructively towards their recommendations to the Board;
- J. communicate with each Committee member to ensure that:
 - 1. each member has the opportunity to be heard and participate in decision making; and
 - 2. each member is accountable to the Committee;
- K. arrange for the preparation, accuracy and distribution of all minutes of the Committee to:
 - 1. members of the Committee;
 - 2. each member of the Board;
 - 3. the external auditor; and
 - 4. the CEO and CFO;
- L. ensure that the Committee, following each meeting:
 - 1. reports to the Board regarding its activities, findings and recommendations; and
 - 2. makes Committee information available to any director upon request; and
- M. assist in maintaining effective working relationships between Committee members, the Board, the CEO and CFO, external auditors, internal auditors, advisors, executive officers and management and may call for separate meetings with any of these parties as the Chair deems appropriate.

Adopted and Approved by the Board: April 8, 2013.

APPENDIX B

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

General

The board of directors (the “**Board**”) of SDX Energy Inc. (the “**Corporation**”) recognizes that good corporate governance is of fundamental importance to the success of the Corporation. The Corporation’s governance practices are the responsibility of the Board.

This Statement of Corporate Governance Practices sets out the Board’s assessment of the Corporation’s governance practices in accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”). The Corporation’s governance practices are generally consistent with the practices and guidelines set out in NI 58-101 and NP 58-201.

Board of Directors

The Corporation’s board of directors consists of six members namely Michael Doyle, Paul Welch, David Mitchell, David Richards, Mark Reid and Michael Raynes. The Board of Directors has reviewed the status of each director to determine whether such director is “independent” as defined in NI 58-101. As a result of such review, and after consideration of all business, family and other relationships among the directors and the Corporation, the Board of Directors has determined that Messrs. Doyle, Mitchell, Richards and Raynes are each independent within the meaning of NI 58-101. Messrs. Welch and Reid are not independent under NI 58-101 as each continues to be an officer of the Corporation.

Directorships

Directorships held by directors of the Corporation in other reporting issuers are set forth below:

Director	Directorships held
Michael Doyle	Richmond Road Capital Corp., Colson Capital Corp.
David Richards	Standard Exploration

Orientation and Continuing Education

The Board of Directors is responsible for the orientation and education of new members of the board of directors and all new directors are provided with copies of the Corporation’s board and committee mandates and policies, the Corporation’s by-laws, documents from recent Board meetings and other reference materials relating to the duties and obligations of directors, the business and operations of the Corporation. New directors are also provided with opportunities for meeting and discussions with senior management and other directors. Prior to joining the board, each new director will meet with the Chief Executive Officer of the Corporation. Such officer is responsible for outlining the business and prospects of the Corporation, both positive and negative, with a view to ensuring that the new director is properly informed to commence his duties as a director. Each new director is also given the opportunity to meet with the auditors and counsel to the Corporation. As part of the annual Board of Directors’ assessment process, the Board of Directors determines whether any additional education and training is required for its members.

Ethical Business Conduct

The directors encourage and promote a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility. In addition, the Corporation has adopted a Code of Conduct which addresses the Corporation's continuing commitment to integrity and ethical behaviour. The Code of Conduct establishes procedures that allow directors, officers and employees of the Corporation to confidentially submit their concerns to the Chief Executive Officer or the Chairman of the Board regarding questionable ethical, moral, accounting or auditing matters, without fear of retaliation. To the Corporation's knowledge there have been no departures from this Code of Conduct that would necessitate the filing of a material change report. A copy of the Code of Conduct is available to review at the head office of the Corporation during business hours.

Nomination of Directors

The Board of Directors as a whole is responsible for identifying suitable candidates to be recommended for election to the Board by the shareholders of the Corporation, with the goal of ensuring that the board consists of an appropriate number of directors who collectively possess the competencies identified as being appropriate to the effectiveness of the board as a whole.

Compensation

The Compensation Committee is responsible for reviewing the Corporation's overall compensation strategy, and is responsible for reviewing and recommending for approval the salaries and compensation of the Corporation's executive officers.

The Compensation Committee also reviews the compensation of the outside directors on an annual basis, taking into account such matters as time commitment, responsibility and compensation provided by comparable organizations.

For additional information regarding how the Compensation Committee determines compensation for the executive officers and directors of the Corporation, please see "*Executive Compensation – Discussion and Analysis*" in this Management Information Circular.

Board Committees

The Corporation's Board of Directors has three committees, the Audit Committee, the Compensation Committee and the Reserves Committee.

Audit Committee

The Audit Committee is comprised of David Richards (Chair), Michael Doyle and Michael Raynes. Details in respect of the Audit Committee, as prescribed by National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") are provided under the heading "*Audit Committee*" in this Management Information Circular.

Compensation Committee

The Compensation Committee is comprised of Michael Raynes (Chair) and David Mitchell. The Compensation Committee is comprised of non-management members of the board of directors and is required to convene at least annually. For additional information in respect of the Compensation Committee, please see "*Executive Compensation – Discussion and Analysis – Compensation Governance*" in this Management Information Circular.

Reserves Committee

The board of directors has adopted a mandate for the Reserves Committee, which is currently comprised of David Mitchell (Chair) and Michael Doyle. The Reserves Committee is responsible for meeting with the independent engineering firm commissioned to conduct the reserves evaluation on the Corporation's oil and gas assets and to discuss the results of such evaluation with such independent evaluators and management. The Reserves Committee's responsibilities include reviewing managements' recommendations for the appointment or proposed changes of independent evaluators, reviewing the Corporation's procedures for providing information to the independent evaluators, meeting with management and the independent evaluator to review the reserves data and report, including any restrictions imposed by management or significant issues on which there was a disagreement with management and reviewing reserve additions and revisions which occur from one report to the next, recommending to the board of directors whether to approve the content of the independent evaluators' report, reviewing the Corporation's procedures for reporting on other information associated with oil and gas producing activities and generally reviewing all public disclosure of estimates of the Corporation's reserves. The Reserves Committee meets at least once annually or otherwise as circumstances warrant.

Assessments

The Compensation Committee is responsible for developing an annual assessment of the overall performance of the Board and its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. To date, the Compensation Committee and the Board have not put into place a formal process for assessing the effectiveness of the board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Corporation's size, its stage of development and the number of individuals on the board of directors, the Compensation Committee and the Board consider a formal assessment process to be inappropriate at this time. The Compensation Committee and the Board plan to continue evaluating the Board's effectiveness on an ad hoc basis.

APPENDIX C

SDX ENERGY INC. STOCK OPTION PLAN

ARTICLE ONE PURPOSE AND INTERPRETATION

Section 1.01 Purpose. The purpose of the Plan is to advance the interests of the Corporation by encouraging equity participation in the Corporation through the acquisition of Common Shares of the Corporation by directors, officers, employees and consultants of the Corporation.

Section 1.02 Definitions. In the Plan, the following capitalized words and terms shall have the following meanings:

- (a) “**Act**” means the Canada Business Corporations Act or its successor, as amended from time to time.
- (b) “**Affiliate**” shall have the meaning ascribed thereto in the Securities Act.
- (c) “**Associate**” shall have the meaning ascribed thereto in the Securities Act.
- (d) “**Board of Directors**” means the board of directors of the Corporation as constituted from time to time and any committee of the board of directors.
- (e) “**Change in Control**” shall be deemed to have occurred if:
 - (i) any person, other than the Corporation or an employee benefit plan of the Corporation, acquires directly or indirectly the beneficial ownership (as such term is defined in the Act) of any voting security of the Corporation and immediately after such acquisition such person is, directly or indirectly, the beneficial owner of voting securities representing 50% or more of the total voting power of all of the then outstanding voting securities of the Corporation;
 - (ii) the individuals (A) who, as of March 26, 2008, constitute the Board of Directors (the “**Original Directors**”) or (B) who thereafter are elected to the Board of Directors and whose election, or nomination for election, to the Board of Directors was approved by a vote of at least two-thirds (2/3) of the Original Directors then still in office (such directors becoming “**Additional Original Directors**” immediately following their election) or (C) who are elected to the Board of Directors and whose election, or nomination for election, to the Board of Directors was approved by a vote of at least two-thirds (2/3) of the Original Directors and Additional Original Directors then still in office (such directors also becoming “**Additional Original Directors**” immediately following their election) (such individuals being the “**Continuing Directors**”), cease for any reason to constitute a majority of the members of the Board of Directors;
 - (iii) the shareholders of the Corporation shall approve a merger, consolidation, recapitalization, or reorganization of the Corporation, a reverse stock split of outstanding voting securities, or consummation of any such transaction if shareholder approval is not sought or obtained, other than any such transaction which would result in at least 75% of the total voting rights represented by the voting securities of the surviving entity outstanding immediately after such transaction being beneficially owned by at least 75% of the holders of outstanding voting securities of the Corporation immediately prior to the transaction, with the voting rights of each such continuing holder relative to other such continuing holders not being substantially altered in the transaction; or
 - (iv) the shareholders of the Corporation shall approve a plan of complete liquidation of the Corporation or an agreement for the sale or disposition by the Corporation of all or a substantial portion of the Corporation's assets (i.e. 50% or more of the total assets of the Corporation).

- (f) “**Common Shares**” means the common shares of the Corporation as constituted on the date hereof.
- (g) “**Consultant**” means, in relation to the Corporation, an individual or company, other than an Employee or a Director of the Corporation, that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the company, as the case may be;
 - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and
 - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.
- (h) “**Corporation**” means SDX Energy Inc. a corporation incorporated under the Act, and its successors from time to time.
- (i) “**Designated Affiliate**” means the Affiliates of the Corporation designated by the Board of Directors for purposes of the Plan from time to time.
- (j) “**Exchange**” means the TSX Venture Exchange and London Stock Exchange (AIM), or such other stock exchange or quotation system as the Common Shares may from time to time be listed or quoted for trading.
- (k) “**Employee**” means:
 - (i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source), or such similar tax legislation as is applicable in the jurisdictions where the employees of the Corporation or its subsidiaries reside;
 - (ii) an individual who works full- time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.
- (l) “**Holding Company**” shall have the meaning specified in Section 2.02 hereof.
- (m) “**Insider**” shall have the meaning ascribed thereto in the Securities Act, other than a person who is an Insider solely by virtue of being a director or senior officer of a subsidiary of the Corporation and any Associate of an Insider.
- (n) “**Issuer Bid**” shall have the meaning ascribed thereto in the *Securities Act*.

- (o) **“Investor Relations Activities”** means any activities, by or on behalf of the Corporation or Shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - A. to promote the sale of products or services of the Corporation, or
 - B. to raise public awareness of the Corporation, that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
 - (ii) activities or communications necessary to comply with the requirements of:
 - A. applicable Securities Laws,
 - B. Exchange Requirements or the by- laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Corporation;
 - (iii) communications by a publisher of or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - A. the communication is only through the newspaper, magazine or publication, and
 - B. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the Exchange.
- (p) **“Option Agreements”** shall have the meaning specified in Section 2.15 hereof.
- (q) **“Option Period”** means the period of time an option may be exercised as specified in Section 2.08 (a) hereof.
- (r) **“Participant”** means a participant under the Plan.
- (s) **“Plan”** means the share incentive plan provided for herein.
- (t) **“RRSP”** shall have the meaning specified in Section 2.02 hereof.
- (u) **“Securities Act”** means the *Securities Act* (Ontario) or its successor, as amended from time to time.
- (v) **“Shareholders”** means the holders of Common Shares in the capital of the Corporation.
- (w) **“Share Compensation Arrangement”** means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Corporation to one or more service providers, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise.
- (x) **“Take-Over Bid”** shall have the meaning ascribed thereto in the *Securities Act*.

**ARTICLE TWO
SHARE OPTION PLAN**

Section 2.01 The Plan. The Plan is hereby established for certain employees, senior officers, directors and Consultants of the Corporation and Designated Affiliates.

Section 2.02 Participants. Participants in the Plan shall be bona fide directors, senior officers, employees and Consultants of the Corporation or any of its Designated Affiliates (including officers thereof, whether or not directors) who, by the nature of their positions or jobs are, in the opinion of the Board of Directors, upon the recommendation of the President of the Corporation, in a position to contribute to the success of the Corporation. At the request of any Participant, options granted to such Participant may be issued to and registered in the name of a personal holding company controlled by such Participant the shares of which are held directly by the Participant ("**Holding Company**") or to a registered retirement savings plan established for the sole benefit of such Participant ("**RRSP**") and, in such event, the provisions of this Plan shall apply to such options mutatis mutandis as though they were issued to and registered in the name of the Participant.

Section 2.03 Amount of Options. The determination regarding the aggregate number of Common Shares subject to options in favour of any Participant will take into consideration the Participant's present and potential contribution to the success of the Corporation and shall be determined from time to time by the Board of Directors. The aggregate number of Common Shares reserved for issuance upon the exercise of options pursuant to this Plan and any other Share Compensation Arrangements, subject to adjustment or increase of such number pursuant to Section 2.10 hereof, shall be such number of Common Shares as is equal to 10% of the number of issued and outstanding Common Shares from time to time. The maximum number of Common Shares reserved for issuance to any one Participant upon the exercise of options shall not exceed 5% of the total number of Common Shares outstanding immediately prior to such issuance. In addition, the Corporation may not grant options to acquire more than 5% of the issued Common Shares of the Corporation to any one individual in any 12 month period unless the Corporation has obtained disinterested Shareholder approval in a manner permitted by the Exchange.

Section 2.04 Limits with Respect to Insiders and Consultants.

- (a) The number of Common Shares issuable to Insiders pursuant to options granted under the Plan, together with Common Shares issuable to Insiders under any other Share Compensation Arrangement of the Corporation, shall not:
 - (i) exceed 10% of the number of Common Shares outstanding immediately prior to the grant of any such option; or
 - (ii) result in the issuance to Insiders, within a one-year period, of an excess of 10% of the number of Common Shares outstanding immediately prior to the grant of any such option.
- (b) The number of Common Shares issuable to any Insider and such Insider's Associates pursuant to options granted under the Plan, together with Common Shares issuable to such Insider or such Insider's Associates under any other Share Compensation Arrangement of the Corporation shall not, within a one year period, exceed 5% of the number of Common Shares outstanding immediately prior to the grant of any such option.
- (c) The number of Common Shares issuable to any one Consultant shall not, within a one year period, exceed 2% of the number of Common Shares outstanding immediately prior to the grant of any such option.
- (d) The number of Common Shares issuable to any person retained to provide Investor Relations Activities shall not, within a one year period, exceed 2% of the number of Common Shares outstanding immediately prior to the grant of any such option.
- (e) Any Common Shares issuable pursuant to an option granted to a Participant prior to the Participant becoming an Insider shall be excluded for the purposes of the limits set out in Subsections 2.04(a) and 2.04(b) hereof.

Section 2.05 **Price.** The exercise price per Common Share shall be determined by the Board of Directors at the time the option is granted, but such price shall not be less than the closing price of the Common Shares on the Exchange on the last trading day preceding the date on which the grant of the option is approved by the Board of Directors. In the event that the Common Shares are not listed and posted for trading on any stock exchange or other quotation system, the exercise price shall be the fair market value of the Common Shares as determined by the Board of Directors in its sole discretion.

Section 2.06 **Vesting.** Unless otherwise modified by the Board of Directors, in its discretion, pursuant to the terms of any Option Agreement, the issuance of options under the Plan will be subject to the vesting periods as follows:

- (a) no option may be exercised within one year following the date of grant;
- (b) after the date that is one year following the date of grant of an option, the Participant may exercise their rights as to 1/3 of the Common Shares under option or any lesser part thereof;
- (c) after each the first and second anniversaries of the date determined in accordance with Section 2.06(b) above, the Participant may exercise his rights as to an additional 1/3 of the Common Shares under option or any lesser part thereof.

Section 2.07 **Lapsed Options.** In the event that options granted under the Plan terminate or expire without being exercised in whole or in part in accordance with the terms of the Plan, the Common Shares reserved for issuance but not purchased under such lapsed options shall be available for subsequent options to be granted under the Plan.

Section 2.08 **Consideration, Option Period and Payment.**

- (a) The period during which options may be exercised shall be determined by the Board of Directors, in its discretion, to a maximum of five years from the date the option is granted (the “**Option Period**”), except as the same may be reduced with respect to any option as provided in Sections 2.09 and 2.10 hereof respecting termination of employment or death of the Participant or amended from time to time by the Board of Directors, in its discretion, subject to the approval of any stock exchange or regulatory requirements.
- (b) Subject to any other provision of this Plan, and in particular the vesting provisions set forth in Section 2.06 hereof, an option may be exercised from time to time during the Option Period, subject to vesting limitations by delivery to the Corporation at its registered office of a written notice of exercise in the form attached hereto as appendix “A” addressed to the Chief Financial Officer of the Corporation specifying the number of Common Shares with respect to which the option is being exercised and accompanied by payment in full of the exercise price therefor. Certificates for such Common Shares shall be issued and delivered to the Participant as soon as practicable following receipt of such notice and payment.
- (c) Except as set forth in Sections 2.09 and 2.10 hereof, no option may be exercised unless the Participant is, at the time of such exercise, a director, senior officer, employee or Consultant of the Corporation or any of its Designated Affiliates and shall have been continuously a director, senior officer, employee or Consultant since the grant of his or her option. Absence on leave with the approval of the Corporation or a Designated Affiliate shall not be considered an interruption of employment for purposes of the Plan.
- (d) The exercise of any option will be contingent upon receipt by the Corporation of cash payment of the full exercise price of the Common Shares, which are the subject of the exercised option. No Participant or his or her legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Common Shares with respect to which he or she was granted an option under the Plan, unless and until certificates for such Common Shares are issued to him or her under the terms of the Plan.

- (e) Notwithstanding any other provision of this Plan or in any option granted to a Participant, the Corporation shall not be obligated to issue or deliver Common Shares to a Participant upon the exercise of any option or take other actions under the Plan until the Corporation shall have determined that applicable federal and state laws, rules, and regulations have been complied with and such approvals of any stock exchange, regulatory or governmental agency have been obtained and contractual obligations to which the grant of the option exercisable for such Common Shares may be subject have been satisfied. In particular, the Corporation, in its discretion, may postpone the issuance or delivery of Common Shares under any option until:
 - (i) completion of such stock exchange listing or registration or other qualification of such Common Shares or obtaining approval of such regulatory authorities as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; and
 - (ii) the receipt from the Participant of such information, representations, warranties, agreements and undertakings, including as to future dealings in such Common Shares, as the Corporation or its counsel determines to be necessary or advisable in order to ensure compliance with all applicable securities laws.
- (f) Subject to any resolution of the Board of Directors, if there is a Change in Control, Issuer Bid or Take-Over Bid, all options outstanding under the Plan shall vest immediately prior to such Change of Control to become immediately exercisable in order to permit Common Shares issuable under such options to be tendered to the Issuer Bid or Take-Over Bid or otherwise participate in any of such events.
- (g) An option may be exercised at any time after the date the option has been granted, subject to any vesting provisions attaching thereto, up to 5:00 p.m. local time on the last day of the Option Period and shall not be exercisable thereafter.

Section 2.09 Termination of Employment and Cessation of Investor Relations Activities. Subject to the next following sentence, if a Participant shall cease to be:

- (a) a director, senior officer or Consultant of the Corporation or any of its Designated Affiliates (and is not or does not continue to be an employee thereof for any reason other than death); or
- (b) an employee of the Corporation or any of its Designated Affiliates (and is not or does not continue to be a director or senior officer thereof) for any reason (other than death) or shall receive notice from the Corporation or any of its Designated Affiliates of the termination of his or her employment;

(collectively, “**Termination**”) he or she or it may, but only within 90 days next succeeding such Termination, exercise his or her or its options to the extent that he or she or it was entitled to exercise such options at the date of such Termination; provided that in no event shall such right extend beyond the Option Period. If a Participant is terminated for cause, his or her options shall expire immediately. This section is subject to any agreement with any Participant with respect to the rights of such Participant upon Termination or Change in Control of the Corporation.

In the case of a person retained to provide Investor Relations Activities, he or she or it may, but only within 30 days next succeeding such person ceasing to be retained to provide Investor Relations Activities (a “**Cessation**”), exercise his or her or its options to the extent that he or she or it was entitled to exercise such options at the date of such Cessation; provided that in no event shall such right extend beyond the Option Period. If a Participant is terminated for cause, his or her options shall expire immediately. This section is subject to any agreement with any Participant with respect to the rights of such Participant upon Termination or Change in Control of the Corporation.

Section 2.10 Death of Participant. In the event of the death of a Participant who is a director, senior officer or Consultant of the Corporation or any of its Designated Affiliates or who is an employee having been

continuously in the employ of the Corporation or any of its Designated Affiliates, the options theretofore granted to him or her shall be exercisable within the one year next succeeding such death, and then only:

- (a) by the person or persons to whom the Participant's rights under the options shall pass by the Participant's will or the laws of descent and distribution; and
- (b) to the extent that he or she was entitled to exercise the options at the date of his or her death, provided that in no event shall such right extend beyond the Option Period.

Section 2.11 Extension of Expiry Time During Blackout Periods. Notwithstanding the provisions contained herein for the expiry of options, and subject to the rules of the Exchange, in the event that the expiry date of an option occurs during a blackout period that is self-imposed by the Corporation pursuant to its policies (“**Blackout Period**”), the expiry date of such option shall be automatically extended for a period of 10 business days following the end of the Blackout Period.

Section 2.12 Adjustment in Shares Subject to the Plan. In the event that:

- (a) there is any change in the Common Shares of the Corporation through subdivisions or consolidations of the share capital of the Corporation, or otherwise;
- (b) the Corporation declares a dividend on Common Shares payable in Common Shares or securities convertible into or exchangeable for Common Shares; or
- (c) the Corporation issues Common Shares, or securities convertible into or exchangeable for Common Shares, in respect of, in lieu of, or in exchange for, existing Common Shares,

the number of Common Shares available for option, the Common Shares subject to any option, and the option price thereof, shall be adjusted appropriately by the Board of Directors in its sole discretion and such adjustment shall be effective and binding for all purposes of the Plan.

Section 2.13 Consolidation, Merger, etc. If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a transfer of all or substantially all of the assets of the Corporation to another entity, upon the exercise of an option under the Plan, the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the option immediately prior to such event, unless the Board of Directors of the Corporation otherwise determine the basis upon which such option shall be exercisable in accordance with regulatory policy.

Section 2.14 Record Keeping. The Corporation shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant in the Plan; and
- (b) the number of options granted to a Participant and the aggregate number of options outstanding, the exercise price and the expiry date thereof.

Section 2.15 Option Agreements. All options granted pursuant to the Plan shall be evidenced by written agreements between the Company and each Participant to whom options are granted hereunder containing such terms and conditions, not inconsistent with the provisions of the Plan, as may be established by the Board of Directors, including the following:

- (a) subject to and in accordance with the provisions of Sections 2.03 and 2.04 hereof, the number of options covered by any grant of options and the number of Common Shares which such options shall entitle the Participant the right to purchase;

- (b) subject to and in accordance with the provisions of Section 2.05, the price of the Common Shares covered by any option, stated and payable in Canadian dollars; and
- (c) subject to and in accordance with the provisions of Section 2.08, the Option Period.

Section 2.16 Tax Withholding. The Corporation shall have the right to require that any Participant make such provision, or furnish the Corporation such authorization, necessary or desirable so that the Corporation may satisfy its obligation, if any, under applicable laws, to withhold or otherwise pay for income or other taxes of such Participant attributable to the grant or exercise of options granted under the Plan or the sale of Common Shares issued with respect to options. This authority shall include authority to withhold or receive Common Shares or other property and to make cash payments in respect thereof in satisfaction of a Participant's tax obligations.

ARTICLE THREE GENERAL

Section 3.01 Assignability and Transferability. The benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be assignable or transferable by the Participant except (i) from the Participant to his or her Holding Company or RRSP or from a Holding Company or RRSP to the Participant and, in either such event, the provisions of this Plan shall apply mutatis mutandis as though they were originally issued to and registered in the name of the Participant, or (ii) as otherwise specifically provided herein. During the lifetime of a Participant, all benefits, rights and options shall only be exercised by the Participant or by his or her guardian or legal representative.

Section 3.02 Employment. Nothing contained in the Plan shall confer upon any Participant any right with respect to employment or continuance of employment with the Corporation or any Affiliate, or interfere in any way with the right of the Corporation or any Affiliate to terminate the Participant's employment at any time. Participation in the Plan by a Participant shall be voluntary.

Section 3.03 Delegation to Compensation Committee. All of the powers exercisable by the Board of Directors under the Plan may, to the extent permitted by applicable law and authorized by resolution of the Board of Directors of the Corporation, be exercised by a Compensation Committee of not less than two (2) directors. The members of any such Compensation Committee shall not be employees of the Corporation. In addition, if determined appropriate by the Board of Directors of the Corporation, the Board of Directors may delegate any or all of the powers of the Board of Directors of the Corporation under the Plan to an independent consultant.

Section 3.04 Administration of the Plan. The Board of Directors of the Corporation shall administer the Plan. The Board of Directors shall be authorized to interpret and construe the Plan and may, from time to time, establish, amend or rescind rules and regulations required for carrying out the purposes, provisions and administration of the Plan and determine the Participants to be granted options, the number of Common Shares covered thereby, the exercise price therefor and the time or times when they may be exercised. Any such interpretation or construction of the Plan shall be final and conclusive. The Corporation shall pay all administrative costs of the Plan. The senior officers of the Corporation are hereby authorized and directed to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan.

Section 3.05 Amendment, Modification or Termination of the Plan. Subject to Section 3.03, the Board of Directors reserves the right to amend, modify or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board of Directors. However, any amendment of the Plan which would materially:

- (a) increase the benefits under the Plan;
- (b) increase the number of Common Shares which may be issued under the Plan; or

(c) modify the requirements as to the eligibility for participation in the Plan;

shall be effective only upon the approval of the shareholders of the Corporation. Any amendment to any provision of the Plan shall be subject to any necessary approvals by the Exchange or other regulatory body having jurisdiction over the securities of the Corporation.

Disinterested shareholder approval shall be obtained for any reduction in the exercise price per Common Share if the Participant is an Insider of the Corporation at the time of the proposed amendment.

Section 3.06 No Representation or Warranty. The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Plan.

Section 3.07 Governing Law. This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario.

Section 3.08 Approval and Effective Date. This Plan shall be effective as of the date it is approved by the Board of Directors and any regulatory body having jurisdiction over the securities of the Corporation.

Section 3.09 Compliance with Applicable Law. If any provision of the Plan or any Option Agreement contravenes any law or any order policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

Section 3.10 Rights of Participant. A Participant shall have no rights whatsoever as a shareholder of the Corporation in respect of any of the unexercised options (including, without limitation, voting gifts or any right to receive dividends, warrants or rights under any rights offering).

Section 3.11 Conflict. In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

Section 3.12 Time of Essence. Time is of the essence of this Plan and each Option Agreement. No extension of time will be determined to be or to operate as a waiver thereof.

Section 3.13 Entire Agreement. This Plan and each Option Agreement set out the entire agreement between the Company and the Participant to which any particular Option Agreement relates relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

Adopted by the Board of Directors on July 29, 2016.

APPENDIX D

SDX ENERGY INC. LONG TERM INCENTIVE PLAN

1. Grant of Awards

1.1. Awards granted by Grantor

Subject to Rules 1.5, 1.6, 1.7 and 18.3, the Grantor may from time to time grant Awards to Eligible Employees.

1.2. Terms of Awards and Directors' Remuneration Policy limitations

Subject to the Rules, the Grantor will in its absolute discretion decide whether or not any Awards are to be granted at any particular time and, if they are, to whom they are granted and the terms of such Awards. Where Awards are not granted by the Board, the terms must be approved in advance by the Board.

Where the Company is required to have in place a Directors' Remuneration Policy, the terms of an Award to be granted to an Eligible Employee who is a director of the Company must fall within the scope of the Directors' Remuneration Policy most recently approved by the Company in a general meeting. Such terms may include by way of example but without limitation any relevant individual limit in Rule 3 and any Performance Target set under Rule 5.

1.3. Procedure for grant of Awards and Award Date

An Award shall be granted by the Grantor passing a resolution. The Award Date shall be the date on which the Grantor passes the resolution or such later date as specified in the resolution and allowed by Rule 1.5. The grant of an Award shall be evidenced by a deed executed by or on behalf of the Grantor.

An Award Certificate shall be issued to each Award Holder as soon as reasonably practicable following the grant of the Award setting out details of the Award determined in accordance with Rule 1.4.

1.4. Terms and conditions set at grant

The Grantor shall, at the time of grant, determine:

1. whether the Award is a Conditional Share Award or an Option;
2. the Award Date;
3. in the case of an Award where no Share Price Multiplier applies, the number of Plan Shares which form the Award and in the case of an Award which is subject to a Share Price Multiplier, the basis on which the Award is calculated including the number of Plan Shares which form the Base Award and the Share Price Multiplier;
4. the Award Price (if any);
5. the date or dates on which the Award will normally Vest;
6. whether or not any dividend equivalents will be payable under Rule 8.9;
7. in the case of an Option, the Exercise Period;
8. any Performance Target;
9. any Holding Period;
10. whether Rule 6 (Malus) and/or Rule 7 (Clawback) shall apply to the Award; and
11. any other conditions of the Award.

1.5. When Awards may be granted

Subject to Rule 1.6, the Grantor may grant Awards only during the 42 days beginning on:

1. the day after the announcement of the Company's results, including a preliminary announcement, for any period through a Regulatory Information Service;
2. any day on which the Board determines that circumstances are sufficiently exceptional to justify the grant of the Award at that time; or
3. the day after the lifting of any Dealing Restrictions which prevented the grant of Awards during any of the times described above.

1.6. When Awards may not be granted
Awards may not be granted:

1. when prevented by any Dealing Restrictions; or
2. after the 10th anniversary of adoption of the Plan.

1.7. Who can be granted Awards

An Award may only be granted to an individual who is an Eligible Employee at the Award Date. Unless the Board decides otherwise, an Award will not be granted to an Eligible Employee who on or before the Award Date has given or received notice of termination of employment (whether or not lawful).

1.8. Confirmation of acceptance of Award

The Grantor may require an Eligible Employee who is (or is to be) granted an Award to confirm his acceptance of the Rules and the terms of any Award granted to him by a specified date. Such confirmation will be in a form set by the Grantor (which may require the Eligible Employee to execute a document). The Grantor may provide that the Award will lapse (and as a result be treated as never having been granted) if the confirmation of acceptance is not provided by the specified date.

1.9. Right to refuse Award

An Award Holder may by notice in writing to the Company within 30 days after the Award Date say he does not want his Award in whole or part. In such a case, the Award shall to that extent be treated as never having been granted.

1.10. No payment for an Award

An Award Holder shall not be required to make payment for the grant of an Award unless the Board determines otherwise. Where an Award Holder refuses his Award pursuant to the terms of Rule 1.9, no payment in connection with the refusal is required from the Award Holder or the Grantor.

1.11. Awards non-transferable

An Award shall be personal to the Award Holder and, except in the case of the death of an Award Holder, an Award shall not be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Award Holder purports to transfer, charge or otherwise alienate the Award.

2. Plan limit

2.1. 10 per cent in 10 years

An Award may not be granted if the result of granting the Award would be that the aggregate number of Plan Shares issued or committed to be issued in the preceding 10 year period under:

1. Awards under the Plan; or
 2. options or awards granted under any other Employees' Share Scheme (whether or not discretionary) operated by the Group,
- would exceed 10 per cent of the Company's issued ordinary share capital at that time.

2.2. Calculation

For the purpose of the limits contained in this Rule 2:

1. for as long as required by The Investment Association guidelines treasury shares shall be included in the limit as if they were new issue shares;
2. there shall be disregarded any Plan Shares where the right to acquire the Plan Shares has lapsed or been renounced;
3. there shall be disregarded any Plan Shares which the Trustees have purchased, or determined that they will purchase, in order to satisfy an Award or the exercise of an option or the vesting of other rights of an employee under any other Employees' Share Scheme operated by the Group;
4. any Plan Shares issued in relation to an Award, or on the exercise of an option or the vesting of other rights of an employee under any other Employees' Share Scheme operated by the Group, shall be taken into account once only (when the Award is granted or the option is granted or the right awarded) and shall not fall out of account when the Award Vests, the option is exercised or other rights vest.

2.3. Scaling down

If the granting of an Award would cause the limit in this Rule 2 to be exceeded, such Award shall take effect as an Award over the maximum number of Plan Shares which does not cause the limit to be exceeded. If more than one Award is granted on the same Award Date, the number of Plan Shares which would otherwise be subject to each Award shall be reduced pro rata.

3. Individual limits

3.1. Definitions

For the purpose of this Rule 3:

Annual Remuneration means the higher of:

- a. basic salary paid by the Group expressed as an annual rate as at the Award Date; and
- b. basic salary paid by the Group for the period of 12 months ending on the last day of the month immediately preceding the month in which the Award Date occurs.

The **Market Value** of Plan Shares subject to an Award shall be measured on the date on which that Award was granted.

3.2. Award Limits

1. An Award must not be granted to an Eligible Employee if the result of granting the Award would be that, at the proposed Award Date, the Market Value of the Plan Shares subject to that Award, when aggregated with the Market Value of the Plan Shares subject to any other Award granted to him under the Plan in the same Financial Year, would exceed 200% of his Annual Remuneration.
2. An Award must not be granted to an Eligible Employee if the result of granting the Award would be that:
 - a. the number of Plan Shares subject to that Award, when aggregated with the number of Plan Shares subject to any other Award granted to him under the Plan in a twelve month period would exceed 1% of the issued and outstanding shares of the Company at that time; or
 - b. the number of Plan Shares subject to that Award, when aggregated with the number of Plan Shares subject to any other Award granted to him under the Plan or pursuant to any other options or awards granted under any other Employees' Share Scheme (whether or not

discretionary) operated by the Group, in a twelve month period would exceed 5% of the issued and outstanding shares of the Company at that time.

3. The aggregate amount of all Plan Shares subject to Awards granted to all Insiders under the Plan in a twelve month period must not exceed 2% of the issued and outstanding shares of the Company at that time.
4. The aggregate number of Plan Shares subject to all Awards granted to all Investor Relations Employees under the Plan or pursuant to any other options or awards granted under any other Employees' Share Scheme (whether or not discretionary) operated by the Group, in a twelve month period must not exceed 2% of the issued and outstanding shares of the Company at that time.

3.3. Scaling down

If the grant of an Award would cause the limits in Rule 3.2 to be exceeded, such Award shall take effect as an Award over the maximum number of Plan Shares which does not cause the limits to be exceeded. If more than one Award is granted on the same Award Date, the number of Plan Shares which would otherwise be subject to each Award shall be reduced pro rata.

4. Award Price

The Award Price (if any) shall be determined by the Grantor and may be any price.

Where the Grantor has determined that an Award will be satisfied by the issue of new shares and the Award Price per Plan Share is less than the nominal value of a Plan Share, the Company will ensure that at the time of the issue of the Plan Shares arrangements are in place to pay up at least the nominal value of the relevant Plan Shares.

5. Performance Target and conditions

5.1. Setting of Performance Target and conditions for Awards

The Vesting of an Award and the extent to which it Vests will be subject to the satisfaction of any applicable Performance Target and any other conditions set by the Grantor on or before the Award Date.

5.2. Nature of Performance Target and conditions

Any Performance Target and any other conditions imposed under Rule 5.1 shall be:

1. objective; and
2. set out in, or attached in the form of a schedule to, the Award Certificate.

5.3. Substitution, variation or waiver of Performance Target and conditions

If an event occurs which causes the Grantor to consider that any Performance Target and/or any other conditions imposed under Rule 5.1 subject to which an Award has been granted is no longer appropriate, the Grantor may substitute, vary or waive that Performance Target and any/or other conditions in such manner (and make such consequential amendments to the Rules) as:

1. is reasonable in the circumstances; and
2. except in the case of waiver, produces in the case of a Performance Target a fairer measure of performance and is not materially less difficult to satisfy than if the event had not occurred.

The Award shall then take effect subject to the Performance Target and/or other conditions as substituted, varied or waived.

5.4. Notification of Award Holders

The Grantor shall, as soon as practicable, notify each Award Holder concerned of any determination made by it under Rule 5.3.

6. Malus

Notwithstanding any other provision of the Rules, the Board may, at (or at any time before) the Vesting of an Award to which the Grantor has specified under Rule 1.4 that this Rule 6 applies, reduce the number of Plan Shares subject to an Award in whole or in part (including, for the avoidance of doubt, to nil) in the following circumstances:

1. discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any Group Member; and/or
2. the assessment of any Performance Target or condition in respect of an Award was based on error, or inaccurate or misleading information; and/or
3. the discovery that any information used to determine the number of Plan Shares subject to an Award was based on error, or inaccurate or misleading information; and/or
4. action or conduct of an Award Holder which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct; and/or
5. events or behaviour of an Award Holder have led to the censure of a Group Member by a regulatory authority or have had a significant detrimental impact on the reputation of any Group Member provided that the Board is satisfied that the relevant Award Holder was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him.

In determining any reduction which should be applied under this Rule 6, the Board shall act fairly and reasonably but its decision shall be final and binding.

For the avoidance of doubt, any reduction under this Rule 6 may be applied on an individual basis as determined by the Board. Whenever a reduction is made under this Rule 6, the relevant Award shall be treated as having lapsed to that extent.

7. Clawback

7.1. Trigger Events

In this Rule 7, **Trigger Events** means:

1. discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any Group Member for a period that was wholly or partly before the end of the period over which the Performance Target applicable to the Award was assessed; and/or
2. the discovery that the assessment of any performance target or condition in respect of an Award was based on error, or inaccurate or misleading information; and/or
3. the discovery that any information used to determine the number of Plan Shares subject to an Award was based on error, or inaccurate or misleading information; and/or
4. action or conduct of an Award Holder which, in the reasonable opinion of the Board, amounts to fraud or gross misconduct; and/or
5. events or behaviour of an Award Holder have led to the censure of a Group Member by a regulatory authority or have had a significant detrimental impact on the reputation of any Group Member provided that the Board is satisfied that the relevant Award Holder was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to him.

7.2. Application

Notwithstanding any other provision of the Rules, if at any time during the period of two years following the Vesting of an Award to which the Board has specified under Rule 1.4 that this Rule 7 applies a Trigger Event occurs, then:

1. Rules 7.3 to 7.7 and 7.9 shall apply; and
2. where the Award Holder has not exercised the Option constituting the Award, Rule 7.8 shall also apply.

7.3. Clawback methods

Where Rule 7.2 applies, the Board may in its absolute discretion require the relevant Award Holder to:

1. transfer to the Company (or, if required by the Company, any other person specified by the Company) all or some of the Plan Shares acquired by the Award Holder (or his nominee) pursuant to the exercise of the Option constituting the Award; and/or
2. pay to the Company (or if required by the Company, any other person specified by the Company) an amount equivalent to all or part of the proceeds of sale or, in the event of a disposal of the Plan Shares at a price which the Board reasonably determines was less than market value at the time of disposal and where the disposal was not made at arm's length, an amount equivalent to the market value (as reasonably determined by the Board) at the time of disposal of all or some of the Plan Shares acquired pursuant to the exercise of the Option constituting the Award; and/or
3. pay to the Company (or, if required by the Company, any other person specified by the Company) an amount equivalent to all or part of the amount of any cash in respect of an Award paid to or for the benefit of the Award Holder; and/or
4. pay to the Company (or, if required by the Company, any other person specified by the Company) an amount equivalent to all or part of any benefit or value derived from or attributable to the Plan Shares referred to in paragraph 1 above (including but not limited to any special dividend or additional or replacement shares) on such terms as the Board may reasonably direct,

less in each case the amount of tax and social security contributions actually paid (or due to be paid) by the Award Holder in respect of the acquisition of the Plan Shares and/or payment of cash in respect of an Award.

7.4. Award Holder's obligation to recover tax

In addition to the obligation of the Award Holder as described above, the Award Holder shall use his best endeavours to seek and obtain repayment or credit from HMRC or any relevant overseas tax authority of the tax and social security contributions paid on the Award Holder's behalf in relation to the Award as soon as reasonably practicable and to notify the Company of such claim and/or receipt of any credit or payment by HMRC (or any relevant overseas tax authority) in this regard. Following such notification the Company will be entitled to require the Award Holder to make a payment to it within 30 days of an amount equivalent to the amount of any payment or credit received from HMRC (or any relevant overseas tax authority).

7.5. Authorisation of deductions

By accepting the grant of an Award, the Award Holder authorises the Company or such other Group Member as may be the employer of the Award Holder to make deductions from any payment owing to him including but not limited to salary, bonus, holiday pay or otherwise in respect of any sum which would otherwise be payable by the Award Holder under this Rule 7.

7.6. Timing of transfers, payments and repayments

Any transfers, payments or repayments to be made by the Award Holder under this Rule 7 shall be made within 30 days of the date the Award Holder is notified in writing of the transfer required or the amount due, as appropriate.

7.7. Additional methods of effecting clawback

In addition to or in substitution for the actions described above that the Board may take under Rule 7.3 (the **Actions**), the Board may:

1. reduce the amount (including, for the avoidance of doubt, to nil) of any future bonus payable to the Award Holder; and/or
2. determine that the number of Plan Shares over which an award or right to acquire Plan Shares that may otherwise be granted to the Award Holder under any Employees' Share Scheme operated by any Group Member (other than any tax-advantaged employee share plan that complies with the requirements of Schedules 2 or 3 of ITEPA 2003) shall be reduced by such number as the Board may determine (including for the avoidance of doubt to nil); and/or
3. reduce the number of Plan Shares (including, for the avoidance of doubt, to nil) subject to any award or right to acquire Plan Shares which has been granted to the Award Holder under any Employees' Share Scheme operated by any Group Member (other than any tax-advantaged employee share plan that complies with the requirements of Schedules 2 to 4 of ITEPA 2003) before the date on which the relevant award or right vests or becomes exercisable by such number as the Board may determine; and/or
4. reduce the number of Plan Shares (including, for the avoidance of doubt, to nil) subject to any option to acquire Plan Shares which has been granted to the Award Holder under any Employees' Share Scheme operated by any Group Member (other than any tax-advantaged employee share plan that complies with the requirements of Schedules 2 to 4 of ITEPA 2003) which has vested but not yet been exercised by such number as the Board may determine, provided that the total amount represented by:
 - a. reductions under this Rule 7.7;
 - b. reductions under Rule 7.8; and
 - c. the amount represented by any transfer and any amount or value payable under Rule 7.3,
 - (i) shall not, in the Board's reasonable opinion, exceed the amount represented by any transfer and any amount or value which would have been due if the Board had only carried out the Actions.

7.8. Reduction of unexercised Option

Where Rule 7.2 applies and the Award takes the form of an Option which the Award Holder has not exercised in full, the Board may in its absolute discretion reduce the number of Plan Shares which remain subject to such Option (including, for the avoidance of doubt, to nil). In addition to or in substitution for reducing such Option, the Board may take any of the actions set out in Rules 7.7.1 to 7.7.4 provided that the total amount represented by reductions under Rules 7.7.1 to 7.7.4 and any reduction of the Option under this Rule 7.8 shall not, in the Board's reasonable opinion, exceed the amount which would have been represented by the reduction of the Option only.

7.9. General provisions

In carrying out any action under this Rule 7, the Board shall act fairly and reasonably but its decision shall be final and binding.

For the avoidance of doubt, any action carried out under this Rule 7 may be applied on an individual basis as determined by the Board. Whenever a reduction of an award, right to acquire Plan Shares or option is made under this Rule 7, the relevant award, right to acquire Plan Shares or option shall be treated to that extent as having lapsed.

7.10. Interaction with other plans

The Board may determine at any time to reduce the number of Plan Shares subject to an Award (including, for the avoidance of doubt, to nil) either:

1. to give effect to one or more provisions of any form which are equivalent to those in Rule 7 (Clawback Provisions) contained in any Employees' Share Scheme operated by any Group Member (other than the Plan) or any bonus plan operated by any Group Member; or
2. as an alternative to giving effect to any such Clawback Provisions.

The value of any reduction under Rule 7.10.1 shall be determined in accordance with the terms of the relevant Clawback Provisions in the relevant Employees' Share Scheme or bonus plan as interpreted by the Board in its absolute discretion.

The value of any reduction under Rule 7.10.2 shall be determined as if the terms of the relevant Clawback Provisions in the relevant Employees' Share Scheme or bonus plan applied as interpreted by the Board in its absolute discretion.

8. Vesting of Awards (and exercise of Options)

8.1. Earliest date for Vesting of Awards

1. Subject to Rules 5, 8.1.2, 10 and 11, an Award will Vest on the later of:

- a. the relevant date specified under Rule 1.4.5; and
- b. the date on which the Board determines that the Performance Target and/or any other conditions imposed under Rule 1.4.11 or Rule 5.1 have been satisfied.

The Grantor may determine that Vesting of the Award shall be delayed until any relevant investigation or other procedure relevant to an event falling within the scope of Rule 6 or Rule 7.10 has been completed.

2. Notwithstanding Rule 8.1(a), an Award granted to an Investor Relations Employee must not Vest prior to the date which is twelve (12) months after the date of grant.

8.2. Effect of Award Vesting

Subject to the Rules, the effect of an Award Vesting shall be:

1. in the case of an Option, that the Award Holder is entitled to exercise the Option constituting the Award at any time during the Exercise Period to the extent that it has Vested; and
2. in the case of a Conditional Share Award, that the Award Holder shall become entitled to Plan Shares to the extent that the Award has Vested.

8.3. No Vesting or exercise while Dealing Restrictions apply

Where the Vesting of an Award is prevented by any Dealing Restriction, the Vesting of that Award shall be delayed until the Dealing Restriction no longer prevents it. Plan Shares may not be issued or transferred to an Award Holder while Dealing Restrictions prevent such issue or transfer. An Option may not be exercised while Dealing Restrictions prevent such exercise.

8.4. Effect of cessation of Relevant Employment

Subject to Rule 10, an Award shall Vest and an Option may be exercised only while the Award Holder is in Relevant Employment and if an Award Holder ceases to be in Relevant Employment, any Award granted to him shall lapse on cessation. This Rule 8.4 shall apply where the Award Holder ceases to be in Relevant Employment in any circumstances (including, in particular, but not by way of limitation, where the Award Holder is dismissed unfairly, wrongfully, in breach of contract or otherwise).

An Award Holder who has given or received notice of termination of Relevant Employment (whether or not lawful) may not exercise an Option during any period when the notice is effective and an Award granted to him shall not Vest during this period, unless the Board determines otherwise. If an Award would otherwise have Vested during this period, and the notice is withdrawn by the relevant party, subject to Rule 8.3 the Award will Vest when the notice is withdrawn.

8.5. Options may be exercised in whole or in part

Subject to Rules 8.3, 8.4 and 15, a Vested Option may be exercised in whole or in part at any time. If exercised in part, the unexercised part of the Option shall not lapse as a result and shall remain exercisable until such time as it lapses in accordance with the Rules.

8.6. Procedure for exercise of Options

An Option shall be exercised by the Award Holder giving notice to the Grantor (or any person appointed by the Grantor) in the form from time to time prescribed by the Board, which may include (for the avoidance of doubt) any electronic and/or online notification. Such notice shall specify the number of Plan Shares in respect of which the Option is being exercised, and be accompanied by either the Award Price (if any) in full or confirmation of arrangements satisfactory to the Grantor for the payment of the Award Price, together with any payment and/or documentation required under Rule 15 and, if required, the Award Certificate.

For the avoidance of doubt, the date of exercise of an Option shall be the later of the date of receipt of a duly completed valid notice of exercise (or any later date as may be specified in that notice of exercise) and the date of compliance with the requirements of the first paragraph of this Rule 8.6.

8.7. Issue or transfer of Plan Shares

Subject to Rules 8.3, 8.8 and 15 and to any necessary consents and to compliance by the Award Holder with the Rules, the Grantor shall as soon as reasonably practicable, and in any event not later than 30 days after:

1. the exercise date, in the case of an Option, arrange for the issue or transfer to the Award Holder (or a nominee specified or permitted by the Company) of the number of Plan Shares specified in the notice of exercise and provide to the Award Holder, in the case of the partial exercise of an Option, an Award Certificate in respect of, or the original Award Certificate updated to show, the unexercised part of the Option; and
2. the Vesting of an Award, in the case of a Conditional Share Award, arrange for the issue or transfer to the Award Holder (or a nominee specified or permitted by the Company) of the number of Plan Shares in respect of which the Award has Vested.

8.8. Net or cash settling

Subject to Rule 15, the Grantor may on exercise of an Option:

1. make a cash payment to the Award Holder equal to the Gain on the date of exercise of the Option, provided that, for so long as the Plan Shares are listed for trading on the TSX Venture Exchange, no such cash payment shall be paid without the prior approval of the TSX Venture Exchange; or
2. arrange for the issue or transfer to the Award Holder of Plan Shares with a Market Value equal to the Gain on the date of exercise of the Option (rounded down to the nearest whole Plan Share). The Award Holder shall not be required to make payment for these Plan Shares.

Subject to Rule 15, the Grantor may on the Vesting of a Conditional Share Award make a cash payment to the Award Holder equal to the Market Value of the Plan Shares in respect of which the Conditional Share Award has Vested, less the Award Price (if any).

Where the Company settles an Award in the manner described in this Rule 8.8, this shall be in full and final satisfaction of the Award Holder's rights under the Award.

8.9. Dividend equivalents

An Award may include the right to receive an amount in Plan Shares or cash on or following Vesting equal in value to the dividends which were payable on the number of Plan Shares in respect of which the Award has Vested during the period between the Award Date and the date of Vesting (or in the case of an Option the number of Plan Shares subject to the Option shall be increased as at the date of Vesting by the relevant value in Plan Shares).

The Grantor may determine at its absolute discretion whether or not the method used to calculate the value of dividends shall assume that such dividends have been reinvested into Plan Shares.

The Grantor may decide at any time not to apply this Rule 8.9 to all or any part of a special dividend or dividend in specie.

9. Holding Period

9.1. Definitions

In this Rule 9:

Holding Period Holder means a trustee or nominee designated by the Grantor in accordance with this Rule 9; and

Holding Period Shares means Plan Shares which are or were the subject of an Award to which a Holding Period applies and in respect of which the Holding Period has not ended in accordance with this Rule 9.

9.2. Application

This Rule 9 applies to the extent that some or all of the Plan Shares acquired on Vesting of an Award (or exercise of an Option) are subject to a Holding Period.

9.3. Issue or transfer to Holding Period Holder

Instead of arranging for the issue or transfer of the Holding Period Shares to the Award Holder on Vesting of a Conditional Share Award or exercise of an Option under Rule 8.7, the Board may arrange for the Holding Period Shares to be issued or transferred to the Holding Period Holder, as designated by the Board, to be held for the benefit of the Award Holder. Any balance of the Plan Shares in respect of which an Award Vests or is exercised will be issued or transferred as described in Rule 8.7.

9.4. No transfer during Holding Period

The Award Holder or Holding Period Holder may not transfer, assign or otherwise dispose of any of the Holding Period Shares or any interest in them (and the Award Holder may not instruct the Holding Period Holder to do so) during the Holding Period except in the following circumstances:

1. the sale of sufficient entitlements nil-paid in relation to Holding Period Shares to take up the balance of the entitlements under a rights issue; and
2. the sale of sufficient Holding Period Shares to satisfy any liability to tax or employee social security contributions (or where Rule 15.2 applies, Employer's NIC) arising in relation to Holding Period Shares.

9.5. Shareholder rights during Holding Period

1. Unless the Board decides otherwise, the restrictions in this Rule 9 will apply to any cash or assets (other than ordinary dividends) received in respect of the Holding Period Shares and such cash or assets will be held by the Holding Period Holder until the end of the Holding Period.

2. During the Holding Period, the Holding Period Holder will be entitled to vote and have all other rights of a shareholder in respect of the Holding Period Shares.

9.6. Ceasing Relevant Employment during the Holding Period

Ceasing Relevant Employment during the Holding Period will have no impact on the provisions of this Rule 9, save where cessation is by reason of death in which case the Holding Period shall immediately be deemed to have ended.

9.7. Clawback

For the avoidance of doubt, Rule 7 shall apply to the Holding Period Shares in the same way that it applies to any Plan Shares acquired by an Award Holder following Vesting of an Award or exercise of an Option which are not Holding Period Shares.

9.8. End of Holding Period

Subject to the provisions of this Rule 9, the Holding Period will end on the earliest of the following:

1. the date set as the end of the Holding Period specified under Rule 1.4;
2. subject to Rule 12.1, the relevant date on which an Award would have Vested under Rules 11.1 to 11.4;
3. if the Board so allows, the circumstances in which any event described in Rule 11.5 would apply; and
4. any other circumstances in the absolute discretion of the Board. Where this paragraph 4 applies, the Board may additionally determine that the Holding Period shall end only for such number of Holding Period Shares as it may specify.

10. Vesting of Awards (and exercise of Options) in special circumstances

10.1. Death

If an Award Holder dies, a proportion of each Award held by him which has not Vested will Vest immediately. The proportion of each Award which shall Vest shall be determined by the Board at its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the satisfaction of any Performance Target as at the date of death and any other conditions imposed under Rule 5.1.

Unless the Board in its absolute discretion decides otherwise (and irrespective of the time at which the Board has determined that the Award will Vest under this Rule 10.1), the number of Plan Shares which Vest will be reduced pro rata to reflect the number of whole months from the Award Date until the date of death as a proportion of the original Vesting Period.

In relation to an Option, if an Award Holder dies, his personal representatives (having established title to the satisfaction of the Company) shall be entitled to exercise the Vested proportion of his Option (whether Vested under this Rule or otherwise) at any time during the 12 month period following death, or, if later, following Vesting or, in either case, during such other longer period as the Board determines. The Option shall lapse at the end of such period.

10.2. Injury, disability, redundancy, retirement etc.

If an Award Holder ceases to be in Relevant Employment by reason of:

1. injury, ill-health or disability evidenced to the satisfaction of the Board;
2. redundancy within the meaning of the Employment Rights Act 1996 of the United Kingdom (or any applicable equivalent overseas legislation) evidenced to the satisfaction of the Board;

3. retirement by agreement with the company by which he is employed;
4. the Award Holder being employed by a company which ceases to be a Group Member;
5. the Award Holder being employed in an undertaking or part of an undertaking which is transferred to a person who is not a Group Member; or
6. any other circumstances if the Board decides in any particular case

any Award held by him which has not Vested will continue until the normal time of Vesting and the Performance Target and/or any other conditions imposed under Rule 5.1 shall be considered at the time of Vesting.

Alternatively, the Board may decide that an Award will Vest immediately in which case the proportion of the Award which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the satisfaction of any Performance Target as at the time of cessation and any other conditions imposed under Rule 5.1.

Unless the Board in its absolute discretion decides otherwise (and irrespective of the time at which the Board has determined that the Award will Vest under this Rule 10.2), the number of Plan Shares which Vest will be reduced pro rata to reflect the number of whole months from the Award Date until the date of cessation of Relevant Employment as a proportion of the original Vesting Period.

In relation to an Option, the Award Holder shall be entitled to exercise the Vested proportion of his Option (whether Vested under this Rule or otherwise) at any time during the period ending 6 months following cessation of Relevant Employment or, if later, following Vesting or, in either case, during such other longer period as the Board determines. The Option shall lapse at the end of such period.

10.3. Award Holder relocated abroad

If it is proposed that an Award Holder, while continuing to be in Relevant Employment, should work in a country other than the country in which he is currently working and, by reason of the change, the Award Holder would:

1. suffer less favourable tax treatment in respect of his Award; or
2. become subject to a restriction on his ability to exercise an Option, to have issued or transferred to him the Plan Shares subject to an Award or to hold or deal in such Plan Shares or the proceeds of sale of such Plan Shares,

an Award may, at the absolute discretion of the Board, Vest immediately either in full or to the extent determined by the Board in its absolute discretion and subject to such conditions as it may require taking into account such factors as the Board may consider relevant including, but not limited to, the period of time the relevant Award has been held and the extent to which any Performance Target and any other conditions imposed under Rule 5.1 have been met. Where an Option has become Vested pursuant to this Rule 10.3, the Award Holder may exercise his Vested Option at any time during the period beginning 3 months before the proposed date of his transfer and ending 3 months after the date of his actual transfer. If not so exercised, the Option shall not lapse but shall cease to be treated as having Vested and shall continue in force in accordance with the Rules.

10.4. Meaning of ceasing to be in Relevant Employment

For the purposes of the Plan, an Award Holder shall not be treated as ceasing to be in Relevant Employment until he no longer holds any office or employment with any Group Member. In addition, unless the Board otherwise decides an Award Holder shall not be treated as so ceasing if within 7 days he recommences employment or becomes an office holder with any Group Member.

The Board may determine that an Award Holder will be treated as ceasing to be in Relevant Employment when he gives or receives notice of termination of his employment (whether or not lawful).

10.5. Interaction of Rules

In relation to an Option:

1. if the Option has become exercisable under Rule 10.2 and, during the period allowed for the exercise of the Option under Rule 10.2 the Award Holder dies, the period allowed for the exercise of the Option shall be the period allowed by Rule 10.1; and
2. if the Option has become exercisable under Rule 10 and, during the period allowed for the exercise of the Option under Rule 10, the Option becomes exercisable under Rule 11 also (or vice versa), the period allowed for the exercise of the Option shall end on the earlier of the end of the period allowed by Rule 10 and the end of the period allowed by Rule 11.

11. Takeover and other corporate events

11.1. Takeover

Subject to Rule 122, where a person obtains Control of the Company as a result of making an offer or bid to acquire Plan Shares, Awards shall Vest on the date the person obtains Control as set out below.

The proportion of an Award which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Award has been held by the Award Holder and having regard to any Performance Target and/or any other conditions imposed under Rule 5.1.

In relation to an Option, the Vested proportion of the Option (whether Vested under this Rule 11.1 or otherwise) may be exercised at any time during the period of 6 months (or, if the Board determines a longer period shall apply, that period) beginning with the time when the person making the offer has obtained Control. The Option shall lapse at the end of such period unless the Board determines that a longer period for exercise shall apply, in which case the Option shall continue in force until the end of such extended period or until it otherwise lapses in accordance with the Rules.

If the extent of Vesting of an Award which Vests under this Rule 11.1 has been reduced by the Board to reflect the period of time that the Award has been held by the Award Holder, the Board may determine that Rule 12 shall apply to the proportion of the Award reflecting such reduction which has not Vested.

11.2. Compulsory acquisition of shares in the Company

Subject to Rule 12, if a person becomes entitled or bound to acquire shares in the Company under section 206 to 206.1 of the *Canada Business Corporations Act*, Awards shall Vest as set out below.

The proportion of an Award which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Award has been held by the Award Holder and having regard to any Performance Target and/or any other conditions imposed under Rule 5.1.

In relation to an Option, the Vested proportion of the Option (whether Vested under this Rule 11.2 or otherwise) may be exercised at any time during the period beginning with the date the person serves a notice under section 206(3) of the *Canada Business Corporations Act* and ending 7 clear days before the date on which the person ceases to be entitled to serve such a notice. The Option shall lapse at the end of the 7 days.

If the extent of Vesting of an Award which Vests under this Rule 11.2 has been reduced by the Board to reflect the period of time that the Award has been held by the Award Holder, the Board may determine that Rule 12 shall apply to the proportion of the Award reflecting such reduction which has not Vested.

11.3. Plan of arrangement

Subject to Rule 12, if a person proposes to obtain Control of the Company in pursuance of an arrangement approved by the court under section 192 of the *Canada Business Corporations Act* Awards shall Vest on the date of the court approval as set out below.

The proportion of an Award which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Award has been held by the Award Holder and having regard to any Performance Target and/or any other conditions imposed under Rule 5.1.

In relation to an Option, the Vested proportion of the Option (whether Vested under this Rule 11.3 or otherwise) may be exercised at any time during the period of 6 months from the arrangement being approved by the court. The Option shall lapse at the end of such period.

If the extent of Vesting of an Award which Vests under this Rule 11.3 has been reduced by the Board to reflect the period of time that the Award has been held by the Award Holder, the Board may determine that Rule 12 shall apply to the proportion of the Award reflecting such reduction which has not Vested.

11.4. Winding-up of the Company

If notice is given of a resolution for the voluntary winding-up of the Company, Awards shall Vest on the date notice is given.

The proportion of an Award which shall Vest will be determined by the Board in its absolute discretion taking into account such factors as the Board may consider relevant including, but not limited to, the time the Award has been held by the Award Holder and having regard to any Performance Target and/or any other conditions imposed under Rule 5.1.

In relation to an Option, the Vested proportion of the Option (whether Vested under this Rule 11.4 or otherwise) may be exercised at any time during the period of 6 months from the date of the notice or, if earlier, on completion of the winding-up. The Option shall lapse at the end of such period.

11.5. Demergers and other events

The Board may determine that Awards Vest if it becomes aware that the Company will be affected by a demerger, distribution (which is not an ordinary dividend) or other transaction not otherwise covered by the Rules.

The proportion of an Award which shall Vest will be determined by the Board in its absolute discretion subject to such conditions as it may require taking into account such factors as the Board may consider relevant including, but not limited to, the time the Award has been held by the Award Holder and having regard to any Performance Target and/or any other conditions imposed under Rule 5.1.

In relation to an Option, the Vested proportion of the Option (whether Vested under this Rule 11.5 or otherwise) may be exercised at any time during a period as shall be determined by the Board. The Option shall lapse at the end of such period.

If the extent of Vesting of an Award which Vests under this Rule 11.5 has been reduced by the Board to reflect the period of time that the Award has been held by the Award Holder, the Board may determine that Rule 12 shall apply to the proportion of the Award reflecting such reduction which has not Vested.

11.6. Meaning of “obtains Control of the Company”

For the purpose of this Rule 11 a person shall be deemed to have obtained Control of the Company if he and others Acting In Concert with him have together obtained Control of it.

11.7. References to Board within this Rule 11

For the purposes of this Rule 11, any reference to the Board shall be taken to be a reference to those individuals who were members of the Board immediately before the event by virtue of which this Rule 11 applies.

11.8. Notification of Award Holders

The Grantor shall, as soon as reasonably practicable, notify each Award Holder of the occurrence of any of the events referred to in this Rule 11 and explain how this affects his position under the Plan.

11.9. Vesting of Awards in advance of a corporate event

Where the Board is aware that an event is likely to occur under Rule 11:

1. in respect of which Awards will Vest in circumstances where the conditions for relief under Part 12 of the Corporation Tax Act 2009 of the United Kingdom may not be satisfied; or
2. if the Board in its absolute discretion considers it appropriate, the Board may, in its absolute discretion and by notice in writing to all Award Holders, declare that all Awards that are expected to Vest as a result of the relevant event shall Vest (and in the case of any such Award which is an Option, shall be exercisable) in accordance with Rule 11 during such period prior to the relevant event as determined by the Board.

12. Exchange of Awards

12.1. Where exchange applies

An Award will not Vest under Rule 11 but will be exchanged for a new award (**New Award**) under this Rule to the extent that:

1. an offer to exchange the Award for a New Award is made and accepted by the Award Holder; or
2. the Board, with the consent of the persons acquiring Control if relevant, decides that Awards will be automatically exchanged for New Awards. The circumstances in which the Board may make such a decision include (but are not limited to) where an event occurs under Rules 11.1, 11.2, or 11.3 and:
 - a. the shareholders of the acquiring company, immediately after it has obtained Control, are substantially the same as the shareholders of the Company immediately before the event; or
 - b. the obtaining of Control amounts in the opinion of the Board to a merger with the Company.

12.2. Terms of exchange

The following applies in respect of the New Award:

1. The Award Date of the New Award shall be deemed to be the same as the Award Date of the Award.
2. The New Award will be in respect of the shares in a company determined by the Board.
3. In the application of the Plan to the New Award, where appropriate, references to "Company" and "Plan Shares" shall be read as if they were references to the company to whose shares the New Award relates.
4. The New Award must be equivalent to the Award and subject to paragraph 5 below it will Vest at the same time and in the same manner as the Award.
5. Either the Vesting of the New Award must be subject to performance conditions and/or any other conditions which are so far as possible equivalent to any Performance Target and/or any other conditions applying to the Award or no performance conditions will apply but the value of shares comprised in the New Award shall have substantially the same value of the number of Plan Shares which would have Vested under Rule 11 as applicable.

13. Lapse of Awards

Notwithstanding any other provision of the Rules, an Award shall lapse on the earliest of:

1. in the case of Options, the expiry of the Exercise Period;
2. the Board determining that any Performance Target and/or any other conditions imposed under Rule 5.1 has not been satisfied either in whole or in part in respect of the Award and can no longer be satisfied in whole or in part in which case the Award shall lapse to the extent that the Performance Target and/or any other conditions imposed under Rule 5.1 can no longer be satisfied;
3. subject to Rule 10, the Award Holder ceasing to be in Relevant Employment;
4. any date for lapse provided for under these Rules; and
5. the date on which the Award Holder becomes bankrupt or enters into a compromise with his creditors generally.

14. Adjustment of Awards on Reorganisation

14.1. Power to adjust Awards

In the event of a Reorganisation, the number of Plan Shares subject to an Award which is an Option or a Conditional Share Award, the description of the Plan Shares, the Award Price or any one or more of these shall be adjusted in such manner as the Grantor, together with the Board where relevant, shall determine.

14.2. Award Price

No adjustment shall be made to the Award Price which would result in the Plan Shares subject to an Option or Conditional Share Award being issued at a price per Plan Share lower than the nominal value of a Plan Share except where the Grantor puts in place arrangements to pay up the nominal value at the date of issue of the Plan Shares (or the difference between the adjusted Award Price and the nominal value as the case may be).

14.3. Notification of Award Holders

The Grantor shall, as soon as reasonably practicable, notify each Award Holder of any adjustment made under this Rule 144 and explain how this affects his position under the Plan.

15. Tax and social security withholding

15.1. Deductions

Unless the Award Holder discharges any liability that may arise himself, the Grantor, the Company or any Group Member or former Group Member (as the case may be) may withhold such amount, or make such other arrangements as it may determine appropriate, for example to sell or withhold Plan Shares, to meet any liability to taxes or social security contributions in respect of Awards, including, where applicable, Employer's NIC transferred under 15.2. The Award Holder will be responsible for all taxes, social security contributions and other liabilities arising in respect of the Award Holder's Awards.

15.2. Transfer of Employer's NIC

The Grantor may, at its discretion and to the extent permitted by law, require the Award Holder to pay all or any part of the Employer's NIC in relation to an Award.

15.3. Execution of document by Award Holder

The Grantor may require an Award Holder to execute a document in order to bind himself contractually to any such arrangement as is referred to in Rules 15.1 and 15.2 and return the executed document to the Company by a specified date. It shall be a condition of Vesting, and where applicable exercise, of the Award that the executed document be returned by the specified date unless the Grantor determines otherwise.

15.4. Tax elections

The Board may, at its discretion, determine that an Option may not be exercised and/or the Plan Shares subject to a Conditional Share Award may not be issued or transferred to the Award Holder (or for his benefit) unless the Award Holder has beforehand signed an election under Chapter 2 of Part 7 of ITEPA 2003 and/or section 165 of the Taxation of Chargeable Gains Act 1992 of the United Kingdom or entered into broadly similar local arrangements.

16. Rights and listing of Plan Shares

16.1. Rights attaching to Plan Shares

All Plan Shares issued or transferred under the Plan shall, as to voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank equally in all respects and as one class with the shares of the same class in issue at the date of issue or transfer save as regards any rights attaching to such Plan Shares by reference to a record date prior to the date of such issue or transfer.

16.2. Listing and admission of trading of Plan Shares

If and so long as Plan Shares are listed on the Official List and/or traded on the London Stock Exchange or the TSX Venture Exchange, the Company will apply for the listing and/or admission to trading of any Plan Shares issued under the Plan as soon as reasonably practicable.

17. Relationship of the Plan to contract of employment

17.1. Contractual provisions

Notwithstanding any other provision of the Plan:

1. the Plan shall not form part of any contract of employment between any Group Member and an Eligible Employee;
2. unless expressly so provided in his contract of employment, an Eligible Employee has no right to be granted an Award and the receipt of an Award in one year (and the calculation of the Award Price in a particular way) is no indication that the Award Holder will be granted any subsequent Awards (or that the calculations of the Award Price will be made in the same or a similar way);
3. the Plan does not entitle any Award Holder to the exercise of any discretion in his favour;
4. the benefit to an Eligible Employee of participation in the Plan (including, in particular but not by way of limitation, any Awards held by him) shall not form any part of his remuneration or count as his remuneration for any purpose and shall not be pensionable; and
5. if an Eligible Employee ceases to be in Relevant Employment for any reason, he shall not be entitled to compensation for the loss or diminution in value of any right or benefit or prospective right or benefit under the Plan (including, in particular but not by way of limitation, any Awards held by him which lapse by reason of his ceasing to be in Relevant Employment) whether by way of damages for unfair dismissal, wrongful dismissal, breach of contract or otherwise.

17.2. Deemed agreement

By accepting the grant of an Award, an Award Holder is deemed to have agreed to the provisions of these Rules, including this Rule 17.

18. Administration of the Plan

18.1. Responsibility for administration

The Board (and the Grantor, where appropriate) shall be responsible for, and shall have the conduct of, the administration of the Plan. The Board may from time to time make, amend or rescind regulations for the administration of the Plan provided that such regulations shall not be inconsistent with the Rules.

18.2. Board's decision final and binding

The decision of the Board shall be final and binding in all matters relating to the Plan, including but not limited to the resolution of any dispute concerning, or any inconsistency or ambiguity in the Rules or any document used in connection with the Plan.

18.3. Grantor to consult with the Board

Where the Grantor is not the Company and has granted, or proposes to grant, an Award, the Grantor shall consult with, and take into account the wishes of, the Board before making any determination or exercising any power or discretion under the Plan.

18.4. Discretionary nature of Awards

All Awards shall be granted entirely at the discretion of the Grantor.

18.5. Provision of information

An Award Holder and, where the Grantor is not the Company, the Grantor shall provide to the Company or any Group Member as soon as reasonably practicable such information as the Company reasonably requests for the purpose of complying with its obligations under section 421J of ITEPA 2003 or similar requirements of local tax legislation.

18.6. Cost of the Plan

The cost of introducing and administering the Plan shall be met by the Company. The Company shall be entitled, if it wishes, to charge an appropriate part of such cost and/or the costs of an Award to a Subsidiary or the Grantor.

18.7. Data protection

An Award Holder consents to the holding, processing and transfer of personal data in relation to the Award Holder by or to the Company, the Grantor, any Group Member, the Trustees, any third party broker, registrar or administrator or any future purchaser of the Company or relevant Group Member employing the Award Holder for all purposes relating to the operation of the Plan and this consent shall include transferring or processing personal data outside the European Economic Area (as defined in the Data Protection Act 1998 of the United Kingdom).

18.8. Third party rights

Nothing in these Rules confers any benefit, right or expectation on a person who is not an Award Holder. No such third party has any rights under the Contracts (Rights of Third Parties) Act 1999 of the United Kingdom to enforce any terms of these Rules.

19. Amendment of the Plan

19.1. Power to amend the Plan

Subject to Rule 19.2 the Board may from time to time amend the Rules (including, for the purposes of establishing a sub-plan for the benefit of employees located overseas), subject to any applicable regulatory approval and, if required, shareholder approval.

19.2. Rights of existing Award Holders

An amendment may not materially adversely affect the rights of an existing Award Holder except:

1. where the amendment is made to take account of any matter or circumstance which the Board reasonably considers is a legal or regulatory requirement which the Board reasonably considers is relevant and requires an amendment to be made in order for any Group Member to comply with such requirement; or
2. where the Award Holder affected by the change has been notified of such amendment and the majority of Award Holders affected by the change who have responded to such notification have approved the amendment.

20. Notices

20.1. Notice by the Grantor

Save as provided for by law, any notice, document or other communication given by, or on behalf of, the Grantor or to any person in connection with the Plan shall be deemed to have been duly given if delivered to him at his place of work, if he is in Relevant Employment, if sent by e-mail to such e-mail address as may be specified by him from time to time or, in the case of an Award Holder who remains in Relevant Employment, to such e-mail address as is allocated to him by any Group Member, or sent through the post in a pre-paid envelope to the postal address last known to the Company to be his address and, if so sent, shall be deemed to have been duly given on the date of posting.

20.2. Deceased Award Holders

Save as provided for by law, any notice, document or other communication so sent to an Award Holder shall be deemed to have been duly given notwithstanding that such Award Holder is then deceased (and whether or not the Company has notice of his death) except where his personal representatives have established title to the satisfaction of the Company and supplied to the Company an e-mail or postal address to which notices, documents and other communications are to be sent.

20.3. Notice to the Grantor

Save as provided for by law any notice, document or other communication given to the Grantor (or any relevant person appointed by the Grantor) in connection with the Plan shall be delivered by hand or sent by email, fax or post to the Company Secretary (or any relevant person appointed by the Grantor) at the Company's registered office (or such other e-mail or postal address as may from time to time be notified to Award Holders) but shall not in any event be duly given unless it is actually received at the registered office or such e-mail or postal address.

21. Governing law and jurisdiction

21.1. Plan governed by English law

The formation, existence, construction, performance, validity and all aspects whatsoever of the Plan, any term of the Plan and any Award granted under it shall be governed by English law.

21.2. English courts to have jurisdiction

The English courts shall have jurisdiction to settle any dispute which may arise out of, or in connection with, the Plan.

21.3. Jurisdiction agreement for benefit of the Company

The jurisdiction agreement contained in this Rule 21 is made for the benefit of the Company only, which accordingly retains the right to bring proceedings in any other court of competent jurisdiction.

21.4. Award Holder deemed to submit to such jurisdiction

By accepting the grant of an Award, an Award Holder is deemed to have agreed to submit to such jurisdiction.

22. Interpretation

22.1. Definitions

In this Plan, unless the context otherwise requires, the following words and expressions have the following meanings:

Acting In Concert has the meaning given to that expression in The City Code on Takeovers and Mergers in its present form or as amended from time to time;

AIM Rules means the AIM Rules for Companies as amended from time to time;

Award means a Conditional Share Award or an Option (as the case may be) granted under the Plan;

Award Certificate means a statement in a form, which may include an electronic form, determined by the Company setting out details of an Award which is an Option or a Conditional Share Award determined in accordance with Rule 1.4;

Award Date means the date on which an Award is granted in accordance with Rule 1.3;

Award Holder means an individual who holds an Award or, where the context permits, his legal personal representatives. Where relevant, Award Holder(s) shall include reference to former Award Holder(s);

Award Price means the amount (if any), expressed either as an amount per Plan Share or a total amount, payable in respect of the exercise of an Option or Vesting of a Conditional Share Award, determined in accordance with Rule 4;

Base Award means the number of Plan Shares determined by the Board in accordance with Rule 1.4 to which the Share Price Multiplier (if any) is applied;

Board means, subject to Rule 11.7, the board of directors of the Company or a duly authorised committee of it or a person duly authorised by the board of directors of the Company or such committee;

Company means SDX Energy Inc. incorporated in Canada under company number 953285-4;

Conditional Share Award means a conditional right under the Plan to acquire Plan Shares;

Control has the meaning given to it by section 995 of ITA 2007;

Dealing Day means any day on which the London Stock Exchange or the TSX Venture Exchange, as applicable, is open for the transaction of business;

Dealing Restrictions means any restrictions imposed by legislation, regulation or any other code or guidance on share dealing with which the Company seeks to comply;

Directors' Remuneration Policy has the meaning given to it by section 422A(6) of the Companies Act 2006 of the United Kingdom;

Eligible Employee means an individual who at the Award Date is an employee of a Group Member;

Employees' Share Scheme has the meaning set out in section 1166 of the Companies Act 2006 of the United Kingdom;

Employer's NIC means a United Kingdom employer's secondary class 1 National Insurance contributions liability or any local equivalent;

Exercise Period means the period set by the Board on the Award Date during which an Option may be exercised, ending no later than the 10th anniversary of the Award Date;

Financial Conduct Authority means the "competent authority" as that expression is defined in Part VI of the Financial Services and Markets Act 2000;

Financial Year means a financial year of the Company;

Gain means the difference between (i) the Market Value of a Plan Share on the date of exercise of an Option and (ii) the Award Price, multiplied by the number of Plan Shares in respect of which the Option is being exercised;

Grantor means:

1. in relation to an Award granted by the Company, the Board;
2. in relation to an Award granted by the Trustees, the Trustees; and
3. in relation to an Award granted by any other person which the Board authorises to grant an Award, that person;

Group means the Company and its Subsidiaries from time to time and **Group Member** shall be interpreted accordingly;

Holding Period means the period (if any) specified under paragraph 9 of Rule 1.4 (commencing from the Vesting Date of the relevant Award) during which the restrictions in Rule 9 apply;

HMRC means Her Majesty's Revenue & Customs;

Insider means:

1. a director or senior officer of the Company;
2. a director or senior officer of the Company that is an insider or subsidiary of the Company;
3. a person that beneficially owns or controls, directly or indirectly, voting securities of the Company carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company; or
4. the Company itself if it holds any securities of the Company;

ITA 2007 means the Income Tax Act 2007 of the United Kingdom;

ITEPA 2003 means the Income Tax (Earnings and Pensions) Act 2003 of the United Kingdom;

Investor Relations Employee means an Eligible Employee whose role and duties primarily consist of Investor Relations Activities;

Investor Relations Activities means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:

1. the dissemination of information provided, or records prepared, in the ordinary course of business of the Company, (i) to promote the sale of products or services of the Company, or (ii) to raise public awareness of the Company, that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
2. activities or communications necessary to comply with the requirements of: (i) applicable corporate or securities laws; or (ii) the by-laws, rules or other regulatory instruments of any stock exchanges or other self-regulatory body or exchange having jurisdiction over the Company; or
3. communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if: (i) the communication is only through the newspaper, magazine or publication, and (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer;

London Stock Exchange means the London Stock Exchange plc or any successor body;

Market Value on any day means

4. if at the relevant time Plan Shares are listed on the Official List (or on any other recognised stock exchange within the meaning of section 1005 of ITA 2007 (including without limitation the TSX Venture Exchange) or the Alternative Investment Market of the London Stock Exchange), the closing middle market quotation (as derived from the Daily Official List of the London Stock Exchange or the equivalent list or record for the recognised stock exchange on which the Plan Shares are listed) or, if the Board so decides, the closing price on the preceding Dealing Day; or
5. where Plan Shares are not so listed, the market value of a Plan Share calculated as described in the Taxation of Chargeable Gains Act 1992 of the United Kingdom;

Official List means the list maintained by the Financial Conduct Authority in accordance with section 74(1) of the Financial Services and Markets Act 2000 of the United Kingdom for the purposes of Part VI of that Act;

Option means a right to acquire Plan Shares granted under the Plan;

Performance Target means a performance target imposed as a condition of the Vesting of an Award under Rule 5.1 and as substituted or varied in accordance with Rule 5.3;

Plan means the SDX Energy Inc. Long-Term Incentive Plan as amended from time to time;

Plan Shares means common shares in the capital of the Company (or any shares representing them);

Regulatory Information Service means a service that is approved by the Financial Conduct Authority of the United Kingdom on meeting the Primary Information Provider criteria and is on the list of Regulatory Information Services maintained by the Financial Conduct Authority (or any overseas equivalent);

Relevant Employment means employment with any Group Member;

Reorganisation means any variation in the share capital of the Company, including but without limitation a capitalisation issue, rights issue, demerger or other distribution, a special dividend or distribution, rights offer or bonus issue and a sub-division, consolidation or reduction in the capital of the Company;

Rules mean the rules of the Plan;

Share Price Multiplier means the Vesting multiplier (if any) applied to the Base Award;

Subsidiary has the meaning set out in the *Canada Business Corporations Act*;

Trustees means the trustees of any trust created by a Group Member which, when taken together with the Plan, constitutes an Employees' Share Scheme;

Vest means

1. in relation to an Option, the Award Holder becoming entitled to exercise the Option; and
2. in relation to a Conditional Share Award, the Award Holder becoming entitled to have the Plan Shares issued or transferred to him (or to a nominee specified or permitted by the Company).

Vesting Period means the period from the Award Date to the normal date of Vesting.

22.2. Interpretation

In the Plan, unless otherwise specified:

1. save as provided for by law a reference to writing includes any mode of reproducing words in a legible form and reduced to paper or electronic format or communication including, for the avoidance of doubt, correspondence via e-mail; and
2. the Interpretation Act 1978 of the United Kingdom applies to the Plan in the same way as it applies to an enactment.

Schedule A: United Kingdom – CSOP Options

The Grantor may designate any Option as a CSOP Option (**CSOP Option**) on the Award Date. If the Grantor does so, the provisions of the Rules relating to Options will apply to the CSOP Option, subject to this Schedule A. The Rules as amended by this Schedule A shall apply only to CSOP Options granted under this Schedule A.

The purpose of Schedule A is to provide, in accordance with Schedule 4, benefits to employees and directors in the form of CSOP Options. The CSOP Options granted under this Schedule A, are intended to meet the requirements of Schedule 4 of ITEPA 2003 (**Schedule 4**). In order for a CSOP Option to meet the requirements of Schedule 4, the Company must notify the Plan to HMRC by 6 July of the Tax Year following the Award Date to the extent not already notified.

A.1. Definitions

For the purposes of this Schedule A, the following words and expressions have the following meanings:

Award means a CSOP Option;

Constituent Company has the meaning in paragraph 3(3) of Schedule 4;

Market Value on any day means:

1. if at the relevant time Plan Shares are listed on the Official List (or any other recognised stock exchange within the meaning of section 1005 ITA 2007), the closing middle market quotation (as derived from the Daily Official List of the London Stock Exchange or the equivalent list or record for the recognised stock exchange on which the Plan Shares are listed) on the preceding Dealing Day; or
2. where Plan Shares are not so listed, including where the Plan Shares are listed on the Alternative Investment Market of the London Stock Exchange, the market value of a Plan Share determined as described in the Taxation of Chargeable Gains Act 1992 and as agreed in advance with HMRC;

and in either case, if shares are subject to a Restriction, their Market Value applicable on the date of the grant of the relevant option is to be determined as if they were not subject to a Restriction;

Restriction has the meaning given in paragraph 36(3) of Schedule 4;

Schedule 4 CSOP is a plan under which any CSOP options granted are intended to meet the requirements of Schedule 4; and

Tax Year is a calendar year commencing on 6 April.

In the event of any conflict between the provisions of this Schedule A and the Rules, this Schedule A shall take precedence.

A.2. Grant of CSOP Options and eligibility to be granted CSOP Options

The Grantor may on an Award Date grant a CSOP Option to such Eligible Employees as it may in its absolute discretion determine except that CSOP Options may not be granted under this Schedule A to anybody who is:

1. excluded from participation because of paragraph 9 of Schedule 4 (material interest provisions);
2. a director who is required to work less than 25 hours a week (excluding meal breaks) for any Constituent Companies; or
3. not an employee or director of the Company or a Subsidiary which has been nominated by the Board as a Constituent Company.

The Board will nominate Constituent Companies for the purposes of this Schedule A.

A.3. General requirements as to the terms of the CSOP Option

The following terms (in addition to the items specified in Rule 1.4) must be stated at the time of grant of the CSOP Option as required by paragraph 21A of Schedule 4 for a CSOP Option:

1. the Award Price, being the price at which Plan Shares may be acquired by the exercise of the CSOP Option;
2. the number and description of the Plan Shares which may be acquired by the exercise of the CSOP Option;
3. whether or not the Plan Shares which may be acquired by the exercise of the CSOP Option may be subject to any Restriction and, if so, the details of the Restriction;
4. the times at which the CSOP Option may be exercised (in whole or in part); and
5. the circumstances under which the CSOP Option will lapse or be cancelled (in whole or in part), including any conditions to which the exercise of the CSOP Option is subject (in whole or in part).

These terms may be varied after the grant of the CSOP Option, but only to the extent permitted by paragraph 21A of Schedule 4.

As soon as practicable after the grant of a CSOP Option, the Grantor shall notify the relevant Award Holder of the matters set out in paragraph 21A of Schedule 4.

A.4. CSOP Options: reporting requirements

The Company shall give notice in the form specified by paragraphs 28A and 28B of Schedule 4 to HMRC including that CSOP Options granted under this Schedule A meet the requirements set out in parts 2 to 6 of Schedule 4 and make any declaration in relation to amendments to key features (as defined in paragraph 28B(8) of Schedule 4) or variations under paragraph 22(3) of Schedule 4 to confirm that the requirements of Parts 2 to 6 of Schedule 4 continue to be met.

CSOP Options granted in a Tax Year in advance of notification of the Plan to HMRC in accordance with paragraph 28A of Schedule 4 will only fall within the provisions of the CSOP code (as defined under section 521(3) ITEPA 2003) if the Company notifies the Plan to HMRC by 6 July of the following Tax Year.

A.5. Plan Shares subject to a CSOP Option

The definition of “Plan Shares” is modified to mean “common shares in the capital of the Company which satisfy the conditions in paragraphs 16 to 20 of Schedule 4”.

The Plan Shares subject to a CSOP Option must satisfy paragraphs 16 to 20 of Schedule 4 at the Award Date and the exercise date. If any Plan Shares cease to satisfy paragraphs 16 to 20 of Schedule 4 after the Award Date then subject to paragraph 25A(7B), the CSOP Option shall cease to be treated as granted or held in accordance with Schedule 4 but the Option will continue in effect.

A.6. Award Price

The Award Price of a CSOP Option will be not less than the Market Value of a Plan Share on the Award Date or such earlier other date as HMRC may agree in advance. Where Plan Shares are not admitted to the Official List or are not listed on another recognised stock exchange then the Market Value shall be agreed in advance with HMRC.

A.7. HMRC limit

The Grantor must not grant a CSOP Option to an Eligible Employee which would cause the aggregate Market Value of:

1. the Plan Shares subject to that CSOP Option; and
2. the Plan Shares which he may acquire on exercising other CSOP Options; and
3. the shares which he may acquire on exercising his options under any other Schedule 4 CSOP established by the Company or by any of its associated companies (as defined in paragraph 35 of Schedule 4),

to exceed the amount permitted under paragraph 6(1) of Schedule 4 (as at the date on which the Plan was adopted, £30,000).

For the purpose of this limit shares subject to an option which has been exercised, lapsed or renounced shall be disregarded.

If the grant of a CSOP Option would cause this limit to be exceeded, such CSOP Option shall take effect as an Option over the maximum number of Plan Shares which does not cause the limit to be exceeded.

The Grantor must not grant a CSOP Option to an Eligible Employee without his prior agreement in writing if the result of granting the CSOP Option would be that a disqualifying event under section 536(1)(c) of ITEPA 2003 would arise in relation to any Enterprise Management Incentive options held by him.

For the purposes of options to which Rule 3 applies, in relation to shares under such options which are not Plan Shares, references in the definition of Market Value to Plan Shares shall be read as the shares to which those options apply.

A.8. Plan Shares subject to a Restriction

If the Plan Shares subject to a CSOP Option are subject to a Restriction, then for the purposes of Rules A.6, A.7, A.9 and A.15, the Market Value of those Plan Shares shall be determined as if they were not subject to the Restriction.

A.9. Variations in share capital, demergers and special distributions

1. Adjustments may not be made to CSOP Options under Rule 14 (Adjustment of Awards on Reorganisation) where there is a demerger (in whatever form), an exempt distribution by virtue of Chapter 5 or Part 23 of the Corporation Tax Act 2010 or a special dividend or any other distribution.
2. Any adjustment of CSOP Options under Rule 14.1 in accordance with paragraph 22(3) of Schedule 4 shall only be permitted to the extent that the total Market Value of the Plan Shares which may be acquired by the exercise of the adjusted CSOP Option and the total price at which those Plan Shares may be acquired are substantially the same as immediately before the Reorganisation.
3. Nothing in this Rule A.9 shall authorise any adjustment which would result in the requirements of Schedule 4 not being met in relation to a CSOP Option.

A.10. Restrictions on exercise of a CSOP Option

An Award Holder may not exercise a CSOP Option while he is excluded from participation under paragraph 9 of Schedule 4 (material interest provisions).

A.11. Discretion on exercise and lapse of CSOP Options

Rule 10 (Vesting of Awards (and exercise of Options) in special circumstances) shall take effect on the basis that the proportion of the Awards which shall Vest will be determined by the Board taking into account any Performance Target and/or any other conditions imposed under Rule 5.1, and the number of Plan Shares will be reduced pro rata to reflect the number of whole months from the Award Date until cessation as a proportion of the original Vesting period.

If any discretion is exercised under Rules 10 (Vesting of Awards (and exercise of Options) in special circumstances) or 11 (Takeover and other corporate events) in relation to a CSOP Option, it must be exercised fairly and reasonably.

A.12. Exercise of CSOP Options following death

Except in the case of a voluntary winding-up of the Company, where the period for exercise of a CSOP Option shall be as provided for under Rule 11.4 if less than 12 months following death, and notwithstanding any other provision of the Plan, if a CSOP Option has become exercisable under Rule 10.1, the CSOP Option can be exercised at any time up to and including the first anniversary of the date of death regardless of any other CSOP Option exercise provision in the Plan.

A.13. Exercise of CSOP Options in special circumstances

Notwithstanding Rule 10.2, if a holder of a CSOP Option ceases to be in employment with a Constituent Company by reason of:

1. injury or disability;
2. redundancy within the meaning of the Employment Rights Act 1996;
3. retirement by agreement with the company by which he is employed;
4. a relevant transfer to a company outside the Group within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006;
5. the Group Member in which he holds office or employment ceases to be a Constituent Company by reason that it ceases to be under the Control of the Company; or
6. any other circumstances if the Board decides in any particular case,

a proportion of his CSOP Option shall Vest. The proportion of the CSOP Option which shall Vest shall be determined in accordance with Rule 10.2. Any discretion as to whether and the extent to which a CSOP Option shall Vest shall be exercised in a fair and reasonable manner.

A.14. Takeover, compulsory acquisition, scheme of arrangement or winding-up of the Company

1. Subject to the remainder of this Rule A.14.1, an Option can be exercised as a CSOP Option in accordance with Rule 11.1 where:
 - a. the offer falls within paragraph 25A(3) to (5) of Schedule 4; and
 - b. the CSOP Option is exercised within 6 months of the appropriate relevant date as set out in paragraph 25A (2) of Schedule 4.

Where the Board shall determine it is likely that a person will obtain Control of the Company or will purport to obtain Control and the Board passes a resolution to that effect, in the circumstances contemplated by Rule 11.1 and paragraph 25A(3) to (5) of Schedule 4, the CSOP Option may be exercised during the period of 20 days ending with the day on which the person obtains such Control of the Company and the CSOP Option shall be treated as if it was exercised in accordance with Rule 11.1. If a CSOP Option is exercised in reliance of this Rule A.14.1 and in anticipation of the events referred to in Rule 11.1 and paragraph 25A (3) to (5) of Schedule 4, but the person does not obtain Control of the Company during the period of 20 days beginning with the date on which the CSOP Option is exercised, the exercise of the CSOP Option is to be treated as having had no effect. If not so exercised but the person obtains Control then the Option shall lapse at the end of that 20 day period.

Subject to the above, if in consequence of a person obtaining Control of the Company or purporting to obtain Control of the Company within Rule 11.1 and paragraph 25A(3) to (5) of Schedule 4, the Plan Shares to which the CSOP Option relates no longer meet the requirements of Part 4 of Schedule 4, the CSOP Option may be exercised no later than 20 days after the day on which the person obtains Control

of the Company, as referred to in Rule 11.1 and paragraph 25A(3) to (5) of Schedule 4, notwithstanding that the Plan Shares no longer meet the requirements of Part 4 of Schedule 4. If not so exercised, the Options shall lapse at the expiry of that period of 20 days.

2. Subject to the remainder of this Rule A.14.2, an Option can be exercised as a CSOP Option in accordance with Rule 11.2 where:
 - a. the compulsory acquisition of the Plan Shares falls within paragraph 25A (7) of Schedule 4; and
 - b. the CSOP Option is exercised within the period as set out in paragraph 25A (7) of Schedule 4.

Where the Board shall determine that it is likely that a person will become bound or entitled to acquire shares in the Company in the circumstances contemplated by Rule 11.2 and paragraph 25A(7) of Schedule 4 and the Board passes a resolution to that effect, the Option may be exercised during the period of 20 days ending with the day on which the person becomes bound or entitled to acquire shares in the Company within Rule 11.2 and paragraph 25A(7) of Schedule 4 and the CSOP Option shall be treated as if it was exercised in accordance with Rule 10.2. If a CSOP Option is exercised in reliance of this Rule A.14.2 and in anticipation of a person becoming bound or entitled to acquire shares within Rule 11.2 and paragraph 25A(7) of Schedule 4 and that person does not become so bound or entitled to acquire shares in the Company by the end of the period of 20 days beginning with the date on which the CSOP Option is exercised, the exercise of the CSOP Option is to be treated as having had no effect. If not so exercised but the person becomes bound or entitled to acquire shares in the Company then the Option shall lapse at the end of that 20 day period.

Subject to the above, if in consequence of a person who is entitled or bound to acquire shares in the Company within Rule 11.2 and paragraph 25A(7) of Schedule 4, the Plan Shares to which the CSOP Option relates no longer meet the requirements of Part 4 of Schedule 4, the CSOP Option may be exercised no later than 20 days after the day on which the person obtains Control of the Company, notwithstanding that the Plan Shares no longer meet the requirements of Part 4 of Schedule 4. If not so exercised, the CSOP Options shall lapse at the expiry of that period of 20 days.

3. Subject to the remainder of this Rule A.14.3, an Option can be exercised as a CSOP Option in accordance with Rule 11.3 where:
 - a. the compromise or arrangement falls within paragraph 25A(6) of Schedule 4; and
 - b. the CSOP Option is exercised within 6 months of the relevant date as set out in paragraph 25A (6) of Schedule 4.

Where the Board shall determine that it is likely that the court will sanction a compromise or arrangement within Rule 11.3 and paragraph 25A(6) of Schedule 4 and the Board passes a resolution to that effect, the CSOP Option may be exercised during the period of 20 days ending with the day on which the court sanctions such a compromise or arrangement and the CSOP Option shall be treated as if it was exercised in accordance with Rule 11.3. If a CSOP Option is exercised in reliance of this Rule A.14.3 and in anticipation of the events referred to in Rule 11.3 and paragraph 25A(6) of Schedule 4, but the court does not sanction the compromise or arrangement within Rule 11.3 during the period of 20 days beginning with the date on which the CSOP Option is exercised, the exercise of the CSOP Option is to be treated as having had no effect. If not so exercised but the compromise of arrangement takes effect then the Option shall lapse at the end of that 20 day period.

Subject to the above, if in consequence of a person obtaining Control of the Company as a result of a compromise or arrangement sanctioned by the court within Rule 11.3 and paragraph 25A(6) of Schedule 4, the Plan Shares to which the CSOP Option relates no longer meet the requirements of Part 4 of Schedule 4, the CSOP Option may be exercised no later than 20 days after the day on which a person obtains Control of the Company as a result of a compromise or arrangement sanctioned by the court, notwithstanding that the Plan Shares no longer meet the requirements of Part 4 of Schedule 4. If not so exercised, the CSOP Options shall lapse at the expiry of that period of 20 days.

A.15. Exchange of CSOP Options

Paragraph b of Rule 12.1.2 shall not apply to CSOP Options.

If the person which obtains Control of the Company under Rule 11 is a company of which the common shares or ordinary shares, as applicable, are held in substantially the same proportions by substantially the same persons who previously held the Company's common shares, then the Board may determine that Rule 11 shall not apply. Instead, if that person makes an offer to exchange the Award for a new Award which meets the requirements set out below, any CSOP Options that are not exchanged within the period referred to in paragraph 26 of Schedule 4 shall lapse forthwith at the end of that period.

CSOP Options can only be exchanged, as described in Rule 12.2 (Terms of exchange), if the Acquiring Company:

1. obtains Control of the Company as a result of making a general offer to acquire:
2. the whole of the issued ordinary share capital of the Company (other than that which is already owned by it and its subsidiary or holding company) made on a condition such that, if satisfied, the Acquiring Company will have Control of the Company; or
3. all the Plan Shares (or all those Plan Shares not already owned by the Acquiring Company or its subsidiary or holding company); or
4. obtains Control of the Company under a compromise or arrangement sanctioned by the court under Section 899 of the Companies Act 2006; or
5. becomes bound or entitled to acquire Plan Shares under sections 979 to 982 or 983 to 985 of the Companies Act 2006; or
6. obtains Control of the Company as a result of a non-UK company reorganisation (as defined in paragraph 35ZA of Schedule 4) which has become binding on the shareholders covered by it.

CSOP Options must be exchanged within the period referred to in paragraph 26(3) of Schedule 4 and with the agreement of the company offering the exchange and the Award Holder. No further CSOP Options may be granted under the Plan other than pursuant to Rule 11 as modified by this Rule A.15.

Rule 12.2.3 shall be replaced by the words "In the application of the Plan to the New Award, where appropriate, references to "Company" and "Plan Shares" shall be read as if they were references to the company to whose shares the New Award relates, save that in the definition of "Board" the reference to "Company" shall be read as if it were a reference to SDX Energy plc."

Rule 12.2.5 shall be construed as if the words "which would have Vested under Rule 11 as applicable" were replaced by the words "subject to the original Award".

The new CSOP Option must be equivalent to the old CSOP Option by satisfying the conditions of paragraph 27 of Schedule 4 and must be in respect of shares which satisfy the conditions of paragraph 27 of Schedule 4, in a body corporate falling within paragraph 16(b) or (c) of Schedule 4.

In determining whether the old CSOP Option is equivalent to the new CSOP Option, the market value of the Plan Shares shall be determined using a methodology agreed by HMRC.

A.16. Changing the terms of CSOP Options

The Board need not obtain the approval of the Company in general meeting for any minor changes to this Schedule A which are necessary or desirable in order to meet the requirements of Schedule 4.

A.17. Substitution, variation or waiver of Performance Target

No amendment to any Performance Target and/or any other conditions for CSOP Options can be made which makes the Performance Target and/or any other conditions more difficult to satisfy.

A.18. Accounting for tax and social security withholding

Rule 15.1 (Deductions) shall be replaced by the following:

“If the Grantor, the Company or any Group Member (as the case may be) is obliged in any jurisdiction to account for tax and social security contributions for which the Award Holder is liable by virtue of the exercise of the Option and such company has not received from the Award Holder the necessary amount, then such company shall be entitled to discharge such liability by selling sufficient Plan Shares in respect of which the Option has been validly exercised and allotting or procuring the transfer of the balance of the Plan Shares to the Award Holder.”

A.19. Disapplication of certain Rules and provisions

The following Rules and provisions do not apply to CSOP Options:

1. Rule 1.4.6 (Terms set at grant – dividend equivalents) and 8.9 (Dividend equivalents);
2. Rules 6 (Malus) and 7 (Clawback) shall apply only to the extent (if at all) permissible under Schedule 4; and
3. Rule 8.8 (Net or cash settling).

A CSOP Option granted to a US Taxpayer (as defined in Schedule B to the Rules) shall also be subject to the provisions of Schedule B as they apply to CSOP Options and the right of exercise of a CSOP Option on death under Rule 10.1 and Rule A.12 shall not apply to a US Taxpayer.

Schedule B: Terms of Awards for US Taxpayers

This Schedule B shall apply to all Award Holders who are US Taxpayers (as defined below). In the event that an Award Holder becomes a US Taxpayer subsequent to the Award Date of an Award under the Plan, then such Award shall immediately be amended in a manner consistent with this Schedule B. References in this Schedule B to Awards granted to US Taxpayers shall include Awards held by an Award Holder who becomes a US Taxpayer subsequent to the Award Date.

B.1 Definitions

In this Schedule B, the following definitions shall apply:

Code means the US Internal Revenue Code of 1986, as amended from time to time. References to the Code or to a particular section of the Code shall include references to any related Treasury Regulations and rulings to successor provisions;

Conditional Share Award Short-Term Deferral Period means the period commencing on the date that a Conditional Share Award first is no longer subject to a substantial risk of forfeiture for purposes of section 409A of the Code and ending upon the fifteenth day of the third month following the end of the Taxable Year in which such Conditional Share Award first is no longer subject to a substantial risk of forfeiture;

Option means an Option granted under the Plan, including an Option designated as a CSOP Option pursuant to Schedule A.

Option Short-Term Deferral Period means the period commencing on the date that an Option first is no longer subject to a substantial risk of forfeiture for purposes of section 409A of the Code and ending on December 31st of the calendar year in which such Option first is no longer subject to a substantial risk of forfeiture;

Taxable Year means the calendar year, or, if later, the end of the taxable year of the Company, in which a Conditional Share Award or Option, as applicable, first is no longer subject to a substantial risk of forfeiture;

US means the United States of America;

US Tax means income taxation by the US; and

US Taxpayer means an Award Holder who is subject to US Tax at the Award Date, is expected to become subject to US Tax following the Award Date or does become subject to US Tax following the Award Date but prior to the date upon which any part of an Award Vests. US Taxpayers shall include US citizens working abroad, US resident aliens and other individuals rendering services in the US.

B.2 Options

Notwithstanding Rules 8, 10, 11, A.12, A.13, A.14 and any other Rule or provision of Schedule A, Options granted to US Taxpayers must be exercised no later than the end of the Option Short-Term Deferral Period (or the end of the applicable Exercise Period, if earlier). For purposes of Rule 13, an Option granted to a US Taxpayer will also lapse at the end of the Option Short-Term Deferral Period unless the following paragraph applies, in which event, the Option will also lapse immediately following the earliest date at which it is reasonably anticipated that the relevant Dealing Restriction no longer prevents it.

In the event that the issuance or transfer by the Grantor of Plan Shares in respect of an Option granted to a US Taxpayer that has Vested has not been made by the end of the Option Short-Term Deferral Period due to the circumstances described in Rule 8.3, then to the extent permissible under Section 1.409A-1(b)(4)(ii) of the US Proposed Treasury Regulations, such issuance and transfer by the Grantor of the Plan Shares may be delayed so long as the exercise of the Option is then satisfied at the earliest date at which it is reasonably anticipated that the relevant Dealing Restriction no longer prevents it.

Notwithstanding Rule 8.1, where the Grantor of an Option determines that Vesting of an Option granted to a US Taxpayer shall be delayed, such delay will not impose an additional or extend the existing substantial risk of forfeiture applicable to such Option for purposes of section 409A of the Code.

Notwithstanding Rule 8.4, where a US Taxpayer has given or received notice of termination and the Award would have otherwise Vested and the notice is withdrawn, the Option Short-Term Deferral Period shall be determined using the original Vesting date and not the date when the notice is withdrawn.

B.3 Conditional Share Awards

For the avoidance of doubt, the issuance and transfer by the Grantor pursuant to Rule 8.7 to a US Taxpayer of Plan Shares in respect of a Conditional Share Award that has Vested shall be made no later than the end of the Conditional Share Award Short-Term Deferral Period.

In the event that the issuance or transfer by the Grantor of Plan Shares in respect of a Conditional Share Award granted to a US Taxpayer that has Vested has not been made by the end of the Conditional Share Award Short-Term Deferral Period due to the circumstances described in Rule 8.3, then to the extent permissible under Section 1.409A-1(b)(4)(ii) of the US Proposed Treasury Regulations, such issuance and transfer by the Grantor of the Plan Shares may be delayed so long as the Conditional Share Award is then satisfied at the earliest date at which it is reasonably anticipated that the relevant Dealing Restriction no longer prevents it.

For the avoidance of doubt, the cash payment made by the Grantor pursuant to Rule 8.8 to a US Taxpayer in respect of a Conditional Share Award that has Vested shall be made no later than the end of the Conditional Share Award Short-Term Deferral Period.

B.4 Dividend Equivalents

For purposes of Rule 8.9, any dividend equivalents that may be awarded on an Option granted to a US Taxpayer shall be subject to the same Vesting requirements of the applicable shares under the Option on which the dividend equivalents are accrued. Such dividend equivalents shall be accumulated subject to such Vesting, without interest or other earnings (unless the Award expressly provides otherwise), and if the accumulated dividend equivalents (and interest and earnings if awarded) Vest, they shall be paid to the Award Holder by the end of the Option Short-Term Deferral Period applicable to the shares of the Option on which the dividend equivalents (and interest and earnings if awarded) are accrued. Payment of the dividend equivalents (and interest and earnings if awarded) will be made in Plan Shares, and the number of Plan Shares to be paid shall be determined by dividing the amount of the accumulated dividend equivalents on the date on which they Vest by the Market Value of a Plan Share on such date, rounded down to avoid fractional shares (unless the Award expressly provides otherwise).

For purposes of Rule 8.9, any dividend equivalents that may be awarded on a Conditional Share Award granted to a US Taxpayer shall be subject to the same Vesting requirements of the applicable shares under the Conditional Share Award on which the dividend equivalents are accrued. Such dividend equivalents shall be accumulated subject to such Vesting, without interest or other earnings (unless the Award expressly provides otherwise), and if the accumulated dividend equivalents (and interest and earnings if awarded) Vest, they shall be paid to the Award Holder by the end of the Conditional Share Award Short-Term Deferral Period applicable to the shares of the Conditional Share Award on which the dividend equivalents (and interest and earnings if awarded) are accrued. Payment of the dividend equivalents (and interest and earnings if awarded) will be made in Plan Shares, and the number of Plan Shares to be paid shall be determined by dividing the amount of the accumulated dividend equivalents on the date on which they Vest by the Market Value of a Plan Share on such date, rounded down to avoid fractional shares (unless the Award expressly provides otherwise).

B.5 Substitution or Variation of Performance Target

The Performance Target of an outstanding Award granted to a US Taxpayer may not be substituted or varied pursuant to Rule 5.3, if and to the extent that the substitution or variation of the Performance Target would result in the earlier ending of the applicable Option Short-Term Deferral Period or Conditional Share Award Short-Term Deferral Period. Notwithstanding the foregoing, the Grantor may waive the Performance Target of an outstanding Award granted to a US Taxpayer pursuant to Rule 5.3.

B.6 Holding Period

For the avoidance of doubt, any Holding Period under Rule 9 with respect to an Award granted to a US Taxpayer will not impose an additional or extend the existing substantial risk of forfeiture applicable to such Award for purposes of section 409A of the Code.

B.7 US Taxpayer Injury, Redundancy, Retirement etc.

An Option granted to a US Taxpayer who ceases to be in Relevant Employment as described in Rule 10.2 may not be exercised after the end of the applicable Option Short-Term Deferral Period or, if earlier, the end of the period allowed for exercise under Rule 10.2 or the end of the applicable Exercise Period.

B.8 US Taxpayer Relocated Abroad

Notwithstanding Rule 10.3, an Option granted to a US Taxpayer who is relocated abroad as described in such Rule may not be exercised after the earliest of (a) the date that is three months after the date of the US Taxpayer's actual transfer date, (b) the end of the applicable Exercise Period, and (c) the end of the applicable Option Short-Term Deferral Period.

B.9 Changing the Terms of Awards for US Taxpayers

The Board need not obtain the approval of the Company in general meeting for any minor changes to Awards that were granted to US Taxpayers which are necessary or desirable in order for the Awards to qualify for an exemption from or to comply with section 409A of the Code.

B.10 Clawback

In exercising its authority under Rule 7 (Clawback) of the Plan with respect to a US Taxpayer, the Board will attempt to limit the actions it takes under such Rule so as not to offset compensation of the US Taxpayer if and to the extent that an offset would violate the requirements of section 409A of the Code.

B.11 Exchange of Awards

In connection with the exchange of an Award of a US Taxpayer pursuant to Rule 12 of the Plan, the Board shall attempt to structure the terms of the exchange and the "New Award" (as defined in Rule 12 of the Plan) such that neither the exchange nor the New Award violate section 409A of the Code.

B.12 Use of Trusts

Plan Shares with respect to Awards granted to US Taxpayers may not be deposited to a trust or similar arrangement if such action would cause the Awards to violate section 409A of the Code.

B.13 Interpretation and Administration Intent

Awards granted and dividend equivalents payable to US Taxpayers are intended to be exempt from the requirements of section 409A of the Code under the short-term deferral exception described in section 1.409A-1(b)(4) of the US Treasury Regulations, and the Plan and this Schedule B shall be interpreted and administered consistent with such intention.

In the event of any conflict between an applicable provision of the Plan or Schedule A and an applicable provision of this Schedule B with respect to an Award granted to a US Taxpayer, the provision of this Schedule B shall apply.

B.14 Miscellaneous

Notwithstanding any other provisions of the Plan, the Company will not be required to issue or cause to be issued any Plan Shares if at such time such issuance would violate the US federal securities laws or any other laws of the US or any state of the US, if applicable. In addition, the holder of any Plan Shares agrees not to sell or transfer such Plan Shares in violation of the US federal securities laws or any other laws of the US or any state of the US, if applicable. The Company shall have the right in its sole discretion to modify the terms of the Plan,

Schedule A or this Schedule B at any time and from time to time as it deems necessary or appropriate to ensure or facilitate such compliance and to include appropriate legends on any Awards or Plan Shares issued or caused to be issued in connection with the Plan, Schedule A and this Schedule B.

Adopted by the Board of Directors on July 31, 2017