

THE BEDFORD GROUP TRANSEARCH

# THE OIL & GAS COMPENSATION REPORT 2022

BOARD AND EXECUTIVE COMPENSATION  
IN THE OIL & GAS INDUSTRY



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## About the Bedford Group TRANSEARCH

For 40 years the Bedford Consulting Group TRANSEARCH has been a leader in executive search for Boards and companies globally, and for the past fourteen years as a source of compensation information and advice. From both perspectives, Bedford understands the importance of competitive compensation and executive acquisition and retention practices as they specifically relate to the Oil and Gas industry.

Bedford is a leader in executive search and talent management for Canadian and international companies across a variety of industries. We assist clients across Canada and globally from our Canadian offices, supported by our worldwide partners at 60 offices in 40 countries.

## How We Can Help You

The Bedford executive compensation team covers many aspects of executive and board remuneration. We can provide advice on executive compensation, remuneration reports, executive pay benchmarking, reward strategy and pay mix, annual cash incentives, performance metrics and target setting, market trends in compensation, and comparator analysis.

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If you would like further information on any of the areas covered in this report, assistance in interpreting and using this data, or would like to discuss executive, board compensation and/or executive or board recruitment, please contact us.

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## Introduction

Welcome to "The 2022 Bedford Report on Board and Executive Compensation" in the Oil and Gas Industry. This is Bedford's first annual Oil and Gas industry-wide study of compensation awards and practices. It is representative of Bedford's ongoing commitment to aiding organizations to attract and retain leadership talent with the potential to excel.

For this report, Bedford gathered publicly available information for directors, CEOs, CFOs, COOs and Legal Representatives of 150 Canadian and US-based oil and gas companies. While most companies were upstream explorers and producers, Bedford included some midstream, downstream and integrated operators as well. This study summarizes our analysis of executive compensation elements including base salary, long-term and short-term incentives, share ownership requirements, termination, and change of control agreements, as well as director compensation such as retainer, equity, and committee fees. Companies were broken out into asset value tiers (as, in today's market, this is the most consistent identifier), with an effort to have a relatively even number of companies falling into each tier.

OVERVIEW OF DATASET			
Asset Value (\$Millions)	Upstream Only	Other (Midstream, Downstream, Or Combination)	# Of companies
Under 100	22	0	22
100 to 500	15	3	18
500 to 1,500	21	5	26
1,500 to 3,000	15	3	18
3,000 to 10,000	21	7	28
10,000 to 30,000	11	8	19
30,000+	8	9	19

## Oil and Gas Industry Overview

2020 was arguably one of the worst years ever for the oil and gas industry. Given COVID-19, the brief collapse of the OPEC+ talks and the resulting price war between Russia and Saudi Arabia, the industry was left in crisis<sup>1</sup>. In April 2020 the benchmark price for United States crude oil and the West Texas Intermediate went negative for the first time ever. Not only was the industry faced with historically low oil prices, but the future was also uncertain with the cost of renewable energy decreasing, a strong push towards net zero carbon, technological advancement, a waning interest from investors, and the election of a president with promises to implement policies that would harm the oil and gas business<sup>2</sup>.

2021 brought a strong recovery for the industry, with oil prices climbing higher than they had in six years<sup>3</sup>. However, 2021 investor interest remained low due to market volatility and future uncertainty. During the market lull from 2020 to 2021, oil and gas companies spent considerable time revamping their future business plans, which included "practicing capital discipline, focusing on financial health, committing to climate change and transforming business models", strategies which would continue into 2022<sup>4</sup>. Despite lack of investor interest, according to Deloitte, by the end of 2021, oil demand returned to 95% of pre-COVID-19 levels.

Upward pressure on oil prices continued into 2022 where the industry has faced a "tight oil supply and supply disruptions"<sup>5</sup>. Despite the high prices, oil and gas suppliers continue to be pressured by the push for decarbonization, unknown consequences from the Russian invasion of Ukraine, and nuclear deal negotiations with Iran<sup>5</sup>. There is extreme uncertainty of where the oil markets will be for prices, supply, and demand in the coming years, as well as when and how the industry will invest in the future.



Business plan revamping from 2020-2021 paid off and the capital discipline implemented by oil and gas companies in 2022 has set the industry up for a strong financial start to 2023<sup>6</sup>. Furthermore, despite the pressure for a net zero carbon future, clean energy progress has slowed due to a shortage of agricultural products for fuel, and supply chain issues for low-carbon technologies<sup>6</sup>. Deloitte predicts that healthy balance sheets heading into 2023 will help companies to overcome the lack of investments in recent years, promoting an “accelerated energy transition”<sup>6</sup>.

With oil’s uncertain future, Bedford presents its first annual Report on Compensation in Oil and Gas. We are excited to continue monitoring the evolution of the industry and providing year-over-year analysis of compensation changes in the years to come.

### **Objectives and Parameters**

The 2022 Bedford Report on Board and Executive Compensation in the Oil and Gas Industry provides insights and analysis with a primary focus on North American companies. The organizations covered in the report are public.

### **Dollar Reporting**

All currency figures in this report are in Canadian dollars. US company data has been converted to CAD using the Bank of Canada average exchange rate for 2021, being US\$1 equals CA\$1.2535.

### **Data Collection**

Data used in this report was collected in October 2022. Corporate asset values were drawn from company Financial Statements. Compensation data and other personal information are from the companies’ proxy circulars via SEDAR or EDGAR, as well as the corporate websites.

### **Data Treatment, Categorizing, and Outliers**

Information varies due to differences in reporting jurisdictions and the listed stock exchange. Compensation data may not be published for some senior management officers, and the roles considered as Named Executive Officers (NEOs) differ between companies. Statistical data does not always correlate between asset value groups.

<sup>1</sup> <https://www.oecd.org/coronavirus/policy-responses/the-impact-of-coronavirus-covid-19-and-the-global-oil-price-shock-on-the-fiscal-position-of-oil-exporting-developing-countries-8bafbd95/>

<sup>2</sup> <https://www.forbes.com/sites/davidblackmon/2020/12/17/2020-in-review-one-of-the-oil-and-gas-industrys-worst-years-approaches-a-merciful-end/?sh=39e540177bed>

<sup>3</sup> <https://www.deloitte.com/global/en/Industries/energy-chemicals/analysis/gx-oil-and-gas-industry-outlook.html>

<sup>4</sup> [www.deloitte.com/content/dam/assets-shared/legacy/docs/analysis/2022/gx-eri-2022-outlook-oil-and-gas.pdf](http://www.deloitte.com/content/dam/assets-shared/legacy/docs/analysis/2022/gx-eri-2022-outlook-oil-and-gas.pdf)

<sup>5</sup> <https://home.kpmg/xx/en/home/insights/2022/04/top-risks-facing-the-oil-and-gas-industry-in-2022.html>

<sup>6</sup> <https://www2.deloitte.com/us/en/pages/energy-and-resources/articles/oil-and-gas-industry-outlook.html>



## Changes in Reporting Governance

One of the challenges that our clients face is staying on top of changes to good governance expectations as well as reporting requirements. Over the past 18 months, several reporting disclosures have been mandated in the United States. This includes incorporation of a Board Disclosure Matrix related to member diversity for Nasdaq listed companies, as well as inclusion of executive pay practices versus company performance tables required by the Securities Exchange Commission for US-listed companies. A brief summary of the changes are outlined below.

Bedford watches trends and reporting requirements from the United States closely, as they often become necessary in Canada over time. This may be as a result of changes to mandated requirements by the Canadian Stock Exchanges or adoption by the ISS and Glass Lewis as good governance practices. A prime example is that effective in 2024, the ISS will expect Canadian S&P/TSX Composite Index constituents to have at least one racially/ethnically diverse director. As the advisory firm points out, "This reflects broadened Canadian disclosure requirements in this area and increasing investor expectations of board diversity<sup>1</sup>," bringing Canada closer to what is already being required in the United States.

Not only has Bedford assisted companies in their executive and director compensation requirements, but we also have extensive experience advising on good governance practices and improving reporting through Proxy and Management Information Circulars. Bedford can help your company meet emerging reporting challenges.

Below are summaries of two recent updates from the United States that companies need to be reacting to.

### 1. Nasdaq's Board Diversity Disclosure<sup>2</sup>

In August of 2021, the SEC approved Nasdaq's Board Diversity Rule, a disclosure standard designed to encourage a minimum board diversity objective for companies. It also provides stakeholders with consistent, comparable disclosures concerning a company's current board composition.

Nasdaq's Board Diversity Rule requires companies listed on the Nasdaq exchange to:

- Publicly disclose board-level diversity statistics using a standardized template; and
- Have, or explain why they do not have, at least two diverse directors.

The transition to this standard must occur over the course of the next four years. An "Initial Board Disclosure Matrix" is required to be in company proxies effective August 2022. Companies will be required to have at least one diverse director (or provide an explanation for not having one) by 2023, and have two diverse directors (or provide an explanation) by 2025 or 2026.

### 2. SEC Adopts Pay Versus Performance (PvP) Disclosure Rules<sup>3</sup>

In August 2022, the Securities and Exchange Commission adopted rules requiring registrants to provide disclosure of pay versus performance. The disclosure is mandatory in proxy or information statements in which executive compensation disclosure is required. These disclosure requirements do not apply to emerging growth companies<sup>4</sup>, registered investment companies, or foreign private issuers. It will require information that shows the relationship between executive compensation actually paid and the financial performance of the issuer, taking into account any change in the value of the shares of stock and dividends of the issuer, as well as any distributions. A graphic representation of the information may be included.

A table will be required disclosing specified executive compensation amounts and financial performance measures for the five most recently completed fiscal years. It must include the following:

- A summary of total compensation and a measure of "compensation actually paid" for the principal officer and an average of the NEOs,
- The Company's Total Shareholder Return,
- Total Shareholder Return of a peer group,
- Net Income,
- A financial performance measure chosen by the registrant.

<sup>1</sup> <https://insights.issgovernance.com/posts/iss-announces-2023-benchmark-policy-updates/>

<sup>2</sup> <https://listingcenter.nasdaq.com/assets/Board%20Diversity%20Disclosure%20Five%20Things.pdf>

<sup>3</sup> <https://www.sec.gov/rules/final/2022/34-95607.pdf>

<sup>4</sup> An "Emerging Growth Company" is defined by the SEC as an issuer that had total annual gross revenues of less than US\$1.07 billion during its most recently completed fiscal year.

Table information will then be used to describe the relationship between the performance measures, the actual compensation paid, and the relationship between Company and the weighted peer group TSR.

The requirements will be scaled back to three years for smaller companies, not requiring disclosure of peer group TSR, registrant-selected performance measure or inclusion of certain pension amounts when measuring compensation actually paid. There is also a short transition period where less reporting will be required. The requirement for disclosure comes into effect for fiscal years ending on or after December 16, 2022.

Bedford would be pleased to assist in preparing for any reporting requirements mandated by the United States or Canada.

## Bedford Headline Findings [\(titles link through to sections\)](#)

- **CEO - Median Total Compensation:** At the median, CEO total compensation ranged from \$289,800 for companies with asset values under \$100 million to \$13,874,414 for companies with asset values over \$30 billion. Median base salary ranged from \$225,000 to \$1,253,500. Base salary increased significantly for companies with asset values over \$10 billion.
- **CFO Median Compensation:** Median total compensation ranged from \$228,747 for companies with asset values under \$100 million to \$5,990,650 for companies with asset values over \$30 billion.
- **COO Median Compensation:** At the 50th percentile, COO total compensation ranged from \$208,500 for companies with asset values under \$100 million to \$5,268,920 for companies with asset values over \$30 billion.
- **Board Member Annual Base Retainer Analysis:** 85% of companies had a set annual base retainer for their board members. At the median, disclosed retainers ranged from \$25,000 in companies with asset values below \$100 million to \$137,885 in companies with asset values over \$30 billion.
- **Board Chair Base Retainer Analysis:** At the median, companies granted a Board Chair base retainer ranging from \$37,608 for companies with asset values under \$100 million to \$219,363 for companies with asset values over \$30 billion.
- **Proportion of Female Board Members:** 23.4% of board members identified as female in 2021.
- **Proportion of Female CEOs and Named Executive Officers:** Of 160 CEOs, 3 were female, for a total of 1.9%. Of the remaining NEOs analyzed in this report, 12.0% identified as female. Despite pressure for increased diversity and female representation in the Oil and Gas industry, the female population remains underrepresented.
- **NEO Severance – Termination Without Cause:** 58% of both CEOs and NEOs (excluding CEOs) disclosed an agreement with their Company in the event of termination without cause. The most common pay out in the event of termination without cause for the CEOs and NEOs was 24 months of salary and 24 months of bonus.
- **NEO Severance – Change of Control:** 54% of CEOs and 51% of NEOs (excluding CEOs) disclosed an agreement with their Company for a Change of Control event. The most common payout was 24 months' salary and 24 months' bonus for both the CEO and NEOs. The ISS and Glass Lewis recommend a double trigger event for Change of Control benefits in keeping with good governance practices.



## 1.0 Board of Director Compensation

The 2022 Bedford Report on Board and Executive Compensation in the Oil and Gas industry includes data on over 850 Board Members who are non-executive officers of their companies.

For this report, board member compensation includes fees earned as well as equity-based compensation. It should be noted that some directors also received bonus payments and pension payments. These, however, are not typical and make up only a small portion of total compensation. Consequently, these two elements were left out of individual analysis for this section and are only incorporated under the amounts for "Total Compensation". Upon request, further analysis can be conducted on the "other" compensation elements for the respective board members across the data set.

### 1.1 Board Member Compensation

#### Bedford Headline Findings

- **Total Compensation** – Board members' total compensation varied widely at all percentiles and all corporate asset value tiers. Median total compensation ranged from \$36,600 for directors at companies with asset values below \$100 million up to \$379,704 for directors at companies with asset values over \$30 billion.
- **Annual Board Member Base Retainers** – 85% of the companies analyzed in the dataset have established a set annual Director base retainer. Generally, those companies with larger asset values paid higher retainers. This is evident in the data collected. At the median, companies with asset values below \$100M paid around \$25,000 for their Board Retainer, whereas companies above \$30 billion in asset value paid closer to \$137,885. Board retainer breakdowns are included in this report.
- **Meeting Attendance Fees** – In 2021, only 16% of the companies researched had a dedicated meeting attendance fee, ranging from \$750 to \$3,761. In Bedford's observations, a per-meeting fee for attending Board or Committee meetings is becoming less common across all industries. Instead, companies are choosing to grant set annual base retainers to both committee chairs and committee members.
- **Compensation** – A board member's compensation typically consists of the following:
  - a base retainer (paid in cash, equity, or a combination of the two)
  - an additional long-term equity component, typically granted as common stock, RSUs, Options or DSUs, and intended to align Board Members with the interests of shareholders
  - annual committee member fees and
  - additional fees for the committee chairs
- **Equity-Related Compensation** – Generally, equity is a significant component of total compensation for independent directors in larger-tier corporations. Overall, 72% of board members received full-value shares (herein referred to as "shares"), and only 9% received stock options ("options"). Some directors received a combination of both vehicles. There were also companies that grant their annual base retainer in shares or allow their directors to take a portion of their retainer as shares. These grants are frequently used to help directors fulfill their share ownership requirements. A further breakdown of equity awards can be found in this report.
- **Board Member Activity** – It was found that most board members took part in at least two or more committees in their respective firms. Like other industries, the most common committees in the Oil and Gas industry are the Audit Committee, Compensation Committee and Corporate Governance Committee. More data is available further in the report.
- **Female Board Members:** Of all the board members included in the study, about 23.4% identified as female. Bedford expects to see a steady increase in this number in the coming years. Out of the 234 female current and former board members, 3 served as chair or lead director in their respective organizations.

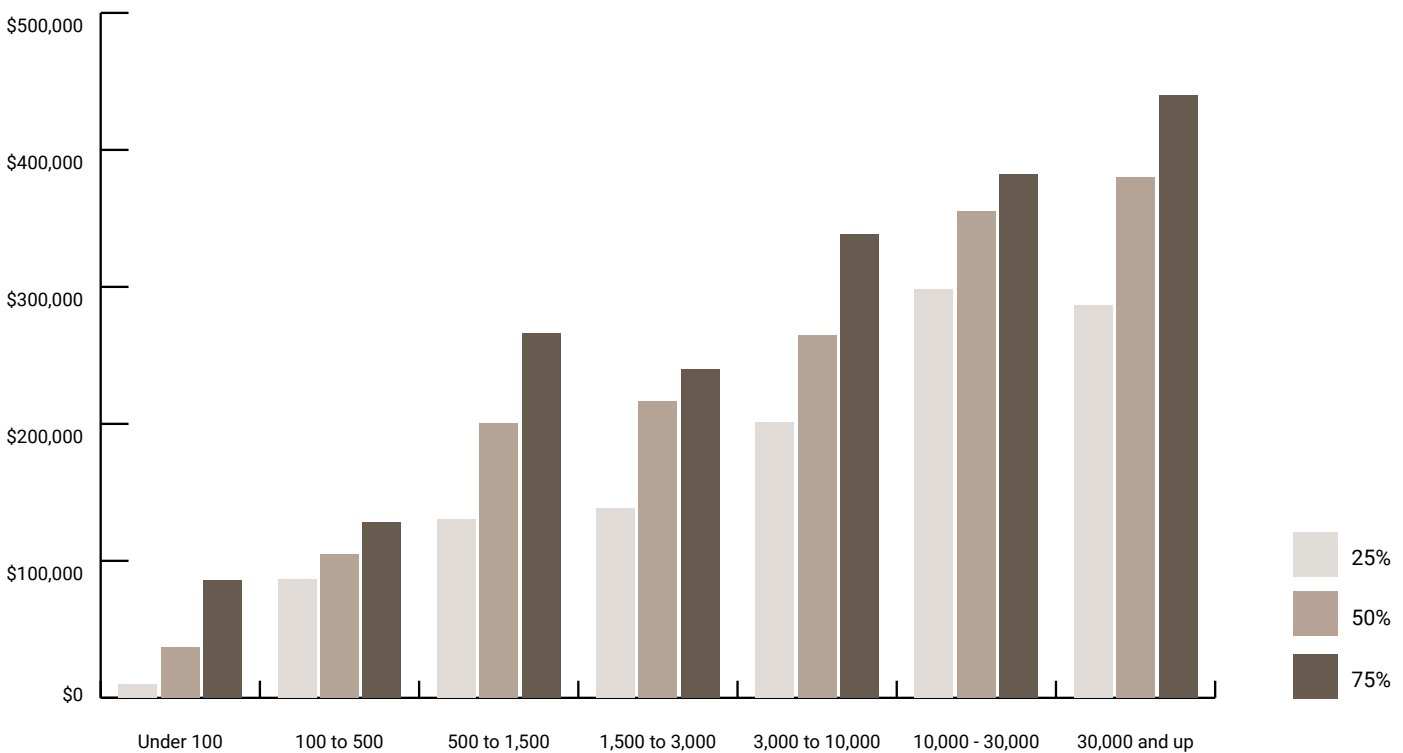


## Board Member Total Compensation

- The chart and graph below highlight the median compensation amounts paid to board members at the 25th, 50th, and 75th percentile of their respective asset value tier. Median compensation tends to increase as asset value increases. This finding is consistent throughout the report.

BOARD MEMBER TOTAL COMPENSATION			
Asset Value (\$ Millions)	25th Percentile	50th Percentile	75th Percentile
Under 100	\$9,813	\$36,600	\$86,055
100 to 500	\$86,500	\$104,959	\$128,227
500 to 1,500	\$130,000	\$200,593	\$266,369
1,500 to 3,000	\$138,061	\$216,580	\$239,949
3,000 to 10,000	\$201,296	\$264,972	\$338,405
10,000 to 30,000	\$298,171	\$355,397	\$382,337
30,000+	\$286,778	\$379,704	\$439,585

## Board Member Total Compensation



## Board Member Compensation Structure

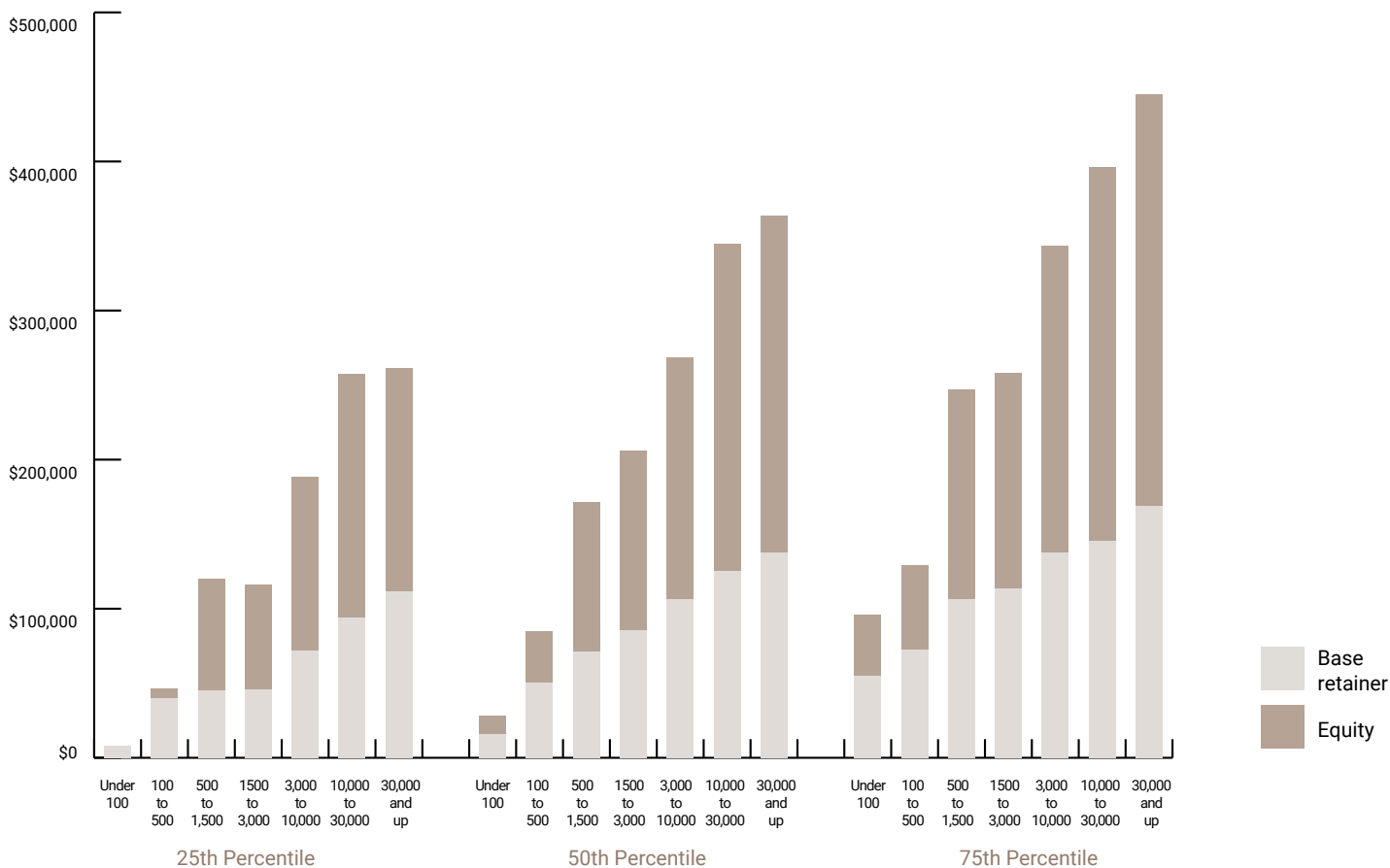
Typically, total compensation of an independent board member consists of three elements: base retainer, committee and/or meeting fees and equity compensation. Some companies also pay short-term incentive payments as well as pension contributions, travel fees or reimbursement for out-of-pocket expenses, often summed as "Other Compensation". As only 28% of companies included a form of other compensation, this data has been excluded as a separate value from the analysis and is only represented as part of the calculation for "Total Compensation". Further analysis can be provided upon request.

In the chart and graphs that follow, "Base Retainer and Committee Fees" includes amounts for base retainer, committee member and chair fees, and any portion of a retainer that is issued as shares. The amounts for equity-based compensation include awards issued in RSUs, DSUs and Options made above and beyond the base retainer. It should be noted that the median values of each cell are calculated individually, so the amounts for Total Compensation are not a sum of each row of data. More than 25% of directors in companies with asset values below \$100 million did not receive an equity grant in 2021; therefore, the amount for the 25th percentile is \$0. Further breakdowns of the below, such as values of Share versus Option awards can be provided upon request.

ELEMENTS OF BOARD MEMBER COMPENSATION			
Asset Value (\$ Millions)	Base Retainer and Committee Fees	Equity	Total Compensation
<b>25TH PERCENTILE</b>			
Under 100	\$8,000	\$0	\$9,813
100 to 500	\$40,005	\$6,225	\$86,500
500 to 1,500	\$45,000	\$75,000	\$130,000
1,500 to 3,000	\$45,964	\$70,003	\$138,061
3,000 to 10,000	\$72,008	\$116,297	\$201,296
10,000 to 30,000	\$94,377	\$162,955	\$298,171
30,000+	\$111,832	\$149,209	\$286,778
<b>50TH PERCENTILE</b>			
Under 100	\$16,250	\$11,777	\$36,600
100 to 500	\$50,625	\$34,183	\$104,959
500 to 1,500	\$71,167	\$100,281	\$200,593
1,500 to 3,000	\$85,449	\$120,656	\$216,580
3,000 to 10,000	\$106,548	\$161,925	\$264,972
10,000 to 30,000	\$125,350	\$219,354	\$355,397
30,000+	\$137,885	\$225,596	\$379,704

ELEMENTS OF BOARD MEMBER COMPENSATION (continued)			
Asset Value (\$ Millions)	Base Retainer and Committee Fees	Equity	Total Compensation
<b>75TH PERCENTILE</b>			
Under 100	\$55,233	\$40,958	\$86,055
100 to 500	\$72,600	\$56,412	\$128,227
500 to 1,500	\$106,548	\$140,473	\$266,369
1,500 to 3,000	\$113,702	\$144,175	\$239,949
3,000 to 10,000	\$137,885	\$205,253	\$338,405
10,000 to 30,000	\$145,406	\$250,705	\$382,337
30,000+	\$169,223	\$275,784	\$439,585

### Elements of Board Member Compensation



## Board Member Annual Base Retainer

Summary Compensation Tables disclosed by companies in their public filings typically combine base retainer and committee fees as "fees". This can make it difficult to distinguish what was awarded as a retainer and what was awarded as a committee fee, if anything. 85% of companies disclosed their director fee schedule. Tables in the following sections (including Board and Chair Base Retainer breakdowns, and committee member and chair breakdowns) are based on the set fees disclosed by the Company to ensure that data is accurate and not assumed.

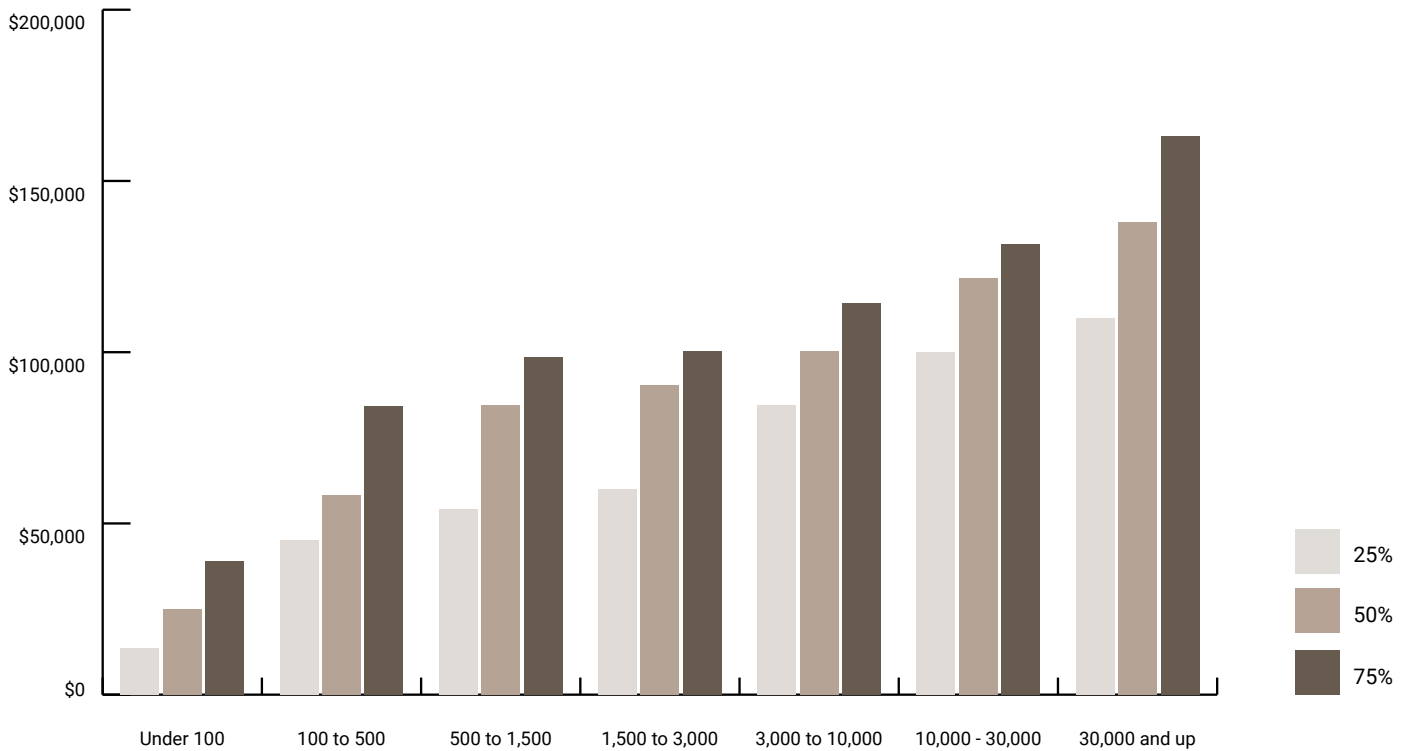
The table below shows the median value of the annual base retainer disclosed by companies at the 25th, 50th, and 75th percentile broken out by asset value. The data shows that larger organizations typically offer larger base retainers to their board members, which is a consistent pay practice throughout the report.

BOARD MEMBER ANNUAL BASE RETAINER			
Asset Value (\$M)	25th Percentile	50th Percentile	75th Percentile
Under 100	\$13,461	\$25,000	\$39,000
100 to 500	\$45,000	\$58,204	\$84,119
500 to 1,500	\$54,250	\$84,611	\$98,503
1,500 to 3,000	\$60,000	\$90,252	\$100,280
3,000 to 10,000	\$84,611	\$100,280	\$114,382
10,000 to 30,000	\$100,140	\$121,590	\$131,618
30,000+	\$110,000	\$137,885	\$162,955





## Board Member Annual Retainer



## Meeting Attendance Fees

In 2021, only 16% of the companies researched had a dedicated meeting attendance fee, ranging from \$750 to \$3,761. In Bedford's observations, a per-meeting fee for attending Board or Committee meetings is becoming less common across all industries. Instead, companies are choosing to grant set annual base retainers to both committee chairs and committee members.

## Female Board Member Representation

Of all the board members included in this report, about 23.4% identified as female. Bedford expects to see a steady increase in this number in the coming years. Out of the 234 female current and former board members, 3 served as chair or lead director in their respective organizations.



## 1.2 Board Chair Compensation

### Bedford Headline Findings

- ▶ At the median, Board Chair total compensation ranged from \$102,494 at companies with asset values under \$100 million, to \$529,600 at companies with asset values over \$30 billion.
- ▶ This portion of the report includes a combined analysis for non-executive chairs, vice-chairs, and independent lead directors.
- ▶ Board Chairs are compensated at higher levels than regular Board Members due to the experience required to fulfill the role, the increased responsibilities, and the assumption of risk associated with the position.
- ▶ Many Board Chairs take on additional responsibilities in a company by becoming a member of various committees. It was found that a chair was typically part of at least one committee.
- ▶ Board Chair and Lead Director total compensation consists primarily of a cash base retainer and an equity-settled grant. Organizations may also allow/encourage directors to take a portion of their base retainer as equity.

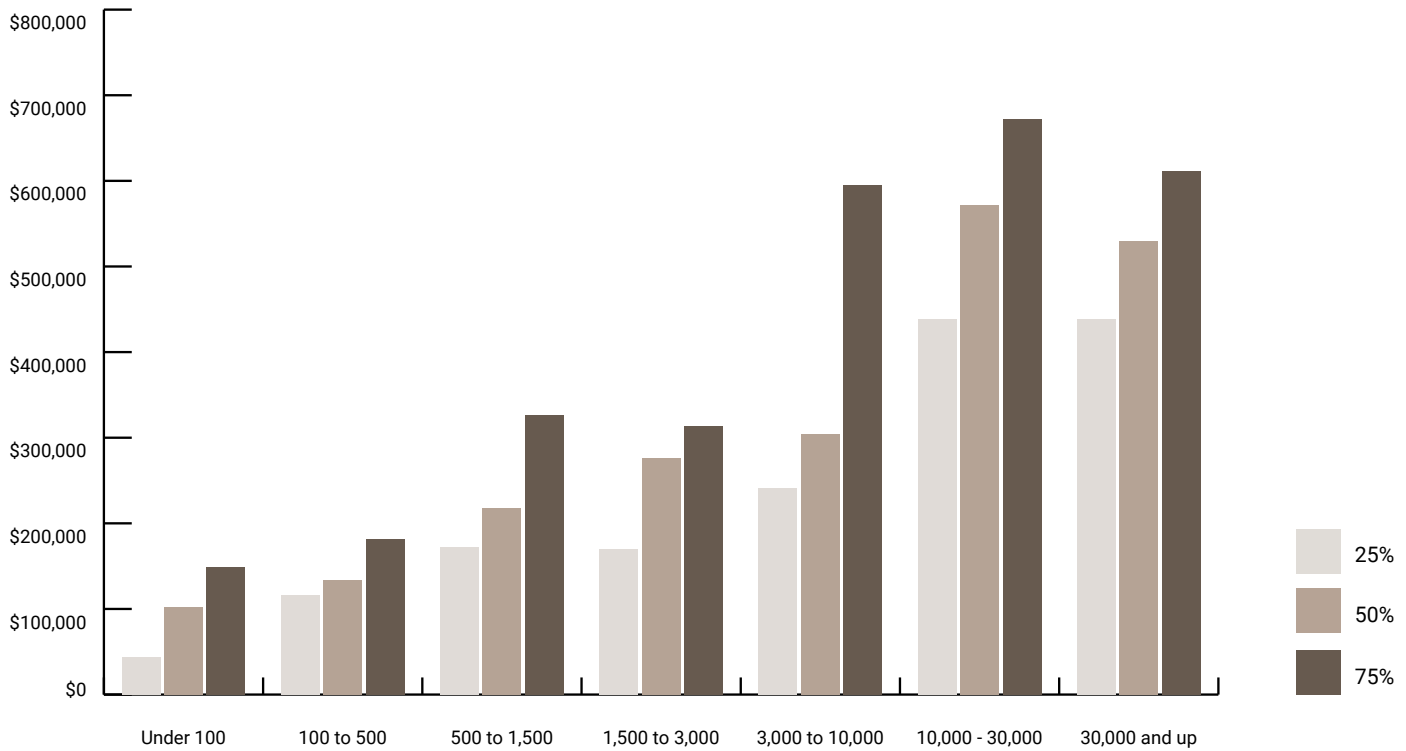
### Total Compensation

- At the median, Board Chair total compensation ranged from \$102,494 at companies with asset values under \$100 million, to \$529,600 at companies with asset values over \$30 billion.

BOARD CHAIR TOTAL COMPENSATION			
Asset Value (\$ Millions)	25th Percentile	50th Percentile	75th Percentile
Under 100	\$43,675	\$102,494	\$148,441
100 to 500	\$115,813	\$133,947	\$181,295
500 to 1,500	\$172,650	\$217,264	\$326,227
1,500 to 3,000	\$169,660	\$276,748	\$313,950
3,000 to 10,000	\$241,001	\$304,548	\$594,830
10,000 to 30,000	\$438,079	\$572,186	\$671,676
30,000+	\$438,498	\$529,600	\$611,570



### Board Chair Total Compensation



### Board Chair Compensation Structure

The following table breaks down Board Chair Compensation paid at the 25th, 50th and 75th percentile of each asset value tier. As the value of each cell is calculated individually, the amounts for Total Compensation are not a sum of each row of data.

ELEMENTS OF BOARD CHAIR COMPENSATION			
Asset Value (\$ Millions)	Base Retainer and Committee Fees	Equity	Total Compensation
25TH PERCENTILE			
Under 100	\$29,875	\$9,940	\$43,675
100 to 500	\$55,813	\$49,861	\$115,813
500 to 1,500	\$53,000	\$90,880	\$172,650
1,500 to 3,000	\$93,566	\$84,816	\$169,660
3,000 to 10,000	\$117,274	\$114,994	\$241,001
10,000 to 30,000	\$156,576	\$227,192	\$438,079
30,000+	\$199,250	\$132,490	\$438,498

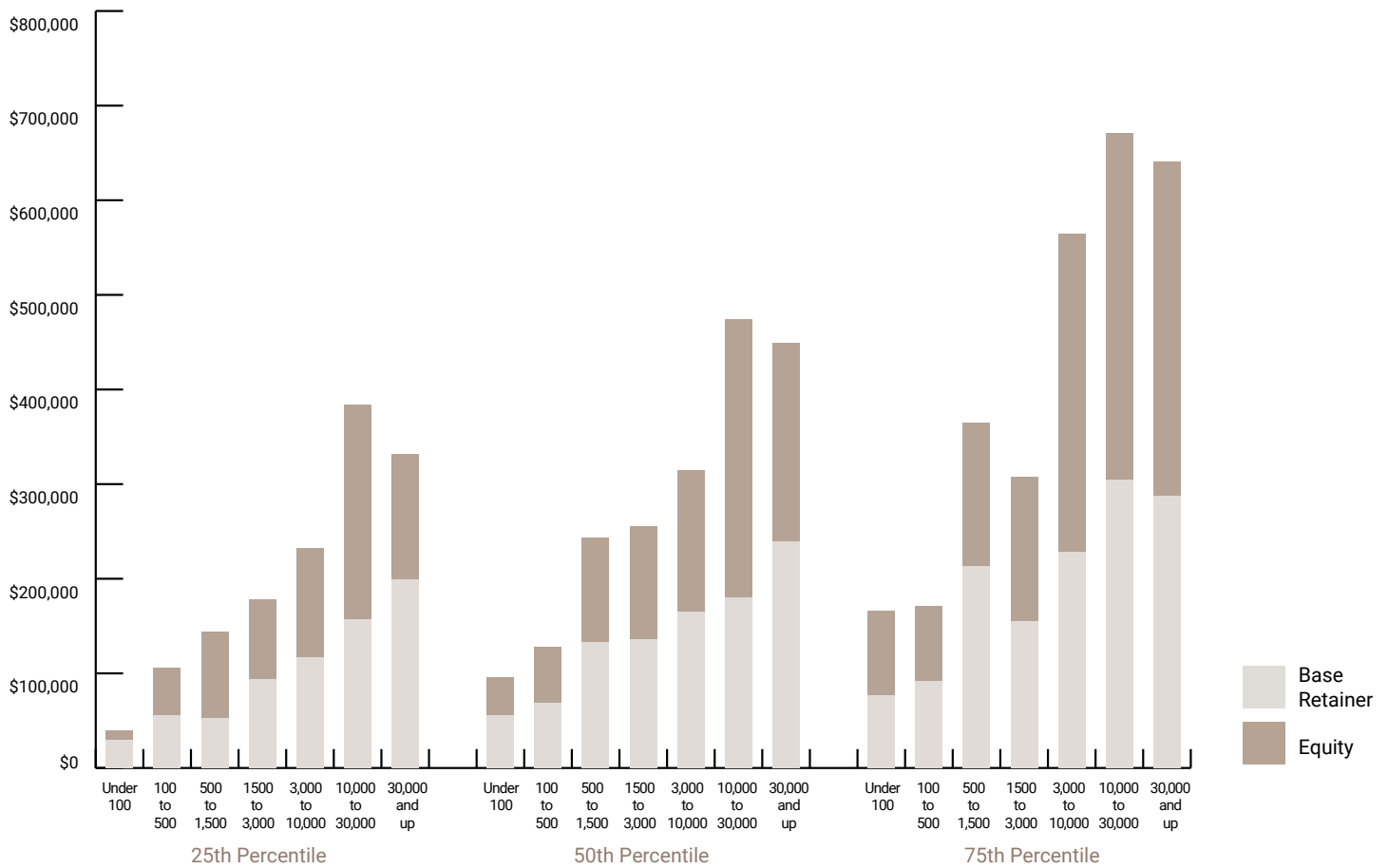
## ELEMENTS OF BOARD CHAIR TOTAL COMPENSATION (continued)

Asset Value (\$ Millions)	Base Retainer and Committee Fees	Equity	Total Compensation
<b>50TH PERCENTILE</b>			
Under 100	\$56,062	\$39,807	\$102,494
100 to 500	\$69,025	\$58,670	\$133,947
500 to 1,500	\$132,900	\$110,000	\$217,264
1,500 to 3,000	\$135,950	\$119,175	\$276,748
3,000 to 10,000	\$165,000	\$150,000	\$304,548
10,000 to 30,000	\$180,468	\$293,699	\$572,186
30,000+	\$239,337	\$209,989	\$529,600
<b>75TH PERCENTILE</b>			
Under 100	\$77,209	\$88,353	\$148,441
100 to 500	\$91,439	\$79,753	\$181,295
500 to 1,500	\$213,725	\$151,312	\$326,227
1,500 to 3,000	\$155,045	\$152,274	\$313,950
3,000 to 10,000	\$228,764	\$335,611	\$594,830
10,000 to 30,000	\$305,018	\$366,211	\$671,676
30,000+	\$287,391	\$353,485	\$611,570





## Elements of Board Chair Compensation

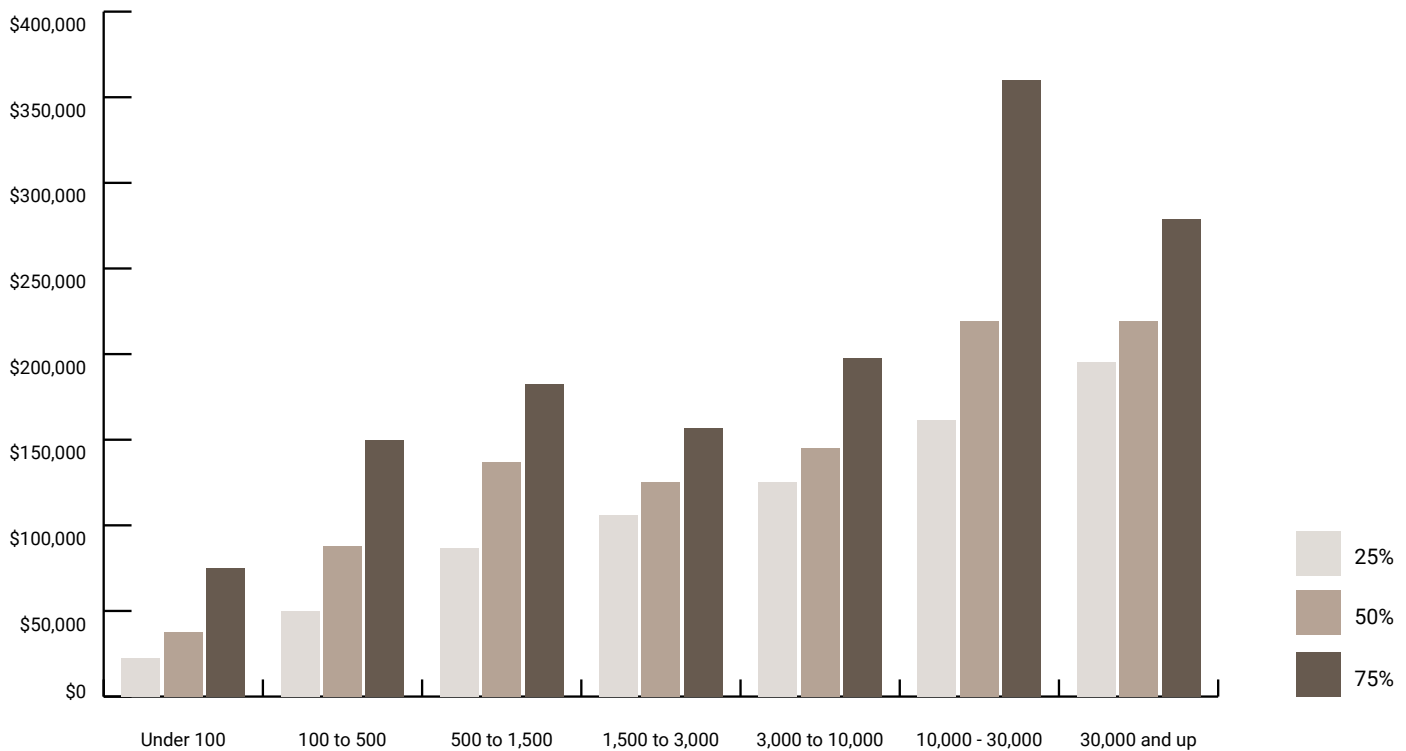


## Board Chair Annual Base Retainer Analysis

71% of companies disclosed a set annual base retainer for their Board Chair or Lead Director. Board Chair base retainers ranged from \$37,608 to \$219,363 and are typically approximated 1.5x-2x that of a Board Member.

BOARD CHAIR ANNUAL BASE RETAINER			
Asset Value (\$ Millions)	25th Percentile	50th Percentile	75th Percentile
Under 100	\$22,500	\$37,608	\$75,126
100 to 500	\$50,000	\$87,745	\$150,000
500 to 1,500	\$86,696	\$137,076	\$182,519
1,500 to 3,000	\$106,000	\$125,350	\$156,688
3,000 to 10,000	\$125,350	\$145,210	\$197,426
10,000 to 30,000	\$161,266	\$219,363	\$359,755
30,000+	\$195,280	\$219,363	\$278,904

## Board Chair Annual Retainer



## 1.3 Board Equity Compensation Structure

### 1.3.1 Share and Option Related Compensation

#### Bedford Headline Findings

► In 2021, approximately 83% of all directors researched received equity compensation

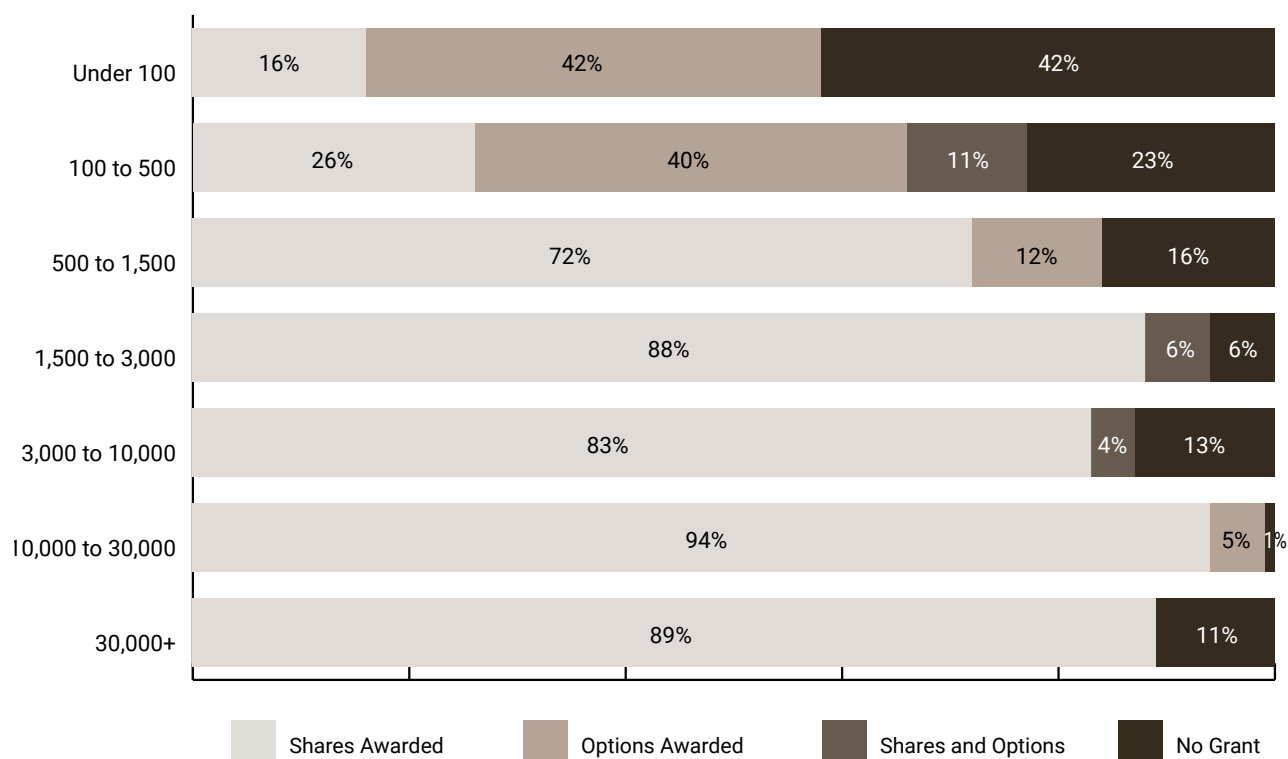
- 72% received Shares only
- 9% received Options only
- 2% received a combination of Shares and Options
- 17% received no grant.

\* Note: these numbers do not include companies who allow their executives to take a portion of their annual base retainer as shares, as this value is encompassed under the "base retainer and committee fees" calculations

► Shareholder rights groups like the ISS and Glass Lewis encourage capping director equity compensation at \$150,000.

► Share-based awards are typically granted as Stocks/RSUs or DSUs and are discussed in the following section. Shares are the most common form of equity compensation in the Oil and Gas Industry.

### Board Member Share and Option Related Compensation



### 1.3.2 Breakdown of Share-Based Compensation

- ▶ Typically, directors of an organization are awarded shares in the form of Common Stocks, Restricted Stock/Share Units (RSUs) or Deferred Stock/Share Units (DSUs). This section assesses the distribution of Stocks and RSUs in comparison to DSUs at all asset value tiers.
- ▶ RSUs are stocks of a company that are not transferrable until certain criteria have been met (often time- or performance-based). RSUs may be distributed based on industrial or Company standards. DSUs, on the other hand, are the right to receive shares of common stock or cash at a future date, typically when leaving the Company.
- ▶ DSUs are becoming a more prominent form of equity compensation across many industries. There are several explanations as to why:
  - Their impact on cash flow is deferred until such time as the recipient leaves the organization, and they do not vest until that time.
  - They are viewed favourably by shareholder rights groups because they are regarded as being better aligned with the long-term interests of the shareholder.
  - They are not dilutive if settled in cash.
  - They do not attach voting rights.
- ▶ The following table shows the number of companies who granted Stocks/RSUs vs. the number who granted DSUs to their Directors in 2021 at each asset value tier. Stocks and RSUs are the most common equity vehicle currently used in the Oil and Gas Industry.

STOCKS/RSUS VS DSU ANALYSIS		
Asset Value (\$M)	Stocks/RSUs	DSU
Under 100	3	1
100 to 500	12	5
500 to 1,500	11	6
1,500 to 3,000	17	9
3,000 to 10,000	25	6
10,000 to 30,000	9	2
30,000+	12	7

## 1.4 Director Share Ownership Requirements

Share ownership guidelines require directors and/or executives to have a minimum equity stake in the organization. The intention is to align interests of the Company with those of the shareholders. Although share ownership guidelines are not mandated in Canada, they are considered a good governance practice.

95 of 150 companies in the dataset had a minimum share ownership requirement for their directors. In most cases, directors are required to obtain a certain multiple of their annual retainer as equity, and they have a defined number of years to achieve said level of ownership. Typically, only full shares, and equity-settled RSUs and DSUs count towards the share ownership requirements; options are generally excluded.

Sometimes limitations are put on director compensation until the ownership requirements have been obtained. For example, cash retainer may need to be taken in shares. Another instance is that a company may allow an equity grant to be taken as a split between RSUs and Options, but the director will be required to take it all as RSUs until they have reached the ownership level.

The following table provides a summary of the share ownership requirements for directors in the dataset.

- ▶ Most commonly, a director is required to obtain 5x their annual retainer within five years
- ▶ The second most common requirement is an ownership of 3x annual retainer within five years

DIRECTOR SHARE OWNERSHIP REQUIREMENTS							
Years to Achieve	Ownership Requirement Multiple of annual retainer						
	<2x	2x	3x	4x	5x	6x	7x
2	1%						
3	1%		8%		5%		1%
4		4%			1%		
5	1%	1%	33%	4%	<b>37%</b>	1%	
6					1%		
7	1%					2%	



## 1.5 Audit Committee

### Bedford Headline Findings

- ▶ The Audit Committee's primary responsibility is to oversee financial reporting and disclosures. Board members sitting on this committee are often required to be independent. With the growth of risk awareness, committee members are also responsible for determining operational and credit risks. As such, the committee is commonly named the "Audit and Risk Committee."
- ▶ Audit Committee Chairs usually receive an additional fee to compensate them for the added fiduciary responsibility, and this fee is normally higher than the chair fee for any other committee. In 2021, 73% of companies had a set annual fee for the Audit Committee Chair.
- ▶ Only 27% of companies had a set fee for Audit Committee members. Smaller companies tend to offer only Audit Committee Chair fees. As the Company grows, it is more likely to grant a fee to its members in addition to the chair.

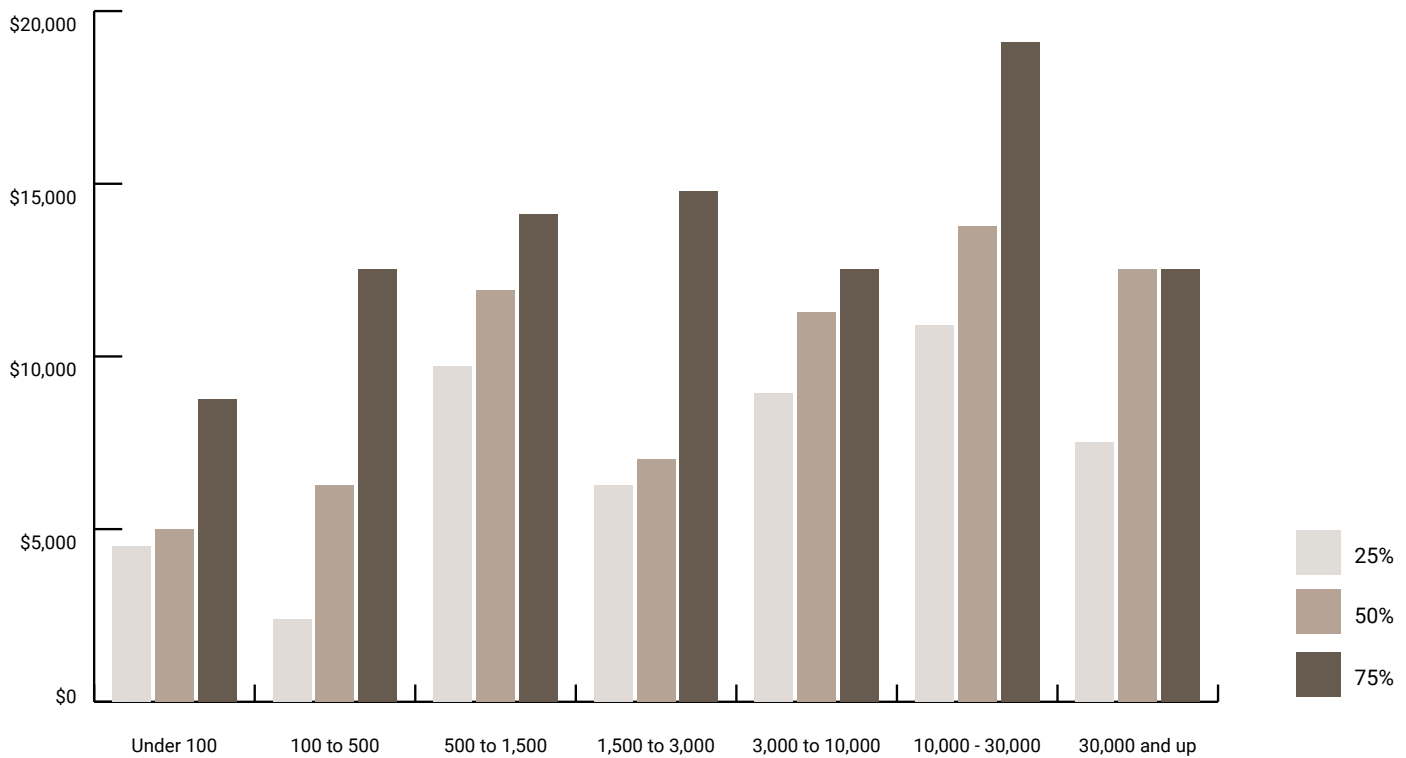
### Audit Committee Members

- The following table excludes the companies who pay \$0 for their annual Audit Committee Member Fee so as not to misrepresent the value of fees when granted. At the median, Audit committee member fees ranged from about \$5,000 to about \$13,768. Typically, a Chair will receive 1.5x-2x that of a member; however, due to a more limited number of companies with a set member fee (27%), these ranges are not necessarily reflected in the following data, specifically for companies under \$100 million.

AUDIT COMMITTEE MEMBER FEE			
Asset Value (\$M)	25th Percentile	50th Percentile	75th Percentile
Under 100	\$4,500	\$5,000	\$8,768
100 to 500	\$2,400	\$6,268	\$12,535
500 to 1,500	\$9,711	\$11,908	\$14,102
1,500 to 3,000	\$6,268	\$7,020	\$14,767
3,000 to 10,000	\$8,931	\$11,268	\$12,535
10,000 to 30,000	\$10,901	\$13,768	\$19,084
30,000+	\$7,500	\$12,535	\$12,535



### Audit Committee Member Fee

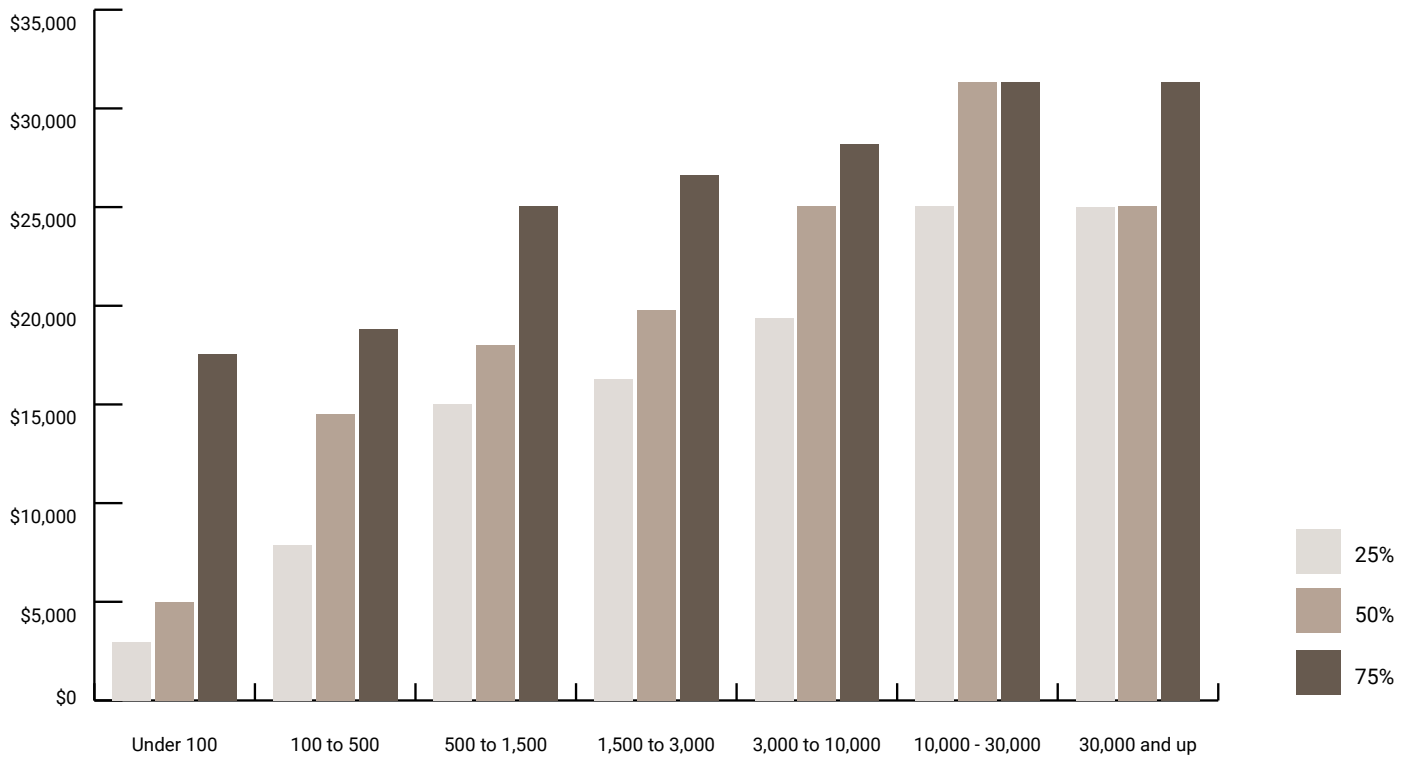


### Audit Committee Chair

At the median, the annual fee for the Audit Committee Chair ranged from \$5,000 to \$31,338. 73% of companies had a set Audit Committee Chair fee.

AUDIT COMMITTEE CHAIR FEE			
Asset Value (\$M)	25th Percentile	50th Percentile	75th Percentile
Under 100	\$2,977	\$5,000	\$17,549
100 to 500	\$7,875	\$14,500	\$18,803
500 to 1,500	\$15,000	\$18,000	\$25,035
1,500 to 3,000	\$16,271	\$19,805	\$26,637
3,000 to 10,000	\$19,401	\$25,070	\$28,204
10,000 to 30,000	\$25,070	\$31,338	\$31,338
30,000+	\$25,000	\$25,070	\$31,338

## Audit Committee Chair Fee



## 1.6 Compensation Committee

The Compensation Committee, which in some organizations is referred to as the Human Resources Committee, oversees compensation for executives and directors. This committee usually consists of independent directors with finance and legal backgrounds.

### Bedford Headline Findings

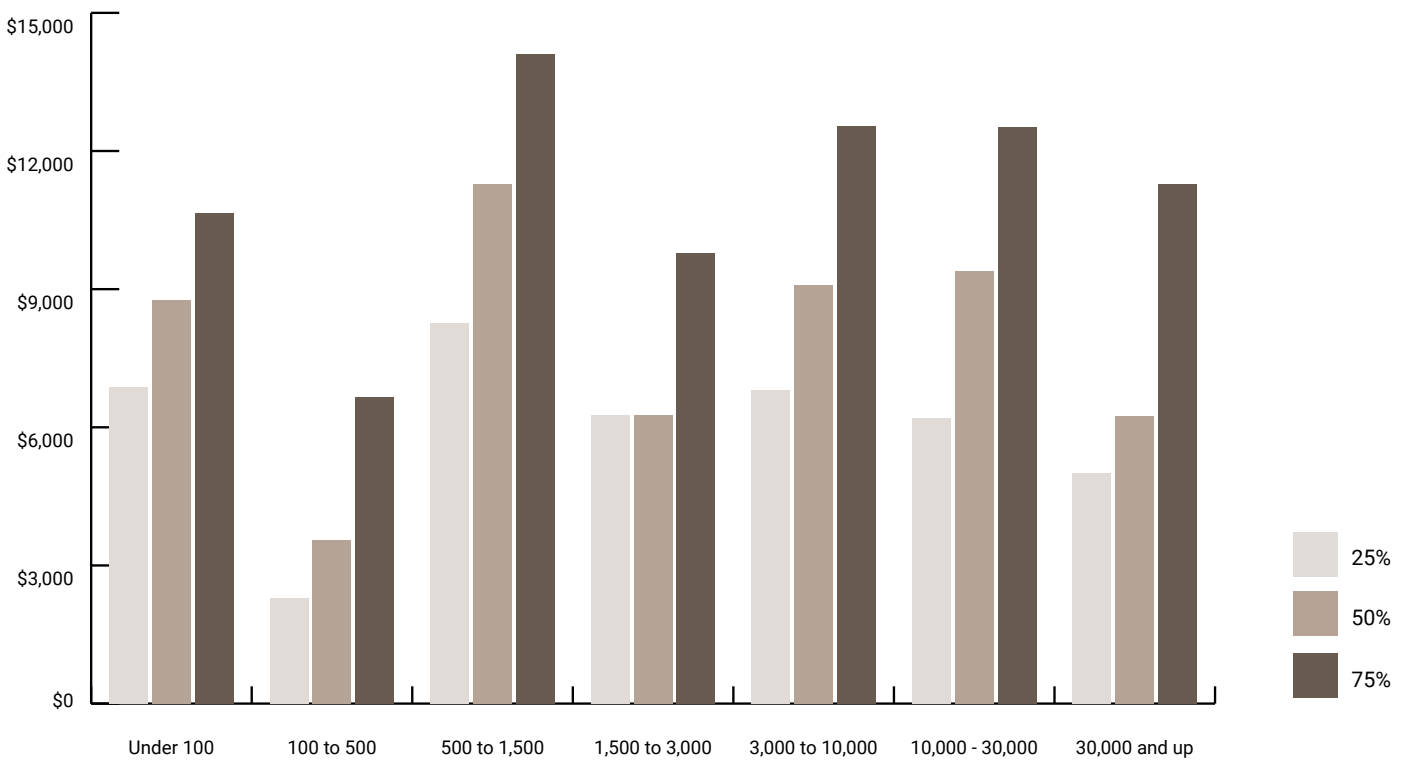
- ▶ The compensation committee or Human Resources committee determines annual director and executive payments, bonus and equity payouts, and all other benefit arrangements.
- ▶ At the median, the compensation committee chair fee varies from around \$10,000 to \$22,500.
- ▶ Among the companies researched, only about 24% had a set annual fee for compensation committee members, while 71% of the companies disclosed a fixed annual chair fee.

### Compensation Committee Members

Only 24% of companies had a set Compensation Committee Member fee. At the median, member fees ranged from \$3,550 to \$11,282. The following data excludes companies who do not pay fees to their Compensation Committee Members in order to provide a better representation of a fee when granted. Typically, a Chair will receive 1.5x-2x that of a member; however, due to a more limited number of companies with a set member fee, these ranges are not necessarily reflected in the following data.

COMPENSATION COMMITTEE MEMBER FEE			
Asset Value (\$M)	25th Percentile	50th Percentile	75th Percentile
Under 100	\$6,884	\$8,768	\$10,651
100 to 500	\$2,300	\$3,550	\$6,659
500 to 1,500	\$8,271	\$11,282	\$14,102
1,500 to 3,000	\$6,268	\$6,268	\$9,793
3,000 to 10,000	\$6,817	\$9,088	\$12,535
10,000 to 30,000	\$6,201	\$9,384	\$12,509
30,000+	\$5,000	\$6,250	\$11,276

### Compensation Committee Member Fee

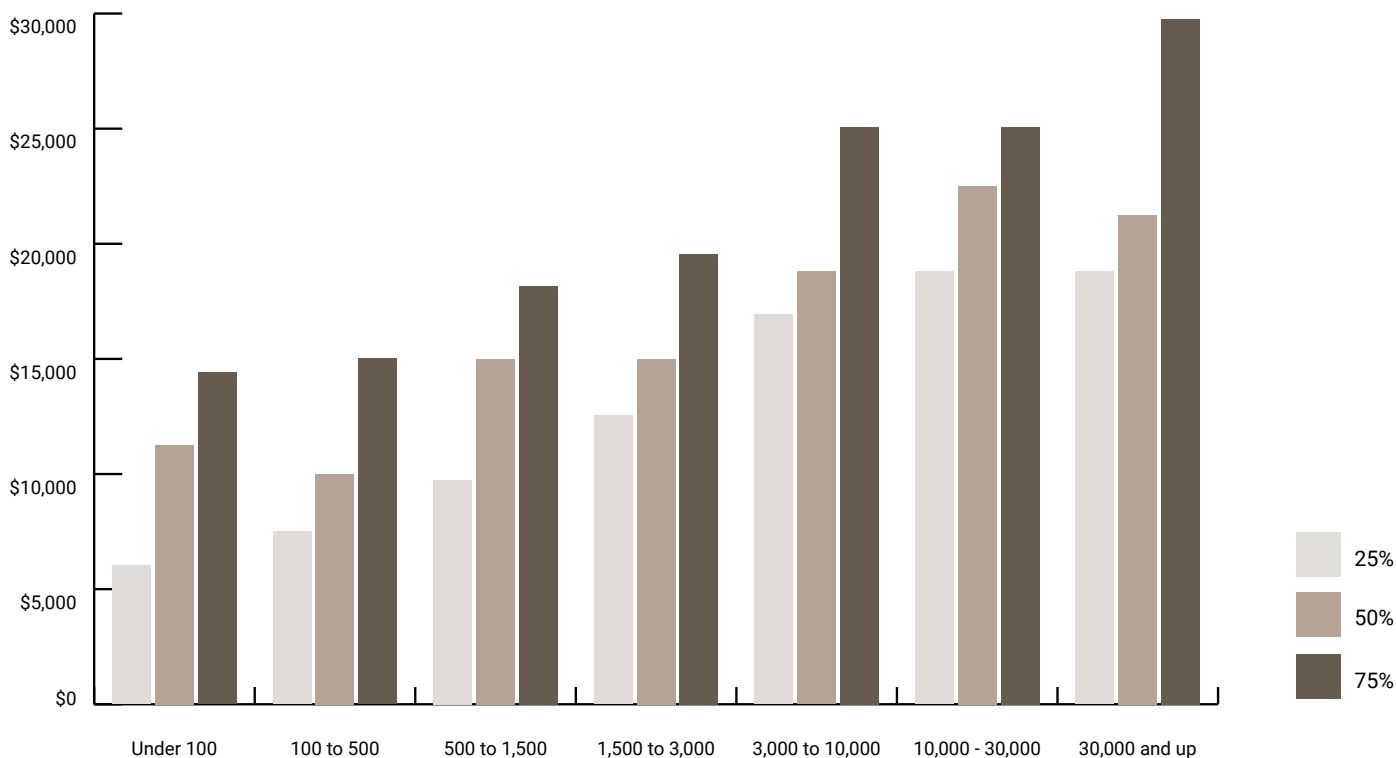


## Compensation Committee Chair

The median for Compensation Committee Chair Fee ranged from \$10,000 to \$22,500. 71% of companies had a set Compensation Committee Chair fee. Data for companies who did not pay fees to their chairs was excluded from the table.

COMPENSATION COMMITTEE CHAIR FEE			
Asset Value (\$M)	25th Percentile	50th Percentile	75th Percentile
Under 100	\$6,025	\$11,268	\$14,415
100 to 500	\$7,500	\$10,000	\$15,021
500 to 1,500	\$9,750	\$15,000	\$18,176
1,500 to 3,000	\$12,535	\$15,000	\$19,555
3,000 to 10,000	\$16,922	\$18,803	\$25,070
10,000 to 30,000	\$18,803	\$22,500	\$25,070
30,000+	\$18,803	\$21,250	\$29,771

## Compensation Committee Chair Fee



## 1.7 Corporate Governance Committee

The Corporate Governance Committee (often combined with the Nominating Committee, Compensation Committee, or Environmental Health and Safety Committee) acts to ensure that the Company follows good governance practices. The committee is responsible for reviewing the qualifications of director nominees and monitoring current directors' status. Corporate governance plays a crucial role for organizations as investors seek ethical investments that impact society. While historically, industries have viewed this committee as requiring less responsibilities than the Compensation and Audit Committees, a higher focus has recently been put on the governance aspects. Bedford anticipates seeing an increase in the number of companies with Corporate Governance Committees and a general increase in total compensation for committee members in the upcoming years as a reflection of this trend.

### Bedford Headline Findings

- ▶ Among the companies researched, only 19% had a set annual fee for Corporate Governance committee members, while 64% had a fixed fee for chairs.
- ▶ At the median, the Corporate Governance Committee Chair fee ranged from about \$11,000 to \$19,000. At the lower asset value tiers, these amounts are higher than those for the Audit and Compensation committee chair, but this is likely a product of fewer companies reporting their fees.

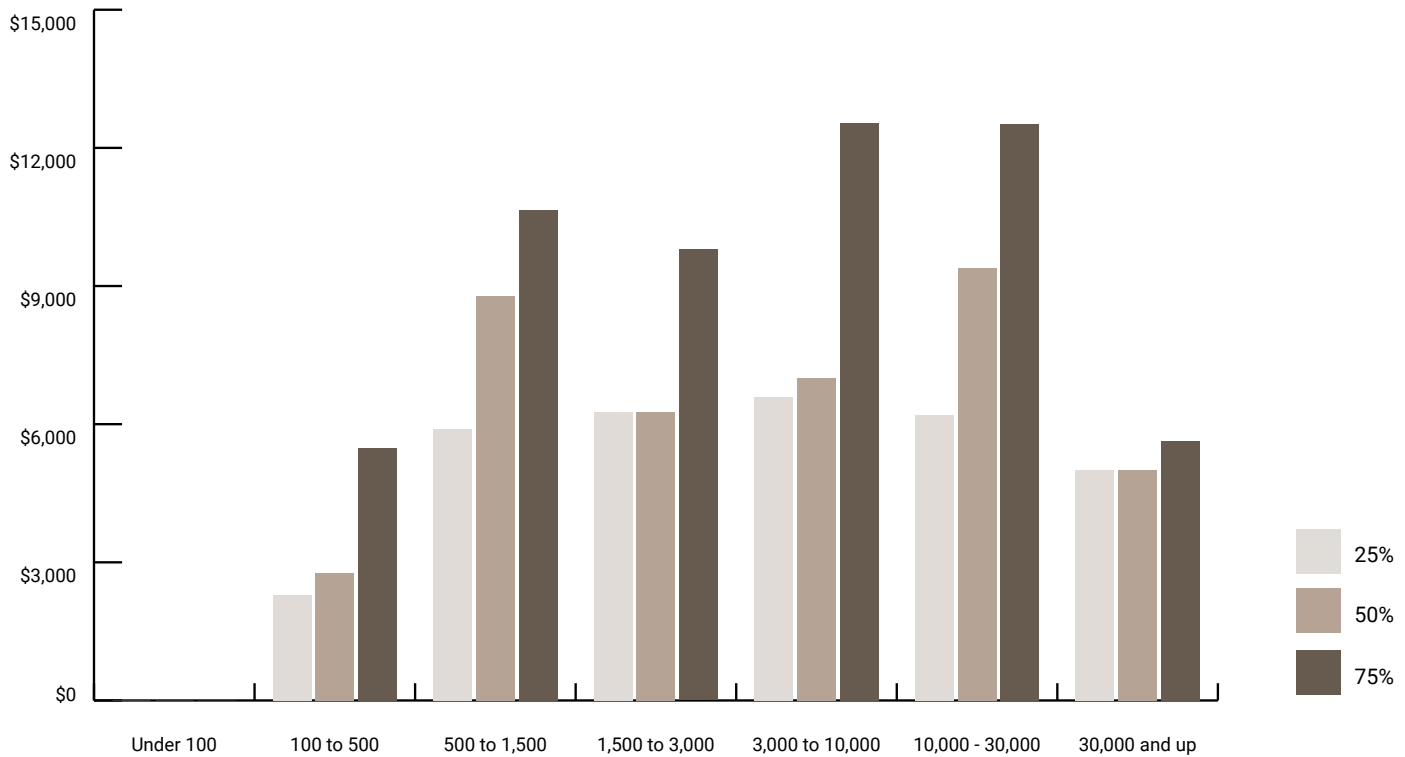
### Corporate Governance Committee Members

Only 23% of companies had a set annual Corporate Governance Committee Member fee which contributes to the wide range in the data. At the median, member fees ranged from \$2,767 to \$9,384. There were not enough companies who reported their fees for companies with asset values under \$100 million to report. There were also only five companies with market caps over \$30B who disclosed their fee, which provides some context around the off-market data for that range. The following data excludes companies that do not pay annual fees to their Corporate Governance Committee Members. Often, a Chair will receive 1.5-2x that of a member; however, due to a more limited number of companies with a set fee, these ranges are not necessarily reflected in the following data for every percentile and tier.

CORPORATE GOVERNANCE COMMITTEE MEMBER FEE			
Asset Value (\$M)	25th Percentile	50th Percentile	75th Percentile
Under 100	N/A	N/A	N/A
100 to 500	\$2,300	\$2,767	\$5,484
500 to 1,500	\$5,887	\$8,775	\$10,655
1,500 to 3,000	\$6,268	\$6,268	\$9,793
3,000 to 10,000	\$6,581	\$7,000	\$12,535
10,000 to 30,000	\$6,201	\$9,384	\$12,509
30,000+	\$5,000	\$5,000	\$5,625



### Corporate Governance Committee Member Fee

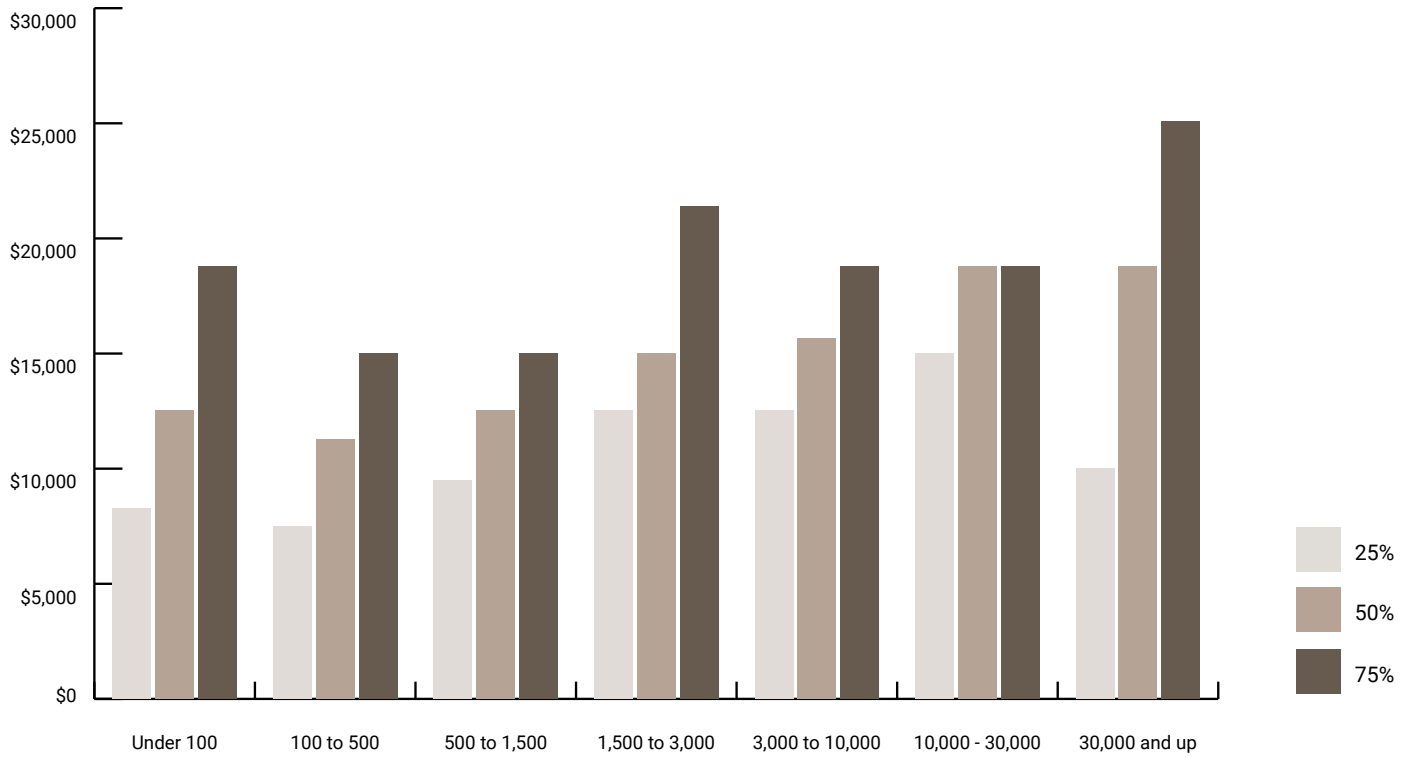


### Corporate Governance Committee Chair

The median for the Corporate Governance Committee Chair ranged from about \$11,000-\$19,000. 64% of companies had a set Corporate Governance Committee Chair fee.

CORPORATE GOVERNANCE COMMITTEE CHAIR FEE			
Asset Value (\$M)	25th Percentile	50th Percentile	75th Percentile
Under 100	\$8,268	\$12,535	\$18,768
100 to 500	\$7,500	\$11,282	\$15,000
500 to 1,500	\$9,500	\$12,535	\$15,000
1,500 to 3,000	\$12,535	\$15,000	\$21,404
3,000 to 10,000	\$12,535	\$15,669	\$18,803
10,000 to 30,000	\$15,000	\$18,803	\$18,803
30,000+	\$10,000	\$18,803	\$25,070

### Corporate Governance Committee Chair Fee



## 1.8 Other Committees

Bedford has excluded certain committees where the sample size was determined to be too small such as the:

- ▶ **Reserves committee** - handles oil and gas reserves and resources matters, including reserves and resources definitions, terms, recommended practices, and standards. The committee disseminates reserves and resources information to other organizations, agencies, and companies involved in reserves matters, including cooperation with other committees and organizations in development and delivery of relevant training courses
- ▶ **Executive committee** - manages the operations of the board of directors and usually has some decision-making authority
- ▶ **Nomination committee** - responsible for electing directors. In many cases, nomination and corporate governance committees are merged due to the similarities in their practices
- ▶ **Innovation committee** - aims to ensure that the organization keeps pace with industry trends to continue to prosper in their respective field
- ▶ **Risk committee** - sometimes combined with the audit committee and is responsible for foreseeing potential risk factors and determining the possible loss
- ▶ **EHS or ESG committee** - responsible for ensuring a safe and healthy workplace as well as compliance with applicable safety and environmental legislation and making sure the corporation operates in an ethical manner

## 1.9 Committee Member Activity Analysis

- ▶ This analysis seeks to examine the activity of committee members, particularly the interaction of committee members within an organization. The purpose of this section is to analyze the number of committees that a board member participates in.
- ▶ Generally, the largest percentage of board members participate in two committees.
- ▶ Members may be part of multiple committees due to their commitment to the firm, required contracts, or financial incentives. Board member involvement allows members to excel, learn, and grow faster.
- ▶ Overall, board members may try to join as many committees as time allows to gain exposure, increase wealth, and aid the respective firm.

Committee Membership	Percentage of Directors
0 Committees	18%
1 Committee	18%
2 Committees	40%
3+ Committees	23%



## 2.0 Executive Compensation

### Named Executive Officer Compensation

The 2022 Report gathered detailed compensation data on 684 Named Executive Officers (NEOs) from 150 Canadian and US companies. For accuracy and future year-to-year comparison purposes, all compensation used is the amount paid for twelve months. Compensation for interim NEOs who served less than 12 months was annualized using the provided amount for the period in the fiscal year. This report provides detailed insight into the compensation of the following roles:

1. Chief Executive Officer (CEO)
2. Chief Financial Officer (CFO) & Vice President, Finance
3. Chief Operating Officer (COO) & Vice President, Operations
4. Legal Representative

### Compensation in Other Executive Roles

The Bedford Consulting Group can provide compensation data and information on many other executive positions including, but not limited to, the ones that are listed below. We invite you to contact Bedford for a custom report as needed.

- Chief Human Resources Officer
- VP Human Resources
- VP Strategy
- Chief Revenue Officer
- VP Global Sales and Marketing
- VP Business Development
- VP Programs and Operations
- Chief Technology Officer
- EVP Strategy
- VP Engineering

### Named Executive Officers' Compensation Structure

The compensation package for NEOs mentioned above usually consists of the following elements:

- Base salary
- Annual/short-term incentives (normally paid in cash)
- Long-term incentives (normally settled in equity); and,
- All other potential compensation (including severance, one-off bonus, benefits, etc.).

Among companies researched, 23% provided pension benefits to NEOs. These, along with additional elements for "other compensation" including, but not limited to, 401(k) contributions, benefits, insurance, etc., were excluded as separate values from the analysis that follows and are only encompassed in the amounts for "Total Direct Compensation". More information can be provided separately as requested. For clarity, this analysis combines options granted and full shares awarded under "equity". Annual bonuses and short-term incentive payments have also been combined into "Annual Incentive Plan".

A more thorough analysis of equity-based compensation for all positions is included in section 3.0.

## 2.1 Chief Executive Officer Compensation

### Bedford Headline Findings

- ▶ The 2022 report looked at data for 160 CEOs across 150 companies.
- ▶ At the 50th percentile, CEO total compensation ranged from \$289,800 for companies under \$100 million in asset value to \$13,874,414 for companies over \$30 billion in asset value.
- ▶ 81% of CEOs received an annual incentive payment. Only 24% of CEOs from companies with asset values under \$100 million received a bonus, whereas over 78% received one in the remaining asset value tiers.
- ▶ CEO compensation typically consists of a base salary, equity, and an annual incentive payment. CEO compensation increased exponentially at companies with asset values over \$10 billion.
- ▶ Of the CEOs in the dataset, 3 identified as female, for a total of 1.9%.

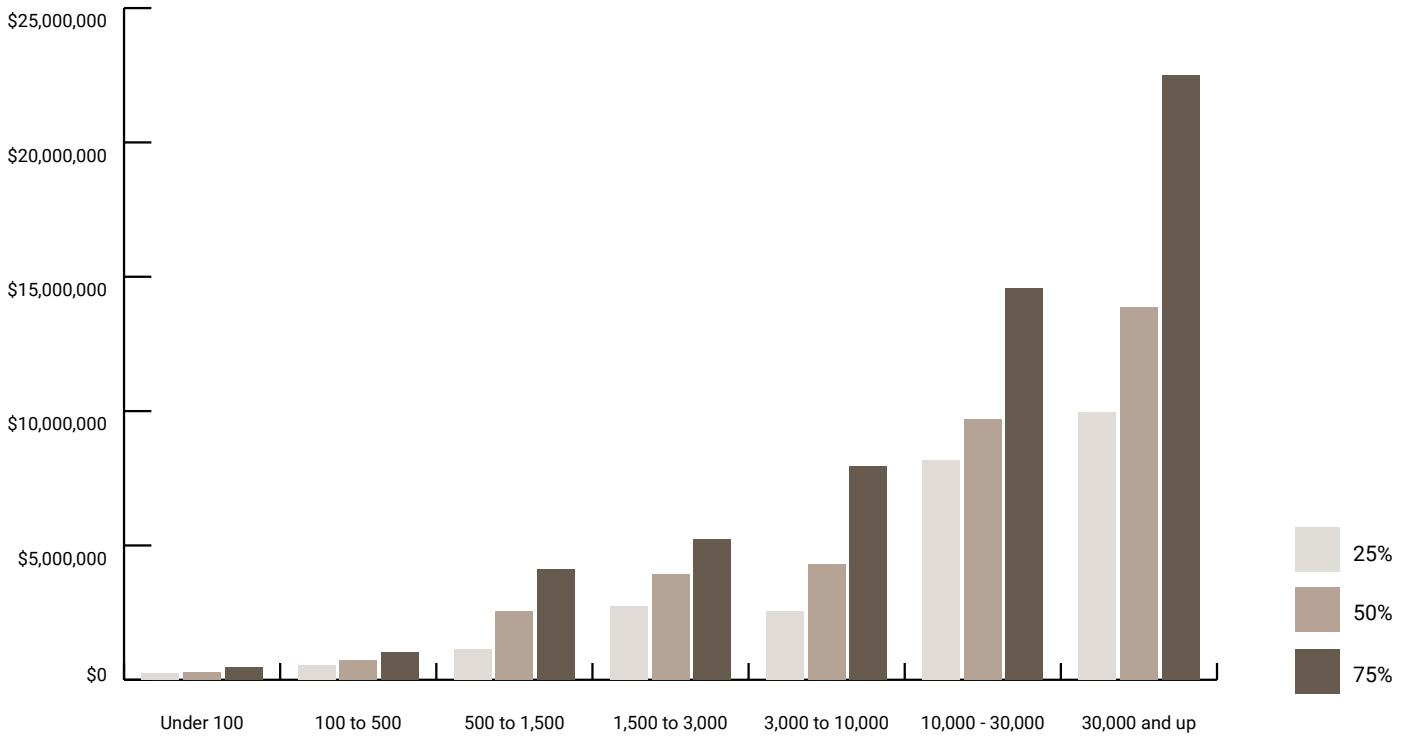
### Total Compensation

The following table and graph show that, as asset values increase, so do total compensation amounts for the CEO.

CEO TOTAL COMPENSATION			
Asset Value (\$M)	25th Percentile	50th Percentile	75th Percentile
Under 100	\$225,875	\$289,800	\$458,592
100 to 500	\$531,442	\$735,911	\$1,021,346
500 to 1,500	\$1,153,449	\$2,554,445	\$4,104,497
1,500 to 3,000	\$2,718,571	\$3,933,239	\$5,241,351
3,000 to 10,000	\$2,535,113	\$4,291,000	\$7,947,323
10,000 to 30,000	\$8,167,274	\$9,689,520	\$14,589,124
30,000+	\$9,941,940	\$13,874,414	\$22,480,426



## CEO Total Compensation



## CEO Compensation Structure

The chart below displays the breakdown of CEO Total Direct Compensation at the 25th, 50th and 75th percentiles for the seven asset value tiers. The value of each cell is calculated individually, so the amounts of Total Direct Compensation are not a sum of each row of data. Only 24% of CEOs from companies with asset values under \$100 million received an annual bonus in 2021. Similarly, 47% of CEOs did not receive an equity grant for companies with asset values under \$100 million. Therefore, the amounts at all percentiles are \$0 as applicable.

Based on the chart below, it is conclusive that the CEO's compensation is likely to increase as the Company's asset value increases, as indicated by the medians shown. At the same time, due to the preference for pay-for-performance in the Oil and Gas industry, larger organizations' CEOs observed more in total compensation due to their ability to generate greater returns from larger projects.

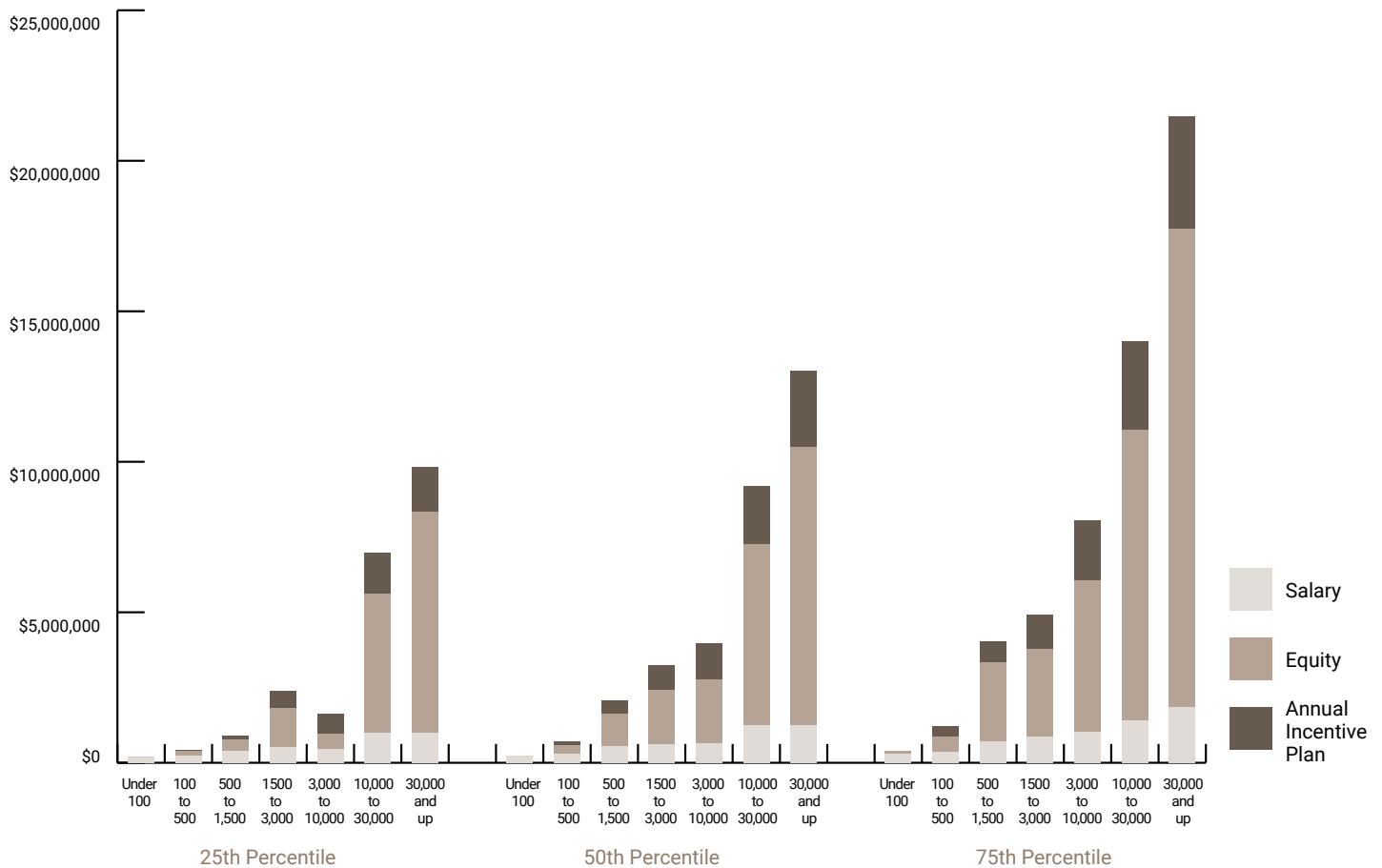




ELEMENTS OF CEO COMPENSATION				
Asset Value (\$M)	Annual Base Salary	Total Equity	Annual Incentive Plan	Total Direct Compensation
<b>25TH PERCENTILE</b>				
Under 100	\$180,000	\$0	\$0	\$225,875
100 to 500	\$250,000	\$147,052	\$28,813	\$531,442
500 to 1,500	\$400,000	\$369,302	\$122,709	\$1,153,449
1,500 to 3,000	\$508,144	\$1,316,149	\$541,979	\$2,718,571
3,000 to 10,000	\$454,797	\$511,435	\$663,375	\$2,535,113
10,000 to 30,000	\$1,002,800	\$4,614,448	\$1,354,489	\$8,167,274
30,000+	\$1,011,668	\$7,316,583	\$1,512,389	\$9,941,940
<b>50TH PERCENTILE</b>				
Under 100	\$225,000	\$0	\$0	\$289,800
100 to 500	\$300,000	\$265,501	\$140,650	\$735,911
500 to 1,500	\$544,896	\$1,075,162	\$439,066	\$2,554,445
1,500 to 3,000	\$622,087	\$1,801,152	\$795,094	\$3,933,239
3,000 to 10,000	\$645,553	\$2,124,000	\$1,200,000	\$4,291,000
10,000 to 30,000	\$1,246,606	\$6,006,614	\$1,942,674	\$9,689,520
30,000+	\$1,253,500	\$9,213,651	\$2,555,636	\$13,874,414
<b>75TH PERCENTILE</b>				
Under 100	\$300,840	\$70,196	\$0	\$458,592
100 to 500	\$365,000	\$486,460	\$365,103	\$1,021,346
500 to 1,500	\$720,763	\$2,608,830	\$694,872	\$4,104,497
1,500 to 3,000	\$856,175	\$2,916,362	\$1,140,000	\$5,241,351
3,000 to 10,000	\$1,024,110	\$5,035,808	\$1,999,628	\$7,947,323
10,000 to 30,000	\$1,394,519	\$9,677,501	\$2,942,560	\$14,589,124
30,000+	\$1,843,650	\$15,904,412	\$3,722,191	\$22,480,426



## Elements of CEO Compensation



## Annual Incentives

This analysis seeks to reflect CEO annual incentive payments in proportion to their respective asset value tiers. Among the 160 CEOs researched, 130 received annual incentive payments for a total of 81%. The table below summarizes the percentage of CEOs receiving an annual incentive payment for each asset value tier. The data highlights that, generally, executives in companies with asset values under \$100M are much less likely to receive annual incentive payments than companies with asset values over \$100M. This may reflect a need to focus cash expenditures on operational and growth-related initiatives.

The calculation method for annual bonuses varies by company, but the bonus criteria usually consider personal performance and corporate performance, both financially and non-financially. Some corporate performance measures include:

- Asset growth
- Health and Safety or Environment, Social, and Governance
- Corporate and Investor Engagement
- Shareholder Return
- Reserves or Production
- Profitability/EBITDA
- Strategic Goals

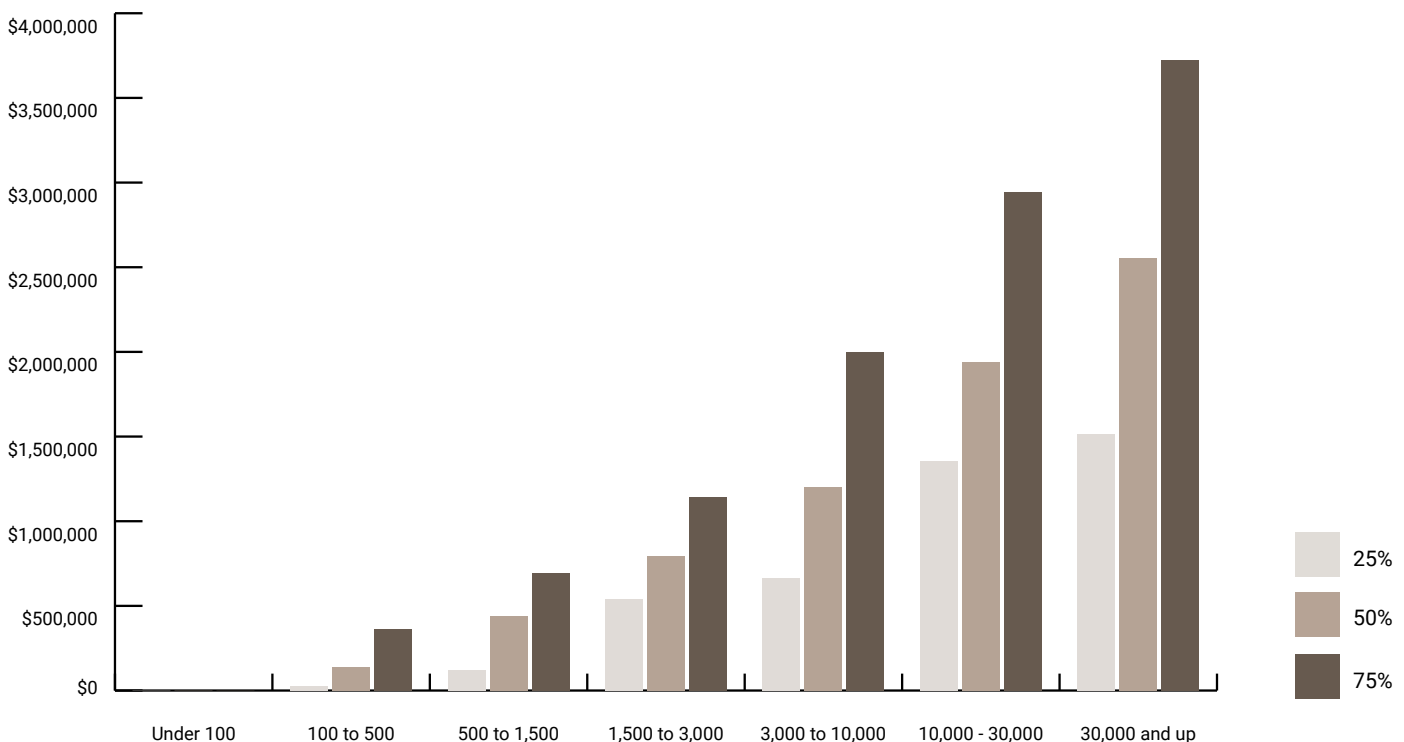
As per the Elements of CEO Compensation chart above, annual incentives account for a large portion of total compensation for organizations throughout the report. Further analysis of the criteria used to determine annual incentive awards can be provided upon request.

The table below summarizes the annual incentive amounts for CEOs at each asset value tier. It also outlines the average Target Bonus reflected as a percent of base salary and the percentage of CEOs who received a non-equity incentive in the last fiscal year. The data highlights that, generally, Annual Incentive Targets and payments increase as market cap value increases. Target bonus lies in a range of approximately 100% to 125% of base salary. There were not enough companies who reported their targets with asset values under \$100 million, so the percentage has been marked as not applicable.

CEO ANNUAL INCENTIVE					
Asset Value (\$M)	25th Percentile	50th Percentile	75th Percentile	% of CEOs who received Bonus	Target Bonus (% of base salary)
Under 100	\$0	\$0	\$0	24%	N/A
100 to 500	\$28,813	\$140,650	\$365,103	78%	99%
500 to 1,500	\$122,709	\$439,066	\$694,872	85%	115%
1,500 to 3,000	\$541,979	\$795,094	\$1,140,000	95%	98%
3,000 to 10,000	\$663,375	\$1,200,000	\$1,999,628	85%	117%
10,000 to 30,000	\$1,354,489	\$1,942,674	\$2,942,560	87%	124%
30,000+	\$1,512,389	\$2,555,636	\$3,722,191	96%	125%

- ▶ As only 24% of CEOs received an annual incentive in 2021, the amount at all percentiles for asset values under \$100 million is \$0.
- ▶ Median for bonuses at the remaining tiers ranged from \$140,650 in the below \$100 million asset value tier to \$2,555,636 in the above \$30 billion asset value tier.

### CEO Annual Incentive Payment



## 2.2 Chief Financial Officer Compensation

A CFO's primary responsibility includes a company's financial planning, financial risk management, record keeping, and financial reporting. For the oil and gas industry, a CFO's responsibility may also include searching for new business opportunities, assessing prospective contracts, leading strategy and planning efforts, and foreseeing firm sustainability. For small asset value companies, CFO may even take up the role of maintaining a positive relationship between the Company and external stakeholders.

### Bedford Headline Findings

- ▶ The Bedford 2022 report collected compensation data on 147 CFOs.
- ▶ At the median, total compensation varied from \$228,747 for companies with asset values under \$100 million to \$5,990,650 for companies with asset values over \$30 billion.
- ▶ Over 83% of CFOs in companies with asset values over \$100 million received a bonus in 2021. Only 25% received a bonus in companies with under \$100 million assets.
- ▶ Of the CFOs in the dataset, 13 identified as female, for a total of 8.8%.

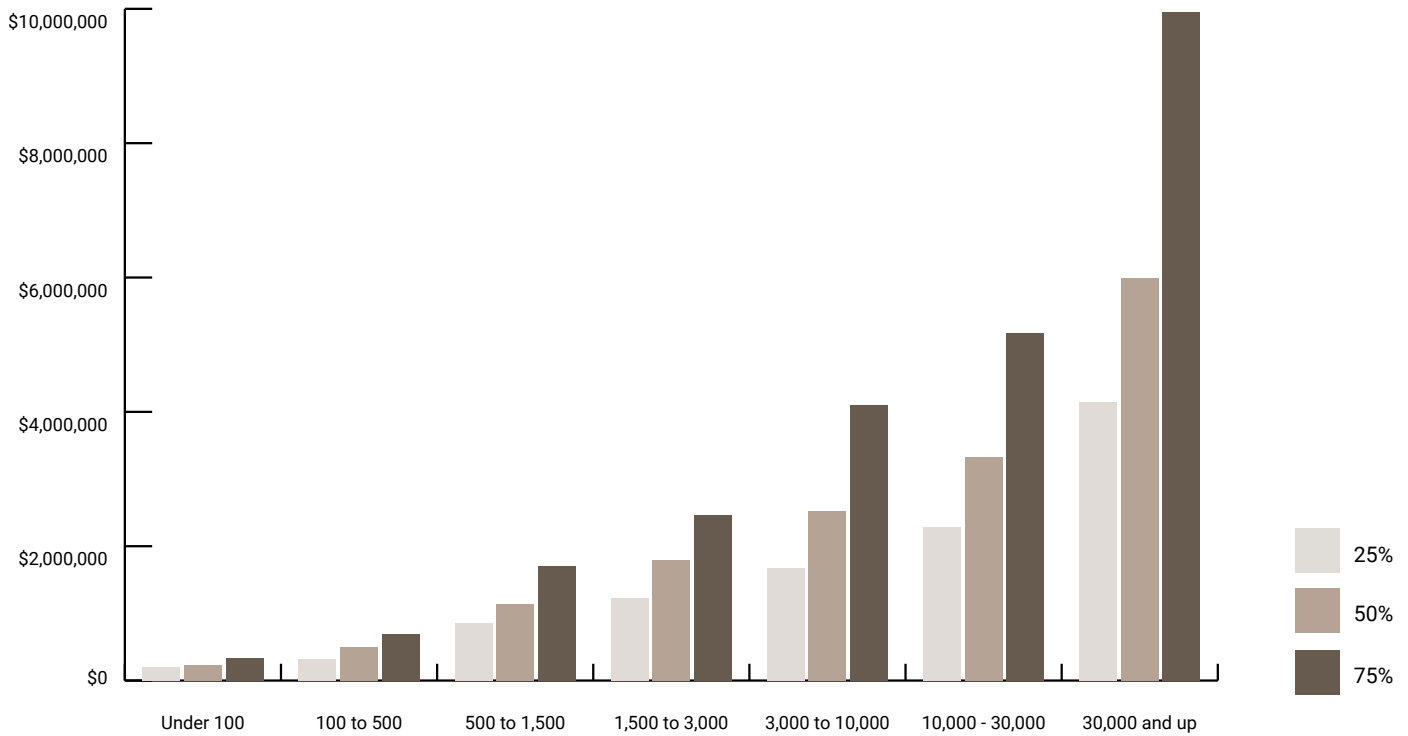
### Total Compensation

Overall, the median total compensation of CFOs increased with increasing company asset values.

CFO TOTAL COMPENSATION			
Asset Value (\$M)	25th Percentile	50th Percentile	75th Percentile
Under 100	\$193,883	\$228,747	\$342,132
100 to 500	\$317,285	\$498,443	\$699,174
500 to 1,500	\$855,208	\$1,144,223	\$1,701,544
1,500 to 3,000	\$1,222,595	\$1,794,423	\$2,457,965
3,000 to 10,000	\$1,675,000	\$2,521,206	\$4,100,498
10,000 to 30,000	\$2,287,587	\$3,322,543	\$5,179,562
30,000+	\$4,141,279	\$5,990,650	\$9,949,688



### CFO Total Compensation



### CFO Compensation Structure

The chart below displays the breakdown of CFO total compensation at the 25th, 50th and 75th percentiles for the seven different asset value tiers. The value of each cell is calculated individually, so the amounts of Total Direct Compensation are not a sum of each row of data. As there were more than 25% of CFOs who didn't receive equity or a cash bonus in 2021 in companies with asset values under \$100 million, the amounts at the 25th and 50th percentiles are \$0 as applicable.

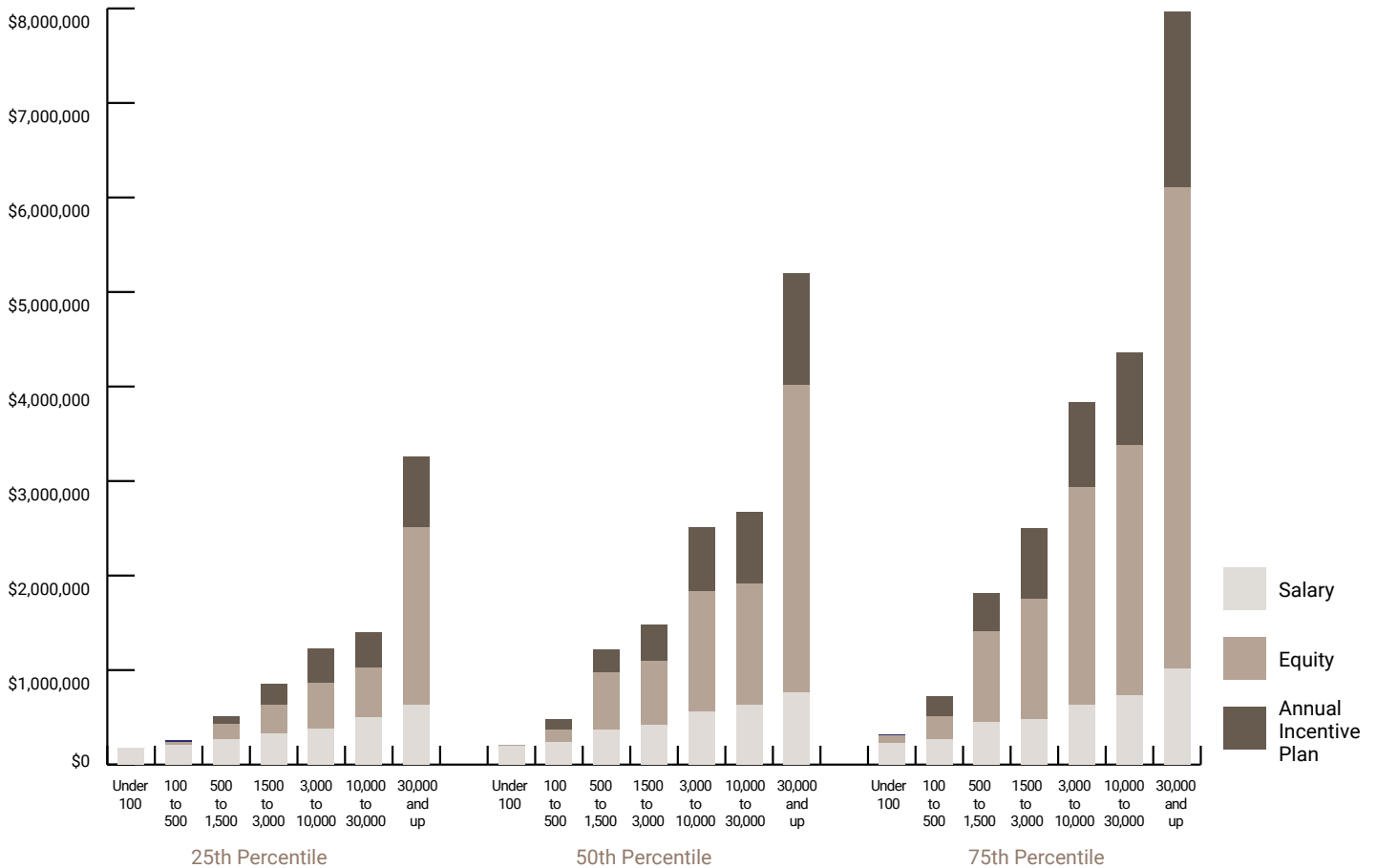


ELEMENTS OF CFO COMPENSATION				
Asset Value (\$M)	Salary	Equity	Annual Incentive Plan	Total Direct Compensation
<b>25TH PERCENTILE</b>				
Under 100	\$174,496	\$0	\$0	\$193,883
100 to 500	\$205,000	\$33,015	\$18,125	\$317,285
500 to 1,500	\$271,000	\$156,694	\$87,500	\$855,208
1,500 to 3,000	\$329,662	\$299,884	\$225,188	\$1,222,595
3,000 to 10,000	\$375,000	\$491,983	\$363,515	\$1,675,000
10,000 to 30,000	\$503,860	\$524,962	\$368,822	\$2,287,587
30,000+	\$635,063	\$1,870,207	\$754,975	\$4,141,279
<b>50TH PERCENTILE</b>				
Under 100	\$199,347	\$8,775	\$0	\$228,747
100 to 500	\$239,750	\$122,311	\$112,003	\$498,443
500 to 1,500	\$368,337	\$603,372	\$245,241	\$1,144,223
1,500 to 3,000	\$420,206	\$669,981	\$386,399	\$1,794,423
3,000 to 10,000	\$564,075	\$1,263,760	\$686,918	\$2,521,206
10,000 to 30,000	\$636,393	\$1,275,171	\$767,314	\$3,322,543
30,000+	\$760,142	\$3,256,387	\$1,178,102	\$5,990,650
<b>75TH PERCENTILE</b>				
Under 100	\$227,066	\$85,564	\$7,490	\$342,132
100 to 500	\$265,175	\$246,143	\$212,955	\$699,174
500 to 1,500	\$451,260	\$959,760	\$404,851	\$1,701,544
1,500 to 3,000	\$482,598	\$1,271,873	\$740,045	\$2,457,965
3,000 to 10,000	\$626,750	\$2,308,709	\$901,999	\$4,100,498
10,000 to 30,000	\$734,864	\$2,642,868	\$986,420	\$5,179,562
30,000+	\$1,013,768	\$5,093,231	\$1,856,473	\$9,949,688





## Elements of CFO Compensation



## Annual Incentive

This analysis seeks to reflect CFO annual incentive payments in proportion to their respective asset value tiers. Among the 147 CFOs researched, 123 received an annual incentive payment, for a total of 84%. The calculation method for annual bonuses varies by company, but the bonus criteria usually consider personal and corporate performance, with the latter weighted more heavily. A brief description of annual bonus metrics for the Oil and Gas industry can be found under the CEO section of the report.

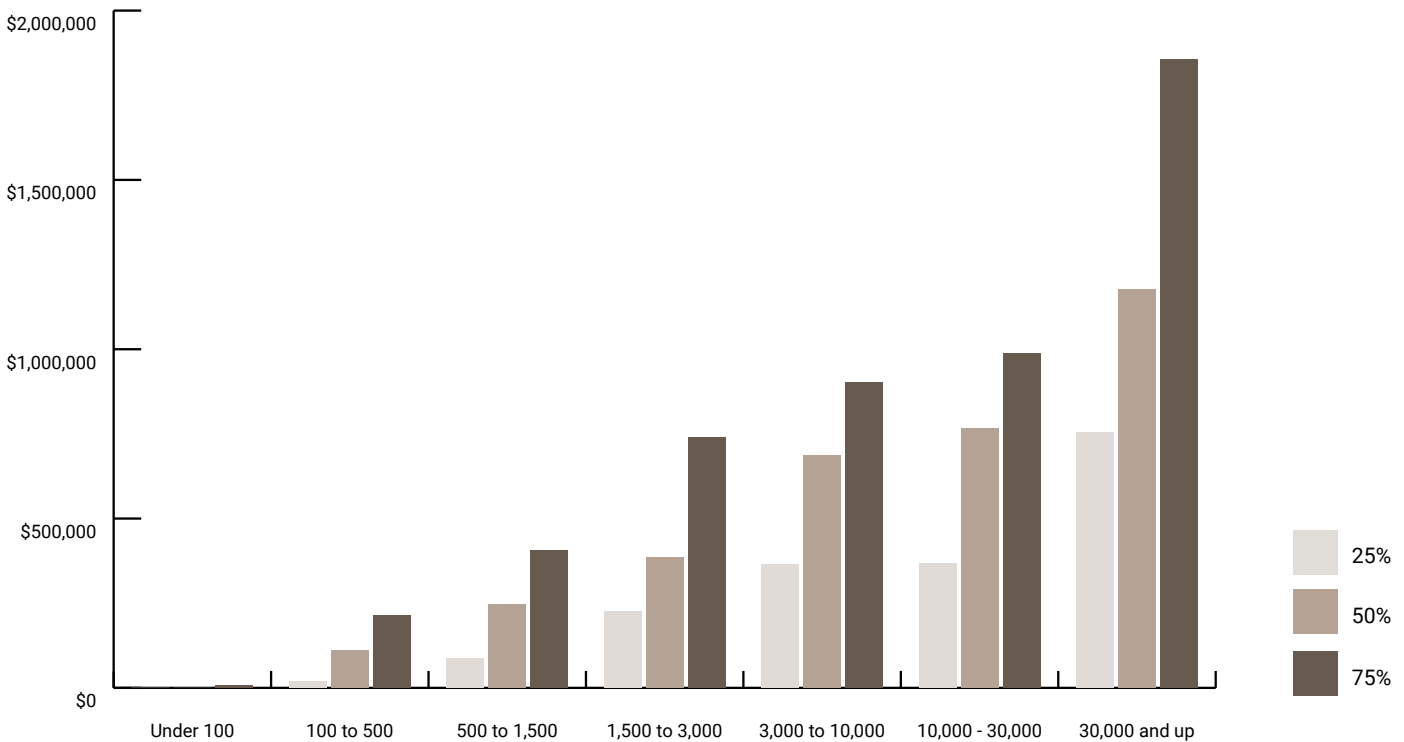
The table below summarizes the annual incentive amounts for CFOs at each asset value tier. It also outlines the average Target Bonus reflected as a percent of base salary and the percentage of CFOs who received a non-equity incentive in the last fiscal year. The data highlights that the target bonus can range from approximately 70% to 95%, depending on the asset value range. There were no companies with asset values under \$100 million who reported target bonus.



CFO ANNUAL INCENTIVE PLAN					
Asset Value (\$M)	25th Percentile	50th Percentile	75th Percentile	% of CFOs who received Bonus	Target Bonus (% of base salary)
Under 100	\$0	\$0	\$7,490	25%	N/A
100 to 500	\$18,125	\$112,003	\$212,955	83%	72%
500 to 1,500	\$87,500	\$245,241	\$404,851	84%	90%
1,500 to 3,000	\$225,188	\$386,399	\$740,045	100%	74%
3,000 to 10,000	\$363,515	\$686,918	\$901,999	86%	93%
10,000 to 30,000	\$368,822	\$767,314	\$986,420	82%	84%
30,000+	\$754,975	\$1,178,102	\$1,856,473	100%	91%

- Only 25% of CFOs received an annual bonus in 2021 so the amounts for the 25th and 50th percentiles are \$0. This could be due, in part, to companies with smaller asset values focusing cash expenditures on operational and growth-related initiatives.
- Median bonus amounts ranged from \$112,003 to \$1,178,102 for the remaining asset value tiers.

### CFO Annual Incentive Payment



## 2.3 Chief Operating Officer Compensation

Chief Operating Officers oversee a company's operations and report directly to the CEO. COOs are responsible for ensuring the efficient execution of process operations and being aware of safety and quality issues. In companies without Chief Production Officer or a Chief Engineering Officer, a COO might also pick up these roles as well and vice-versa.

### Bedford Headline Findings

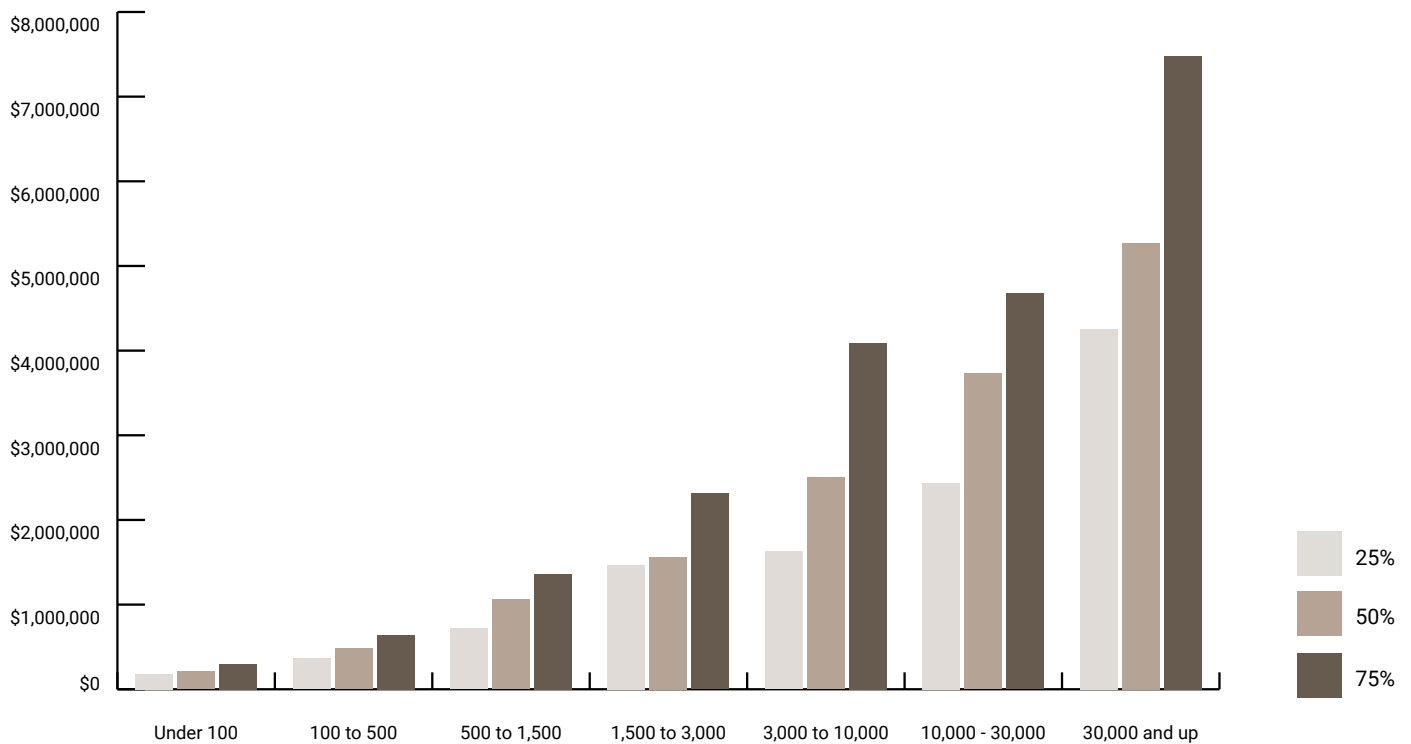
- ▶ The Bedford 2022 report collected compensation data on 97 COOs and VP Ops.
- ▶ At the median, total compensation varied from \$208,500 for companies with asset values under \$100 million to \$5,268,920 for companies with asset values over \$30 billion.
- ▶ 91% of COOs received an annual incentive payment in 2021.
- ▶ Several COOs took on additional responsibilities by pursuing VP, Production, and Engineering positions simultaneously.

### Total Compensation

COO TOTAL COMPENSATION			
Asset Value (\$M)	25th Percentile	50th Percentile	75th Percentile
Under 100	\$182,182	\$208,500	\$300,000
100 to 500	\$363,075	\$482,712	\$639,500
500 to 1,500	\$718,386	\$1,061,867	\$1,360,427
1,500 to 3,000	\$1,469,912	\$1,560,565	\$2,312,491
3,000 to 10,000	\$1,627,100	\$2,503,000	\$4,087,534
10,000 to 30,000	\$2,435,345	\$3,729,511	\$4,673,699
30,000+	\$4,252,714	\$5,268,920	\$7,477,613



### COO Total Compensation



### Compensation Structure

The chart below displays the breakdown of COO total compensation at the 25th, 50th and 75th percentiles for the seven different asset value tiers. The value of each cell is calculated individually, so the amounts of Total Direct Compensation are not a sum of each row of data. As only 20% of COOs received a cash bonus or equity grant in 2021 in companies with asset values under \$100 million, the amount at the each percentile for annual incentive plan and total equity are \$0 as applicable.

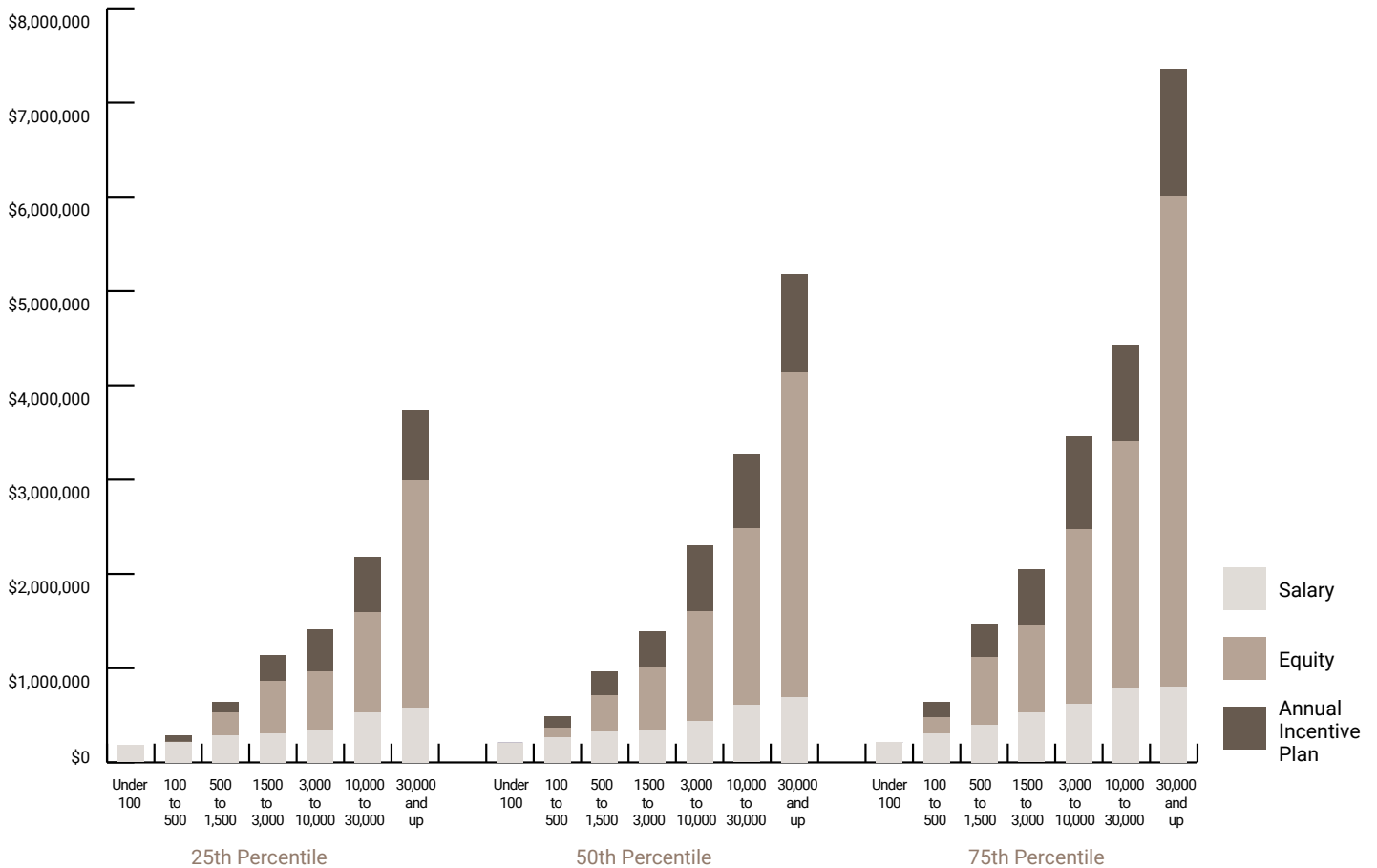
- i. "Similarly, more than 25% of COOs with asset values between \$100 and \$500 million did not receive a grant, therefore the amount at the 25th percentile is \$0"

ELEMENTS OF COO COMPENSATION				
Asset Value (\$M)	Salary	Equity	Annual Incentive Plan	Total Direct Compensation
<b>25TH PERCENTILE</b>				
Under 100	\$182,182	\$0	\$0	\$182,182
100 to 500	\$220,000	\$0	\$64,171	\$363,075
500 to 1,500	\$290,000	\$233,745	\$120,527	\$718,386
1,500 to 3,000	\$304,000	\$565,000	\$270,000	\$1,469,912
3,000 to 10,000	\$341,056	\$622,000	\$447,500	\$1,627,100
10,000 to 30,000	\$530,607	\$1,065,129	\$578,664	\$2,435,345
30,000+	\$582,563	\$2,405,222	\$757,960	\$4,252,714

ELEMENTS OF COO COMPENSATION (continued)				
Asset Value (\$M)	Salary	Equity	Annual Incentive Plan	Total Direct Compensation
<b>50TH PERCENTILE</b>				
Under 100	\$208,500	\$0	\$0	\$208,500
100 to 500	\$265,000	\$103,732	\$120,000	\$482,712
500 to 1,500	\$332,178	\$381,600	\$249,133	\$1,061,867
1,500 to 3,000	\$340,467	\$672,048	\$382,725	\$1,560,565
3,000 to 10,000	\$444,993	\$1,159,278	\$693,459	\$2,503,000
10,000 to 30,000	\$607,466	\$1,880,290	\$780,931	\$3,729,511
30,000+	\$689,072	\$3,452,051	\$1,041,122	\$5,268,920
<b>75TH PERCENTILE</b>				
Under 100	\$217,000	\$0	\$0	\$300,000
100 to 500	\$306,951	\$169,500	\$170,672	\$639,500
500 to 1,500	\$401,120	\$710,035	\$359,069	\$1,360,427
1,500 to 3,000	\$526,470	\$938,100	\$580,772	\$2,312,491
3,000 to 10,000	\$618,916	\$1,860,739	\$973,499	\$4,087,534
10,000 to 30,000	\$789,705	\$2,616,199	\$1,019,609	\$4,673,699
30,000+	\$805,374	\$5,203,060	\$1,345,883	\$7,477,613



## Elements of COO Compensation



## Annual Incentive Plan

This analysis seeks to reflect COO annual incentive payments in proportion to their respective asset value tiers. Among the COOs researched, 89 received an annual incentive payment for a total of 91%. The calculation method for annual bonuses varies by company, but the bonus criteria usually consider personal and corporate performance, with the latter weighted more heavily. A brief description of annual bonus metrics for the Oil and Gas industry can be found under the CEO section of the report.

The table below summarizes the annual incentive amounts for COOs at each asset value tier. It also outlines the average Target Bonus reflected as a percent of base salary and the percentage of COOs who received a non-equity incentive in the last fiscal year. The data highlights that the target bonus can range from approximately 70% to 90%, depending on the asset value range. There were no companies with asset values under \$100 million who reported target bonus.

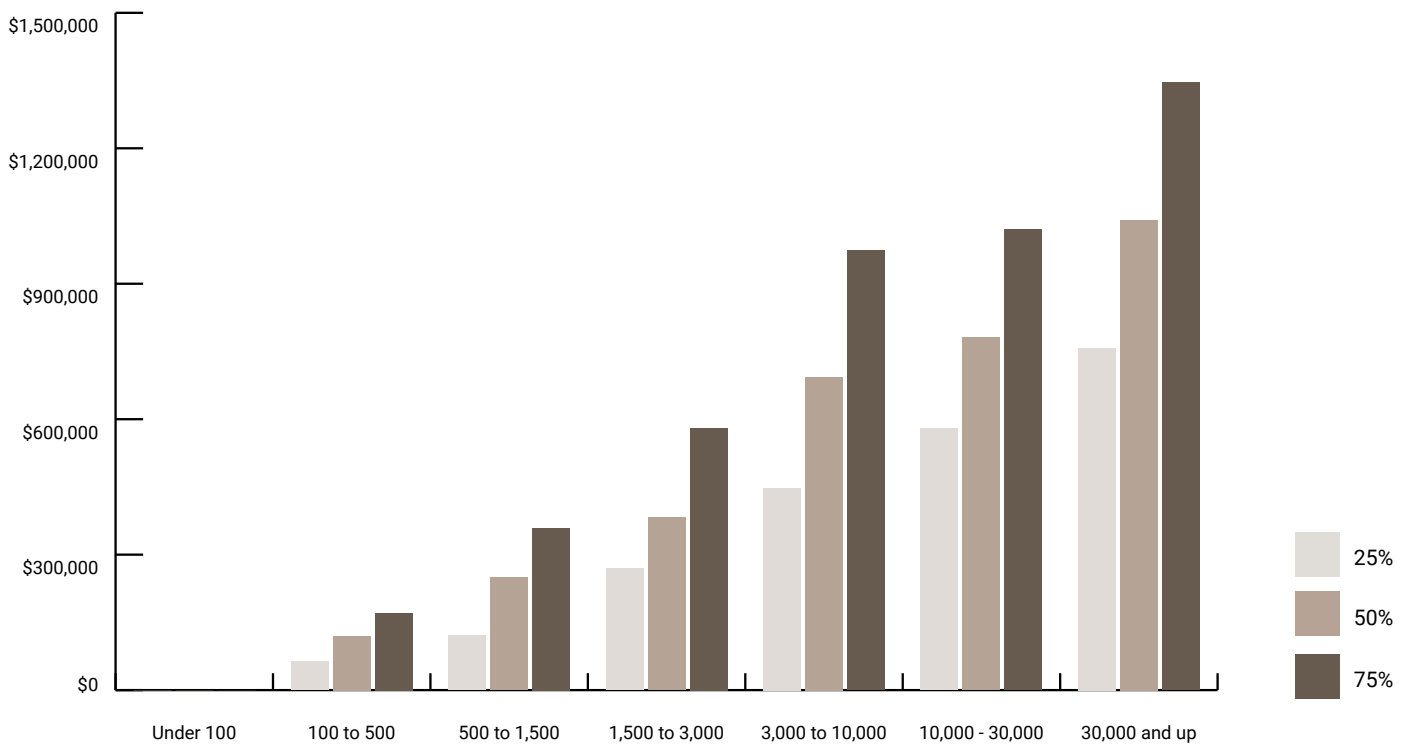




COO ANNUAL INCENTIVE PLAN					
Asset Value (\$M)	25th Percentile	50th Percentile	75th Percentile	% of COOs who received Bonus	Target Bonus (% of base salary)
Under 100	\$0	\$0	\$0	20%	N/A
100 to 500	\$64,171	\$120,000	\$170,672	89%	68%
500 to 1,500	\$120,527	\$249,133	\$359,069	100%	83%
1,500 to 3,000	\$270,000	\$382,725	\$580,772	100%	76%
3,000 to 10,000	\$447,500	\$693,459	\$973,499	91%	89%
10,000 to 30,000	\$578,664	\$780,931	\$1,019,609	94%	84%
30,000+	\$757,960	\$1,041,122	\$1,345,883	100%	89%

Like the CFO and CEO, less than 25% of COOs received an incentive payment in 2021 so the amounts for all percentiles at the under \$100 million asset value tier are \$0.

### COO Annual Incentive Payment



## 2.4 Legal Representative

This section provides analysis for Legal Representatives including, but not limited to, CLO, VP Legal, and General Counsel. The Chief Legal Officer or top Legal Representative is a legal executive appointed to govern a firm's legal department, lead in-house attorneys, ensure compliance with all legal, ethical, and regulatory matters, and work to minimize legal risks. The role includes providing legal counsel to the board of directors, board chair, CEO, and other senior management. The CLO reports directly to the CEO.

### Bedford Headline Findings

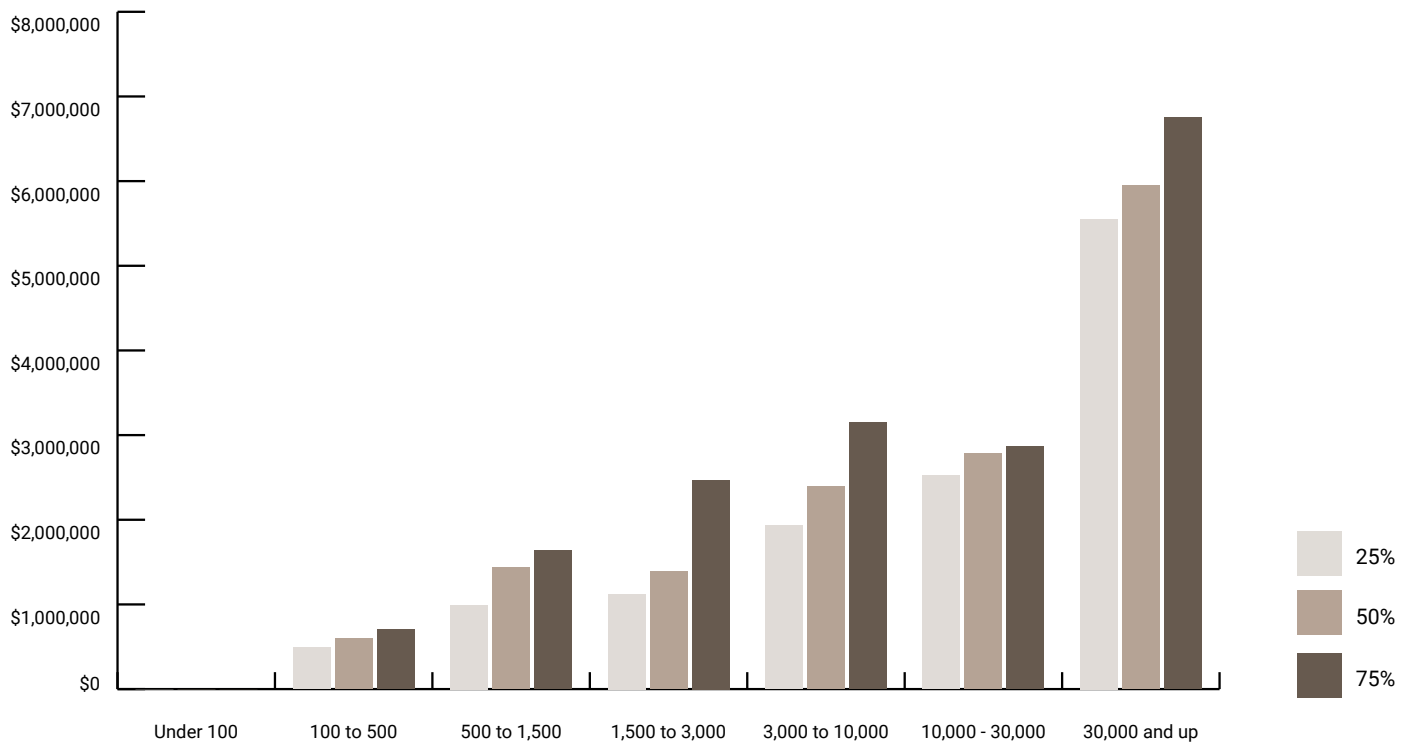
- ▶ There was limited data available for companies with asset values under \$100 million so this tier was excluded from analysis in this section. There were 56 Legal Representatives included.
- ▶ Median total compensation ranged from \$596,500 for companies with asset values between \$100 and \$500 million to \$5,947,756 in companies with asset values over \$30 billion.
- ▶ 89% of Legal Representatives received an annual incentive payment in 2021.

### Total Compensation

LEGAL REPRESENTATIVE TOTAL COMPENSATION			
Asset Value (\$M)	25th Percentile	50th Percentile	75th Percentile
Under 100	N/A	N/A	N/A
100 to 500	\$487,900	\$596,500	\$705,100
500 to 1,500	\$993,078	\$1,436,325	\$1,632,332
1,500 to 3,000	\$1,123,233	\$1,386,038	\$2,469,553
3,000 to 10,000	\$1,929,768	\$2,394,763	\$3,144,396
10,000 to 30,000	\$2,519,746	\$2,784,663	\$2,865,917
30,000+	\$5,552,426	\$5,947,756	\$6,751,259



### Legal Representative Total Compensation



### Compensation Structure

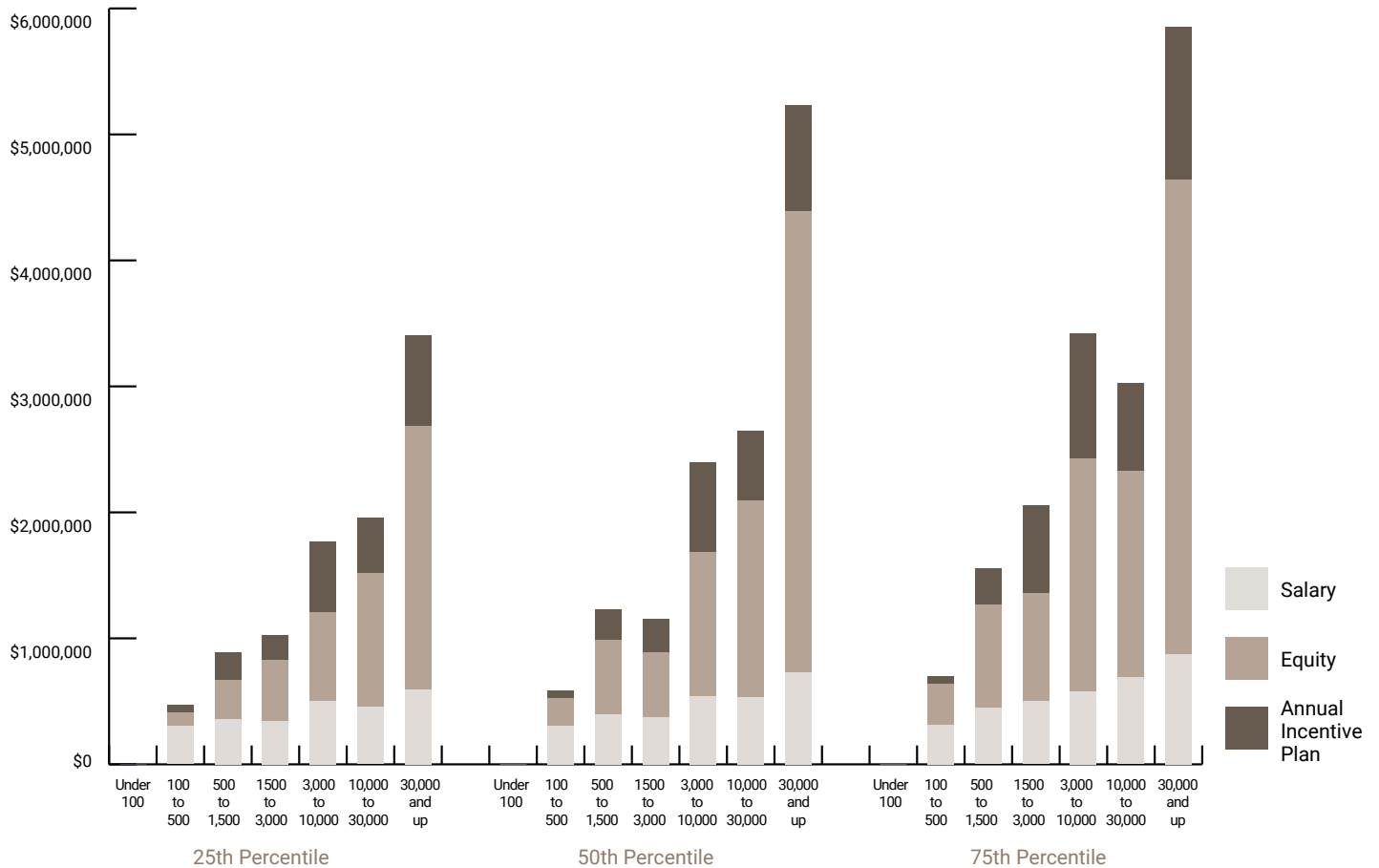
The chart below displays the breakdown of Legal Representative total compensation at the 25th, 50th and 75th percentiles for the six different asset value tiers. The value of each cell is calculated individually, so the amounts of Total Direct Compensation are not a sum of each row of data.

ELEMENTS OF LEGAL REPRESENTATIVE COMPENSATION				
Asset Value (\$M)	Salary	Equity	Annual Incentive Plan	Total Direct Compensation
<b>25TH PERCENTILE</b>				
Under 100	N/A	N/A	N/A	N/A
100 to 500	\$302,405	\$108,898	\$58,006	\$487,900
500 to 1,500	\$357,874	\$313,980	\$219,604	\$993,078
1,500 to 3,000	\$346,453	\$479,217	\$200,309	\$1,123,233
3,000 to 10,000	\$505,787	\$702,419	\$557,238	\$1,929,768
10,000 to 30,000	\$454,153	\$1,063,547	\$436,927	\$2,519,746
30,000+	\$597,800	\$2,091,631	\$717,500	\$5,552,426

ELEMENTS OF LEGAL REPRESENTATIVE COMPENSATION (continued)				
Asset Value (\$M)	Salary	Equity	Annual Incentive Plan	Total Direct Compensation
<b>50TH PERCENTILE</b>				
Under 100	N/A	N/A	N/A	N/A
100 to 500	\$307,103	\$217,796	\$59,604	\$596,500
500 to 1,500	\$400,493	\$585,569	\$247,508	\$1,436,325
1,500 to 3,000	\$375,525	\$512,200	\$269,102	\$1,386,038
3,000 to 10,000	\$543,930	\$1,137,136	\$713,116	\$2,394,763
10,000 to 30,000	\$532,738	\$1,559,295	\$552,794	\$2,784,663
30,000+	\$731,000	\$3,655,422	\$844,094	\$5,947,756
<b>75TH PERCENTILE</b>				
Under 100	N/A	N/A	N/A	N/A
100 to 500	\$311,802	\$326,693	\$61,202	\$705,100
500 to 1,500	\$446,512	\$824,547	\$282,468	\$1,632,332
1,500 to 3,000	\$499,883	\$862,286	\$696,613	\$2,469,553
3,000 to 10,000	\$582,326	\$1,843,310	\$997,473	\$3,144,396
10,000 to 30,000	\$689,425	\$1,639,870	\$694,251	\$2,865,917
30,000+	\$877,450	\$3,762,331	\$1,211,006	\$6,751,259



## Elements of Legal Representative Compensation



## Annual Incentive Payments

This analysis seeks to reflect Legal Representative annual incentive payments in proportion to their respective asset value tiers. Among the 56 representatives researched, 50 received an annual incentive payment. The calculation method for annual bonuses varies by company, but the bonus criteria usually consider personal and corporate performance, with the latter weighted more heavily. A brief description of annual bonus metrics for the Oil and Gas industry can be found under the CEO section of the report.

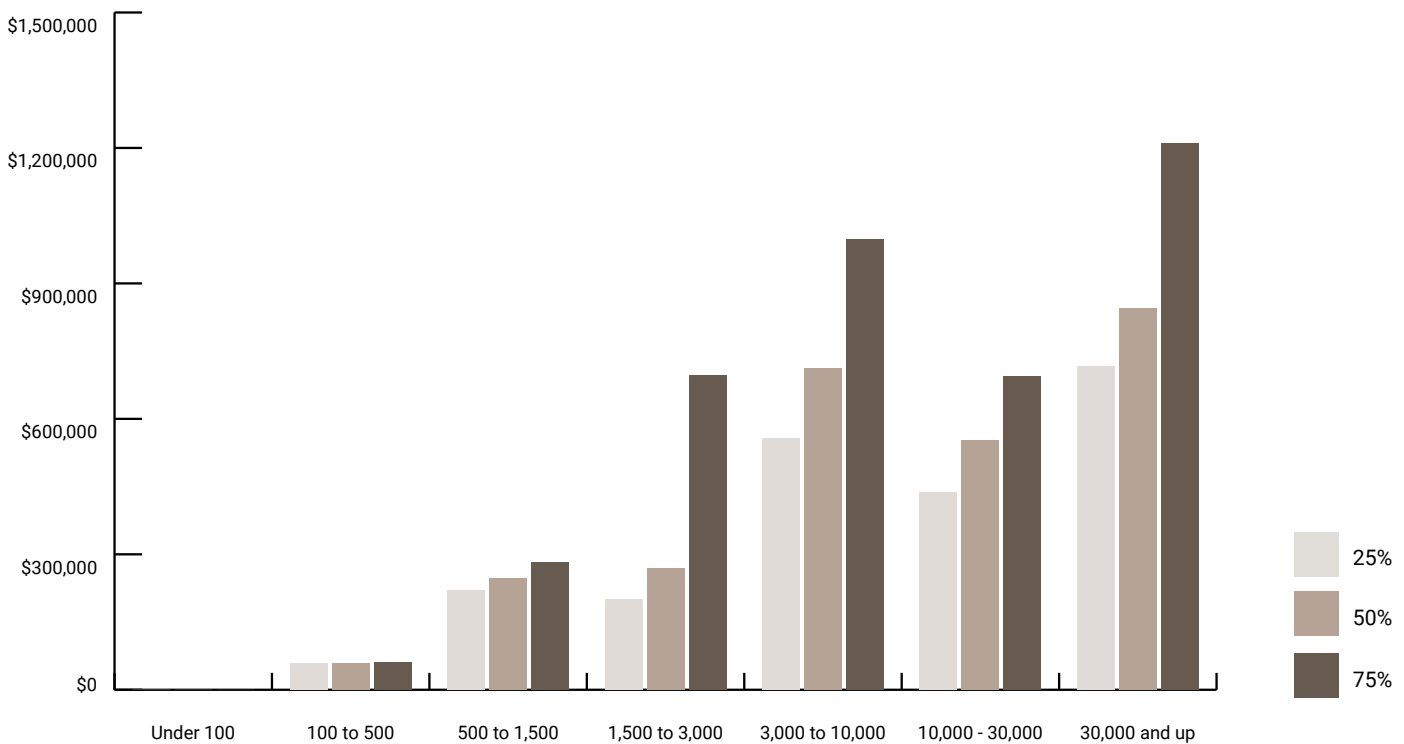
The table below summarizes the annual incentive amounts for Legal Representatives at each asset value tier. It also outlines the average Target Bonus reflected as a percent of base salary and the percentage of representatives who received a non-equity incentive in the last fiscal year. The data highlights that target bonus can range from approximately 75% up to 90% depending on the asset value range.



LEGAL REPRESENTATIVE ANNUAL INCENTIVE					
Asset Value (\$M)	25th Percentile	50th Percentile	75th Percentile	% of Reps who received Bonus	Target Bonus (% of base salary)
Under 100	N/A	N/A	N/A	N/A	N/A
100 to 500	\$58,006	\$59,604	\$61,202	100%	N/A
500 to 1,500	\$219,604	\$247,508	\$282,468	88%	74%
1,500 to 3,000	\$200,309	\$269,102	\$696,613	89%	88%
3,000 to 10,000	\$557,238	\$713,116	\$997,473	93%	79%
10,000 to 30,000	\$436,927	\$552,794	\$694,251	85%	73%
30,000+	\$717,500	\$844,094	\$1,211,006	89%	85%

Median bonuses ranged from \$59,604 in the \$100 to \$500 million asset value tier to \$844,094 in companies with over \$30 billion asset values.

### Legal Representative Annual Incentive Payment





### 3.0 NEO Equity Analysis

In the Director compensation section, Bedford provided a breakdown of share versus option grants, as well as a description of RSUs and DSUs. Like Directors, RSUs and Options remain a common form of equity compensation for Executives. Another form of equity compensation used by companies in the dataset is Performance Share Units (PSUs) which are linked to performance metrics. Shareholder rights groups like the ISS and Glass Lewis encourage companies to rely on performance-based awards such as PSUs or performance-based RSUs, which tie equity compensation payouts to the overall performance of the Company with a focus on shareholder return.

Equity compensation continues to be one of the most common methods of incentivizing NEOs to drive growth. As a result, as seen in the “Elements of NEO Compensation” charts presented earlier in this report, NEO equity compensation accounts for a large portion of total compensation across all asset value tiers.

### 3.1 Share and Option Related Compensation

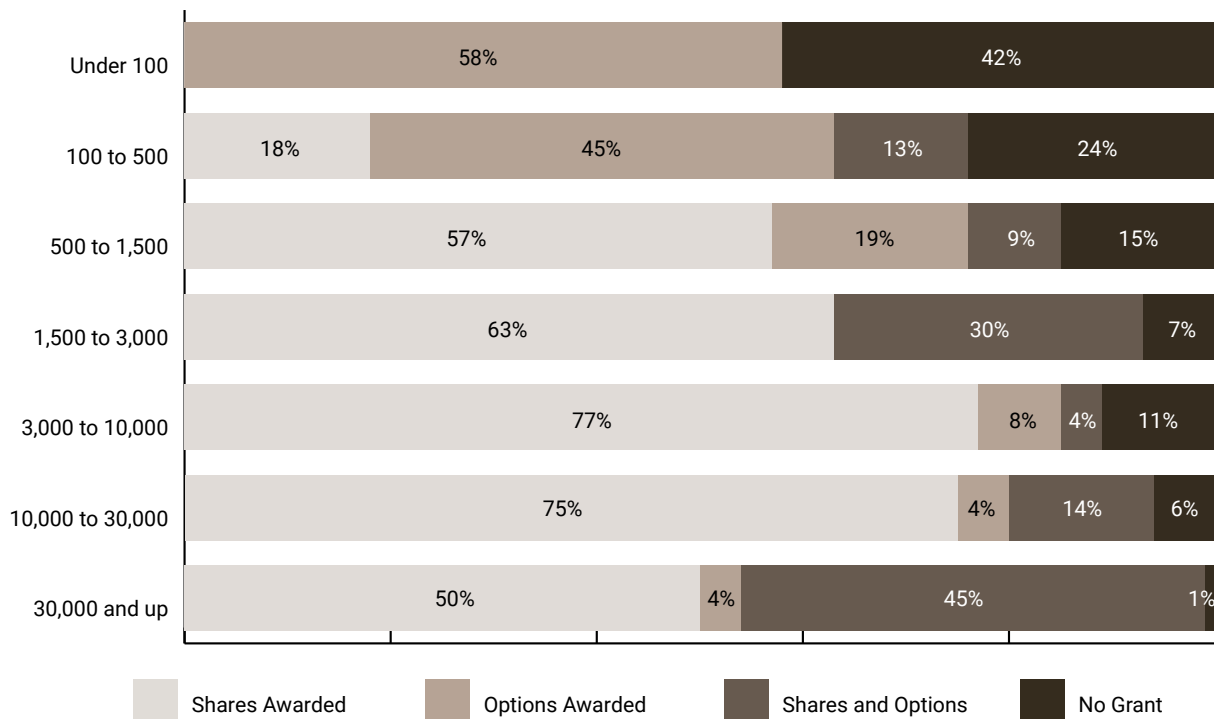
► In this section, the equity component of NEO compensation was assessed, looking at the distribution of share-based and option-based awards.

► The relative bar chart below shows, for each asset value tier, the percentage of companies granting share and option awards. While Option-based awards are more common for companies with asset values below \$500 million, there is a heavy reliance by the Oil and Gas on share-based awards.

► Of all NEOs in the dataset:

- 55% received shares only.
- 15% received options only.
- 18% received a combination of shares and options.
- 12% did not receive any equity grant.

### NEO Equity Compensation Structure



## 3.2 Breakdown of Share-Related Compensation

► The following table shows the number of companies who granted Stocks/RSUs vs. the number who granted PSUs to their Directors in 2021 at each asset value tier.

- Options are used primarily by companies with asset values under \$500 million.
- PSUs become a more popular form of equity compensation in companies with asset values over \$3 billion. Overall, RSUs are the most common form of equity compensation in the Oil and Gas industry.

STOCKS/RSUS VS PSU ANALYSIS			
Asset Value (\$M)	Stocks/RSUs	PSUs	Options
Under 100	0	0	8
100 to 500	6	2	11
500 to 1,500	18	3	7
1,500 to 3,000	16	7	6
3,000 to 10,000	18	11	4
10,000 to 30,000	17	20	4
30,000+	22	15	13



## 4.0 Executive Share Ownership Requirements

Share ownership guidelines require directors and/or executives to have a minimum equity stake in the organization. The intention is to align interests of the Company with those of the shareholders. Although share ownership guidelines are not mandated in Canada, they are considered a good governance practice.

In most cases, executives are required to obtain a certain multiple of their base salary as equity, and they have a defined number of years to achieve said level of ownership. Typically, only full shares, and equity-settled RSUs, PSUs and DSUs count towards the share ownership requirements; options are generally excluded.

### 4.1.1 CEO Share Ownership Requirements

- ▶ 63% of CEOs had a defined share ownership requirement
- ▶ The most common requirement was 5x base salary within 5 years
- ▶ The longest agreement was 10x base salary within 5 years

CEO SHARE OWNERSHIP REQUIREMENTS							
	Ownership Requirement Multiple of annual retainer						
Years to Achieve	<2x	2x	3x	4x	5x	6x	7x+
2		1%					
3	1%	1%	10%		5%	2%	1%
4					1%		
5		2%	8%	4%	39%	22%	1%
6						1%	



## 4.2 C-Suite Share Ownership Requirements

- ▶ 51% of the remaining C-Suite executives (excluding CEO) had a share ownership requirement
- ▶ The most common requirement was 3x base salary within 5 years

C-SUITE SHARE OWNERSHIP REQUIREMENTS					
	Ownership Requirement Multiple of annual retainer				
Years to Achieve	1x	2x	3x	4x	5x
2		1%			
3	4%	5%	5%		3%
4		1%	1%		
5	6%	23%	39%	9%	1%
6		1%			

## 4.3 Remaining NEO Share Ownership Requirements

- ▶ 44% of the remaining NEOs, including VPs, GMs and other non-C-Suite executives had a share ownership requirement
- ▶ Typically, remaining NEOs are required to have 1-2x their annual salary within 5 years

C-SUITE SHARE OWNERSHIP REQUIREMENTS				
	Ownership Requirement Multiple of annual retainer			
Years to Achieve	1x	2x	3x	4x
3	11%	3%	6%	
4		2%		
5	27%	29%	18%	5%



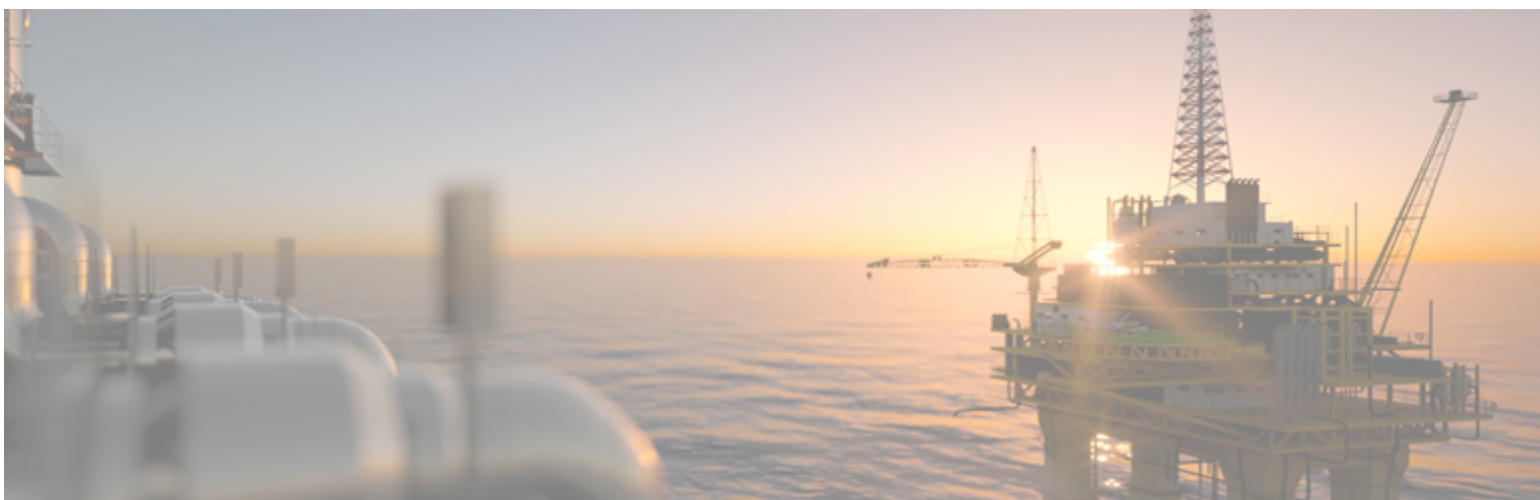
## 5.0 Severance Analysis

### 5.1 CEO Severance upon Termination and Change of Control

#### 5.1.1 CEO Severance upon Change of Control

- ▶ 58% of CEOs had a change of control agreement with their Company.
- ▶ The most common agreement for the CEO entitled the respective member to 24 months of salary plus 24 months of bonus. The next most common agreement was 36 months of salary plus 36 months of bonus.
- ▶ Best practice by shareholder rights groups like ISS and Glass Lewis encourage a double trigger event for the pay out of change of control. All change of control agreements for the CEOs in this report were double trigger.

CEO CHANGE OF CONTROL							
	Salary (number of months)						
Bonus (# of months)	0	12	15	18	24	30	36
0	xx						
12		5%			1%		
15			1%				
18				9%			
24					55%		
30						2%	
36							26%





## 5.1.2 CEO Severance upon Termination Without Cause

- ▶ 54% of CEOs were entitled to a pay out in the event of termination without cause.
- ▶ The most common agreement entitled the respective member to 24 months of salary plus 24 months of bonus. The next most popular option was 12 months of salary, plus 12 months of bonus.

CEO TERMINATION								
	Salary (number of months)							
Bonus (# of months)	0	6	12	15	18	24	30	36
0	xx							
6		3%						
12			15%					
15				1%				
18					12%			
24						57%		
30							1%	
36								10%





## 5.2 NEO Severance upon Termination and Change of Control

### 5.2.1 NEO Severance upon Change of Control

- ▶ 58% of the remaining NEOs (excluding CEOs) had a change of control agreement with their Company
- ▶ The most common agreement for the NEO entitled the respective member to 24 months of salary plus 24 months of bonus. The next most common agreement was 18 months of salary plus 18 months of bonus.

NEO CHANGE OF CONTROL								
	Salary (number of months)							
Bonus (# of months)	0	12	15	18	22	24	30	36
0	xx							
12		11%						
15			2%					
18				22%				
22					1%			
24						54%		
30							1%	
36								9%



## 5.2.2 NEO Severance upon Termination Without Cause

- ▶ 51% of NEOs were entitled to a pay out in the event of termination without cause
- ▶ The most common agreement entitled the respective member to 24 months of salary plus 24 months of bonus. The next most popular option was 12 months of salary plus 12 months of bonus.

NEO TERMINATION									
	Salary (number of months)								
Bonus (# of months)	0	3	6	12	15	18	24	30	36
0	xx								
3		1%							
6			2%						
12				32%		1%			
15					2%				
18						25%			
24							33%		
30								1%	
36									3%

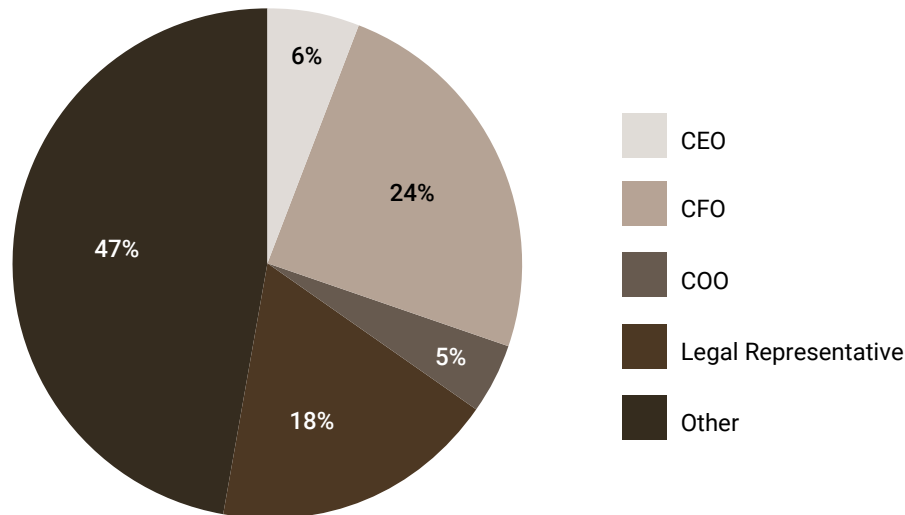


## 6.0 Trends in Governance

### Diversity

Diversity is achieved in various aspects for the companies researched in this report. Nearly all companies showed an awareness of the potential benefits of diverse representation on the senior management team, but few companies report on concrete measures to promote executive diversity. In 2021, women are still under-represented in the Oil and Gas industry. Bedford's study on 2021 compensation shows that 23.4% of the board members researched were female, while only 9.7% of executives are female. The following pie graph highlights the roles of the female NEOs in the dataset. "Other" incorporates additional functional executive positions within the corporation, such as Chief Administrative Officer, Corporate Secretary, Controller, President, VP Business Development, etc.

#### Roles of Female NEOs



Diversity also appears in terms of background, education, and experience. For the companies researched, the executive teams and the boards are often comprised of members from various backgrounds, including at least one from each industry specialty, such as finance, business, computer science, engineering, executive management, and law. Currently, there is no requirement in Canada to disclose diversity as part of a company's public filings.

In August of 2021, the SEC approved Nasdaq's Board Diversity Rule, which is a disclosure standard designed to encourage a minimum board diversity objective for companies. It also provides stakeholders with consistent, comparable disclosures concerning a company's current board composition.

Nasdaq's Board Diversity Rule requires companies listed on the Nasdaq exchange to:

- ▶ Publicly disclose board-level diversity statistics using a standardized template; and
- ▶ Have or explain why they do not have at least two diverse directors.

The transition to this standard must occur over the course of the next four years. An "Initial Board Disclosure Matrix" is required to be in company proxies effective August 2022. Companies will be required to have at least one diverse director (or provide an explanation for not having one) by 2023, and have two diverse directors (or provide an explanation) by 2025 or 2026<sup>5</sup>. Although Bedford's report concentrates primarily on Canadian companies, trends and requirements from the United States are often adopted in Canada over time as a mandated requirement or as a good governance practice as recommended by the ISS and or Glass Lewis. Bedford will continue to monitor updates coming from the United States to keep its clients apprised of any new developments.

### Pension and Differences in Payments

The Bedford 2022 Compensation report included companies from Canada and the US. Among the 150 companies researched, 23% of NEOs observed a pension as a part of their total compensation. Further analysis on pensions can be provided upon request.

<sup>5</sup> <https://listingcenter.nasdaq.com/assets/Board%20Diversity%20Disclosure%20Five%20Things.pdf>

## 7.0 Contributors

### Lead Authors

#### FRANK GALATI | Managing Partner

Frank leads Bedford's compensation practice as a managing partner. He has advised companies on compensation and performance metrics for over 20 years and has authored the Bedford Compensation Reports since 2009.

Frank has advised Boards and executive management on executive pay policy, compensation trends, incentive plans, employment contracts and directors' compensation. In addition to his contribution to the technology practice at Bedford, he manages executive search assignments for companies in mining and metals, construction, power, oil and gas, and is the worldwide mining practice leader for TRANSEARCH International, the leading international association of executive search firms.

He sits on the boards of two publicly listed companies and has been a guest speaker at the Ivey Business School at the University of Western Ontario.

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#### STEPHEN DIOTTE | Compensation Partner

Stephen is the compensation practice leader for Bedford's clients across Canada and the US. His areas of expertise include talent and compensation strategy and performance management. He has led the design of short-term and both cash and stock-based long-term incentives requiring board and shareholder approval.

Prior to joining Bedford, he was an Associate Partner at McKinsey & Company. He was the North American Energy and Resources Leader for Mercer Human Capital Consulting, the Managing Partner of Deloitte Consulting in Calgary and a Vice President Human Resources, Information Technology and Corporate Services for a publicly traded upstream oil producer. Stephen has an MBA from the Richard Ivey School of Business at the University of Western Ontario and a Master's degree in Industrial Relations from the University of Toronto.

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Samantha Van Tighen is a Senior Compensation Analyst with Bedford. She has managed the preparation of Bedford's Executive and Director Compensation Studies for Mining, Cannabis, Technology, Clean Technology, Biotechnology, and Medical Technology. She has conducted research and analysis of over 100 compensation reviews for private and publicly traded companies. She has a Bachelor of Arts degree from Athabasca University

