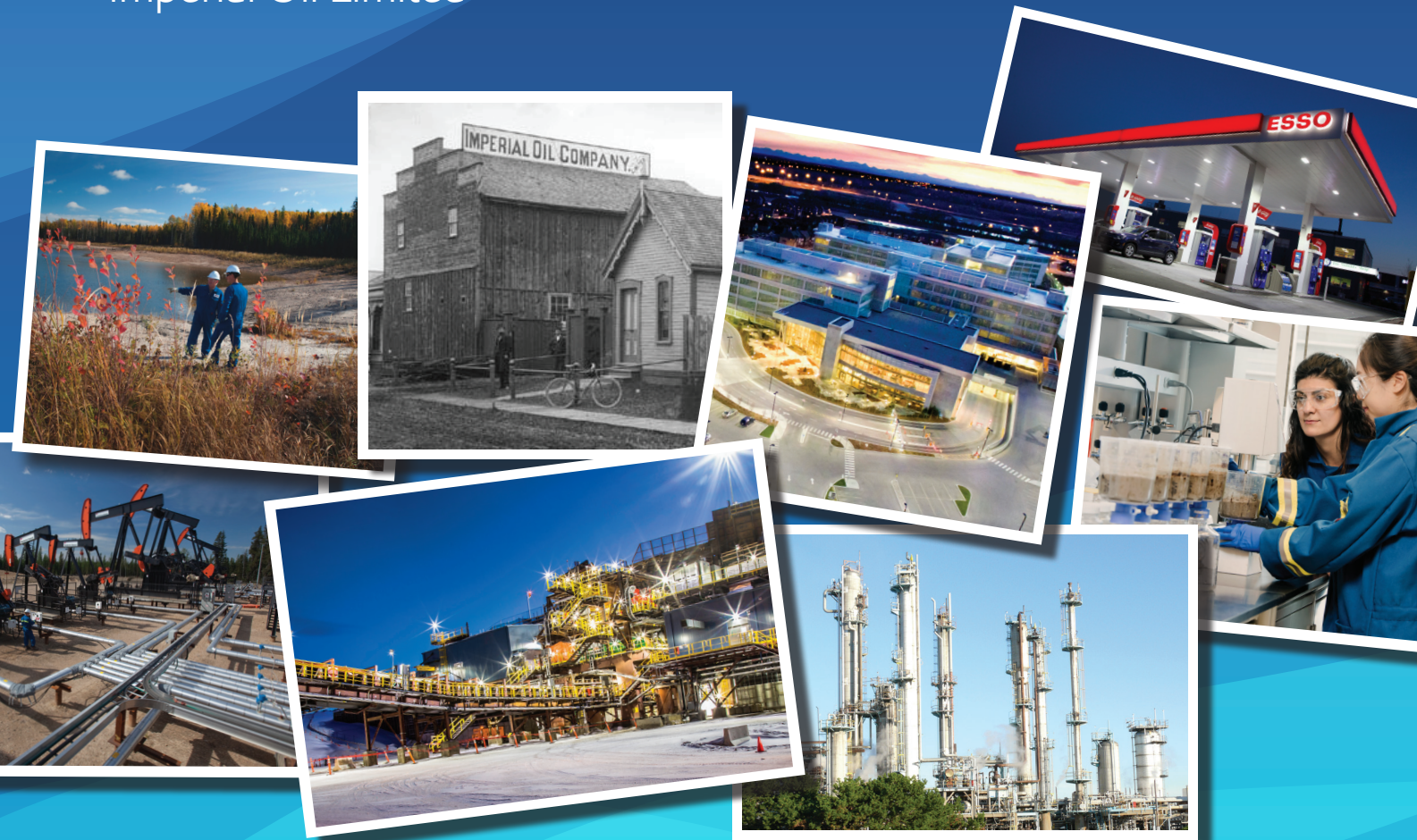




Notice of 2020 annual meeting of shareholders and management proxy circular

Annual meeting of shareholders May 1, 2020
Imperial Oil Limited



140 YEARS anniversary



Notice of 2020 Annual Meeting of Shareholders

Dear Shareholder,

On behalf of the board and management, we are pleased to invite you to attend the annual meeting of shareholders of Imperial Oil Limited.

When: May 1, 2020 at 10:30 a.m. local time

Where: 505 Quarry Park Boulevard S.E., Calgary, Alberta, Canada

The meeting will be called for the following purpose:

1. to consider the consolidated financial statements for the year ended December 31, 2019, and the auditor's report,
2. to reappoint the auditor for the ensuing year,
3. to elect directors for the ensuing year, and
4. to consider other business that may properly be brought before the meeting or any adjournment of the meeting.

The Canadian securities regulators allow for the use of Notice and Access for delivery of the management proxy circular, annual financial statements and related management discussion and analysis to both the registered and non-registered shareholders of Imperial Oil Limited. The meeting material is not being mailed, but rather shareholders are provided with notice for where to find the meeting material online or how to request paper copies. The circular will provide you with additional details surrounding Notice and Access as well as provide information about the company and the business to be conducted at the meeting. Please review the circular before you cast your vote.

Holders of Imperial Oil Limited common shares of record at the close of business on March 5, 2020, are entitled to vote at the meeting and any adjournment of the meeting. It is important that your shares be represented at the meeting and that your wishes on matters for decision at the meeting are made known to the directors and management of the company. This will be assured, whether or not you attend the meeting, if you complete and submit the enclosed proxy as soon as possible. You may do so by mail, fax, email, telephone, online or using your mobile device as described on the proxy form.

Your proxy must be received prior to 5:00 p.m. (EDT) on Wednesday, April 29, 2020, or two days (excluding Saturdays, Sundays or statutory holidays) prior to any adjournment of the meeting. The effective date of the circular is February 12, 2020, on which date there were 739,223,338 common shares outstanding.

A webcast of the meeting will be available on our company website for those that are unable to attend in person and will also be available for viewing after the meeting. We can provide reasonable assistance to people with disabilities who wish to attend the meeting. Please contact the corporate secretary by telephone at (587) 476-3740 or fax at (587) 476-1166 at least two weeks before the meeting.

I.R. (Ian) Laing

Assistant general counsel and corporate secretary

March 13, 2020

Management Proxy Circular

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Proxy statement summary

The summary below is intended to highlight selected information about the company and the upcoming meeting of shareholders. More detail can be found throughout the circular and we encourage you to read the entire proxy statement carefully before casting your vote.

2020 Annual meeting of shareholders

Date and time:	May 1, 2020
Location:	505 Quarry Park Boulevard S.E., Calgary, Alberta, Canada
Record date:	March 5, 2020
Mail date:	March 13, 2020

Voting matters and board recommendations

Voting items	Board voting recommendation
Reappointment of the auditor (page 8)	For
Election of the directors (pages 10 through 13)	For each of the director nominees

Overview of director nominees

	D.C. Brownell	D.W. Cornhill	B.W. Corson (a)	K.T. Hoeg	M.C. Hubbs (b)	J.M. Mintz	D.S. Sutherland
Gender	Male	Male	Male	Female	Female	Male	Male
Age (as of February 12, 2020)	53	66	58	70	53	68	70
Director since	November 1, 2018	November 29, 2017	September 17, 2019	May 1, 2008	July 26, 2018	April 21, 2005	April 29, 2010
Citizenship	United States	Canadian	United States	Canadian	Canadian	Canadian	Canadian
Independent director	No	Yes	No	Yes	Yes	Yes	Yes
Committee participation in 2019	ERC PP&CR N&CG CC&E	AC ERC PP&CR N&CG* CC&E	CC&E	AC* ERC PP&CR N&CG CC&E	AC ERC PP&CR N&CG CC&E*	AC ERC PP&CR* N&CG CC&E	AC ERC* PP&CR N&CG CC&E
Board interlocks	None	None	None	None	None	None	None
2019 Meeting attendance	100%	96%	100%	100%	100%	100%	100%
Met share ownership guidelines	n/a	Yes	No (a)	Yes	No (b)	Yes	Yes
# of other public boards	0	2	0	1	1	1	2
Financially literate	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Compensation experience	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Percentage of votes in favour at last AGM	97.09%	99.05%	n/a	99.08%	99.45%	98.90%	99.09%

(a) B.W. Corson was appointed to the board and as president of the company on September 17, 2019, and assumed the additional roles of chairman and chief executive officer on January 1, 2020 following R.M. Kruger's retirement. Mr. Corson is expected to meet the share ownership guidelines of 5 x base salary within three years of appointment as chairman and chief executive officer.

(b) M.C. Hubbs was appointed to the board on July 26, 2018 and is expected to meet the share ownership guidelines for independent directors of 15,000 shares within five years from the date of appointment.

AC – Audit Committee; ERC – Executive Resources Committee; PP&CR – Public Policy and Corporate Responsibility Committee; N&CG – Nominations and Corporate Governance Committee; CC&E – Community Collaboration and Engagement Committee
* indicates chair of that committee.

2019 Performance highlights

- Continued strong safety performance and effective management of enterprise risk and operational integrity
- \$2.2 billion in net income; \$4.4 billion cash flow from operations which was the highest since 2012
- \$2.0 billion returned to shareholders through dividends and share purchases
 - \$631 million in dividends paid and a 16 percent increase in per-share dividend declared in second quarter 2019, the 25th consecutive year of increase
 - \$1,373 million in share purchases completed, representing 38.7 million shares or 5 percent of total outstanding
- Strong performance across the upstream business line
 - 398,000 gross oil-equivalent barrels per day in total upstream production; the highest in over 25 years
 - Total gross production from Kearn averaged 205,000 barrels per day (145,000 barrels Imperial's share)
 - Imperial's share of gross production from Syncrude averaged 73,000 barrels per day; the highest annual performance in nearly 10 years
- Completed a number of significant planned turnaround activities across the upstream and downstream segments, including the largest planned turnaround in Kearn's history
- Progressed opportunities to add future value
 - Kearn's supplemental crushing facilities started operations in late 2019, with ramp-up of all units through early 2020. These facilities are expected to further improve reliability, reduce planned downtime, lower unit costs and enable the asset to achieve 240,000 barrels per day of total gross production in 2020 (Imperial's gross share would be about 170,000 barrels per day)
 - Continued to expand Kearn's autonomous haul truck program, with 12 units in operation at year-end
 - Completed an expansion of the Strathcona refinery facilities to increase heavy crude processing capability and asphalt production
 - Continued to progress the Strathcona co-generation project to improve energy efficiency
- Continued commitment to industry leadership in technology, innovation and sustainability
 - Invested \$170 million in research and development activities
 - Published Imperial's *Energy and Carbon Summary* report and *Water Management Summary* report
 - Partnered with the Alberta Machine Intelligence Institute to collaborate on the development of Imperial's in-house machine learning capabilities

2019 Corporate governance highlights

- Five of seven of our director nominees are independent and meet the criteria for independence set by Canadian securities regulators, the SEC and the NYSE American LLC
- The directors are highly qualified with diversity of gender, background, experience and skill
- The company's independent directors have significant stock ownership requirements, all of which have been met (with the exception of M.C. Hubbs, who was appointed to the board on July 26, 2018 and is expected to meet the share ownership guidelines within five years from the date of her appointment)
- The independent directors regularly meet in executive sessions without management present
- The independent directors collectively have more than \$7 million in shareholdings in the company
- B.W. Corson was appointed to the board and as president of the company on September 17, 2019, and assumed the additional roles of chairman and chief executive officer on January 1, 2020 following R.M. Kruger's retirement. Mr. Corson is expected to meet the share ownership guidelines within three years of appointment as chairman and chief executive officer
- Shares of the company are listed on the TSX and trade on the NYSE American LLC and our corporate governance practices comply with applicable policies and practices of each exchange
- The company has adopted a majority voting policy
- 98.5% average vote in favour for the election of our directors at the 2019 annual meeting
- Two of seven or 29% of the director nominees, and 9 of 28 or 32% of the executive officers of the company and its major subsidiaries, are women

2019 Executive compensation highlights

- Compensation program aligns with the company's long-term business model and supports key business strategies
- All executives participate in common compensation programs that encourage appropriate risk assessment and risk management
 - Equity incentive program with long vesting periods that far exceed the typical holding periods of comparator stock programs
 - An annual bonus program linked to annual earnings with a unique delayed bonus feature
 - Forfeiture provisions that further discourage inappropriate risk taking
- Employees and directors are prohibited from hedging against the value of company stock
- No employment contracts or change in control agreements

Proxy information and voting instructions

Items for voting

At this meeting you will be voting on the following items:

- the reappointment of the auditor of the company, and
- the election of the directors.

Solicitation

This circular is furnished in connection with the solicitation by the directors and management of Imperial Oil Limited of proxies for use in voting at its annual meeting of shareholders on May 1, 2020. Proxies from registered shareholders will be solicited primarily by mail, but may also be solicited personally by employees of the company. Voting instructions or proxies from non-registered shareholders will be solicited primarily by mail by intermediaries, or by the company if the names and addresses of non-registered shareholders are provided by the intermediaries. The company will bear the cost of the solicitation.

Who can vote

Shareholders as of 5:00 p.m. (EST) on March 5, 2020, or their duly appointed proxyholders, will be entitled to attend the meeting and to vote in person or by proxy. The list of shareholders was prepared as of 5:00 p.m. (EST) on March 5, 2020. This was the record date for determining which shareholders are entitled to vote at the meeting. No person acquiring common shares after such date is entitled to vote at the meeting. Each shareholder entitled to vote at the meeting receives notification of notice and access of the meeting materials and the proxy voting form, all of which were sent to shareholders commencing on March 13, 2020. Each common share registered in your name in the list of shareholders entitles you to one vote at the annual meeting.

Notice and Access

The company is using the notice and access provisions of *National Instrument 54-101* and *National Instrument 51-102* to provide meeting materials online for electronic access for both registered and non-registered shareholders (“Notice and Access”). In connection with the use of Notice and Access, the company has received exemptions from Corporations Canada under subsection 151(1) and 156 of the *Canada Business Corporations Act* to permit it to use Notice and Access rather than mailing the meeting materials to shareholders.

Instead of mailing meeting materials to shareholders, the company has posted the Notice of Annual Meeting of Shareholders, the management proxy circular, the 2019 audited annual financial statements and related management discussion and analysis (collectively, the “Meeting Material”) on its website at <http://www.imperialoil.ca/en-ca/company/investors/shareholder-services/annual-meetings>. In addition, the Meeting Material has been posted at www.meetingdocuments.com/astca/IMO and to the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com under the Imperial Oil Limited profile. Both registered and non-registered shareholders will receive a notification letter and a form of proxy or voting instruction form (the “Notification Material”). The Notification Material will, among other things, outline the matters to be addressed at the meeting, explain that the Meeting Material is available online and how to access the Meeting Material, and explain how to request paper copies at no charge.

The company is using Notice and Access because it reduces printing, paper and mailing costs associated with the company’s shareholder meeting. In accordance with the Notice and Access provisions, the company has set the Record Date at least 40 days before the meeting.

Shareholders can receive a paper copy of the Meeting Material by using the methods described in the Notification Material. The Meeting Material will be sent out within three business days of the request, provided the request is made prior to the meeting date or any adjournment thereof. If a request is made after the meeting and within one year of the Meeting Material being filed, the company will mail the material within 10 calendar days of any request. Imperial will provide paper copies of the Meeting Material to shareholders who have standing instructions to receive paper copies by mail. Registered and non-registered shareholders who have signed up for electronic delivery will continue to receive the Notification Material and Meeting Material by email.

It is important that your shares be represented at the meeting and that your wishes on matters for decision at the meeting are made known to the company.

Voting information – Registered shareholders

Registered shareholders hold shares in their own name and hold an actual certificate for these shares that indicates the number of shares held in the company. If you are a registered shareholder, you can vote in person at the meeting or you can use the proxy form to appoint some other person to represent you and vote your shares at the meeting.

If you wish to vote in person at the meeting, do not use the proxy. Your vote will be taken and counted at the meeting. Using your proxy does not preclude you from attending the meeting in person. If you do not wish to attend the meeting or do not wish to vote in person, you should use the enclosed proxy form. You can return the proxy form to the company's transfer agent, AST Trust Company (Canada) in the envelope that has been provided or by fax to 1-866-781-3111 (Canada or U.S.A) or (416) 368-2502, Attention: Proxy Department, so that it is received by 5:00 p.m. (EDT) on Wednesday, April 29, 2020. You may also cast your vote using one of the other voting methods that have been set out on the following page for registered shareholders.

A proxy must be in writing and must be executed by the shareholder or by the shareholder's attorney authorized in writing, unless you have chosen to complete your proxy by telephone or online, as described on the proxy form and on the following page. Unless otherwise specified, shareholder votes will be conducted by ballot.

All shares represented by properly completed proxies received by AST Trust Company (Canada) prior to 5:00 p.m. (EDT) on Wednesday, April 29, 2020, or two days (excluding Saturdays, Sundays or statutory holidays) prior to any adjournment of the meeting, will be voted or withheld from voting, in accordance with your instructions as specified in the proxy, on any ballot votes that take place at the annual meeting.

Signing the enclosed proxy form gives authority to B.W. Corson, K.T. Hoeg or J.M. Mintz, all of whom are directors of the company, to vote your shares at the meeting. **You can appoint someone other than these directors to vote your shares. In order to appoint some other person to represent you as your proxyholder at the annual meeting, you may either insert the name of such person in the space provided in the proxy form or complete another proper proxy form and, in either case, deliver the completed proxy form to the company's share transfer agent not later than 5:00 p.m. (EDT) on Wednesday, April 29, 2020.**








Voting information – Non-registered shareholders

Non-registered shareholders purchase their shares through a broker or intermediary and the account remains with them. The shares are held in the name of the brokerage firm and there is not an actual certificate of these shares, but rather the account is recorded on an electronic system.

Non-registered shareholders should follow the process outlined by their intermediaries to vote their proxies. Non-registered shareholders can vote by mail, telephone, online or using your mobile device as described on the voting information form. Generally, non-registered shareholders will either be provided with (a) a request for voting instructions (the intermediary is required to send to the company an executed voting information form completed in accordance with any voting instructions received by it); or (b) a voting information form executed by the intermediary but otherwise uncompleted. The non-registered shareholder may complete the voting information form and return it as described on the voting form.

To vote at the meeting in person, a non-registered shareholder must have himself or herself appointed as proxyholder. Non-registered shareholders who appoint themselves as proxyholders should, at the meeting, identify themselves at the registration desk.

Voting options

Proxy voting methods	Registered shareholders (Proxy form)	Non-registered shareholders (Voting instruction form)
 Vote online	Go to web site www.astvotemyproxy.com and follow the instructions. You will need to refer to your control number printed on your proxy voting form.	Go to web site www.proxyvote.com and follow the instructions. You will need to refer to your control number printed on your voting instruction form in your mailing package.
 Vote by mail	Complete and return your proxy voting form in the envelope provided in your mailing package or mail to AST Trust Company (Canada), Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1.	Complete and return your proxy voting form in the prepaid business reply envelope provided or mail to Data Processing Centre, P.O. Box 3700, Stn Industrial Park, Markham, Ontario, L3R 9Z9.
 Vote by fax	Complete your proxy voting form and fax both sides to 1-866-781-3111 (toll free) or 416-368-2502 (within the 416 area code).	
 Vote with your mobile device	Your proxy voting form will include a QR code that you can scan using your mobile device and follow the instructions to vote your shares.	Your voting instruction form will include a QR code that you can scan using your mobile device and follow the instructions to vote your shares.
 Vote by telephone	Using a touch-tone telephone, call toll free 1-888-489-7352 (Canada and the US) and follow the instructions of the "Vote Voice". You will need to refer to the control number found on the proxy voting form in your mailing package.	Using a touch-tone telephone, call toll free 1-800-474-7493 (English) or 1-800-474-7501 (French) and follow the instructions. You will need to refer to the control number found on the form in your mailing package.
 Vote by email	Scan both sides of your completed proxy form and send to email address: proxyvote@astfinancial.com	
 Vote in person at the meeting	Attend, register and vote.	Appoint yourself as proxy holder, attend, register and vote.

Voting by proxy

In the absence of instructions, the shares will be voted as stated in the banner in **bold blue type** on pages 8 and 9.

- **FOR the reappointment of the auditor, and**
- **FOR the election of nominated directors.**

Meeting amendments

The person named in the proxy form will have discretionary authority with respect to amendments or variations of matters identified in the invitation to attend the 2020 annual shareholders' meeting and to other matters that may properly come before the meeting. As of the date of this circular, the directors of the company know of no such amendment, variation or other matter to be presented for action at the meeting.

Changing your vote

If you are a registered shareholder, you can revoke your proxy for the annual meeting or any adjournment of the meeting by sending new instructions on how you wish to vote, provided that these new instructions are received by 5:00 p.m. (EDT) on Wednesday, April 29, 2020. You can send a new proxy by mail, fax, email, telephone, online or using your mobile device by following the instructions above. You may also file a later dated proxy or deposit a written statement signed by you (or signed by your attorney, authorized in writing) either, (a) at the head office of the company at 505 Quarry Park Boulevard S.E., Calgary, Alberta, Canada, T2C 5N1, at any time up to and including the last business day before the meeting at which the proxy is to be voted, or (b) with the chair of the meeting on the day of the meeting.

If a proxy is revoked and not replaced by another proxy, then the shares represented by the revoked proxy can only be voted in person by a registered shareholder at the annual meeting.

Non-registered shareholders should contact their broker, financial institution or other nominee through whom their shares are held in order to revoke any previous submitted proxy or voting instructions.

Voting results

The company's transfer agent, AST Trust Company (Canada), counts and tabulates the proxies. This is done independently of the company in order to preserve the confidentiality of individual shareholder votes, with the following exceptions: (a) where the proxy contains comments clearly intended for management; (b) where it is necessary to have reference to the proxy in order to determine its validity; or (c) where necessary in order to permit management to discharge its legal obligations to shareholders such as a proxy solicitation in opposition to the directors. A report on the voting results of the annual meeting will be available on our website at www.imperialoil.ca and will be filed with the Canadian and United States securities regulators on SEDAR at www.sedar.com and on EDGAR at www.sec.gov/edgar.shtml.

Webcast

The company will be providing a live webcast of the annual meeting this year. Shareholders who cannot attend the meeting in person are encouraged to listen to the webcast. However, shareholders will not be able to vote through the webcast or otherwise participate in the meeting. A link to the webcast will be available on the company's website at www.imperialoil.ca several days prior to the meeting. A copy of this webcast will be available on the website for one year.

Additional details

The company is authorized to issue 1,100,000,000 common shares and as at February 12, 2020, there were 739,223,338 common shares outstanding. The quorum for the annual meeting is five shareholders.

Questions

Please contact AST Trust Company (Canada), our transfer agent and registrar:

by mail: PO Box 700, Postal Station B, Montreal, Quebec, H3B 3K3,

by telephone: within Canada and the United States at 1-800-387-0825, or in the Toronto area or from any other country at (416) 682-3860,

by fax: 1-888-249-6189 or (514) 985-8843,

by email: inquiries@astfinancial.com,

or on-line: www.astfinancial.com/ca-en/

Annual meeting admission and conduct

Only shareholders as of the record date (March 5, 2020) or valid proxyholders may attend the meeting, although non-shareholders may be admitted at the discretion of the chair. For safety and security reasons, cameras, camera phones, recording equipment, electronic devices, computers, large bags, briefcases, or packages may not be permitted in the meeting. In addition, each shareholder and valid proxyholder will be asked to present valid government issued picture identification before being admitted to the meeting. The chair has the responsibility and authority to conduct the annual meeting in an orderly and timely manner. Only shareholders and valid proxyholders may address the meeting.

Business of the meeting

(i) Consolidated financial statements and auditor's report

The audited consolidated financial statements of the company for the year ended December 31, 2019 and the auditor's report thereon will be received at the meeting. The financial statements and the auditor's report are made available pursuant to the requirements of Notice and Access. Copies can also be obtained on our website at www.imperialoil.ca, have been reported online on SEDAR at www.sedar.com and are available in print by contacting the company's assistant general counsel and corporate secretary or the investor relations manager. Contact information can be found on page 73 of this circular.

(ii) Reappointment of the auditor

The audit committee of the board of directors recommends that PricewaterhouseCoopers LLP ("PwC") be reappointed as the auditor of the company until the close of the next annual meeting. PwC has been the auditor of the company for more than five years and are located in Calgary, Alberta. PwC is a participating audit firm with the Canadian Public Accountability Board.

Unless a proxy specifies that the shares it represents should be withheld from voting, the proxyholders named in the accompanying proxy intend to vote FOR the reappointment of PwC as the auditor of the company.

Auditor fees

The aggregate fees of PwC for professional services rendered for the audit of the company's financial statements and other services for the fiscal years ended December 31, 2019 and December 31, 2018 were as follows:

thousands of Canadian dollars	2019	2018
Audit fees	1,782	1,808
Audit-related fees	94	94
Tax fees	0	0
All other fees	0	0
Total fees	1,876	1,902

Audit fees included the audit of the company's annual financial statements, internal control over financial reporting, and a review of the first three quarterly financial statements in 2019. Audit-related fees included other assurance services including the audit of the company's retirement plan and royalty statement audits for oil and gas producing entities. The company did not engage the auditor for any other services.

The audit committee formally and annually evaluates the performance of the external auditor, recommends the external auditor to be appointed by the shareholders, recommends their remuneration and oversees their work. The audit committee also approves the proposed current year audit program of the external auditor, assesses the results of the program after the end of the program period and approves in advance any non-audit services to be performed by the external auditor after considering the effect of such services on their independence.

All of the services rendered by the auditor to the company were approved by the audit committee.

Auditor independence

The audit committee continually discusses with PwC their independence from the company and from management. PwC have confirmed that they are independent with respect to the company within the meaning of the Rules of Professional Conduct of the Certified Professional Accountants of Alberta, the Public Company Accounting Oversight Board (United States) (PCAOB) and the rules of the U.S. Securities and Exchange Commission. The company has concluded that the auditor's independence has been maintained.

(iii) Election of directors

The articles of the company require that the board have between five and fifteen directors. Each director is elected to hold office until the close of the next annual meeting.

The company currently has seven directors, and all directors are being nominated for election. B.W. Corson was appointed to the board and as president of the company on September 17, 2019. Mr. Corson assumed the additional roles of chairman and chief executive officer on January 1, 2020, following R.M. Kruger's retirement from the company and resignation from the board on December 31, 2019.

The proxy form provides instructions for a shareholder to withhold from voting for any or all of the nominees for election as directors. All persons nominated were recommended to the board of directors by the nominations and corporate governance committee. The persons nominated are, in the opinion of the board of directors and management, well qualified to act as directors of the company for the coming year and have confirmed their willingness to serve as directors. The directors do not expect that any of the nominees will be unable to serve as a director. However, if that should occur for any reason prior to the meeting, the proxyholders reserve the right to vote the shares represented by proxy for another nominee at their discretion, unless the proxy specifies that the shares are to be withheld from voting for any or all of the director nominees.

The nominees for election as director are: **D.C. (David) Brownell, D.W. (David) Cornhill, B.W. (Bradley) Corson, K.T. (Krystyna) Hoeg, M.C. (Miranda) Hubbs, J.M. (Jack) Mintz, and D.S. (David) Sutherland.** See the Nominees for director section on pages 10 through 13 for more details on the seven directors nominated for election.

Shareholders may vote **FOR** or withhold a vote for any or all of the nominees for director.

*Unless a proxy specifies that the shares it represents should be withheld from voting, the proxyholders named in the accompanying proxy intend to vote **FOR** the election of the nominees.*

(iv) Other business

Management of the company does not intend to present any other business and is not aware of any amendments to the proposed business that have been presented for action by the shareholders other than those mentioned herein or in the notice of meeting.

Forward-looking information

This management proxy circular contains forward-looking information based on the company's current expectations, estimates, projections and assumptions. Refer to the "Forward-looking statements" section at the end of this circular for more details on the risk factors and assumptions underlying this information.

In this report, unless the context otherwise indicates, reference to the "company" or "Imperial" includes Imperial Oil Limited and its subsidiaries, and reference to ExxonMobil includes Exxon Mobil Corporation, the company's majority shareholder, and its affiliates, as appropriate.

Nominees for director

The director nominee tables on the following pages provide information on the seven nominees proposed for election to the board of directors of the company. All of the nominees are now directors and have been since the dates indicated. B.W. Corson was appointed to the board and as president of the company on September 17, 2019. Mr. Corson assumed the additional roles of chairman and chief executive officer on January 1, 2020, following R.M. Kruger's retirement from the company and resignation from the board on December 31, 2019.

Included in these tables is information relating to the director nominees' biographies, independence status, expertise, committee memberships, attendance, public board memberships and shareholdings in the company. The information is as of February 12, 2020, the effective date of this circular, unless otherwise indicated.

For more information on our director nominees, please see the Statement of corporate governance practice starting on page 16.

Director nominee tables



David C. Brownell
Spring, Texas, United States of America

Non-independent director

Age: 53

Director since: November 1, 2018

Skills and experience: Leadership of large organizations, Operations/technical, Project management, Global experience, Strategy development, Financial expertise, Government relations, Executive compensation

D.C. (Dave) Brownell is senior vice-president of global operations at ExxonMobil Fuels & Lubricants Company since January 2018, responsible for refining and midstream operations across the downstream. Mr. Brownell has also held leadership positions within supply, chemicals and refining. Prior to his current position, Mr. Brownell was vice-president of downstream business development and portfolio management, responsible for pursuing growth, restructuring or divestment opportunities across the downstream.

Imperial Oil Limited Ownership and Value of Equity (a) (b) (c) (d)

	IMO Common Shares (% of class)	IMO Deferred Share Units (DSU)	Total Vested Equity Holdings (Common + DSU)	Restricted Stock Units (RSU)	Total Holdings * (Common + DSU + RSU)
Holdings as at February 12, 2020 (#)	0	0	0	0	0
Total market value as at February 12, 2020 (\$)	0	0	0	0	0
Year over year change (#)	0	0	0	0	0

*No share ownership guidelines apply

Board and Committee Membership

Imperial Oil Limited board	7 of 7 (100%)
Executive resources committee	7 of 7 (100%)
Public policy and corporate responsibility committee	3 of 3 (100%)
Nominations and corporate governance committee	4 of 4 (100%)
Community collaboration and engagement committee	1 of 1 (100%)

Meeting Attendance 2019

Public Company Directorships in the Past Five Years*

None *no public board interlocks

Voting Results of 2019 Annual General Meeting:

Votes in Favour: 677,770,266 (97.09%)	Votes Withheld: 20,292,353 (2.91%)
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Other Positions in the Past Five Years: (position, date office held, and status of employer)

- Senior vice president, global operations, ExxonMobil Fuels & Lubricants Company (2018 - Present) (Affiliate)
- Vice president, downstream business development and portfolio management, ExxonMobil Refining & Supply Company (2014 - 2018) (Affiliate)



David W. Cornhill
Calgary, Alberta, Canada

Nonemployee director (independent)

Age: 66

Director since: November 29, 2017

Skills and experience: Leadership of large organizations, Operations/technical, Project management, Strategy development, Audit committee financial expert, Financial expertise, Executive compensation

David Cornhill is chairman of the board of directors of AltaGas Canada Inc. and a director of AltaGas Ltd. Mr. Cornhill is a founding shareholder of AltaGas (and its predecessors). He was Chief Executive Officer of AltaGas from 1994 to 2016 and served as interim co-chief executive officer from July to December 2018. Prior to forming AltaGas, Mr. Cornhill served in various capacities with Alberta and Southern Gas Co. Ltd, including Vice President, Finance and Administration, Treasurer and President and Chief Executive Officer. Mr. Cornhill is an experienced leader in the business community and is a strong supporter of communities and community collaboration, investment and enhancement. He is a member of the Ivey Advisory Board at Western University. Mr. Cornhill holds a Bachelor of Science (Hons.) degree and a Master of Business Administration degree, both from Western University, and he was awarded an honorary Doctor of Laws degree by the University in 2015.

Imperial Oil Limited Ownership and Value of Equity (a) (b) (c) (d)

	IMO Common Shares (% of class)	IMO Deferred Share Units (DSU)	Total Vested Equity Holdings (Common + DSU)	Restricted Stock Units (RSU)	Total Holdings * (Common + DSU + RSU)
Holdings as at February 12, 2020 (#)	12,500 (<0.01%)	3,455	15,955	8,600	24,555
Total market value as at February 12, 2020 (\$)	399,500	110,422	509,922	274,856	784,778
Year over year change (#)	0	2,365	2,365	3,000	5,365

*Meets the necessary share ownership requirements

Board and Committee Membership

	Meeting Attendance 2019
Imperial Oil Limited board	7 of 7 (100%)
Audit committee	4 of 5 (80%)
Executive resources committee	7 of 7 (100%)
Public policy and corporate responsibility committee	3 of 3 (100%)
Nominations and corporate governance committee (Chair)	4 of 4 (100%)
Community collaboration and engagement committee	1 of 1 (100%)

Public Company Directorships in the Past Five Years*

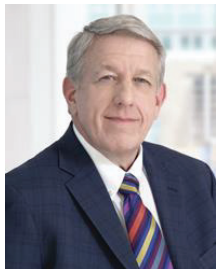
- AltaGas Ltd. (2010 – present)
 - AltaGas Canada Inc. (2018 – present)
 - Alterra Power Corp. (2008 – 2018)
 - Painted Pony Energy Ltd. (2015 – 2017)
 - Northern Power Systems Inc. (2014 – 2015)
- *no public board interlocks

Voting Results of 2019 Annual General Meeting:

Votes in Favour:	Votes Withheld:
691,464,285 (99.05%)	6,598,334 (0.95%)

Other Positions in the Past Five Years:
(position, date office held, and status of employer)

- AltaGas Ltd., Chairman of the Board (1994 – 2019)
- AltaGas Ltd., Interim CEO (July to December 2018)
- AltaGas Ltd., Chief Executive Officer (1994 – 2016)



Bradley W. Corson
Calgary, Alberta, Canada

Non-independent director

Age: 58

Director since: September 17, 2019

Skills and experience: Leadership of large organizations, Operations/technical, Project management, Global experience, Strategy development, Financial expertise, Government relations, Executive compensation

Mr. Corson was appointed as president and a director of Imperial Oil Limited on September 17, 2019, and assumed the additional roles of chairman and chief executive officer on January 1, 2020. Mr. Corson has worked for Exxon Mobil Corporation and its predecessor companies since 1983 in various upstream and downstream assignments, with responsibilities in the United States, Hong Kong and London. In his previous position, Mr. Corson was vice-president of Exxon Mobil Corporation and president of ExxonMobil Upstream Ventures, a division of Exxon Mobil Corporation.

Imperial Oil Limited Ownership and Value of Equity (a) (b) (c) (d)

	IMO Common Shares (% of class)	IMO Deferred Share Units (DSU)	Total Vested Equity Holdings (Common + DSU)	Restricted Stock Units (RSU)	Total Holdings * (Common + DSU + RSU)
Holdings as at February 12, 2020 (#)	0	0	0	78,200	78,200
Total market value as at February 12, 2020 (\$)	0	0	0	2,499,272	2,499,272
Year over year change (#)	0	0	0	78,200	78,200

*Has three years from appointment as chairman and chief executive officer to meet the necessary share ownership requirements

Board and Committee Membership

	Meeting Attendance 2019
Imperial Oil Limited board (Chair as of January 1, 2020)	3 of 3 (100%)
Community collaboration and engagement committee	1 of 1 (100%)

Public Company Directorships in the Past Five Years*

- None
- *no public board interlocks

Voting Results of 2019 Annual General Meeting:

Votes in Favour:	Votes Withheld:
n/a	n/a

Other Positions in the Past Five Years:
(position, date office held, and status of employer)

- President, Imperial Oil Limited (2019 – present)
- President, ExxonMobil Upstream Ventures (2015 – 2019) (Affiliate)



Krystyna T. Hoeg
Toronto, Ontario, Canada

Nonemployee director (independent)

Age: 70

Director since: May 1, 2008

Skills and experience: Leadership of large organizations, Project management, Global experience, Strategy development, Audit committee financial expert, Financial expertise, Executive compensation

Ms. Hoeg was the president and chief executive officer of Corby Distilleries Limited from 1996 until her retirement in February 2007. She previously held several positions in the finance and controllers functions of Allied Domecq PLC and Hiram Walker & Sons Limited. Prior to that, she spent five years in public practice as a chartered accountant with the accounting firm of Touche Ross. She is currently a director of New Flyer Industries Inc. and is also a director of Samuel, Son & Co. Limited, Revera Inc. and Arterra Wines Canada Inc., privately owned corporations. Ms. Hoeg is a past chair of the board of the Michael Garron Hospital.

Imperial Oil Limited Ownership and Value of Equity (a) (b) (c) (d)

	IMO Common Shares (% of class)	IMO Deferred Share Units (DSU)	Total Vested Equity Holdings (Common + DSU)	Restricted Stock Units (RSU)	Total Holdings * (Common + DSU + RSU)
Holdings as at February 12, 2020 (#)	0	38,746	38,746	14,200	52,946
Total market value as at February 12, 2020 (\$)	0	1,238,322	1,238,322	453,832	1,692,154
Year over year change (#)	0	3,956	3,956	2,000	5,956

*Meets the necessary share ownership requirements

Board and Committee Membership

	Meeting Attendance 2019
Imperial Oil Limited board	7 of 7 (100%)
Audit committee (Chair)	5 of 5 (100%)
Executive resources committee	7 of 7 (100%)
Public policy and corporate responsibility committee	3 of 3 (100%)
Nominations and corporate governance committee	4 of 4 (100%)
Community collaboration and engagement committee	1 of 1 (100%)

Public Company Directorships in the Past Five Years*

- New Flyer Industries Inc. (2015 – Present)
 - Sun Life Financial Inc. (2002 – 2016)
 - Canadian Pacific Railway Limited (2007 – 2015)
 - Canadian Pacific Railway Company (2007 – 2015)
- *no public board interlocks

Voting Results of 2019 Annual General Meeting:

Votes in Favour: 691,652,313 (99.08%)	Votes Withheld: 6,410,306 (0.92%)
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Other Positions in the Past Five Years:
(position, date office held, and status of employer)

None



Miranda C. Hubbs
Toronto, Ontario, Canada

Nonemployee director (independent)

Age: 53

Director since: July 26, 2018

Skills and experience: Global experience, Strategy development, Audit committee financial expert, Financial expertise, Information technology/cybersecurity oversight, Executive compensation

Miranda Hubbs is currently an independent director of Nutrien Ltd. and also serves as an independent director of PSP Investments (Public Sector Pension Investment Board). Ms. Hubbs serves on the board of the Canadian Red Cross and is a founding member and national co-chair of the Canadian Red Cross Tiffany Circle—Women Leading Through Philanthropy. Prior to retirement in 2011, Ms. Hubbs was executive vice president and managing director of McLean Budden. Ms. Hubbs holds a BSc from Western University and an MBA from Schulich School of Business at York University and is a CFA charterholder and a National Association of Corporate Directors (NACD) Governance Fellow. Ms. Hubbs also received her CERT Certificate in Cybersecurity Oversight issued by the CERT Division of the Software Engineering Institute at Carnegie Mellon University.

Imperial Oil Limited Ownership and Value of Equity (a) (b) (c) (d)

	IMO Common Shares (% of class)	IMO Deferred Share Units (DSU)	Total Vested Equity Holdings (Common + DSU)	Restricted Stock Units (RSU)	Total Holdings * (Common + DSU + RSU)
Holdings as at February 12, 2020 (#)	0	4,607	4,607	6,000	10,607
Total market value as at February 12, 2020 (\$)	0	147,240	147,240	191,760	339,000
Year over year change (#)	0	3,153	3,153	3,000	6,153

*Has five years from appointment as director to meet the necessary share ownership requirements

Board and Committee Membership

	Meeting Attendance 2019
Imperial Oil Limited board	7 of 7 (100%)
Audit committee	5 of 5 (100%)
Executive resources committee	7 of 7 (100%)
Public policy and corporate responsibility committee	3 of 3 (100%)
Nominations and corporate governance committee	4 of 4 (100%)
Community collaboration and engagement committee (Chair)	1 of 1 (100%)

Public Company Directorships in the Past Five Years*

- Nutrien Ltd. (2018 – present)
 - Agrium Inc. (2016 – 2018)
 - Spectra Energy Corporation (2015 – 2017)
- *no public board interlocks

Voting Results of 2019 Annual General Meeting:

Votes in Favour: 694,200,805 (99.45%)	Votes Withheld: 3,861,814 (0.55%)
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Other Positions in the Past Five Years:
(position, date office held, and status of employer)

None



Jack M. Mintz
Calgary, Alberta, Canada

Nonemployee director (independent)

Age: 68

Director since: April 21, 2005

Skills and experience: Global experience, Strategy development, Financial expertise, Government relations, Academic/research, Executive compensation

Dr. Mintz is currently the President's Fellow at the University of Calgary's School of Public Policy, a position he has held since July 2015. Dr. Mintz also serves as the national policy advisor for EY (formerly Ernst & Young), Senior Fellow at Massey College and the C.D. Howe Institute and Distinguished Fellow at the MacDonald-Laurier Institute. From 2006 to 2015, Dr. Mintz was the founding

Director and Palmer Chair in Public Policy for the University of Calgary, and from 1999 to 2006, he was the president and chief executive officer of the C.D. Howe Institute. He has been a member of the board of Morneau Shepell since 2010. He has also been a professor at Queen's University Economics Department from 1978 to 1989 and the Joseph L. Rotman School of Management at the University of Toronto from 1989 to 2007. Dr. Mintz also has published widely in the fields of public economics and fiscal federalism, has been an advisor to governments throughout the world on fiscal matters, and has frequently published articles in national newspapers and magazines. Dr. Mintz received the Order of Canada in 2015.

Imperial Oil Limited Ownership and Value of Equity (a) (b) (c) (d)

	IMO Common Shares (% of class)	IMO Deferred Share Units (DSU)	Total Vested Equity Holdings (Common + DSU)	Restricted Stock Units (RSU)	Total Holdings * (Common + DSU + RSU)
Holdings as at February 12, 2020 (#)	1,000 (<0.01%)	34,448	35,448	14,200	49,648
Total market value as at February 12, 2020 (\$)	31,960	1,100,958	1,132,918	453,832	1,586,750
Year over year change (#)	0	3,856	3,856	2,000	5,856

*Meets the necessary share ownership requirements

Board and Committee Membership

Imperial Oil Limited board	7 of 7 (100%)
Audit committee	5 of 5 (100%)
Executive resources committee	7 of 7 (100%)
Public policy and corporate responsibility committee (Chair)	3 of 3 (100%)
Nominations and corporate governance committee	4 of 4 (100%)
Community collaboration and engagement committee	1 of 1 (100%)

Meeting Attendance 2019

Imperial Oil Limited board	7 of 7 (100%)
Audit committee	5 of 5 (100%)
Executive resources committee	7 of 7 (100%)
Public policy and corporate responsibility committee (Chair)	3 of 3 (100%)
Nominations and corporate governance committee	4 of 4 (100%)
Community collaboration and engagement committee	1 of 1 (100%)

Public Company Directorships in the Past Five Years*

- Morneau Shepell Inc. (2010 – Present)
 *no public board interlocks

Voting Results of 2019 Annual General Meeting:

Votes in Favour: 690,396,064 (98.90%)	Votes Withheld: 7,666,555 (1.10%)
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Other Positions in the Past Five Years:
 (position, date office held, and status of employer)

None



David S. Sutherland
Scottsdale, Arizona, United States of America

Nonemployee director (independent)

Age: 70

Director since: April 29, 2010

Skills and experience: Leadership of large organizations, Operations/technical, Global experience, Strategy development, Audit committee financial expert, Financial expertise, Government relations, Executive compensation

In July 2007, Mr. Sutherland retired as president and chief executive officer of the former IPSCO, Inc. after spending 30 years with the company and more than five years as president and chief executive officer. Mr. Sutherland is the chairman of the board of

United States Steel Corporation and director of GATX Corporation. Mr. Sutherland is also chairman of Graham Group Ltd., an employee owned corporation and is a director of Steelcraft Inc., a privately owned corporation. Mr. Sutherland is a former chairman of the American Iron and Steel Institute and served as a member of the board of directors of the Steel Manufacturers Association, the International Iron and Steel Institute, the Canadian Steel Producers Association and the National Association of Manufacturers.

Imperial Oil Limited Ownership and Value of Equity (a) (b) (c) (d)

	IMO Common Shares (% of class)	IMO Deferred Share Units (DSU)	Total Vested Equity Holdings (Common + DSU)	Restricted Stock Units (RSU)	Total Holdings * (Common + DSU + RSU)
Holdings as at February 12, 2020 (#)	55,000 (<0.01%)	31,761	86,761	14,200	100,961
Total market value as at February 12, 2020 (\$)	1,757,800	1,015,082	2,772,882	453,832	3,226,714
Year over year change (#)	0	3,792	3,792	2,000	5,792

*Meets the necessary share ownership requirements

Board and Committee Membership

Imperial Oil Limited board	7 of 7 (100%)
Audit committee	5 of 5 (100%)
Executive resources committee (Chair)	7 of 7 (100%)
Public policy and corporate responsibility committee	3 of 3 (100%)
Nominations and corporate governance committee	4 of 4 (100%)
Community collaboration and engagement committee	1 of 1 (100%)

Meeting Attendance 2019

Imperial Oil Limited board	7 of 7 (100%)
Audit committee	5 of 5 (100%)
Executive resources committee (Chair)	7 of 7 (100%)
Public policy and corporate responsibility committee	3 of 3 (100%)
Nominations and corporate governance committee	4 of 4 (100%)
Community collaboration and engagement committee	1 of 1 (100%)

Public Company Directorships in the Past Five Years*

- GATX Corporation (2007 – Present)
 - United States Steel Corporation, (2008 – Present)
 *no public board interlocks

Voting Results of 2019 Annual General Meeting:

Votes in Favour: 691,684,484 (99.09%)	Votes Withheld: 6,378,135 (0.91%)
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Other Positions in the Past Five Years:
 (position, date office held, and status of employer)

None

Footnotes to director nominee tables on pages 10 through 13:

- (a) The information includes the beneficial ownership of common shares of Imperial Oil Limited, which information not being within the knowledge of the company has been provided by the nominees individually.
- (b) The company's plan for restricted stock units for nonemployee directors is described on page 34. The company's plan for deferred share units for nonemployee directors is described on page 33. The company's plan for restricted stock units for selected employees is described on page 56.
- (c) The numbers for the company's restricted stock units represent the total of the outstanding restricted stock units received in 2013 through 2019 and deferred share units received since directors' appointment.
- (d) The value for Imperial Oil Limited common shares, deferred share units and restricted stock units is based on the closing price for Imperial Oil Limited common shares on the Toronto Stock Exchange of \$31.96 on February 12, 2020.

Director holdings in Exxon Mobil Corporation (a)

Director	XOM Common Shares (#)	XOM Restricted Stock (#)(b)	Total Common Shares and Restricted Stock (#)	Total Market Value of Common Shares and Restricted Stock \$(c)
D.C. Brownell	2,976	66,500	69,476	5,641,955
B.W. Corson	96,903	144,200	241,103	19,579,314
D.S. Sutherland	5,730	-	5,730	465,318

- (a) Holdings as at February 12, 2020. The information includes the beneficial ownership of common shares of Exxon Mobil Corporation, which information not being within the knowledge of the company has been provided by the nominees individually. D.W. Cornhill, K.T. Hoeg, M.C. Hubbs and J.M. Mintz do not own common shares or hold restricted stock of Exxon Mobil Corporation.
- (b) The numbers for Exxon Mobil Corporation restricted stock include outstanding restricted stock and restricted stock units granted under its restricted stock plan which is similar to the company's restricted stock unit plan.
- (c) The value for Exxon Mobil Corporation common shares and restricted stock is based on the closing price for Exxon Mobil Corporation common shares on the New York Stock Exchange of \$61.27 U.S., which is converted to Canadian dollars at the daily rate of exchange of \$1.3254 provided by the Bank of Canada for February 12, 2020.

Majority voting policy

In order to better align with the Canadian Coalition for Good Governance's policy, "Governance Differences of Equity Controlled Corporations", in 2012, the board of directors of the company passed a resolution adopting a majority voting policy. As of the date of this circular, Exxon Mobil Corporation holds 69.6 percent of the company's shares. If Exxon Mobil Corporation's shareholdings were ever to fall below 50 percent, the company's policy provides that for any non-contested election of directors, any director nominee who receives a greater number of votes "withheld" from his or her election than votes "for" in such election shall tender his or her resignation. Within 90 days after certification of the election results, the board of directors will decide, through a process managed by the nominations and corporate governance committee and excluding the nominee in question, whether to accept the resignation. Absent a compelling reason for the director to remain on the board, the board shall accept the resignation. The board will promptly disclose its decision and, if applicable, the reasons for rejecting the tendered resignation.

Corporate governance disclosure

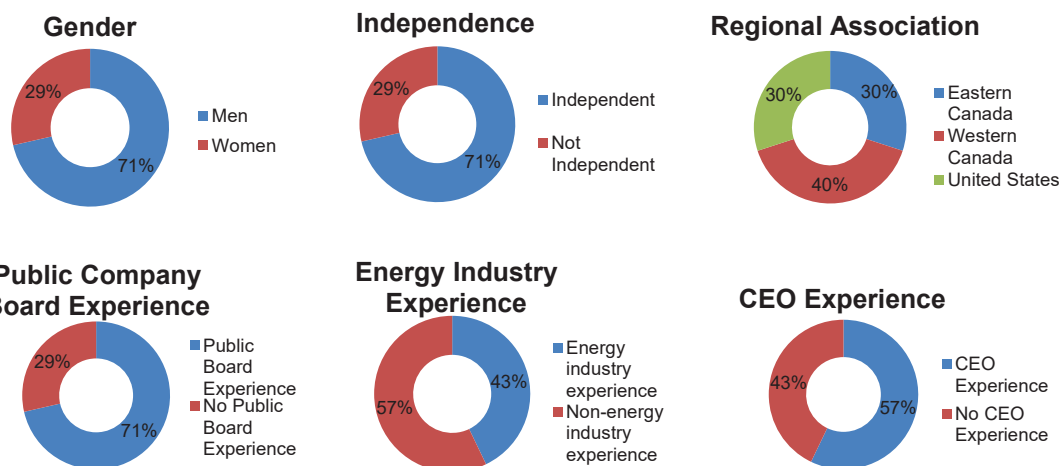
Corporate governance at a glance	
Controlled company	Yes
Size of board	7
Number of independent directors	5
Women on board	2
Average attendance of directors at board and committee meetings	99.5%
Independent chair of the executive sessions	Yes
In camera sessions of independent directors at every board meeting	Yes
Independent status of audit committee	100%
Audit committee members financially literate	All
Independent status of executive resources committee	83%
Independent status of nominations and corporate governance committee	83%
Majority of independent directors on all committees	Yes
Individual director elections	Yes
Average tenure of director nominees (approximate)	6 years
Average age of director nominees (approximate)	62 years
Mandatory retirement age	72 years
Majority voting policy	Yes
Separate board chair and CEO	No
Number of board interlocks	None
No director serves on more than two boards of another reporting issuer	Yes
Share ownership requirements for independent directors	Yes
Share ownership requirements for chairman and chief executive officer	Yes
Board orientation and education program	Yes
Code of business conduct and ethics	Yes
Board and committee charters	Yes
Position descriptions for the chairman and chief executive officer and the chair of each committee	Yes
Skills matrix for directors	Yes
Annual board evaluation process	Yes
Annual advisory vote on executive compensation	No
Dual-class shares	No
Change of control agreements	No

Statement of corporate governance practice

This section provides information pertaining to our board, the committees of the board, ethics, diversity and shareholder engagement. The company is committed to high corporate governance standards and best practices. The company's corporate governance policies and practices comply with and in most cases exceed the requirements of *National Instrument 52-110 Audit Committees (NI 52-110)*, *National Policy 58-201 Corporate Governance Guidelines (NP 58-201)* and *National Instrument 58-101 Disclosure of Corporate Governance Practices (NI 58-101)*. The company's common shares trade on the Toronto Stock Exchange and the NYSE American LLC and our corporate governance practices reflect the standards of these exchanges.

The company continually reviews its governance practices and monitors regulatory changes.

Composition of our board nominees



More information on diversity, including on the board and among executive officers of the company, can be found at page 40.

Tenure of our board nominees

The board charter provides that incumbent directors will not be re-nominated if they have attained the age of 72, except under exceptional circumstances and at the request of the chairman. The company does not have term limits for independent directors because it values the comprehensive knowledge of the company that long serving directors possess and independent directors are expected to remain qualified to serve for a minimum of five years. The following chart shows the current years of service of the nominees for the board of directors and the year they would normally be expected to retire from the board.

Name of director nominee	Years of service on the board	Year of expected retirement from the board for independent directors
D.C. Brownell	1 year	-
D.W. Cornhill	2 years	2026
B.W. Corson	5 months	-
K.T. Hoeg	12 years	2022
M.C. Hubbs	1 year	2039
J.M. Mintz	15 years	2023
D.S. Sutherland	10 years	2022
Years of combined experience on the board: approximately 41 years Average tenure on the board: approximately 6 years Average age of directors: approximately 62 years		

Skills and experience of our board members

Our directors provide a wide range of skills, diversity and experience.

The current directors collectively have the experience and expertise required to ensure effective stewardship and governance of the company. The key areas of experience and skills for each of the nominees for election as directors can also be found in each of the nominees tables on pages 10 through 13 of this circular.

The table below sets out the diverse skill set required of the board and identifies the particular experience, qualifications, attributes, and skills of each director that led the board to conclude that such person should serve as a director of the company.

	D.C. Brownell	D.W. Cornhill	B.W. Corson (a)	K.T. Hoeg	M.C. Hubbs	J.M. Mintz	D.S. Sutherland
Leadership of large organizations	■	■	■	■			■
Operations / technical	■	■	■				■
Project management	■	■	■	■			
Global experience	■		■	■	■	■	■
Strategy development	■	■	■	■	■	■	■
Audit committee financial expert		■		■	■		■
Financial expertise	■	■	■	■	■	■	■
Government relations	■		■			■	■
Academic / research						■	
Information technology / cybersecurity oversight					■		
Executive compensation	■	■	■	■	■	■	■

(a) *B.W. Corson was appointed to the board and the community collaboration and engagement committee, and as president of the company, on September 17, 2019. Mr. Corson assumed the additional roles of chairman and chief executive officer on January 1, 2020 following R.M. Kruger's retirement.*

Independence of our board members

Five out of seven of the director nominees are independent.

The board is currently composed of seven directors and all will be standing for re-election at the annual meeting of shareholders on May 1, 2020. The majority of the board (five out of seven) are independent. The independent directors are not employees of the company.

The board determines independence on the basis of the standards specified by *National Instrument 52-110 Audit Committees* (NI 52-110), the U.S. Securities and Exchange Commission rules and the listing standards of the NYSE American LLC. The board has reviewed relevant relationships between the company and each nonemployee director and director nominee to determine compliance with these standards.

Based on the directors' responses to an annual questionnaire, the board determined that none of the independent directors has any interest, business or other relationship that could or could reasonably be perceived to constitute a material relationship with the company. B.W. Corson is a director and chairman, president and chief executive officer of the company and not considered to be independent. The board believes that Mr. Corson's extensive knowledge of the business of the company and Exxon Mobil Corporation is beneficial to the other directors and his participation enhances the effectiveness of the board.

D.C. Brownell is also a non-independent director as he is an officer of Exxon Mobil Corporation. The company believes that Mr. Brownell, although deemed non-independent under the relevant standards by virtue of his employment, can be viewed as independent of the company's management and that his ability to reflect the perspective of the company's shareholders enhances the effectiveness of the board.

Name of director (a)	Management	Independent	Not independent	Reason for non-independent status
D.C. Brownell			■	D.C. Brownell is an officer of Exxon Mobil Corporation.
D.W. Cornhill		■		
B.W. Corson (b)	■		■	B.W. Corson is a director and chairman, president and chief executive officer of Imperial Oil Limited.
K.T. Hoeg		■		
M.C. Hubbs		■		
J.M. Mintz		■		
D.S. Sutherland		■		

(a) S.D. Whittaker retired from the board and its committees on April 26, 2019 and was independent during her tenure in 2019.

(b) B.W. Corson was appointed to the board and the community collaboration and engagement committee, and as president of the company, on September 17, 2019. Mr. Corson assumed the additional roles of chairman and chief executive officer on January 1, 2020 following R.M. Kruger's retirement.

Committee membership of our board

Each committee is chaired by a different independent director and all of the independent directors are members of each committee.

The chart below shows the company's current committee memberships and the chair of each committee.

Director	Nominations and corporate governance committee	Audit committee (b)	Public policy and corporate responsibility committee	Executive resources committee	Community collaboration and engagement committee
D.C. Brownell (a)	■	-	■	■	■
D.W. Cornhill (c)	■ Chair	■	■	■	■
B.W. Corson (a)	-	-	-	-	■
K.T. Hoeg (c)	■	■ Chair	■	■	■
M.C. Hubbs (c)	■	■	■	■	■ Chair
J.M. Mintz	■	■	■ Chair	■	■
D.S. Sutherland (c)	■	■	■	■ Chair	■

(a) *Not independent directors.*

(b) *All members of the audit committee are independent and financially literate within the meaning of National Instrument 52-110 Audit Committees and the listing standards of the NYSE American LLC.*

(c) *Audit committee financial experts under U.S. regulatory requirements.*

Number of meetings

The chart below shows the number of board, committee and annual meetings held in 2019.

Board or committee	Number of meetings held in 2019
Imperial Oil Limited board	7
Audit committee	5
Executive resources committee	7
Public policy and corporate responsibility committee	3
Nominations and corporate governance committee	4
Community collaboration and engagement committee	1
Annual meeting of shareholders	1

Attendance of our board members in 2019

99% board and committee meeting attendance from all members.

The following chart provides a summary of the attendance record of each of the directors in 2019. The attendance record of each director nominee is also set out in his or her biographical information on pages 10 through 13. The attendance chart also provides an overall view of the attendance per committee. Senior management directors and other members of management periodically attend committee meetings at the request of the committee chair.

Director	Board	Audit committee	Executive resources committee	Public policy and corporate responsibility committee	Nominations and corporate governance committee	Community collaboration and engagement committee	Annual meeting	Total	Percentage by director
D.C. Brownell	7 of 7	-	7 of 7	3 of 3	4 of 4	1 of 1	1 of 1	23 of 23	100%
D.W. Cornhill	7 of 7	4 of 5	7 of 7	3 of 3	4 of 4 (chair)	1 of 1	1 of 1	27 of 28	96%
B.W. Corson (a)	3 of 3 (chair from January 1, 2020)	-	-	-	-	1 of 1	-	4 of 4	100%
K.T. Hoeg	7 of 7	5 of 5 (chair)	7 of 7	3 of 3	4 of 4	1 of 1	1 of 1	28 of 28	100%
M.C. Hubbs	7 of 7	5 of 5	7 of 7	3 of 3	4 of 4	1 of 1 (chair)	1 of 1	28 of 28	100%
R.M. Kruger (b)	7 of 7 (chair until December 31, 2019)	-	-	-	-	1 of 1	1 of 1	9 of 9	100%
J.M. Mintz	7 of 7	5 of 5	7 of 7	3 of 3 (chair)	4 of 4	1 of 1	1 of 1	28 of 28	100%
D.S. Sutherland	7 of 7	5 of 5	7 of 7 (chair)	3 of 3	4 of 4	1 of 1	1 of 1	28 of 28	100%
S.D. Whittaker (c)	3 of 3	3 of 3	3 of 3	1 of 1	1 of 1	-	1 of 1	12 of 12	100%
Percentage by committee	100%	96%	100%	100%	100%	100%	100%	187 of 188	Overall attendance 99.5%

- (a) B.W. Corson was appointed to the board and the community collaboration and engagement committee, and as president of the company, on September 17, 2019. Mr. Corson assumed the additional roles of chairman and chief executive officer on January 1, 2020 following R.M. Kruger's retirement.
- (b) R.M. Kruger retired from the company and resigned from the board and its committees on December 31, 2019, and was chairman of the board until retirement.
- (c) S.D. Whittaker retired from the board and its committees on April 26, 2019, and was chair of the nominations and corporate governance committee until retirement.

Other public company directorships of our board members

No director serves on more than two boards of another reporting issuer.

The following table shows which directors serve on the boards of other reporting issuers and the committee memberships in those companies.

Name of director	Other reporting issuers of which director is also a director	Type of company	Stock symbol: Exchange	Committee appointments
D.C. Brownell	-	-	-	-
D.W. Cornhill	AltaGas Ltd.	Diversified energy company	ALA:TSX	No committees
	AltaGas Canada Inc.	Diversified energy company	ACI:TSX	Chairman of the board
B.W. Corson	-	-	-	-
K.T. Hoeg	New Flyer Industries Inc.	Manufacturer of heavy duty transit buses	NFI:TSX	Audit committee
M.C. Hubbs	Nutrien Ltd.	Fertilizer manufacturing	NTR:TSX, NYSE	Corporate governance and nominating committee and safety, health, environment and security committee
J.M. Mintz	Morneau Shepell Inc.	Human resources consulting	MSI:TSX	Audit committee (chair)
D.S. Sutherland	GATX Corporation	Commercial rail vehicles and aircraft engines – shipping	GMT:NYSE	Compensation committee (chair) and governance committee
	United States Steel Corporation	Iron and steel	X:NYSE	Chairman of the board

Interlocking directorships of our board members

As of the date of this proxy circular, there are no interlocking public company directorships among the directors listed in this circular.

Director qualification and selection process

The nominations and corporate governance committee is responsible for identifying and recommending new candidates for board nomination. The committee identifies candidates from a number of sources, including executive search firms and referrals from existing directors. The process for selection is described in paragraph 10 (a) of the Board of Directors Charter found in Appendix A of this circular. The committee will consider potential future candidates as required.

In considering the qualifications of potential nominees for election as directors, the nominations and corporate governance committee considers the work experience and other areas of expertise of the potential nominees, with the objective of providing for diversity among the nonemployee directors. The following key criteria are considered to be relevant to the work of the board of directors and its committees:

Work experience

- Experience in leadership of businesses or other large organizations (Leadership of large organizations)
- Operations/technical experience (Operations / technical)
- Project management experience (Project management)
- Experience in working in a global work environment (Global experience)
- Experience in development of business strategy (Strategy development)

Other expertise

- Audit committee financial expert (also see the financial expert section in the audit committee table starting on page 27)
- Expertise in financial matters (Financial expertise)
- Expertise in managing relations with government (Government relations)
- Experience in academia or in research (Academic / research)
- Expertise in information technology and cybersecurity oversight (Information technology / cybersecurity oversight)
- Expertise in executive compensation policies and practices (Executive compensation)

The nominations and corporate governance committee may consider the following additional factors in assessing potential nominees:

- possessing expertise in any of the following areas: law, science, marketing, administration, social/political environment or community and civic affairs;
- individual competencies in business and other areas of endeavour in contributing to the collective experience of the directors; and
- providing diversity of age, regional association, gender and other diversity elements (including Aboriginal peoples, persons with disabilities and members of visible minorities).

The nominations and corporate governance committee assesses the work experience and other expertise each existing director possesses and whether the candidate is able to fill any gaps in such experience, expertise and diversity of age, regional association, gender and other diversity elements. Consideration is also given to whether candidates possess the ability to contribute to the broad range of issues with which the board and its committees must deal, are able to devote the necessary amount of time to prepare for and attend board and committee meetings and are free of any potential legal impediment or conflict of interest.

Candidates are expected to remain qualified to serve for a minimum of five years and independent directors are expected to achieve ownership of no less than 15,000 common shares, deferred share units and restricted share units within five years of becoming an independent director.

When the committee is recommending candidates for re-nomination, it assesses such candidates against the criteria for re-nomination as set out in paragraph 10 (b) of the Board of Directors Charter found in Appendix A of this circular. Candidates for re-nomination are expected not to change their principal position, the thrust of their involvement or their regional association in a way that would significantly detract from their value as a director of the corporation. They are also expected to continue to be compatible with the criteria that led to their selection as nominees.

Director orientation, education and development

The company regularly provides in-depth presentations to the directors on relevant and emerging issues and encourages continuing education opportunities.

The corporate secretary organizes an orientation program for all new directors. In a series of meetings over several days, new directors are briefed by staff and functional managers on all significant areas of the company's operations, industry specific topics, risk oversight and regulatory issues. New directors are also briefed on significant company policies, organizational structure, security, information technology management and on critical planning and reserves processes. They also receive key governance and disclosure documents and a comprehensive board manual which contains a record of historical information about the company, by-laws, company policies, the charters of the board and its committees, other relevant company business information, information on directors' duties and additional board related activities and calendars.

Continuing education is provided to board and committee members through regular presentations by management, which focus on providing more in-depth information about key aspects of the business. Each year the board has an extended meeting that focuses on a particular area of the company's operations and includes a visit to one or more of the company's operating sites or a site of relevance. In September 2019, the board visited Exxon Mobil Corporation's Houston campus, including receiving presentations specific to ExxonMobil's chemical operations, fuels and lubricants business, research and development and other areas of collaboration between ExxonMobil and Imperial. The board and the committees also received a number of presentations in 2019 that focused on performance, strategy and opportunities for the business. Some of these presentations included an asset impairment review, an investor relations and environmental, social and governance review, climate and carbon policy updates, a review of environmental performance, ongoing reviews of upstream and downstream performance and improvement plans, a review on research and technology, and a competition and anti-corruption review. The board was also provided an information technology and cybersecurity update including key mitigation efforts and system improvements with respect to business continuity planning.

Members of ExxonMobil's management also provide reviews of various aspects of ExxonMobil's global business. In 2019, the directors received a presentation on ExxonMobil's information technology and cybersecurity business continuity processes, an overview of its downstream global business, and an overview of its research and development activities.

Members of the board also receive an extensive package of materials prior to each board meeting that provides a comprehensive summary on each agenda item to be discussed. Similarly, the committee members also receive a comprehensive summary on each agenda item to be discussed by that particular committee. Informational communications and other written publications or reports of interest to the directors are also forwarded routinely.

The board members are canvassed as to whether there are any additional topics relevant to the board or to a specific committee that they would like to see addressed, and management schedules presentations covering these areas. In addition, at every meeting the board receives an extensive update from the chairman, president and chief executive officer on business environment trends, relevant geopolitical activities, federal government priorities, key provincial issues and competitor activities, as appropriate.

Directors are encouraged to participate in other continuing education programs and events to ensure their skills and knowledge remain current.

Board performance assessment

The board and its committees, as well as the performance of the directors, are assessed on an annual basis. In 2019, the directors engaged in a performance assessment with the chairman, president and chief executive officer during which the directors evaluated the board and each committee's effectiveness in various areas. The chairman, president and chief executive officer also meets regularly with directors individually to discuss any outstanding issues. The nominations and corporate governance committee discussed a summary of these assessment outcomes at its January 2020 meeting.

Board and committee structure

Leadership structure

The company has chosen to combine the positions of chairman, president and chief executive officer. The board believes the interests of all shareholders are best served at the present time through a leadership model with a combined chairman and chief executive officer position. In connection with the announcement of R.M. Kruger's intention to retire at the end of 2019, B.W. Corson was appointed to the board and as president of the company on September 17, 2019. Mr. Kruger continued to hold the positions of chairman and chief executive officer until his retirement and resignation from the board on December 31, 2019, and Mr. Corson assumed the additional roles of chairman and chief executive officer on January 1, 2020.

The company does not have a lead director. While the chairman of the board is not an independent director, K.T. Hoeg, chair of the executive sessions of the board, provides leadership for the independent directors. The duties of the chair of the executive sessions include presiding at executive sessions, and reviewing and modifying, if necessary, the agenda of the meetings of the board in advance to ensure that the board may successfully carry out its duties. The position description of the chair of the executive sessions is described in paragraph 9 (c) of the Board of Directors Charter attached as Appendix A.

Independent director executive sessions

The executive sessions of the board are in camera meetings of the independent directors and are held in conjunction with every board meeting. These meetings are held in the absence of management. The independent directors held seven executive sessions in 2019. The purposes of the executive sessions of the board include the following:

- raising substantive issues that are more appropriately discussed in the absence of management;
- discussing the need to communicate to the chairman of the board any matter of concern raised by any committee or director;
- addressing issues raised but not resolved at meetings of the board and assessing any follow-up needs with the chairman of the board;
- discussing the quality, quantity, and timeliness of the flow of information from management that is necessary for the independent directors to effectively and responsibly perform their duties, and advising the chairman of the board of any changes required; and
- seeking feedback about board processes.

In camera sessions of the board committees

Various committees also regularly hold in camera sessions without management present. The audit committee regularly holds private sessions of the committee members as well as private meetings of the committee with each of the external auditor, the internal auditor and senior management as part of every regularly scheduled committee meeting.

Committee structure

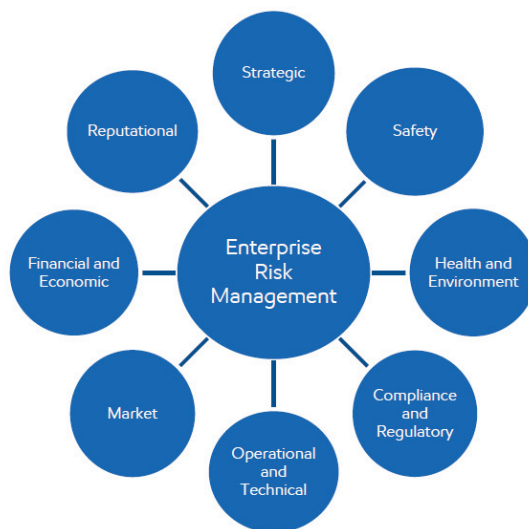
The board has created five committees to help carry out its duties. Each committee is chaired by a different independent director and all of the independent directors are members of each committee. D.C. Brownell is also a member of each committee, with the exception of the audit committee, which is composed entirely of independent directors. B.W. Corson is also a member of the community collaboration and engagement committee, and R.M. Kruger was a member of this committee until his retirement and resignation from the board on December 31, 2019. S.D. Whittaker retired from the board and its committees on April 26, 2019, and was chair of the nominations and corporate governance committee until retirement.



Board committees work on key issues in greater detail than would be possible at full board meetings, allowing directors to more effectively discharge their stewardship responsibilities. The independent chairs of the five committees are able to take a leadership role in executing the board's responsibility with respect to a specific area of the company's operations falling within the responsibility of the committee he or she chairs. The board and each committee have a written charter that can be found in Appendix A of this circular. The charters are reviewed and approved by the board annually. The charters set out the purpose, structure, position description for the chair, and the responsibility and authority of that committee.

Risk oversight

The company is governed by a comprehensive and well-established risk management system, and the company's success in managing risk over time has been achieved through emphasis on execution of this disciplined management framework.



The company's risk management system includes a process for identifying, prioritizing, measuring, and managing the principal risks across the company, as well as assessing the company's response to these risks. The system is implemented through various policies, guidelines, processes and systems, including:

- energy outlook scenarios;
- strategic planning;
- risk management guidelines;
- code of ethics and standards of business conduct;
- delegation of authority guidelines;
- credit risk assessment guidelines;
- controls and operations integrity management systems;
- capital project management systems;
- IT risk management (including information technology, systems and cybersecurity);
- guidelines for the management and protection of information; and
- business continuity plans.

For a discussion on the company's risk management in relation to executive compensation, see the Compensation discussion and analysis section starting on page 50.

The chairman, president and chief executive officer is charged with identifying the company's principal risks and ensuring appropriate systems are in place to manage these risks. The board of directors is responsible for reviewing the principal risks and overseeing the implementation of the risk management system, with the various committees assisting in risk oversight for issues that fall under their responsibility. For example, the audit committee oversees the company's system of internal accounting and financial controls, the executive resources committee oversees the compensation programs and practices in relation to risk management, and the public policy and corporate responsibility committee oversees the policies and practices that manage environment, health and safety risk, including the risks of climate change.

The board and its committees carry out their risk oversight responsibility through regular reviews and assessments. The board carefully considers these risks in evaluating strategic plans and specific proposals for capital expenditures and budget additions. Topic-specific assessments, such as for compliance programs, controls, business performance, and regulatory changes, are conducted regularly and as necessary. Each year, the board also visits one or more of the company's operating sites or locations of importance for the company to better understand issues associated with the company's business. Members of the board ask questions of management to ensure risks are identified, assessed, mitigated, and monitored.

The following table provides additional oversight and other information about the board and its five committees:

Board of directors

The board of directors is responsible for the stewardship of the corporation. The stewardship process is carried out by the board directly or through one or more of the committees of the board. The formal mandate of the board can be found within the Board of Directors Charter in Appendix A of this circular.

- | | | |
|------------------|---|---|
| Directors | <ul style="list-style-type: none"> • B.W. Corson (chair from January 1, 2020) • D.C. Brownell • D.W. Cornhill • K.T. Hoeg | <ul style="list-style-type: none"> • M.C. Hubbs • J.M. Mintz • D.S. Sutherland |
|------------------|---|---|

Note: R.M. Kruger was chair until retirement from the company on December 31, 2019.

Number of meetings

Seven meetings of the board of directors were held in 2019. There were no special meetings held this year. The independent directors hold executive sessions of the board in conjunction with every board meeting. These meetings are held in the absence of management. The independent directors held seven executive sessions in 2019.

Board highlights in 2019

- Provided oversight in support of safety and environmental performance.
 - Regularly discussed industry activity, market updates and company initiatives.
 - Regularly discussed operational and project updates.
 - Regularly discussed risk management and business controls environment.
 - Regularly reviewed information technology, systems and cybersecurity strategies (including trends, risks, preparedness, mitigation, response, system improvements and business continuity strategies) to assess the security and integrity of the company's information, systems and assets.
 - Regularly assessed performance of the Kearl oil sands operations and monitored progress on reliability improvements.
 - Renewed share buyback program to return surplus cash to shareholders.
 - Discussed comprehensive company strategy for all business lines.
 - Appointed B.W. Corson as director and successor to R.M. Kruger as chairman, president and chief executive officer.
-

Role in risk oversight

The company's financial, execution and operational risk rests with management and the company is governed by well-established risk management systems. The board of directors are responsible for reviewing the company's principal risks and overseeing the implementation of the appropriate systems to manage these risks. The board carefully considers these risks in evaluating the company's strategic plans and specific proposals for capital expenditures and budget additions. It also approves and monitors compliance with the code of ethics and business conduct, and ensures that executive officers create a culture of integrity throughout the company. The board reviews the company's information technology, systems and cybersecurity to ensure they adequately protect the company's corporate information and assets.

Disclosure policy

The company is committed to full, true and plain public disclosure of all material information in a timely manner, in order to keep security holders and the investing public informed about the company's operations. The full details of the corporate disclosure policy can be found on the company's internet site at www.imperialoil.ca.

Independence

The current board of directors is composed of seven directors, the majority of whom (five of seven) are independent. The five independent directors are not employees of the company.

Audit committee

The role of the audit committee includes selecting and overseeing the independent auditor, reviewing the scope and results of the audit conducted by the independent auditor, and assisting the board in overseeing the integrity of the company's financial statements. In addition, the committee's role includes overseeing the company's compliance with legal and regulatory requirements and the quality and effectiveness of internal controls, approving any changes in accounting principles and practices, and reviewing the results of monitoring activity under the company's business ethics compliance program. The formal mandate of the committee can be found within the Audit Committee Charter in Appendix A of this circular.

Committee members

- K.T. Hoeg (chair)
- M.C. Hubbs (vice-chair)
- D.W. Cornhill
- J.M. Mintz
- D.S. Sutherland

Number of meetings

Five meetings of the audit committee were held in 2019. The committee members met in camera without management present and separately with the internal auditor and the external auditor at all regularly scheduled meetings. A pre-audit meeting also occurs prior to every regularly scheduled audit committee meeting with the chair of the audit committee and the chief financial officer and both the internal and external auditors.

Committee highlights in 2019

- Reviewed and recommended for approval the interim and full year financial and operating results.
- Reviewed and assessed the company's system of internal controls and auditing procedures, and the results of the internal auditor's audit program.
- Reviewed and assessed the external auditor plan, performance and fees.
- Reviewed evolving regulations and reporting obligations.
- Reviewed the committee's mandate and completed the committee self-assessment.
- Performed external auditor performance evaluation.

Financial expertise

The company's board of directors has determined that D.W. Cornhill, K.T. Hoeg, M.C. Hubbs and D.S. Sutherland meet the definition of "audit committee financial expert". The U.S. Securities and Exchange Commission has indicated that the designation of an audit committee financial expert does not make that person an expert for any purpose, or impose any duties, obligations or liability on that person that are greater than those imposed on members of the audit committee and board of directors in the absence of such designation or identification. All members of the audit committee are financially literate within the meaning of *National Instrument 52-110 Audit Committees* and the listing standards of the NYSE American LLC.

Role in risk oversight

The audit committee also has an important role in risk oversight. The audit committee oversees risks associated with financial and accounting matters, including compliance with legal and regulatory requirements, and the company's financial reporting and internal controls systems. In addition, it reviews the scope of PricewaterhouseCoopers' audit in light of risks associated with the energy industry, the regulatory environment and company-specific financial audit risks. The committee also reviews financial statements and internal and external audit results, and any changes proposed to accounting principles and practices.

Independence

The audit committee is composed entirely of independent directors. All members met board approved independence standards, as that term is defined in *National Instrument 52-110 Audit Committees*, the U.S. Securities and Exchange Commission rules and the listing standards of the NYSE American LLC.

Executive resources committee

The executive resources committee is responsible for corporate policy on compensation and for specific decisions on the compensation of the chief executive officer and key senior executives and officers reporting directly to that position. In addition to compensation matters, the committee is also responsible for succession plans and appointments to senior executive and officer positions, including the chief executive officer. The formal mandate of the committee can be found within the Executive Resources Committee Charter in Appendix A of this circular.

In 2019, the executive resources committee undertook an extensive succession process that led to the appointment of B.W. Corson as successor to R.M. Kruger. The chief executive officer succession process was led by the chair of the executive resources committee and the chairman, president and chief executive officer at the time, Mr. Kruger. A short list of potential candidates was developed and Mr. Corson was selected as the preferred candidate to succeed Mr. Kruger. The board and separately, the five independent directors, interviewed Mr. Corson. The independent directors met in August and unanimously agreed to convey their support to the board regarding Mr. Corson's appointments. In September, the board approved the immediate appointment of Mr. Corson as president and a director and the subsequent appointment as chairman and chief executive officer upon Mr. Kruger's retirement.

Committee members

- D.S. Sutherland (chair)
- D.W. Cornhill (vice-chair)
- D.C. Brownell
- K.T. Hoeg
- M.C. Hubbs
- J.M. Mintz

None of the members of the executive resources committee currently serves as a chief executive officer of another company.

Number of meetings

Seven meetings of the executive resources committee were held in 2019.

Committee highlights in 2019

- Reviewed executive compensation program and principles.
- Continued focus on educating key shareholders on compensation program and principles.
- Reviewed strategic work planning and talent strategy plans.
- Reviewed harassment policy and administrative process outcomes.
- Continued focus on succession planning for senior management positions.
- Appointment of chairman, president and chief executive officer.

Committee members relevant skills and experience

D.W. Cornhill, K.T. Hoeg, M.C. Hubbs and D.S. Sutherland had extensive and lengthy experience in managing and implementing their respective companies' compensation policies and practices in their past role as chief executive officers or members of senior management. Mr. Cornhill, Ms. Hoeg, Dr. Mintz and Mr. Sutherland serve or have served on compensation committees of one or more public companies. Accordingly, committee members are able to use this experience and knowledge derived from their roles with other companies in judging the suitability of the company's compensation policies and practices.

Role in risk oversight

The executive resources committee oversees the compensation programs and practices that are designed to encourage appropriate risk assessment and risk management.

Independence

The members of the executive resources committee are independent, with the exception of D.C. Brownell, who is not considered to be independent under the rules of the U.S. Securities and Exchange Commission, Canadian securities rules and the rules of the NYSE American LLC due to his employment with Exxon Mobil Corporation. However, the Canadian Coalition for Good Governance's policy, "Governance Differences of Equity Controlled Corporations", views Mr. Brownell as a related director and independent of management and who may participate as a member of the company's executive resources committee. Mr. Brownell's participation helps to ensure an objective process for determining compensation of the company's officers and directors and assists the deliberations of this committee by bringing the views and perspectives of the majority shareholder.

Public policy and corporate responsibility committee

The role of the public policy and corporate responsibility committee is to review and monitor the company's policies and practices in matters of the environment, health and safety. The committee monitors the company's compliance with legislative, regulatory and corporate standards in these areas, and reviews trends and current and emerging public policy. The committee also assesses the potential impacts of public policy on corporate performance, including the risks of climate change. The formal mandate of the committee can be found within the Public Policy and Corporate Responsibility Committee Charter in Appendix A of this circular.

Committee members

- J.M. Mintz (chair)
- D.S. Sutherland (vice-chair)
- D.C. Brownell
- D.W. Cornhill
- K.T. Hoeg
- M.C. Hubbs

Number of meetings

Three meetings of the public policy and corporate responsibility committee were held in 2019.

Committee highlights in 2019

- Personnel and process safety review.
- Health review.
- Emissions and environmental, health and safety performance and incident review.
- Operations integrity management system review.
- Review of climate change policies and risks.
- Company publication of *Energy and Carbon Summary and Water Management Summary*.
- Key issue reviews on climate policy, the clean fuel standard, regulatory reform, Bill C69, industry advocacy and corporate reporting including ESG topic areas.

Role in risk oversight

The public policy and corporate responsibility committee reviews and monitors the company's policies and practices in matters of environment, health and safety, which policies and practices are intended to mitigate and manage risk in these areas, including the risks associated with climate change. The committee receives regular reports from management on these matters.

Independence

The members of the public policy and corporate responsibility committee are independent, with the exception of D.C. Brownell.

Nominations and corporate governance committee

The role of the nominations and corporate governance committee is to oversee issues of corporate governance as they apply to the company, including the overall performance of the board, review potential nominees for directorship and review the charters of the board and any of its committees. The formal mandate of the committee can be found within the Nominations and Corporate Governance Committee Charter in Appendix A of this circular.

Committee members

- D.W. Cornhill (chair)
- J.M. Mintz (vice-chair)
- D.C. Brownell
- K.T. Hoeg
- M.C. Hubbs
- D.S. Sutherland

Number of meetings

Four meetings of the nominations and corporate governance committee were held in 2019.

Committee highlights in 2019

- Board succession planning and recommendation to appoint a new director and chairman.
 - Approval of the statement of corporate governance practices.
 - Completion of the board and committee self-assessment.
 - Review of director compensation principles.
-

Role in risk oversight

The nominations and corporate governance committee oversees risk by implementing an effective program for corporate governance, including board composition and succession planning.

Independence

The members of the nominations and corporate governance committee are independent, with the exception of D.C. Brownell, who is not considered to be independent under the rules of the U.S. Securities and Exchange Commission, Canadian securities rules and the rules of the NYSE American LLC due to his employment with Exxon Mobil Corporation. However, the Canadian Coalition for Good Governance's policy, "Governance Differences of Equity Controlled Corporations", views Mr. Brownell as a related director and independent of management and who may participate as a member of the company's nominations and corporate governance committee. Mr. Brownell's participation helps to ensure an objective nominations process and assists the deliberations of this committee by bringing the views and perspectives of the majority shareholder.

Community collaboration and engagement committee

The role of the community collaboration and engagement committee is to oversee all of the company's community investment activities, including charitable donations. The formal mandate of the committee can be found within the Community Collaboration and Engagement Committee Charter in Appendix A of this circular.

Committee members

- M.C. Hubbs (chair)
 - K.T. Hoeg (vice-chair)
 - D.C. Brownell
 - D.W. Cornhill
 - B.W. Corson (from September 17, 2019)
 - J.M. Mintz
 - D.S. Sutherland
-

Number of meetings

One meeting of the community collaboration and engagement committee was held in 2019.

Committee highlights in 2019

- Imperial contributed \$17 million to communities across Canada in 2018 as assessed by London Benchmarking Group (LBG) – a value leveraged through employees and community partners at a higher rate than industry average.
 - In 2018, Imperial paid more than \$21 million through community benefit agreements to Indigenous communities and in 2019, successfully signed three agreements for Cold Lake.
 - Imperial contributed \$1 million over five years towards the development and launch of the Southern Alberta Institute for Technology's Water Management Program.
 - Imperial contributed to the creation of Kitaskino Nuwenēné Wildland Provincial Park (formerly the Ronald Lake BSA) in collaboration with the Indigenous communities, industry and the Province of Alberta.
 - Imperial successfully launched its employee giving and volunteer matching program; employee participation more than doubled previous engagement rates.
-

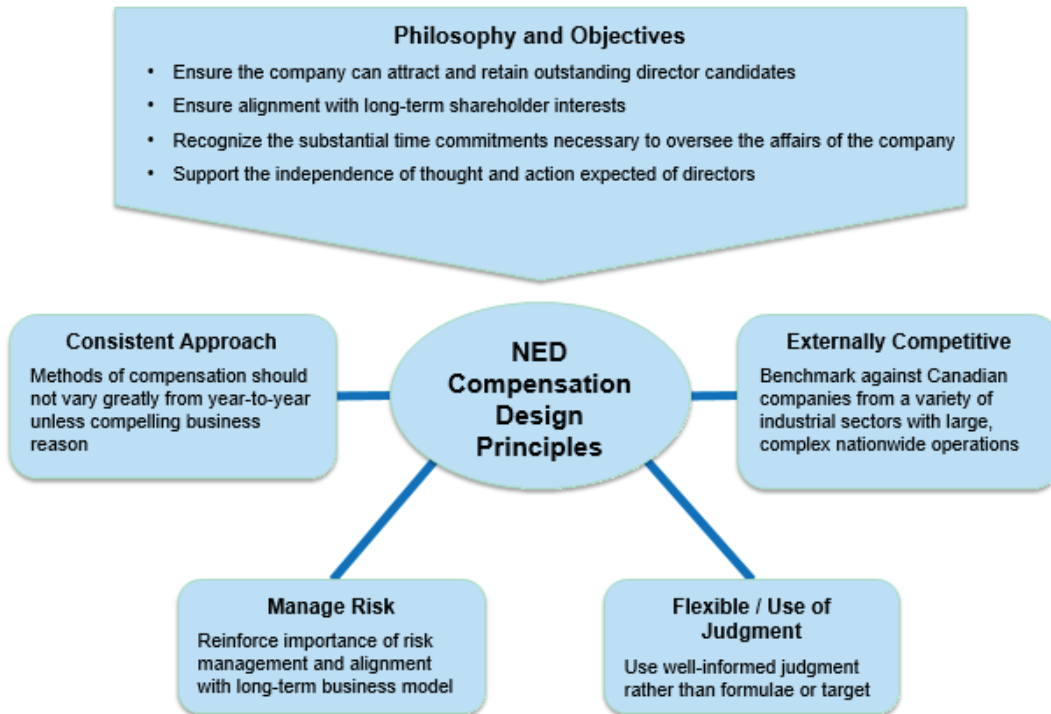
Independence

The majority of the members of the community collaboration and engagement committee are independent (five out of seven) with the exception of B.W. Corson and D.C. Brownell.

Director compensation

Director compensation discussion and analysis

Directors' compensation is intended to align the long-term financial interests of the directors with those of the shareholders.



Nonemployee director compensation levels are reviewed by the nominations and corporate governance committee each year, and resulting recommendations are presented to the full board for approval. The nominations and corporate governance committee decided not to use an external research firm to assemble the comparator data to determine compensation for the July 1, 2019 - June 30, 2020 period. The committee relied instead on an internally-led assessment to provide competitive compensation and market data for directors' compensation, which assisted the committee in making a compensation recommendation for the company's directors. The internal assessment maintained the compensation design philosophy, objectives and principles, and was consistent with previous methodology used in this analysis.

Employees of the company or Exxon Mobil Corporation receive no extra pay for serving as directors. Nonemployee directors receive compensation consisting of cash and restricted stock units. Since 1999, the nonemployee directors have been able to receive all or part of their cash directors' fees in the form of deferred share units. The purpose of the deferred share unit plan for nonemployee directors is to provide them with additional motivation to promote sustained improvement in the company's business performance and shareholder value by allowing them to have all or part of their directors' fees tied to the future growth in value of the company's common shares. The deferred share unit plan is described in more detail on page 33.

Compensation decision making process and considerations

The nominations and corporate governance committee relies on market comparisons with a group of 19 major Canadian companies with national and international scope and complexity. The company draws its nonemployee directors from a wide variety of industrial sectors and, as such, a broad sample is appropriate for this purpose. The nominations and corporate governance committee does not target any specific percentile among comparator companies at which to align compensation for this group.

The 19 comparator companies included in the benchmark sample are as follows:

Energy	Non-Energy
Canadian Natural Resources Limited	Air Canada
Cenovus Energy Inc.	Bank of Nova Scotia
Enbridge Inc.	BCE Inc.
Husky Energy Inc.	Canadian National Railway Company
Ovintiv Inc. (a)	Nutrien Ltd.
Parkland Fuel Corporation	Royal Bank of Canada
Suncor Energy Inc.	Sun Life Financial Inc.
TC Energy Corporation (b)	Teck Resources Limited
	TELUS Corporation
	Thomson Reuters Corporation
	The Toronto-Dominion Bank

(a) Formerly known as Encana Corporation.

(b) Formerly known as TransCanada Corporation.

Hedging policy

Company policy prohibits all employees, including executives, and directors, from being a party to derivative or similar financial instruments, including puts, calls, or other options, future or forward contracts, or equity swaps or collars, with respect to the company or Exxon Mobil Corporation stock.

For a discussion on the process by which the compensation of the company's executive officers is determined, see the Compensation discussion and analysis section starting on page 50.

Compensation details

Board retainer

The compensation of the nonemployee directors is assessed annually.

In 2018, the board approved a change to the compensation paid to the nonemployee directors. Effective July 1, 2018, the nonemployee directors received an annual retainer for board membership of \$110,000 per year. The retainer for each committee chaired was eliminated, and the grant of restricted stock units was increased from 2,600 to 3,000.

In 2019, the nominations and corporate governance committee reviewed the compensation paid to the nonemployee directors, and recommended no changes to the compensation. The board subsequently approved this recommendation, effective July 1, 2019.

The following table summarizes the compensation terms for the nonemployee directors in 2019:

Director compensation	
Annual retainer terms: (a)	
Cash retainer:	
Board membership	\$110,000 annually
Committee chair	None
Equity based compensation:	
Restricted stock units	3,000 units (which vest on the 5 th and 10 th anniversary of date of grant)

(a) *The nonemployee directors may elect to take all or a portion of the cash retainer in the form of deferred share units. Nonemployee directors who are appointed to the board during any given year receive the full restricted stock unit grant and a prorated cash retainer based on the date of appointment.*

Equity based compensation **Deferred share units**

In 1999, an additional form of long-term incentive compensation ("deferred share units") was made available to nonemployee directors. Nonemployee directors may elect to receive all or a portion of their cash compensation in the form of deferred share units.

The following table shows the portion of the retainer each nonemployee director elected to receive in cash and deferred share units in 2019.

Director	Election for 2019 director's fees in cash (%)	Election for 2019 director's fees in deferred share units (%)
D.W. Cornhill	25	75
K.T. Hoeg	0	100
M.C. Hubbs	0	100
J.M. Mintz	0	100
D.S. Sutherland	0	100
S.D. Whittaker (a)	100	0

(a) *S.D. Whittaker retired from the board and its committees on April 26, 2019.*

The number of deferred share units granted to a nonemployee director is determined at the end of each calendar quarter for that year, according to the following calculation:

- (i) the dollar amount of the nonemployee director's fees for that calendar quarter that the director elected to receive as deferred share units;
divided by
- (ii) the average of the closing price of the company's shares on the Toronto Stock Exchange for the five consecutive trading days ("average closing price") immediately prior to the last day of that calendar quarter.

Those deferred share units are granted effective the last day of that calendar quarter.

A nonemployee director is also granted additional deferred share units to represent dividends on unexercised deferred share units. These additional units are granted on the dividend payment dates for the company's common shares, according to the following calculation:

- (i) the cash dividend payable for a common share of the company divided by the average closing price immediately prior to the payment date for that dividend;
multiplied by
- (ii) the number of unexercised deferred share units held by the nonemployee directors on the dividend record date.

A nonemployee director may only exercise deferred share units by the end of the calendar year following the year of termination of service as a director of the company, including termination of service due to death. No deferred share units may be exercised unless all of the deferred share units are exercised on the same date. On the exercise date, the cash value to be received for the units is determined based on the company's average closing price immediately prior to the date of exercise.

Restricted stock units

In addition to the cash fees described above, the company pays a significant portion of director compensation in restricted stock units to align director compensation with the long-term interests of shareholders. The restricted stock unit plan is described in more detail beginning on page 56.

Up until 2015, an award of 2,000 restricted stock units was granted annually with 50 percent vesting on the third anniversary of the grant date and the remaining 50 percent vesting on the seventh anniversary of the grant date. On the third anniversary, directors receive a cash payment for the units to be vested. On the seventh anniversary, directors may elect to receive one common share for each unit or a cash payment for the units.

In 2016, in order to better align the long-term financial interests of the directors with those of the shareholders, the vesting period of the restricted stock units was increased such that 50 percent vests on the fifth anniversary of the grant date and the remaining 50 percent vests on the tenth anniversary of the grant date. For all the units to be vested, directors may elect to receive one common share for each unit or a cash payment for the units. The vesting periods are not accelerated upon separation or retirement from the board, except in the event of death. In addition, in 2016, the number of restricted stock units granted annually was increased to 2,600 units. In 2018, the number of restricted stock units granted annually was increased to 3,000 units.

In contrast to the forfeiture provisions for restricted stock units held by employees of the company, the restricted stock units awarded to nonemployee directors are not subject to risk of forfeiture at the time a director leaves the company's board. This provision is designed to reinforce the independence of these board members. However, while on the board and for a 24-month period after leaving the company's board, restricted stock units may be forfeited if the nonemployee director engages in direct competition with the company or otherwise engages in any activity detrimental to the company. The board agreed that the word "detrimental" shall not include any actions taken by a nonemployee director or former nonemployee director who acted in good faith and in the best interest of the company.

Prior to vesting of the restricted stock units, the nonemployee directors receive amounts equivalent to the cash dividends paid to holders of common shares. The amount is determined for each cash dividend payment date by the following calculation:

- (i) the cash dividend payable for a common share divided by the average closing price immediately prior to the payment date for that dividend;
multiplied by
- (ii) the number of unvested restricted stock units held by the nonemployee directors on the dividend record date.

Other reimbursement

Nonemployee directors are also reimbursed for travel and other expenses incurred for attendance at board and committee meetings.

Components of director compensation

The following table sets out the details of compensation paid to the nonemployee directors in 2019.

Director (a)	Annual retainer for board membership (\$) (b)	Restricted stock units (RSU) (#) (c)	Total fees paid in cash (\$) (c)	Total value of deferred share units (DSU) (\$) (d)	Total value of restricted stock units (RSU) (\$) (e)	All other compensation (\$) (f)	Total compensation (\$)
D.W. Cornhill	110,000	3,000	27,500	82,500	97,140	5,713	212,853
K.T. Hoeg	110,000	3,000	0	110,000	97,140	40,655	247,795
M.C. Hubbs	110,000	3,000	0	110,000	97,140	4,145	211,285
J.M. Mintz	110,000	3,000	0	110,000	97,140	37,055	244,195
D.S. Sutherland	110,000	3,000	0	110,000	97,140	34,806	241,946
S.D. Whittaker	35,659	0	35,659	0	0	57,662	93,321

- (a) As directors employed by the company or Exxon Mobil Corporation in 2019, R.M. Kruger, B.W. Corson and D.C. Brownell did not receive compensation for acting as directors. S.D. Whittaker retired from the board on April 26, 2019 and her "Annual retainer for board membership" has been prorated accordingly.
- (b) The "Annual retainer for committee chair" was eliminated on July 1, 2018.
- (c) "Total fees paid in cash" is the portion of the "Annual retainer for board membership" that the director elected to receive as cash. This amount is reported as "Fees earned" in the Director compensation table on page 36.
- (d) "Total value of deferred share units" is the portion of the "Annual retainer for board membership" that the director elected to receive as deferred share units, as set out in the previous table on page 33. This amount plus the "Total value of restricted stock units" amount is shown as "Share-based awards" in the Director compensation table on page 36.
- (e) The values of the restricted stock units shown are the number of units multiplied by the closing price of the company's shares on the date of grant, which was \$32.38.
- (f) Amounts under "All other compensation" consist of dividend equivalent payments on unvested restricted stock units and the value of additional deferred share units granted in lieu of dividends on unvested deferred share units. In 2019, D.W. Cornhill received \$4,022 in dividend equivalent payments on restricted stock units and additional deferred share units valued at \$1,691 in lieu of dividends on deferred share units. K.T. Hoeg received \$9,814 in dividend equivalent payments on restricted stock units and additional deferred share units valued at \$30,841 in lieu of dividends on deferred share units. M.C. Hubbs received \$1,890 in dividend equivalent payments on restricted stock units and additional deferred share units valued at \$2,255 in lieu of dividends on deferred share units. J.M. Mintz received \$9,814 in dividend equivalent payments on restricted stock units and additional deferred share units valued at \$27,241 in lieu of dividends on deferred share units. D.S. Sutherland received \$9,814 in dividend equivalent payments on restricted stock units and additional deferred share units valued at \$24,992 in lieu of dividends on deferred share units. S.D. Whittaker received \$9,814 in dividend equivalent payments on restricted stock units and additional deferred share units valued at \$47,848 in lieu of dividends on deferred share units.

Director compensation table

The following table summarizes the compensation paid, payable, awarded or granted for 2019 to each of the nonemployee directors of the company.

Name (a)	Fees earned \$(b)	Share- based awards \$(c)	Option- based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation \$(d)	Total (\$)
D.W. Cornhill	27,500	179,640	-	-	-	5,713	212,853
K.T. Hoeg	0	207,140	-	-	-	40,655	247,795
M.C. Hubbs	0	207,140	-	-	-	4,145	211,285
J.M. Mintz	0	207,140	-	-	-	37,055	244,195
D.S. Sutherland	0	207,140	-	-	-	34,806	241,946
S.D. Whittaker	35,659	0	-	-	-	57,662	93,321

- (a) As directors employed by the company or Exxon Mobil Corporation in 2019, R.M. Kruger, B.W. Corson and D.C. Brownell did not receive compensation for acting as directors. S.D. Whittaker retired from the board on April 26, 2019 and her compensation has been prorated accordingly.
- (b) Represents all fees awarded, earned, paid or payable in cash for services as a director. The nonemployee directors are able to receive all or part of their directors' fees in the form of deferred share units.
- (c) Represents the value of the restricted stock units (calculated by multiplying the number of units by the closing price of the company's shares on the date of grant), plus the value of deferred share units (calculated by the portion of the "Annual retainer for board membership" that the director elected to receive as deferred share units as noted on page 33).
- (d) Amounts under "All other compensation" consist of dividend equivalent payments on unvested restricted stock units and the value of additional deferred share units granted in lieu of dividends on unvested deferred share units. In 2019, D.W. Cornhill received \$4,022 in dividend equivalent payments on restricted stock units and additional deferred share units valued at \$1,691 in lieu of dividends on deferred share units. K.T. Hoeg received \$9,814 in dividend equivalent payments on restricted stock units and additional deferred share units valued at \$30,841 in lieu of dividends on deferred share units. M.C. Hubbs received \$1,890 in dividend equivalent payments on restricted stock units and additional deferred share units valued at \$2,255 in lieu of dividends on deferred share units. J.M. Mintz received \$9,814 in dividend equivalent payments on restricted stock units and additional deferred share units valued at \$27,241 in lieu of dividends on deferred share units. D.S. Sutherland received \$9,814 in dividend equivalent payments on restricted stock units and additional deferred share units valued at \$24,992 in lieu of dividends on deferred share units. S.D. Whittaker received \$9,814 in dividend equivalent payments on restricted stock units and additional deferred share units valued at \$47,848 in lieu of dividends on deferred share units.

Five-year look back at total compensation paid to nonemployee directors	
Year	Amount (\$)
2015	1,206,084
2016	1,342,664
2017	1,351,454
2018	1,500,739
2019	1,251,395

Outstanding share-based awards and option-based awards for directors

The following table sets forth all outstanding awards held by nonemployee directors of the company as at December 31, 2019 and does not include common shares owned by the director.

Name (a)	Option-based awards			Share-based awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#) (b)	Market or payout value of share-based awards that have not vested (\$) (c)
D.W. Cornhill	-	-	-	-	12,055	414,089
K.T. Hoeg	-	-	-	-	52,946	1,818,695
M.C. Hubbs	-	-	-	-	10,607	364,350
J.M. Mintz	-	-	-	-	48,648	1,671,059
D.S. Sutherland	-	-	-	-	45,961	1,578,760
S.D. Whittaker	-	-	-	-	68,343	2,347,582

(a) As directors employed by the company or Exxon Mobil Corporation in 2019, R.M. Kruger, B.W. Corson and D.C. Brownell did not receive compensation for acting as directors. S.D. Whittaker retired from the board on April 26, 2019.

(b) Represents restricted stock units and deferred share units held as of December 31, 2019. S.D. Whittaker did not exercise her deferred share units in 2019, and is required to do so by the end of 2020 (the end of the calendar year following the year of termination of service).

(c) Value is based on the closing price of the company's shares on December 31, 2019 (\$34.35).

Incentive plan awards for directors – Value vested or earned during the year

The following table sets forth the value of the awards that vested or were earned by each nonemployee director of the company in 2019.

Name (a)	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$) (b)	Non-equity incentive plan compensation – Value earned during the year (\$)
D.W. Cornhill	-	-	-
K.T. Hoeg	-	32,930	-
M.C. Hubbs	-	-	-
J.M. Mintz	-	32,930	-
D.S. Sutherland	-	32,930	-
S.D. Whittaker	-	32,930	-

(a) As directors employed by the company or Exxon Mobil Corporation in 2019, R.M. Kruger, B.W. Corson and D.C. Brownell did not receive compensation for acting as directors. S.D. Whittaker retired from the board on April 26, 2019.

(b) Represents restricted stock units granted in 2012 and 2016, which vested in 2019. Value is based on the average of the weighted average price (as determined by the Toronto Stock Exchange) of common shares of the company on the vesting date and the four consecutive trading days immediately prior to the vesting date. S.D. Whittaker did not exercise her deferred share units in 2019, and is required to do so by the end of 2020 (the end of the calendar year following the year of termination of service).

Share ownership guidelines of independent directors and chairman, president and chief executive officer

Independent directors are required to hold the equivalent of at least 15,000 shares of Imperial Oil Limited, including common shares, deferred share units and restricted stock units. Independent directors are expected to reach this level within five years from the date of appointment to the board. The chairman, president and chief executive officer has separate share ownership requirements and must, within three years of his appointment, acquire shares of the company, including common shares and restricted stock units, of a value of no less than five times his base salary.

The board of directors believes that these share ownership guidelines will result in an alignment of the interests of board members with the interests of all other shareholders. As of the date of this circular, the independent directors currently have holdings of 238,717 shares which is more than three times the required guideline.

	Minimum share ownership requirement	Time to fulfill
Chairman, president and chief executive officer	5 x base salary	Within 3 years of appointment
Independent directors	15,000 shares	Within 5 years of initial appointment

The chart below shows the shareholdings of the independent directors and the chairman, president and chief executive officer of the company as of February 12, 2020, the record date of the management proxy circular.

Director	Director since	Amount acquired since last report (February 13, 2019 to February 12, 2020) (#)	Total holdings (includes common shares, deferred share units and restricted stock units) (#)	Market value of total holdings (a) (\$)	Minimum shareholding requirement	Minimum requirement met
D.W. Cornhill	November 29, 2017	5,365	24,555	784,778	15,000	Yes
B.W. Corson (b)	September 17, 2019	78,200	78,200	2,499,272	Five times base salary	No (b)
K.T. Hoeg	May 1, 2008	5,956	52,946	1,692,154	15,000	Yes
M.C. Hubbs (c)	July 26, 2018	6,153	10,607	339,000	15,000	No (c)
J.M. Mintz	April 21, 2005	5,856	49,648	1,586,750	15,000	Yes
D.S. Sutherland	April 29, 2010	5,792	100,961	3,226,714	15,000	Yes
Total accumulated holdings (#) and value of directors' holdings (\$)			316,917	10,128,668		

(a) The amount shown in the column "Market value of total holdings" is equal to the "Total holdings" multiplied by the closing price of the company's shares on the proxy circular record date February 12, 2020 (\$31.96).

(b) B.W. Corson was appointed to the board and as president of the company on September 17, 2019, and assumed the additional roles of chairman and chief executive officer on January 1, 2020. Mr. Corson is expected to meet the share ownership guidelines of five times base salary within three years of appointment as chairman and chief executive officer.

(c) M.C. Hubbs was appointed to the board on July 26, 2018 and is expected to meet the share ownership guidelines for independent directors of 15,000 shares within five years from the date of appointment.

For information relating to compensation of the company's named executive officers, see the Compensation discussion and analysis section starting on page 50.

Ethical business conduct

The company is committed to high ethical standards through its policies and practices.

The board has adopted a written code of ethics and business conduct (the "Code") which can be found on the company's website at www.imperialoil.ca.

The Code is applicable to each of the company's directors, officers and employees, and consists of the ethics policy, the conflicts of interest policy, the corporate assets policy, the directorships policy and the procedures and open door communication. There have been no material change reports filed in the past 12 months pertaining to conduct of a director or executive officer that constitute a departure from the Code. Under the company's procedures and open door communication, employees are encouraged and expected to refer suspected violations of the law, company policy or internal controls procedures to their supervisors. Suspected violations involving a director or executive officer, as well as any concern regarding questionable accounting or auditing matters are to be referred directly to the internal auditor. The audit committee initially reviews all issues involving directors or executive officers, and then refers all issues to the board of directors. In the alternative, employees may also address concerns to individual nonemployee directors or to nonemployee directors as a group. In addition, the directors of the company must comply with the conflict of interest provisions of the *Canada Business Corporations Act*, as well as the relevant securities regulatory instruments, in order to ensure that the directors exercise independent judgment in considering transactions and agreements in respect of which such director has a material interest.

Management provides the board of directors with a review of corporate ethics and conflicts of interest on an annual basis. Directors, officers and employees review the company's standards of business conduct (which includes the Code) on an annual basis, with independent directors and employees in positions where there is a higher risk of exposure to ethical or conflict of interest situations being required to sign a declaration card confirming that they have read and are familiar with the standards of business conduct. In addition, every four years a business practices review is conducted in which managers review the standards of business conduct with employees in their respective work units.

The board, through its audit committee, examines the effectiveness of the company's internal control processes and management information systems. The board consults with the external auditor, the internal auditor and the management of the company to ensure the integrity of the systems.

There are a number of structures and processes in place to facilitate the functioning of the board independently of management. The board has a majority of independent directors. Each committee is chaired by a different independent director and all of the independent directors are members of each committee. The audit committee is composed entirely of independent directors. Each other committee (except the community collaboration and engagement committee) is composed entirely of the independent directors and D.C. Brownell, who is an officer of Exxon Mobil Corporation, and is, therefore, independent of the company's management. The agendas of each of the board and its committees are not set by management alone, but by the board as a whole and by each committee. A significant number of agenda items are mandatory and recurring. Board meetings are scheduled at least one full year in advance. Any director may call a meeting of the board or a meeting of a committee of which the director is a member. There is a board-prescribed flow of financial, operating and other corporate information to all directors.

The independent directors conduct executive sessions in the absence of members of management. These meetings are chaired by K.T. Hoeg, the independent director designated by the independent directors to chair and lead these discussions. Seven executive sessions were held in 2019.

The company's delegation of authority guide provides that certain matters of the company are reviewed by functional contacts within ExxonMobil. The company's employees are regularly reminded that they are expected to act in the best interests of the company, and are reminded of their obligation to identify any instances where the company's general interest may not be consistent with ExxonMobil's priorities. If such situations ever occurred, employees are expected to escalate such issues with successive levels of the company's management. Final resolution of any such issues is made by the company's chairman, president and chief executive officer.

Restrictions on insider trading

Commitment to stringent safeguards with trading restrictions and reporting for company insiders.

Structures and processes are in place to caution, track and monitor reporting insiders, nonemployee directors and key employees with access to sensitive information with respect to personal trading in the company's shares. The company has guidelines regarding insider trading prohibitions and trading bans that are available to all directors, officers and employees.

Nonemployee directors are required to pre-clear any trades in the company's shares. Reporting insiders are required to give advance notice to the company of any sale of the company shares and advise the company within five days of any purchase of the company's shares. Reporting insiders are required, under securities regulations, to publically disclose all transactions in the company's shares on the System for Electronic Disclosure by Insiders (SEDI).

From time to time, the company advises its directors and officers, and those of Exxon Mobil Corporation, and employees in certain positions not to trade in the company's shares. Trading bans occur in connection with the directors' pending consideration of the financial statements of the company, including the unaudited financial statements for each quarter, and in connection with undisclosed pending events that constitute material information about the business affairs of the company.

Diversity

The company has a long history of valuing diversity on the board and in its executive management.

Board diversity

The company has a longstanding commitment to diversity amongst its directors, and has had at least one woman on its board continuously since 1977.

The company does not have a formal written policy relating to the identification and nomination of directors who are women, Aboriginal peoples, persons with disabilities or members of visible minorities (the "designated groups", as defined under the *Canada Business Corporations Regulations, 2001*), and has not adopted a target regarding members of the designated groups on its board. With the objective of fostering a diversity of expertise, viewpoint and competencies, the board charter provides that the nominations and corporate governance committee may consider a number of factors, including membership in a designated group, in assessing potential nominees. The nominations and corporate governance committee assesses the work experience, other expertise, individual competencies and diversity of age, regional association and the designated groups that each existing director possesses and whether each nominee is able to fill any gaps amongst the existing directors. Additionally, the committee may consider any other factors that it believes to be relevant. The company does not believe that any one of these dimensions should be considered in isolation and without due regard to all of the other factors, in determining the ability of potential directors to contribute to the work of the board of directors.

Currently, the number and percentage of directors and nominees who are members of the designated groups are:

Designated group (a)	Number	Percent (%)
Women	2 of 7 (board) 2 of 5 (independent directors)	29 40
Aboriginal peoples	0 of 7	0
Persons with disabilities	0 of 7	0
Members of visible minorities	0 of 7	0

(a) Defined under the *Employment Equity Act (Canada)*

The above diversity disclosure relies on voluntary self-identification by directors, and therefore only represents the information of individuals who have chosen to self-identify. The information has not been independently verified by the company. The board nominee composition charts on page 16 show the diversity of our board nominees with respect to gender, experience and regional association, but do not reflect membership in other designated groups.

Executive officer diversity

The company believes inclusion and diversity are key competitive strengths that are critical to maintaining the company's position as an industry leader. To ensure commitment at all levels of the company, inclusion and diversity, anti-harassment and equal employment opportunity performance is stewarded annually to the company's management committee. There is an in-depth succession planning process, which includes the consideration of various aspects of diversity as well as plans to address gaps, if any, for key positions. The company's internal training programs emphasize the value of collaboration, appreciating differences and sustaining an inclusive work environment, keeping inclusion and diversity top-of-mind with all employees. Imperial also values external perspective and expertise, and collaborates with leading diversity organizations to help shape our future inclusion and diversity plans. The company also supports educational development and recruiting practices that facilitate the employment of Indigenous peoples. Imperial maintains a supportive work environment through a range of development and networking programs, including employee-led diversity networks that are focused on common interests.

In considering potential nominees for executive officer appointments, the executive resources committee considers diversity of gender and the other designated groups, work experience, other expertise, individual competencies and other dimensions of diversity in addition to the other factors described on page 53. The company has not adopted a target regarding members of the designated groups in executive officer positions. The company does not believe that any one of these dimensions should be considered, without due regard to all of these other factors, in determining the ability of potential nominees to fill executive officers positions.

Currently, the number and percentage of executive officers of the company and its major subsidiaries who are members of the designated groups are:

Designated group (a)	Number	Percent (%)
Women	9 of 28	32
Aboriginal peoples	0 of 28	0
Persons with disabilities	0 of 28	0
Members of visible minorities	0 of 28	0

(a) Defined under the Employment Equity Act (Canada)

The above diversity disclosure relies on voluntary self-identification by executive officers, and therefore only represents the information of individuals who have chosen to self-identify. The information has not been independently verified by the company.

Shareholder engagement

Shareholder engagement strategy focuses on wide-ranging dialogue between shareholders and management.

The company's senior management regularly meet with institutional investors and shareholders through industry conferences, roadshows and company hosted investor events. Materials from these conferences and hosted events are available on our website. For shareholders that are not able to attend our annual meeting in person, the company offers a webcast of the event. The webcast is available on the company website along with speeches and presentations from the annual general meeting and the outcome of the voting on each resolution. The company also hosts regular quarterly earnings calls in connection with earnings releases, and archives of these calls (including transcripts) are available on Imperial's website for one year after each call. These calls allow the company to provide more insight and context regarding the company's performance, as well as directly address questions from the investment community.

The company annually solicits questions and comments from shareholders through the annual meeting of shareholders. The comments received are reviewed by senior management providing them with an indication of areas of interest to our shareholders, and those requiring a response are answered individually. In addition, the company's Investor Relations team proactively reaches out to shareholders to obtain their views on matters identified broadly by shareholders, including to solicit feedback on the company's approach to executive compensation. The Investor Relations team is available to respond to shareholder and investor queries throughout the year.

Largest shareholder

Exxon Mobil Corporation is the majority shareholder of the company, holding 69.6% of the company's shares.

To the knowledge of the directors and executive officers of the company, the only shareholder who, as of February 12, 2020, owned beneficially, or exercised control or direction over, directly or indirectly, more than five percent of the outstanding common shares of the company is Exxon Mobil Corporation, 5959 Las Colinas Boulevard, Irving, Texas 75039-2298, which owns beneficially 514,498,911 common shares, representing approximately 69.6 percent of the outstanding voting shares of the company. As a consequence, the company is a "controlled company" for purposes of the listing standards of the NYSE American LLC and a "majority controlled company" for purposes of the TSX Company Manual.

Transactions with Exxon Mobil Corporation

The company has written procedures and controls that require any transactions between the company and ExxonMobil and its subsidiaries to be reviewed by controllers, tax, treasurers and legal to ensure that each agreement meets the company's policies and procedures, is fair, and complies with legal and tax requirements. These agreements may also be subject to review by the chairman, president, and chief executive officer. Annual training is provided for key individuals to ensure awareness of the requirements for identifying related party transactions, and procedures are in place to ensure reporting of these transactions is complete and accurate. Related party transactions with ExxonMobil and its subsidiaries are analyzed and reviewed by management on a quarterly basis to understand any significant variances from period to period, and reviewed with the board of directors on an annual basis.

On June 27, 2018, the company implemented a 12-month "normal course" share purchase program. Between June 27, 2018 and June 26, 2019, the company purchased 12,280,431 common shares on the open market and a corresponding 28,110,765 common shares from ExxonMobil concurrent with, but outside of the program to maintain its shareholding at approximately 69.6 percent. On June 27, 2019, a further 12-month normal course share purchase program was implemented. Under the current program, the company may purchase up to 38,211,086 common shares (five percent of its outstanding common shares as of June 13, 2019) from the open market, less the amount purchased from ExxonMobil concurrent with, but outside of the program to maintain its ownership percentage at approximately 69.6 percent. As of February 12, 2020, under the current program, the company has purchased 7,159,953 common shares on the open market and 16,390,978 common shares from ExxonMobil.

The amounts of purchases and sales by the company and its subsidiaries for other transactions in 2019 with ExxonMobil and its affiliates were \$3,245 million and \$8,552 million, respectively. These transactions were conducted on terms as favourable as they would have been with unrelated parties, and primarily consisted of the purchase and sale of crude oil, natural gas, petroleum and chemical products, as well as technical, engineering and research and development services. Transactions with ExxonMobil also included amounts paid and received in connection with the company's participation in a number of upstream activities conducted jointly in Canada. In addition, the company has existing agreements with affiliates of ExxonMobil to provide information technology and customer support services to the company and to share common business and operational support services to allow the companies to consolidate duplicate work and systems. The company has a contractual agreement with an affiliate of ExxonMobil in Canada to operate certain western Canada production properties owned by ExxonMobil. There are no asset ownership changes.

The company and that affiliate also have a contractual agreement to provide for equal participation in new upstream opportunities. During 2007, the company entered into agreements with ExxonMobil and one of its affiliated companies that provide for the delivery of management, business and technical services to Syncrude Canada Ltd. by ExxonMobil.

As at December 31, 2019, the company had an outstanding loan of \$4,447 million under an existing agreement with an affiliated company of ExxonMobil that provides for a long term, variable rate loan from ExxonMobil to the company of up to \$7.75 billion (Canadian) at market interest rates. The agreement is effective until June 30, 2025, cancellable if ExxonMobil provides at least 370 days advance written notice. Additionally, the company had outstanding short-term loans of \$111 million from an affiliated company of ExxonMobil. This loan is borrowed under an arrangement with ExxonMobil that provides for a non-interest bearing, revolving demand loan from ExxonMobil to the company of up to \$150 million and represents ExxonMobil's share of a working capital facility required to support purchasing, marketing, transportation and derivative arrangements for crude oil and diluent products undertaken by the company on behalf of ExxonMobil.

Company executives and executive compensation

Named executive officers of the company

The named executive officers of the company at year end 2019 are listed below. In connection with R.M. Kruger's announcement of his intention to retire at the end of 2019, B.W. Corson was appointed to the board and as president of the company on September 17, 2019. Mr. Corson is reported as a named executive officer due to the compensation received for his position as president during 2019. Mr. Kruger continued to hold the positions of chairman and chief executive officer until his retirement and resignation from the board on December 31, 2019. Mr. Corson assumed the additional roles of chairman and chief executive officer on January 1, 2020. All other named executive officers remain in their positions as of February 12, 2020.

Richard M. Kruger, 60

Calgary, Alberta, Canada



Position held at the end of 2019 (date office held):

Chairman and chief executive officer
(September 17, 2019 – December 31, 2019)

Other positions in the past five years (position, date office held and status of employer):

Chairman, president and chief executive officer
(2013 – September 16, 2019)

Daniel E. Lyons, 57

Calgary, Alberta, Canada



Position held at the end of 2019 (date office held):

Senior vice-president, finance and administration, and controller
(2018 – Present)

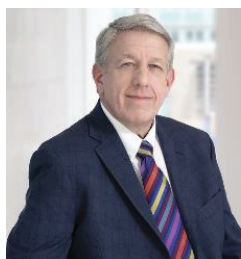
Other positions in the past five years (position, date office held and status of employer):

Vice-president, downstream business services and downstream treasurer, Exxon Mobil Corporation
(2015 – 2018) (Affiliate)

Vice-president, downstream business services and downstream controller, Exxon Mobil Corporation
(2010 – 2015) (Affiliate)

Bradley W. Corson, 58

Calgary, Alberta, Canada



Current position (date office held):

Chairman, president and chief executive officer
(January 1, 2020 – Present)

Position held at the end of 2019 (date office held):

President
(September 17, 2019 – Present)

Other positions in the past five years (position, date office held and status of employer):

President, ExxonMobil Upstream Ventures
(2015 – 2019) (Affiliate)

John R. Whelan, 54
Calgary, Alberta, Canada



Position held at the end of 2019 (date office held):

Senior vice-president, upstream
(2017 – Present)

Other positions in the past five years (position, date office held and status of employer):

Vice-president production, upstream
(2016 – 2017)

Production manager, mining, upstream
(2013 – 2015)

Theresa B. Redburn, 58
Calgary, Alberta, Canada



Position held at the end of 2019 (date office held):

Senior vice-president, commercial and corporate development
(2017 – Present)

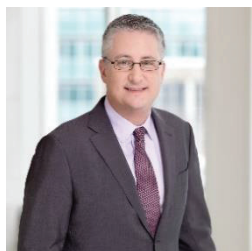
Other positions in the past five years (position, date office held and status of employer):

Vice-president, upstream commercial
(2014 – 2016)

Other executive officers of the company

In addition to the named executive officers listed on the two previous pages (with the exception of R.M. Kruger), the following individuals are executive officers of the company as of February 12, 2020.

Jonathan R. Wetmore, 47 *Calgary, Alberta, Canada*



Position held (date office held):

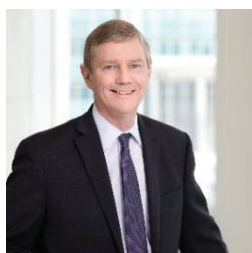
Vice-president, Imperial Oil downstream and manager, western Canada fuels
(2018 – Present)

Other positions in the past five years (position, date office held and status of employer):

Manager, supply and manufacturing
(June 2017 – December 2017)

Refinery manager, Fawley UK, UK Esso Petroleum Company Ltd
(2013 – 2017) (Affiliate)

Glenn R. Peterson, 59 *Calgary, Alberta, Canada*



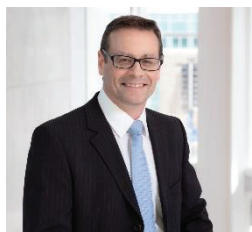
Position held (date office held):

Treasurer
(2017 – Present)

Other positions in the past five years (position, date office held and status of employer):

Senior business advisor, Treasurer's
(2000 – 2017)

Bruce A. Jolly, 52 *Calgary, Alberta, Canada*



Position held (date office held):

Assistant controller
(2019 – Present)

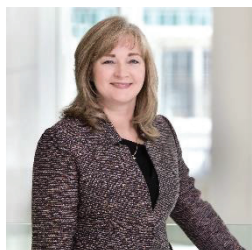
Other positions in the past five years (position, date office held and status of employer):

Canada upstream controller
(2018 – 2019)

Controller, United States upstream production, Exxon Mobil Corporation
(2016 – 2018), (Affiliate)

Manager, global downstream financial coordination, Exxon Mobil Corporation
(2013 – 2016), (Affiliate)

Denise H. Hughes, 52 *Calgary, Alberta, Canada*



Position held (date office held):

Vice-president, human resources
(2013 – Present)

Other positions in the past five years (position, date office held and status of employer):

No other positions held in the last five years

Constance D. Gemmell, 53
Calgary, Alberta, Canada



Position held (date office held):

Director, corporate tax
(2018 – Present)

Other positions in the past five years (position, date office held and status of employer):

Manager, income tax planning and advice
(2013 – 2018)

Peter M. Dinnick, 55
Calgary, Alberta, Canada



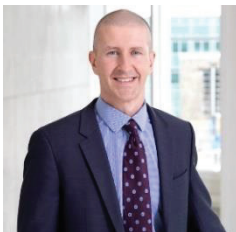
Position held (date office held):

Vice-president and general counsel
(2017 – Present)

Other positions in the past five years (position, date office held and status of employer):

Assistant general counsel, upstream
(2012 – 2016)

Ian R. Laing, 46
Calgary, Alberta, Canada



Position held (date office held):

Assistant general counsel, downstream and corporate departments, and Corporate secretary
(2019 – Present)

Other positions in the past five years (position, date office held and status of employer):

Assistant general counsel, upstream
(2017 – 2018)

Assistant general counsel, downstream
(2014 – 2016)

Letter to shareholders from the executive resources committee on executive compensation

Dear fellow shareholders:

The executive resources committee (“committee”) would like to outline for you the role of the committee in ensuring good governance in the management of executive compensation within the company.

Compensation governance

The committee is responsible for corporate policy on compensation and for specific decisions on the compensation of the chief executive officer, key senior executives and officers of the company. In exercising this responsibility, the committee views long-term orientation and the management of risk as integral elements of the compensation policies and practices of the company. These policies and practices are designed to keep management, including named executive officers, focused on the strategic objectives of the company over the long term and to effectively assess and mitigate risk in the execution of these objectives. The committee exercises oversight of a compensation program that supports the company’s objective to attract, develop and retain key talent needed to achieve its strategic objectives.

The compensation discussion and analysis (“CD&A”) section that follows describes the compensation program for the company’s named executive officers and how the program supports the business goals of the company. The company’s compensation program is designed to:

- align the interests of its executives with long-term shareholder interests;
- encourage executives to manage risk and take a long-term view when making investments and managing the assets of the business;
- reinforce the company’s philosophy that the experience, skill and motivation of the company’s executives are significant determinants of future business success; and
- promote career orientation and strong individual performance.

The compensation program design is aligned with the core elements of the majority shareholder’s compensation program, including linkage to short and mid-term aspects of incentive pay, long vesting periods, risk of forfeiture and alignment with the shareholder experience.

We execute our oversight responsibilities in this regard by ensuring the company’s program is built on sound principles of compensation design, including an annual assessment of comparator companies, appropriate risk assessment and risk management practices, sound governance principles, and support of the company’s business model. In exercising our oversight and decision making roles, the committee balances many factors each year in terms of impact on compensation decisions relative to the company’s performance.

2019 business performance results

The committee considers both business results and individual performance in its decisions. In 2019, financial performance continued to be affected by Canadian regulatory uncertainties, government decisions and low global crude prices. Notwithstanding the difficult business environment, the committee evaluated the company’s performance relative to its proven business model and strategies to deliver long-term shareholder value. Key 2019 business results include:

- Continued strong safety performance and effective management of enterprise risk and operational integrity
- \$2.2 billion in net income; \$4.4 billion cash flow from operations which was the highest since 2012
- \$2.0 billion returned to shareholders through dividends and share purchases
 - \$631 million in dividends paid and a 16 percent increase in per-share dividend declared in second quarter 2019, the 25th consecutive year of increase
 - \$1,373 million in share purchases completed, representing 38.7 million shares or 5 percent of total outstanding
- Strong performance across the upstream business line
 - 398,000 gross oil-equivalent barrels per day in total upstream production; the highest in over 25 years
 - Total gross production from Kearl averaged 205,000 barrels per day (145,000 barrels Imperial’s share)
 - Imperial’s share of gross production from Syncrude averaged 73,000 barrels per day; the highest annual performance in nearly 10 years

- Completed a number of significant planned turnaround activities across the upstream and downstream segments, including the largest planned turnaround in Kearl's history
- Progressed opportunities to add future value
 - Kearl's supplemental crushing facilities started operations in late 2019, with ramp-up of all units through early 2020. These facilities are expected to further improve reliability, reduce planned downtime, lower unit costs and enable the asset to achieve 240,000 barrels per day of total gross production in 2020 (Imperial's gross share would be about 170,000 barrels per day)
 - Continued to expand Kearl's autonomous haul truck program, with 12 units in operation at year-end
 - Completed an expansion of the Strathcona refinery facilities to increase heavy crude processing capability and asphalt production
 - Continued to progress the Strathcona co-generation project to improve energy efficiency
- Continued commitment to industry leadership in technology, innovation and sustainability
 - Invested \$170 million in research and development activities
 - Published Imperial's Energy and Carbon Summary report and Water Management Summary report
 - Partnered with the Alberta Machine Intelligence Institute to collaborate on the development of Imperial's in-house machine learning capabilities

Collectively these factors had an impact on 2019 compensation decisions for the named executive officers. The individual committee members, through their experience in stewarding compensation programs and their participation on board committees, are able to understand the company's overall objectives, operating risks and financial risks. This understanding of the company's objectives and range of business risks allows an appropriate calibration of the company's compensation policies and practices to the business model.

The committee's assessment is that the company's compensation program is working as intended and has been effectively integrated over the long term with the company's business model. The committee has recommended to the board that the CD&A be included in the company's management proxy circular for the 2020 annual meeting of shareholders. We encourage you to read the comprehensive disclosure in the CD&A that follows. The committee is committed to overseeing all aspects of the executive compensation program in the best interests of the company and all shareholders.

Submitted on behalf of the executive resources committee,

Original signed by

D.S. Sutherland,
Chair, executive resources committee

D.W. Cornhill, Vice-chair
D.C. Brownell
K.T. Hoeg
M.C. Hubbs
J.M. Mintz

Compensation discussion and analysis

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Overview

The company takes a long-term view to managing its business.

Providing energy to help meet the demands of both Canada and the rest of North America is a complex business. The company meets this challenge by taking a long-term view in managing its business rather than reacting to short-term business cycles. The company's strategies provide the framework to deliver on its commitments, create shareholder value throughout the commodity price cycle, and address the dual challenge of meeting growing energy demand while reducing environmental impacts. As such, the compensation program design aligns with the long-term sustainability of the business and supports key business strategies as outlined below:

Canadian business environment

- Large, accessible upstream resources
- Mature, competitive downstream markets
- Evolving environmental, fiscal and energy policies impacting global competitiveness
- Market access limitations, uncertainties

Business model

- Long-life, competitively advantaged assets
- Disciplined investment and cost management
- Value-chain integration and synergies
- High-impact technologies and innovation
- Operational excellence and responsible growth

Key business strategies

- Personnel safety and operational excellence
- Grow profitable production and sales volumes
- Disciplined and long-term focus on improving the productivity of the company's asset mix
- Best-in-class cost structure to support industry-leading returns on capital and superior cash flow

These key business strategies are the primary focus and support long-term growth in shareholder value.

Key elements of the compensation program

The key elements of the company's compensation program that align with the business model and support key business strategies are:

Element	Features
Restricted Stock Units (a)	<ul style="list-style-type: none">• Approximately 50 percent or more of total direct compensation for named executive officers (b)• Aligns level of executive compensation with returns of long-term shareholders• Encourages long-term view through commodity price cycle• Places significant portion of executive pay at risk of forfeiture
Annual bonus (a)	<ul style="list-style-type: none">• Approximately 10 to 20 percent of total direct compensation for named executive officers (b)• Link pay to annual company earnings performance• Actual award determined by individual performance and pay grade• 50 percent of award paid in cash at grant; 50 percent subject to delayed payout feature that is based on future earnings performance• Delayed feature provides medium-term performance metric and puts 50 percent of bonus at risk of forfeiture
Base Salary	<ul style="list-style-type: none">• Provides a base level of competitive income, determined by performance, experience and pay grade• Ties directly to retirement benefits
Retirement Benefits	<ul style="list-style-type: none">• Pension and Savings plans• Provide for financial security after employment

(a) At risk compensation.

(b) Total direct compensation includes salary, the annual bonus grant (cash and earnings bonus units awards), and the grant date fair value of the restricted stock unit award which is equal to the price of the company's common shares on the date of grant.

Management of risk

The company is governed by a comprehensive and well-established risk management system, and the company's success in managing risk over time has been achieved through emphasis on execution of this disciplined management framework. The company operates in an industry in which effective risk management is critical. The company's risk management framework includes a process for identifying, prioritizing, measuring, and managing the principal risks across the company, as well as assessing the company's response to these risks. This framework establishes common expectations for addressing risks inherent in our business and takes priority over other business and financial objectives. For further discussion on the company's risk management system and oversight, see "Risk oversight" within the "Statement of corporate governance" on page 25.

The company's long-term orientation and compensation program design encourage the highest performance standards and discourage inappropriate risk taking. The compensation program components described below are designed to incent effective management of all operating and financial risk to:

- protect the safety and security of our employees, the communities and the environment in which we operate;
- manage risk and operate the business with effective business controls;
- create sustainable value for company shareholders by increasing shareholder return, net income, return on average capital employed*; and
- advance the long-term strategic direction of the company.

Due to the long vesting periods of restricted stock units and the linkage of compensation to overall company performance, including all aspects of risk management, executive compensation is inherently designed to support the sustainability of our operations and management of risk.

* For a definition of return on average capital employed, see the "Frequently used terms" section on page 65.

Compensation components

To manage risk, a substantial portion of total compensation (excluding compensatory pension value) to senior executives is in the form of an annual bonus and restricted stock units. In the judgment of the committee, the mix of short, medium and long-term incentives strikes an appropriate balance in aligning the interests of the senior executives with the business priorities and the long-term sustainable growth of the company to create value for the shareholder. Ongoing reviews of our compensation program, including incentives, ensure continued relevance of this mix and applicability for the company.

The table below outlines the risk management elements of our compensation programs:

Compensation Components	Risk Management
Common programs	<ul style="list-style-type: none"> • All executives employed by the company, including the named executive officers, participate in common programs (the same salary, incentive and retirement programs). Similar compensation design features and allocation of awards within the programs discourage inappropriate risk taking. The compensation of executives is differentiated based on individual performance assessment, level of responsibility and individual experience. • All executives on assignment from an affiliate of the company, including the named executive officers on assignment from Exxon Mobil Corporation and ExxonMobil Canada Ltd., also participate in common programs that are administered by Exxon Mobil Corporation or such affiliates. The named executive officers on assignment receive the company's restricted stock units. • The executive resources committee reviews and approves compensation recommendations for each named executive officer prior to implementation.
Annual bonus	<ul style="list-style-type: none"> • Delayed payout – Payout of 50 percent of the annual bonus is delayed. The timing of the delayed payout is determined by earnings performance. This is a unique feature of the company's program relative to many comparator companies. • Recoupment ("claw-back") and forfeiture – The entire annual bonus is subject to claw-back and the delayed portion of the annual bonus is subject to forfeiture in the event of material negative restatement of the company's reported financial or operating results. This reinforces the importance of the company's financial controls and compliance programs. Claw-back and forfeiture provisions also apply if an executive resigns or engages in detrimental activity.

Restricted stock units	<ul style="list-style-type: none"> • Long holding periods – To further reinforce the importance of risk management and a long-term investment orientation, senior executives are required to hold a substantial portion of their equity incentive award for periods that far exceed the typical holding periods of comparator stock programs. The lengthy holding periods are tailored to the company’s business model. • Risk of forfeiture – During these long holding periods, the restricted stock units are at risk of forfeiture for resignation or detrimental activity. The long vesting periods on restricted stock units and the risk of forfeiture together support an appropriate risk/reward profile that reinforces the long-term orientation expected of senior executives.
Pension	<ul style="list-style-type: none"> • The company’s defined benefit pension plan and supplemental pension arrangements are highly dependent on executives remaining with the company for a career and performing at the highest levels until retirement. This dimension of total compensation encourages executives to take a long-term view when making business decisions and to focus on achieving sustainable growth for shareholders.

For more details about the aforementioned compensation components, see the “Compensation program” section.

Other supporting compensation and staffing practices

- A long established program of management development and succession planning is in place to reinforce a career orientation and ensure continuity of leadership.
- The use of perquisites at the company is very limited, and mainly composed of financial planning for senior executives and the selective use of club memberships which are largely tied to building business relationships.
- Tax assistance is provided for employees on expatriate assignment. This assistance consists primarily of a tax equalization component designed to maintain the employees’ overall income tax burden at approximately the same level it would have otherwise been, had they remained in their home country. The expatriate relocation program is broad-based and applies to all executive, management, professional and technical transferred employees.

Hedging policy

Company policy prohibits all employees, including executives, and directors, from being a party to derivative or similar financial instruments, including puts, calls, or other options, future or forward contracts, or equity swaps or collars, with respect to the company or Exxon Mobil Corporation stock.

Business performance and basis for compensation

The assessment of individual performance is conducted through the company’s employee appraisal program. Conducted annually, the appraisal process assesses performance against relevant business performance measures and objectives, including the means by which performance is achieved. These business performance measures may include:

- safety, health and environmental performance;
- risk management;
- total shareholder return;
- net income;
- return on average capital employed*;
- cash flow from operations and asset sales*;
- operating performance of the upstream, downstream and chemical segments; and
- progress on advancing government relations and long-term strategic interests.

* For a definition of return on average capital employed and cash flow from operations and asset sales, see the “Frequently used terms” section on page 65.

The appraisal process includes a comparative assessment of employee performance using a standard approach throughout the organization and at all levels. It is integrated with the compensation program, which results in significant pay differentiation between higher and lower performers. The appraisal process is also integrated with the executive development process. Both have been in place for many years and are the basis for planning individual development and succession for management positions. Decision-making with respect to compensation requires judgment, taking into account business and individual performance and responsibility. Quantitative targets or formulae are not used to assess individual performance or determine the amount of compensation.

Succession planning

The succession planning process fosters the company's approach to a career orientation and promotion from within. This approach strengthens continuity of leadership and supports ongoing alignment with our long-term business model. This process helps to assess the competence and readiness of individuals for senior executive positions. The executive resources committee is responsible for approving specific succession plans for the position of chairman, president and chief executive officer and key senior executive positions, including all officers of the company.

The executive resources committee regularly reviews the company's succession plans for key senior executive positions. It considers candidates for these positions from within the company and certain candidates from Exxon Mobil Corporation and its affiliates. This is an in-depth review of succession plans, which includes the consideration of various aspects of diversity as well as plans to address gaps, if any, for key executives. For example, the company has a long-standing practice to regularly review with senior management the progress of women, which includes topics such as recruitment, attrition, relocation, training and development. The representation of female company executives is approximately one third. The chairman, president and chief executive officer also discusses the strengths, progress and development needs of key succession candidates each year. This provides the board an opportunity to confirm a pipeline of key and diverse talent exists to enable achievement of long-term strategic objectives. The executive resources committee makes recommendations to the board of directors for selection of all officers of the company, as well as other key senior executive positions reporting to the chairman, president and chief executive officer.

In 2019, the executive resources committee undertook an extensive succession process that led to the appointment of B.W. Corson as successor to R.M. Kruger. The chief executive officer succession process was led by the chair of the executive resources committee and the chairman, president and chief executive officer at the time, Mr. Kruger. A short list of potential candidates was developed and Mr. Corson was selected as the preferred candidate to succeed Mr. Kruger. The board and separately, the five independent directors, interviewed Mr. Corson. The independent directors met in August and unanimously agreed to convey their support to the board regarding Mr. Corson's appointments. In September, the board approved the immediate appointment of Mr. Corson as president and a director and the subsequent appointment as chairman and chief executive officer upon Mr. Kruger's retirement.

Compensation program

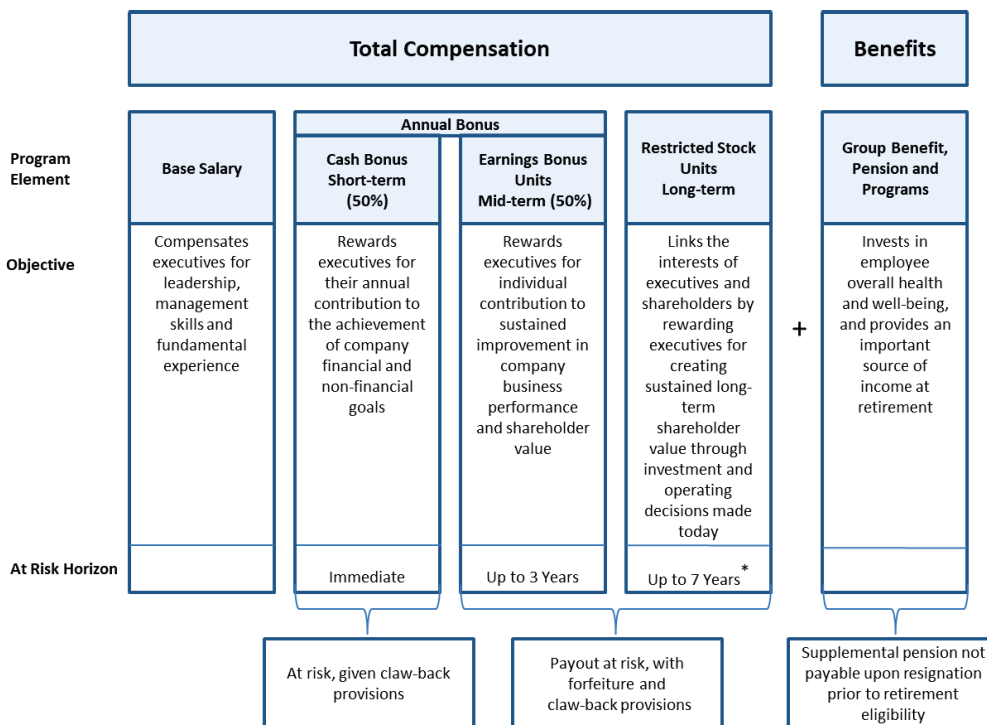
The company's compensation program is designed to reward performance, promote retention, and encourage long-term business decisions.

Career orientation

The company's objective is to attract, develop and retain over a career the best talent available. It takes a long period of time and significant investment to develop the experienced executive talent necessary to succeed in the company's business; senior executives must have experience with all phases of the business cycle to be effective leaders. The company's compensation program elements are designed to encourage a career orientation among employees at all levels of the company. Career orientation among a dedicated and highly skilled workforce, combined with the highest performance standards, contributes to the company's leadership in the industry and serves the interests of shareholders in the long term. The average company service of the named executive officers is approximately 35 years and reflects this on-going career orientation strategy.

The compensation program emphasizes individual experience and sustained performance; executives holding similar positions may receive substantially different levels of compensation. Consistent with the company's long-term career orientation, high-performing executives typically earn substantially higher levels of compensation in the later years of their careers. This pay practice reinforces the importance of a long-term focus on making decisions that are key to business success.

The company's executive compensation program is composed of base salaries, short-term cash bonus and medium and long-term incentive compensation. The company does not have written employment contracts or any other agreement with its named executive officers providing for payments on change of control or termination of employment. The following chart provides an overview of the combined elements of the compensation program for executives, including the 'pay at risk' horizon for the executives.



* For the chairman, president and chief executive officer, at risk horizon is up to 10 years or retirement, whichever is later

Base salary

Salaries provide executives with a base level of income. Individual salary increases may vary based on each executive's performance assessment and other factors such as the executive's responsibility, career development and experience. Salary decisions also directly affect the level of retirement benefits since salary is included in the retirement benefits calculation. Thus, the level of retirement benefits is also performance-based, like other elements of compensation. The salary program in 2019 maintained the company's desired competitive orientation in the marketplace.

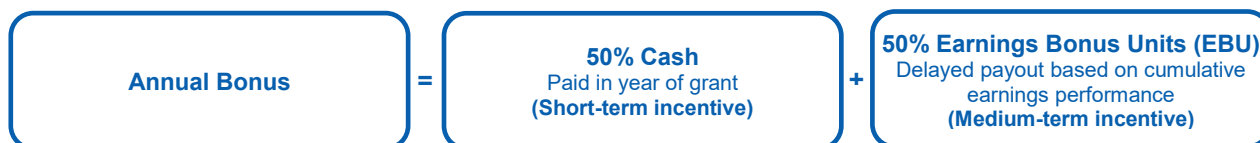
Annual bonus

The bonus program is established annually by the executive resources committee based on earnings, and can be highly variable depending on these results.

In establishing the annual bonus program, the executive resources committee:

- considers input from the chairman, president and chief executive officer on performance of the company and from the company's internal compensation advisors regarding compensation trends as obtained from external consultants;
- considers its linkage to majority shareholder bonus program given the company's working interest is included in Exxon Mobil Corporation earnings;
- considers annual net income of the company; and
- uses judgment to manage the overall size of the annual bonus program taking into consideration the cyclical nature and long-term orientation of the business.

The annual bonus program incorporates unique elements to further reinforce retention and recognize performance. Awards under this program are generally delivered as:



- The annual bonus includes the combined value of the cash bonus and delayed earnings bonus unit portion, and is intended to be competitive with the annual bonus awards of other major comparator companies.

- The cash component is intended to be a short-term incentive, while the earnings bonus unit is intended to be a medium-term incentive. Earnings bonus units are generally equal to and granted in tandem with cash bonuses. Individual bonus awards vary depending on each executive's performance assessment.
- Earnings bonus units are cash awards that are tied to future cumulative earnings per share. This is a unique feature of the company's program relative to many comparator companies.
 - Earnings bonus units pay out when a specified level of cumulative earnings per share (or trigger) is achieved or in three years at a reduced level. The trigger is intentionally set at a level that is expected to be achieved within the three-year period and reinforces the company's principle of sustained improvement in the company's business performance and aligns the interests of executives with those of long-term shareholders.
 - If cumulative earnings per share do not reach the trigger within three years, the payment with respect to the earnings bonus units will be reduced to an amount equal to the number of units multiplied by the actual cumulative earnings per share over the three-year period. The amount of the award, once vested, will never exceed the original grant value. The delayed portion for the earnings bonus unit portion of the annual bonus puts part of the annual bonus at risk of forfeiture and thus reinforces the performance basis of the annual bonus grant.

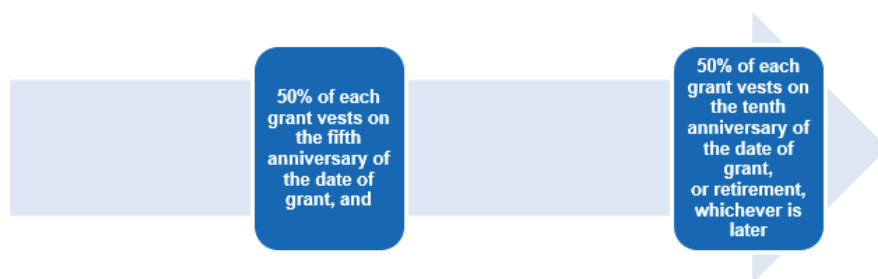
In 2019, an annual bonus was granted to approximately 65 executives to reward their contributions to the business during the past year. The cost of the 2019 annual bonus program was \$3.2 million versus \$3.8 million in 2018. For earnings bonus units granted in 2019, the maximum settlement value (trigger) or cumulative earnings per share required for payout remained at \$3.50.

Restricted stock units

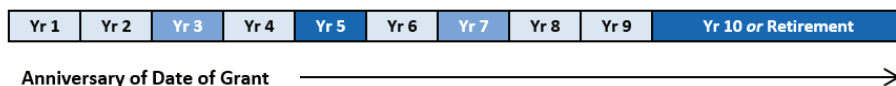
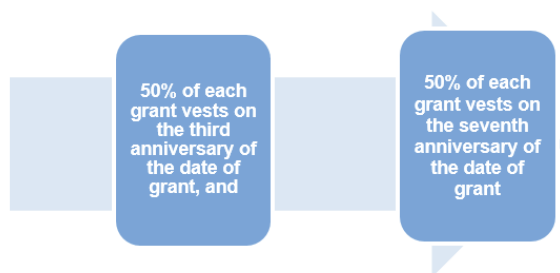
The vesting periods of the company's long-term incentive program are greater than those in use by comparator companies.

The company's only long-term incentive compensation plan is a restricted stock unit plan, in place since December 2002. Restricted stock units are granted to selected employees of the company, selected employees of a designated affiliate and nonemployee directors of the company. The current plan's vesting periods for employees are as follows:

- for the chairman, president and chief executive officer:



- for all other employees:



Granting compensation in the form of restricted stock units with long vesting periods is aligned with the long-term nature of the company's business. This stock program design helps keep executives focused on the key premise that decisions made today affect the performance of the organization and company stock for many years to come. This practice supports a risk/reward model that reinforces a long-term view, which is critical to the company's sustainable business success, and discourages inappropriate risk taking.

The basis for the grant includes an annual assessment of individual performance including a review of business performance results as noted on page 62. The amount granted is intended to provide an incentive to promote individual contribution to the company's performance and to retain employees. The restricted stock unit program awards the same number of shares for individuals with the same level of individual performance and classification or level of responsibility. Grants may be adjusted periodically based on an assessment of the program's competitive orientation. An individual's grant amount may be reduced at time of grant, if recent performance is deemed to have changed significantly at that time. As a matter of principle, the company does not offset losses on prior grants with higher share awards in subsequent grants, nor does the company re-price restricted stock units. Restricted stock units are not included in pension calculations.

The vesting periods, which are typically greater than those in use by other companies, reinforce the company's focus on growing shareholder value over the long term by linking a large percentage of executive compensation and the shareholding net worth of executives to the value of the company's stock. The long vesting periods ensure that a substantial portion of the compensation received by the chairman, president and chief executive officer, as well as other key senior executives, will be received after retirement. The value of this compensation is at risk in the event that their decisions prior to retirement negatively impact share market value after retirement. The objective of these aforementioned vesting periods is to hold senior executives accountable for many years into the future, and even into retirement, for investment and operating decisions made today. This type of compensation design removes employee discretion in the timing of exercising restricted stock units, reinforces retention objectives, and supports alignment with the long-term interests of shareholders.

In 2019, after a review of the competitive orientation of the company's restricted stock unit program, it was determined that current levels of restricted stock units were appropriate and that the program continues to align with the design of the majority shareholder's program. In 2019, 506 recipients, including 68 executives, were granted 854,800 restricted stock units.

Vesting of restricted stock units

Restricted stock units vest pursuant to the vesting provisions described in the previous section. Restricted stock units cannot be assigned. The vesting period for restricted stock unit awards is not subject to acceleration, except in the case of death.

Upon vesting, each restricted stock unit entitles the recipient to the right to receive an amount equal to the value of one common share of the company, based on the five day average closing price of the company's shares on the vesting date and the four preceding trading days. For units granted to senior executives other than the chairman, president and chief executive officer, 50 percent of the units vest as a cash payment on the third and seventh anniversary of the grant date, with the following exception: for units granted to Canadian residents, the recipient may receive one common share of the company per unit or elect to receive a cash payment for the units that vest on the seventh anniversary. For all units granted to the chairman, president and chief executive officer, upon vesting, the recipient may receive one common share of the company per unit or elect to receive a cash payment for the units. During the restricted period, the recipient will also receive cash payments equivalent to the cash dividends paid to holders of regular common stock.

The company's directors and officers as a group hold approximately 34 percent of the unvested restricted stock units that give the recipient the right to receive common shares that represent about 0.12 percent of the company's outstanding common shares. Currently, the maximum number of common shares that any one person may receive from the vesting of restricted stock units is 599,100 common shares, which is about 0.08 percent of the outstanding common shares. In the case of any subdivision, consolidation, or reclassification of the shares of the company or other relevant change in the capitalization of the company, the company, in its discretion, may make appropriate adjustments in the number of common shares to be issued and the calculation of the cash amount payable per restricted stock unit.

Exxon Mobil Corporation has a plan similar to the company's restricted stock unit plan, under which grantees may receive restricted stock or restricted stock units, both of which are referred to herein as Exxon Mobil Corporation restricted stock. R.M. Kruger holds Exxon Mobil Corporation restricted stock granted in 2012 and previous years, as well as the company's restricted stock units granted since 2013. D.E. Lyons holds Exxon Mobil Corporation restricted stock granted in 2017 and previous years, as well as the company's restricted stock units granted since 2018. B.W. Corson holds Exxon Mobil Corporation restricted stock granted in 2018 and previous years, as well as the company's restricted stock units granted in 2019. J.R. Whelan holds Exxon Mobil Corporation restricted stock granted in 2016 and previous years, as well as the company's restricted stock units granted since 2017.

Amendments to the restricted stock unit plan

In 2008, the company's restricted stock unit plan was amended to provide that the number of common shares of the company issuable under the plan to any insiders (as defined by the Toronto Stock Exchange) cannot exceed 10 percent of the issued and outstanding common shares, whether at any time or as issued in any one year. The Toronto Stock Exchange advised that this amendment did not require shareholder approval. Additionally, shareholders approved the following changes to the restricted stock unit plan:

- In addition to the existing three and seven year vesting provisions, include an additional vesting period option for 50 percent of restricted stock units to vest on the fifth anniversary of the date of grant, with the remaining 50 percent of the grant to vest on the later of the tenth anniversary of the date of grant or the date of retirement of the grantee. The recipient of such restricted stock units may receive one common share of the company per unit or elect to receive the cash payment for all units to be vested. The choice of which vesting period provision to use will be at the discretion of the company.
- Set a vesting price based on the weighted average price of the company's shares on the vesting date and the four consecutive trading days immediately prior to the vesting date.
- Set out which amendments in the future will require shareholder approval, and which amendments will only require board of directors approval. The board of directors may amend the plan without shareholder approval for RSUs previously issued or to be issued in the future, unless the amendment is with respect to:
 - increasing the shares served for issuance;
 - increasing the vesting price;
 - extending eligibility to participate in the plan to persons not included in the plan;
 - extending the right of a grantee to transfer or assign RSUs; or
 - adjusting the vesting date for any RSUs previously granted.

In 2011, the restricted stock unit plan was amended to include language confirming the long-standing practice of not forfeiting any restricted stock units in the event that grantee's continued employment terminates on or after the date grantee reaches the age of 65 in circumstances where grantee becomes entitled to an annuity under the company's retirement plan.

In 2016, the restricted stock unit plan was amended to update provisions regarding forfeiture of restricted stock units in the event of detrimental activity and to provide a new vesting option in addition to the existing vesting options previously described, such that the second 50 percent of the restricted stock units may vest on the tenth anniversary following the grant date.

Forfeiture and claw-back risk

The company's incentive plans include forfeiture and claw-back provisions that discourage employees from taking inappropriate risks and engaging in detrimental activities.

The annual bonus is subject to forfeiture and claw-back if:

- An executive retires or employment with the company terminates (for any reason, whether at initiative of employee, the company or otherwise).
 - The company has indicated its intention not to forfeit outstanding awards of employees who retire at age 65. In other circumstances, where a recipient retires or terminates employment, the company may determine that awards shall not be forfeited.
 - Risk of forfeiture and claw-back continues to exist for detrimental activity.

- An executive, without the consent of the company, engages in any activity, during employment or after retirement or the termination of employment, which is detrimental to the company, including working for a competitor.
 - In 2016, the plan was amended to extend the forfeiture period for detrimental activity from two years to the life of the award.
- There is a material negative restatement of the company's reported financial or operating results. For executive officers of the company, some or all of any unvested earnings bonus units granted in the three years prior to the restatement are subject to forfeiture. In addition, any cash amounts received from bonus or earnings bonus units that were paid out up to five years prior to the restatement are subject to claw-back.

Restricted stock units are subject to forfeiture and claw-back if:

- A recipient retires or employment with the company terminates (for any reason, whether at initiative of employee, the company or otherwise).
 - The company has indicated its intention not to forfeit restricted stock units of employees who retire at age 65. In other circumstances, where a recipient retires or terminates employment, the company may determine that restricted stock units shall not be forfeited.
 - Risk of forfeiture and claw-back continues to exist for detrimental activity.
- A recipient, without the consent of the company, engages in any activity, during employment or after retirement or termination of employment, which is detrimental to the company, including working for a competitor.
 - With respect to executives, at any time prior to vesting of the outstanding awards.
 - With respect to all other employees, for a period of up to three years after retirement or the termination of employment.
 - In 2016, the plan was amended to extend the forfeiture period for detrimental activity from two years to the periods noted.

Retirement benefits

Named executive officers participate in the same pension plan, including supplemental pension arrangements outside the registered plan, as other employees, except for R.M. Kruger, D.E. Lyons, B.W. Corson and J.R. Whelan who participate in Exxon Mobil Corporation or respective affiliates' pension plans.

Pension plan benefits

The company has provided defined benefit pension plans to its employees since 1919. The current pension plan provides a 1.5 percent accrual formula to all employees hired on and after September 1, 2015. All plan participants employed prior to the date of the change will continue to accrue pension benefits based on accrual formulae in place prior to September 1, 2015. A portion of the pension plan provides for pension benefits accrual only until December 1st in the year the employee reaches the age of 71. The company's non-registered supplemental pension arrangements address any portions of the defined benefit that cannot be paid from the registered plan due to income tax regulations that impose limits on the amounts that can be paid from a registered plan.

Any pension amounts paid to an eligible employee are subject to the employee meeting the terms of the registered pension plan, and if applicable, the criteria of the supplemental pension arrangements. No supplemental pension amounts are payable if an employee resigns before reaching retirement eligibility.

For executive officers who receive an annual bonus, the company's supplemental pension arrangements can also provide an annual benefit of either 1.5 percent or 1.6 percent of final average bonus earnings multiplied by years of service depending on the plan which they participate in. Final average bonus earnings include the average annual bonus for the three highest grants of the last five awarded prior to retirement for eligible executives, but do not include restricted stock units. Limiting the timeframe to the five years prior to retirement provides a strong incentive for executives to continue to perform at a high level. Annual bonus includes the cash amounts that are paid at grant and the maximum settlement value of any earnings bonus units received, as described starting on page 55. The value of the earnings bonus units are expected to pay out, subject to forfeiture provisions, and are therefore included for supplemental pension arrangement purposes in the year of grant rather than the year of payment.

The estimated benefits that would be payable upon retirement to each named executive officer under the company's pension plan and the supplemental pension arrangements can be found in the pension plan benefits table starting on page 71. The company does not grant additional pension service credit.

T.B. Redburn participates in the historic 1.6 percent provision of the company's plan that was closed to new participants at the end of 1997. Key features of this historic plan include:

- An annual benefit equal to 1.6 percent multiplied by final average earnings multiplied by years of service, with a partial offset for applicable government pension benefits. Final average earnings consists of base salary over the highest 36 consecutive months in the 10 years of service prior to retirement.
- An option to forego a portion of the company's matching contributions to the savings plan to receive an additional 0.4 percent of final average earnings.

R.M. Kruger, D.E. Lyons, B.W. Corson, and J.R. Whelan are not participants in the company's pension plan, but are participants in the Exxon Mobil Corporation or respective affiliates' pension plans:

- R.M. Kruger, D.E. Lyons and B.W. Corson participate in the Exxon Mobil Corporation defined benefit plan. Under this plan, the pension is payable in U.S. dollars and is calculated based on final average base salary over the highest 36 consecutive months in the 10 years of service prior to retirement, and the average annual bonus for the three highest grants of the last five awarded prior to retirement, but do not include restricted stock units.
- J.R. Whelan participates in the ExxonMobil Canada Ltd. defined contribution plan. Under this plan, the pension is payable in Canadian dollars and the contribution to the plan is calculated based on average base salary. J.R. Whelan also participates in the ExxonMobil Canada Ltd. defined benefit supplemental pension arrangement which is payable in Canadian dollars and can provide a benefit of 1.5 percent of final average bonus earnings multiplied by years of service. Final average bonus earnings include the average annual bonus for the three highest grants of the last five granted prior to retirement for eligible executives, but do not include restricted stock units.

Savings plan benefits

The company maintains a savings plan into which career employees with more than one year of service may contribute between one and 30 percent of normal earnings. The company provides contributions which vary depending on the amount of employee contributions and in which defined benefit pension arrangement the employee participates. All named executive officers are eligible to receive a company matching contribution of up to six percent, except for R.M. Kruger, D.E. Lyons, B.W. Corson and J.R. Whelan, who participate in their respective affiliates' savings plan, where applicable.

Employee and company contributions can be allocated in any combination to a non-registered (tax-paid) account, or a registered (tax-deferred) group retirement savings plan (RRSP). Employee contributions can be redirected from the tax-paid account to a tax-free savings account (TFSA). Both the RRSP and TFSA accounts are subject to contribution limits under the *Income Tax Act*.

Available investment options include cash savings, a money market mutual fund, a suite of four index-based equity or bond mutual funds and company shares. Assets in the RRSP account and company contributions to the tax-paid account may only be withdrawn upon retirement or termination of employment, reinforcing the company's long-term approach to total compensation. Income tax regulations require RRSPs to be converted into an eligible form of retirement income by the end of the calendar year in which the individual reaches age 71.

Compensation decision making process and considerations for named executive officers

Benchmarking

In addition to the assessment of business performance, individual performance and level of responsibility, the executive resources committee relies on market comparisons to a group of 22 major Canadian companies which typically have annual revenues (or the revenues of their parent companies) that exceed \$1 billion dollars.

Comparator companies

The following criteria are used to select comparator companies:

- Canadian companies or Canadian affiliates;
- large operating scope and complexity;
- capital intensive; and
- proven sustainability.

The 22 companies benchmarked are as follows:

Energy	Non-Energy
Cenovus Energy Inc.	BCE Inc.
Chevron Canada Ltd.	Canadian Pacific Railway Limited
China National Offshore Oil Corporation (a)	Canadian Tire Corporation, Limited
ConocoPhillips Canada	General Electric Canada
Devon Canada Corporation (b)	IBM Canada Ltd.
Enbridge Inc.	Proctor & Gamble Inc.
Husky Energy Inc.	Royal Bank of Canada
NOVA Chemicals Corporation	
Nutrien Ltd.	
Obsidian Energy Ltd.	
Ovintiv Inc. (c)	
Repsol Oil & Gas Canada Inc.	
Shell Canada Limited	
Suncor Energy Inc.	
TC Energy Corporation (d)	

(a) Formerly known as Nexen Energy ULC.

(b) Canadian Natural Resources Limited acquired Devon Canada Corporation in June 2019.

(c) Formerly known as Encana Corporation.

(d) Formerly known as TransCanada Corporation.

The company is a national employer drawing from a wide range of disciplines. It is important to understand its competitive orientation relative to a variety of energy and non-energy employers. Compensation trends across industries, based on survey data, are prepared annually by an independent external consultant with additional analysis and recommendation provided by the company's internal compensation advisors. Consistent with the executive resources committee's practice of using well-informed judgment rather than formulae to determine executive compensation, the committee does not target any specific percentile among comparator companies to align compensation. The focus is on a broader and more flexible orientation, generally a range around the median of the comparator energy companies' compensation. This approach applies to salaries and the annual incentive program that includes bonus and restricted stock units.

As a secondary source of data, the executive resources committee also considers a comparison with the majority shareholder when it determines the annual bonus program. For the restricted stock unit program, the executive resources committee also reviews a summary of data of the comparator companies provided by the same external consultant in order to assist in assessing total value of long-term compensation grants. As a result, grant level guidelines may be adjusted periodically to maintain the program's competitive orientation. As a matter of principle, the company does not offset losses on prior grants with higher share awards in subsequent grants, nor does the company re-price restricted stock units.

This overall approach provides the company with the ability to:

- better respond to changing business conditions;
- manage salaries based on a career orientation;
- minimize potential for automatic increasing of salaries, which could occur with an inflexible and narrow target among benchmarked companies; and
- differentiate salaries based on performance and experience levels among executives.

Details of the compensation assessment for the named executive officers are outlined on pages 62 and 63.

Analytical tools – Compensation summary sheets

The compensation summary sheet is a matrix used by the executive resources committee that shows the individual elements and total compensation for each senior executive. The summary sheet is used to understand how decisions on each individual element of compensation affect total compensation for each senior executive. The committee considers both current compensation recommendations and prior compensation results in its final determination.

The elements of Exxon Mobil Corporation and respective affiliates' compensation programs for R.M. Kruger, D.E. Lyons, B.W. Corson and J.R. Whelan, including salary and annual bonus and equity (long-term) compensation considerations, are generally similar to those of the company. The data used for long-term compensation determination for R.M. Kruger, D.E. Lyons, B.W. Corson and J.R. Whelan is as described previously, as they received company restricted stock units in 2019. The executive resources committee reviews and approves recommendations for each named executive officer prior to implementation. R.M. Kruger's compensation determination is described in more detail on page 63.

2019 named executive officer compensation assessment

When determining the annual compensation for the named executive officers, the executive resources committee has reflected on the following business performance result indicators in its determination of 2019 salary and incentive compensation.

Business performance results for consideration

The operating and financial performance results listed below and the company's continued maintenance of sound business controls and a strong corporate governance environment formed the basis for the salary and incentive award decisions made by the executive resources committee in 2019. The executive resources committee considered the results over multiple years, relative to the company's proven business model and strategies, to deliver long-term shareholder value.

- Continued strong safety performance and effective management of enterprise risk and operational integrity
- \$2.2 billion in net income; \$4.4 billion cash flow from operations which was the highest since 2012
- \$2.0 billion returned to shareholders through dividends and share purchases
 - \$631 million in dividends paid and a 16 percent increase in per-share dividend declared in second quarter 2019, the 25th consecutive year of increase
 - \$1,373 million in share purchases completed, representing 38.7 million shares or 5 percent of total outstanding
- Strong performance across the upstream business line
 - 398,000 gross oil-equivalent barrels per day in total upstream production; the highest in over 25 years
 - Total gross production from Kearl averaged 205,000 barrels per day (145,000 barrels Imperial's share)
 - Imperial's share of gross production from Syncrude averaged 73,000 barrels per day; the highest annual performance in nearly 10 years
- Completed a number of significant planned turnaround activities across the upstream and downstream segments, including the largest planned turnaround in Kearl's history
- Progressed opportunities to add future value
 - Kearl's supplemental crushing facilities started operations in late 2019, with ramp-up of all units through early 2020. These facilities are expected to further improve reliability, reduce planned downtime, lower unit costs and enable the asset to achieve 240,000 barrels per day of total gross production in 2020 (Imperial's gross share would be about 170,000 barrels per day)
 - Continued to expand Kearl's autonomous haul truck program, with 12 units in operation at year-end
 - Completed an expansion of the Strathcona refinery facilities to increase heavy crude processing capability and asphalt production
 - Continued to progress the Strathcona co-generation project to improve energy efficiency
- Continued commitment to industry leadership in technology, innovation and sustainability
 - Invested \$170 million in research and development activities
 - Published Imperial's Energy and Carbon Summary report and Water Management Summary report
 - Partnered with the Alberta Machine Intelligence Institute to collaborate on the development of Imperial's in-house machine learning capabilities

Performance assessment considerations

The preceding results form the context in which the committee assesses the individual performance of each senior executive, taking into account experience and level of responsibility.

Annually, the chairman, president and chief executive officer reviews the performance of the senior executives in achieving business results and individual development needs.

The same long-term key business strategies noted on page 51 and the company's business performance results are key elements in the assessment of the chairman, president and chief executive officer's performance by the executive resources committee.

The performance of all named executive officers is also assessed by the board of directors throughout the year during specific business reviews and board committee meetings that provide information on strategy development, operating and financial results, safety, health, and environmental results, business controls, and other areas pertinent to the general performance of the company.

The executive resources committee does not use quantitative targets or formulae to assess individual executive performance or determine compensation. The executive resources committee does not assign weights to the factors considered. Formula-based performance assessments and compensation typically require emphasis on two or three business metrics. For the company to be an industry leader and effectively manage the technical complexity and integrated scope of its operations, most senior executives must advance multiple strategies and objectives in parallel, versus emphasizing one or two at the expense of others that require equal attention.

Senior executives and officers are expected to perform at the highest level or they are replaced. If it is determined that another executive is ready and would make a stronger contribution than one of the current incumbents, a replacement plan is implemented.

2019 chief executive officer compensation assessment

In 2019, after nearly seven years leading the company as chairman, president and chief executive officer, R.M. Kruger announced his intention to retire at the end of 2019. In connection with the announcement, B.W. Corson was appointed to the board and as president of the company on September 17, 2019, and Mr. Kruger continued to hold the positions of chairman and chief executive officer until his retirement and resignation from the board on December 31, 2019.

Mr. Kruger was appointed chairman, president and chief executive officer of the company on March 1, 2013. Mr. Kruger worked for Exxon Mobil Corporation and its predecessor companies since 1981. His level of salary in 2019 was determined by the executive resources committee based on his individual performance and to align with that of his peers in ExxonMobil. It was also the objective of the executive resources committee to ensure appropriate internal alignment with senior management in the company.

Mr. Kruger's 2019 annual bonus was based on his performance as assessed by the executive resources committee since his appointment to the position of chairman, president and chief executive officer. His long-term incentive award was granted in the form of company restricted stock units, not Exxon Mobil Corporation restricted stock, to reinforce alignment of his interests with that of the company's shareholders. His company restricted stock units are subject to vesting periods longer than those applied by most companies conducting business in Canada. Fifty percent of the restricted stock units awarded vest in five years and the other 50 percent vest on the later of 10 years from the date of grant or the date of retirement. The purpose of these long vesting periods is to reinforce the long investment lead times in the business and to link a substantial portion of Mr. Kruger's shareholding net worth to the performance of the company. As such, the payout value of the long-term incentive grants may differ from the amounts shown in the summary compensation table, depending on how the company actually performs at time of future vesting. During these vesting periods, the awards are subject to risk of forfeiture based on detrimental activity even after retirement.

The executive resources committee has determined that the total compensation of Mr. Kruger was appropriate based on the company's financial and operating performance, and its assessment of his effectiveness in leading the organization relative to the business performance measures outlined on page 53. Taking all factors into consideration, the committee's decisions on compensation of the chief executive officer reflect judgment, rather than the application of formulae or targets.

As noted previously, with Mr. Kruger's announced retirement, the board of directors appointed Mr. Corson as a director and president of the company on September 17, 2019, and he assumed the additional roles of chairman and chief executive officer on January 1, 2020. Considering the full role, the committee approved an annual salary for Mr. Corson of \$733,000 U.S., effective October 1, 2019.

Pay awarded to other named executive officers

Within the context of the compensation program structure and performance assessment processes previously described, the value of 2019 incentive awards and salary adjustments align with:

- performance of the company;
- individual performance;
- long-term strategic plan of the business; and
- annual compensation of comparator companies.

Taking all factors into consideration, the executive resources committee's decisions on pay awarded to other named executive officers reflect judgment, rather than the application of formulae or targets. The executive resources committee approved the individual elements of compensation and the total compensation as shown in the summary compensation table on page 66.

Independent consultant

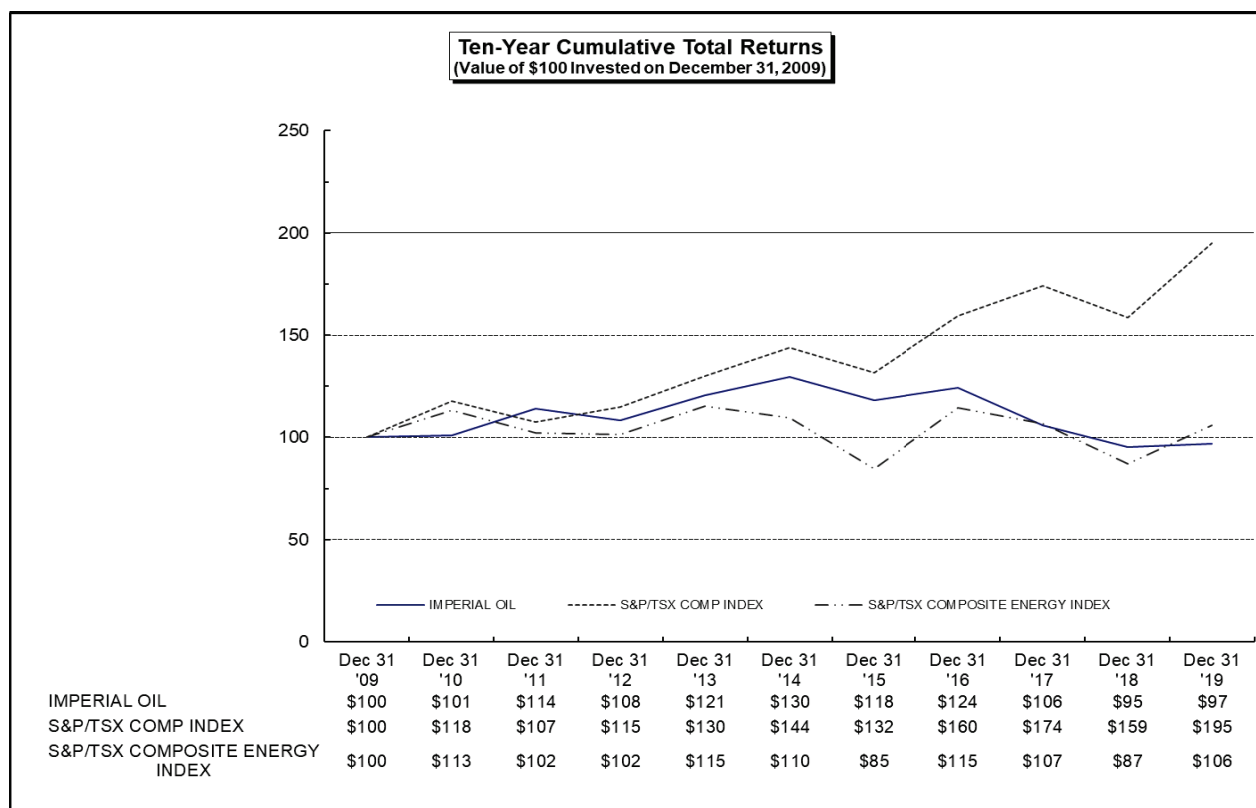
In fulfilling its responsibilities during 2019, the executive resources committee did not retain an independent consultant or advisor in determining compensation for any of the company's officers or any other senior executives. The company's management retained an independent consultant to provide an assessment of competitive compensation and market data for all salaried levels of employees of the company. While providing this data, they did not provide individual compensation recommendations or advice for the compensation of the chairman, president and chief executive officer or other senior executives.

Performance graph

The following graph shows changes over the past 10 years in the value of \$100 invested in (i) Imperial Oil Limited common shares, (ii) the S&P/TSX Composite Index, and (iii) the S&P/TSX Composite Energy Index. The S&P/TSX Composite Energy Index is currently made up of share performance data for 31 oil and gas companies including integrated oil companies, oil and gas producers and oil and gas service companies.

The year-end values in the graph represent appreciation in share price and the value of dividends paid and reinvested. The calculations exclude trading commissions and taxes. Total shareholder returns from each investment, whether measured in dollars or percent, can be calculated from the year-end investment values shown beneath the graph.

During the past 10 years, the company's cumulative total shareholder return was negative 3 percent, for an average annual return of nearly zero percent. Over the past five years, the cumulative total shareholder return was negative 25 percent. Total direct compensation for named executive officers generally reflects the trend in total shareholder returns as the largest single component of executive compensation is awarded in the form of restricted stock units with long holding periods. This design reinforces the long-term linkage between executive compensation and the shareholding net worth of executives to the return on the company's stock realized by shareholders. Total direct compensation includes salary, the annual bonus grant (cash and earnings bonus unit awards), and the grant date fair value of the restricted stock unit award which is equal to the price of the company's common shares on the date of grant.



Frequently used terms

Return on average capital employed is a measure of capital productivity, and equals net income excluding the after-tax cost of financing divided by total average capital employed. Capital employed is property, plant and equipment, and other assets, less liabilities, excluding both short-term and long-term debt, plus the company's share of equity company debt.

Cash flow from operating activities and asset sales is the sum of the net cash provided by operating activities and proceeds from asset sales reported in the consolidated statement of cash flows.

For additional information and reconciliation with respect to the terms, see the "Frequently used terms" section of the company's most recent Annual Report on Form 10-K.

Executive compensation tables and narratives

Summary compensation table

The following table shows the compensation for the chairman and chief executive officer; the senior vice-president, finance and administration, and controller; and the three other most highly compensated executive officers of the company who were serving as of the end of 2019. In connection with R.M. Kruger's announcement of his intention to retire at the end of 2019, B.W. Corson was appointed to the board and as president of the company on September 17, 2019. Mr. Corson is reported as a named executive officer due to the compensation received for his position as president during 2019. Mr. Kruger continued to hold the positions of chairman and chief executive officer until his retirement and resignation from the board on December 31, 2019. Mr. Corson assumed the additional roles of chairman and chief executive officer on January 1, 2020.

The information in the Summary compensation table includes the Canadian dollar value of base salaries, cash bonus awards and earnings bonus unit payments, long-term incentive compensation and certain other compensation. Amounts in the table pertain to the named executive officers' respective periods of assignment with the company.

Name and principal position at the end of 2019	Year	Salary (\$) (b)	Share-based awards (\$) (c)	Option-based awards (\$) (d)	Non-equity incentive plan compensation (\$)		Pension value (\$) (g)	All other compensation (\$) (h)	Total compensation (\$) (i)
					Annual incentive plans (e)	Long-term incentive plans (f)			
	2019	1,257,901	3,205,620	-	459,771	499,577	(460,858)	3,125,917	8,087,928
R.M. Kruger (a) Chairman and chief executive officer	2018	1,164,834	3,800,610	-	561,038	798,806	(1,254,381)	2,799,146	7,870,053
	2017	1,129,782	3,908,520	-	488,923	620,727	(1,159,234)	1,850,506	6,839,224
D.E. Lyons (a) Senior vice-president, finance and administration, and controller (since May 1, 2018)	2019	665,551	621,696	-	135,344	135,341	(150,729)	545,109	1,952,312
	2018	419,807	737,088	-	165,202	94,588	(102,873)	573,059	1,886,871
B.W. Corson (a) President (since September 17, 2019)	2019	187,070	2,532,116	-	376,176	317,791	(63,715)	151,909	3,501,347
	2019	499,667	712,360	-	105,754	105,913	(66,248)	174,597	1,532,043
J.R. Whelan (a) Senior vice-president, upstream	2018	484,167	844,580	-	124,905	137,431	311,288	170,206	2,072,577
	2017	476,583	868,560	-	103,758	153,810	586,051	178,832	2,367,594
	2019	501,600	712,360	-	101,800	156,548	(181,500)	82,308	1,373,116
T.B. Redburn Senior vice-president, commercial and corporate development	2018	471,600	844,580	-	123,700	82,411	442,200	66,967	2,031,458
	2017	458,000	868,560	-	99,000	128,566	549,400	55,817	2,159,343

Footnotes to the Summary compensation table for named executive officers

- (a) R.M. Kruger was on expatriate assignment from Exxon Mobil Corporation, an affiliate in the U.S., since 2013 and retired effective December 31, 2019. D.E. Lyons has been on expatriate assignment from Exxon Mobil Corporation, an affiliate in the U.S., since May 1, 2018. Although B.W. Corson's appointment as president of the company was effective September 17, 2019, his expatriate assignment from Exxon Mobil Corporation, an affiliate in the U.S., formally started November 1, 2019 reflecting a transition period from his previous role. The company incurred costs related to B.W. Corson's compensation from November 1, 2019 onwards, and a portion of his compensation between his appointment on September 17 and formal assignment on November 1, for service he provided to the company during this period. J.R. Whelan has been on domestic loan assignment from ExxonMobil Canada Ltd., an affiliate in Canada, since 2013. Their compensation is paid directly by Exxon Mobil Corporation and respective affiliates, with the exception of the compensation related to the vesting of the company's restricted stock units and dividend equivalents on outstanding restricted stock units. They also receive employee benefits under their respective affiliates' employee benefit plans, and not under the company's employee benefit plans. The company reimburses the respective affiliates for applicable compensation paid and employee benefits provided to them. The company does not reimburse Exxon Mobil Corporation for the cost of incentive awards granted by Exxon Mobil Corporation.
- (b) The amounts listed in the "Salary" column for each named executive officer on expatriate assignment (R.M. Kruger, D.E. Lyons and B.W. Corson) are paid in their local currency, but disclosed in Canadian dollars. R.M. Kruger's, D.E. Lyons' and B.W. Corson's salaries are paid in U.S. dollars and were converted to Canadian dollars at the average 2019 exchange rate of 1.3269. In 2018 and 2017 the average exchange rate was 1.2957 and 1.2986 respectively.
- (c) The grant date fair value equals the number of restricted stock units multiplied by the closing price of the company's shares on the date of grant. The closing price of the company's shares on the grant date in 2019 was \$32.38, which is the same as the accounting fair value for the restricted stock units on the date of grant. The closing price of the company's shares on the grant date in 2018 was \$38.39 and in 2017 was \$39.48, which is the same as the accounting fair value for the restricted stock units on the date of grant. The company chose this method of valuation as it believes it results in the most accurate representation of fair value.
- (d) The company has not granted stock options since 2002. The stock option plan expired in 2012.
- (e) The amounts listed in the "Annual incentive plans" column for each named executive officer represent their 2019 cash bonus. R.M. Kruger, D.E. Lyons, B.W. Corson and J.R. Whelan participate in Exxon Mobil Corporation's annual cash bonus program, which is similar to the company's plan, and is paid in U.S. dollars, but disclosed in Canadian dollars. Amounts paid in U.S. dollars were converted to Canadian dollars at the average 2019 exchange rate of 1.3269. In 2018 and 2017 the average exchange rate was 1.2957 and 1.2986 respectively.
- (f) The amounts listed in the "Long-term incentive plans" column represent earnings bonus units related to prior year grants that paid out in 2019. These are paid when the maximum settlement value (trigger) or cumulative earnings per share is achieved, or after three years. The amounts in this column do not include the value of earnings bonus units granted in 2019, the value of which will be approximately equal to the cash bonus amount disclosed in the "Annual incentive plans" column for 2019 should the maximum settlement value (trigger) be achieved, or at a reduced level after three years. The earnings bonus unit program is described starting on page 55. R.M. Kruger, D.E. Lyons, B.W. Corson and J.R. Whelan participate in Exxon Mobil Corporation's earnings bonus unit program, which is similar to the company's plan, and is paid in U.S. dollars, but disclosed in Canadian dollars. Amounts paid in U.S. dollars were converted to Canadian dollars at the average 2019 exchange rate of 1.3269. In 2018 and 2017 the average exchange rate was 1.2957 and 1.2986 respectively. Their payouts are also subject to a maximum settlement value (trigger) or cumulative earnings per share.
- (g) "Pension value" is the "Compensatory change" in pensions as of December 31, 2019 as set out in the "Pension plan benefits" table on page 71.
- (h) The amounts listed in the "All other compensation" column include dividend equivalent payments on restricted stock units granted, savings plans contributions, expatriate assignment costs, parking and the cost of perquisites including financial planning and business club memberships, as well as security costs and costs associated with participation in Exxon Mobil Corporation's executive life insurance benefit plan, as applicable.
- For each named executive officer, the aggregate value of perquisites received in 2019 was not greater than \$50,000 or 10 percent of the named executive officer's base salary.
 - It is noted that in 2019, the actual dividend equivalent payments on the company restricted stock units were \$437,429 for R.M. Kruger, \$12,096 for D.E. Lyons, \$31,900 for J.R. Whelan and \$73,230 for T.B. Redburn. The dividend equivalent payments on Exxon Mobil Corporation restricted stock granted in previous years were \$539,325 for R.M. Kruger, \$182,733 for D.E. Lyons, \$180,780 for B.W. Corson and \$105,589 for J.R. Whelan; these amounts were converted to Canadian dollars at the average 2019 exchange rate of 1.3269.
 - For the named executive officers on expatriate assignment (R.M. Kruger, D.E. Lyons and B.W. Corson), "All other compensation" also includes expatriate assignment costs which consist of expatriate allowances and the net effect of tax equalization costs in the year. Tax equalization costs include the net effect of taxes paid by the companies to local taxing authorities on behalf of the named executive officer offset by a withholding from their income that approximates the amount of tax they would pay if they had not gone on expatriate assignment. Tax equalization is an integral part of the expatriate relocation program and is designed to maintain an individual's overall tax burden at approximately the same level it would have otherwise been, had they remained in their home country. Tax equalization amounts vary from one year to the next and the net impact may be positive or negative in the year.
- (i) "Total compensation" consists of the total dollar value of "Salary", "Share-based awards", "Option-based awards", "Non-equity incentive plan compensation", "Pension value" and "All other compensation".

Outstanding share-based awards and option-based awards for named executive officers

The following table sets forth all share-based and option-based awards outstanding for each named executive officer of the company as at December 31, 2019.

Name	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#) (e)	Market or payout value of share-based awards that have not vested (\$) (e)	Market or payout value of vested share-based awards not paid out or distributed (\$) (e)
R.M. Kruger (a)	-	-	-	-	599,100	20,579,085	-
D.E. Lyons (b)	-	-	-	-	38,400	1,319,040	-
B.W. Corson (c)	-	-	-	-	78,200	2,686,170	-
J.R. Whelan (d)	-	-	-	-	66,000	2,267,100	-
T.B. Redburn	-	-	-	-	98,050	3,368,018	-

(a) R.M. Kruger was granted restricted stock units from 2013 to 2019 under the company's plan. With respect to previous years, R.M. Kruger participated in Exxon Mobil Corporation's restricted stock plan, which is similar to the company's restricted stock unit plan. Under that plan, R.M. Kruger held 118,500 Exxon Mobil Corporation restricted stock whose value on December 31, 2019 was \$10,739,686 based on a closing price for Exxon Mobil Corporation shares on December 31, 2019 of \$69.78 U.S., which was converted to Canadian dollars at the December 31, 2019 close rate of 1.2988 provided by the Bank of Canada.

(b) D.E. Lyons was granted restricted stock units in 2018 and 2019 under the company's plan. With respect to previous years, D.E. Lyons participated in Exxon Mobil Corporation's restricted stock plan, which is similar to the company's restricted stock unit plan. Under that plan, D.E. Lyons held 29,850 Exxon Mobil Corporation restricted stock whose value on December 31, 2019 was \$2,705,313 based on a closing price for Exxon Mobil Corporation shares on December 31, 2019 of \$69.78 U.S., which was converted to Canadian dollars at the December 31, 2019 close rate of 1.2988 provided by the Bank of Canada.

(c) B.W. Corson was granted restricted stock units in 2019 under the company's plan. With respect to previous years, B.W. Corson participated in Exxon Mobil Corporation's restricted stock plan, which is similar to the company's restricted stock unit plan. Under that plan, B.W. Corson held 144,200 Exxon Mobil Corporation restricted stock whose value on December 31, 2019 was \$13,068,884 based on a closing price for Exxon Mobil Corporation shares on December 31, 2019 of \$69.78 U.S., which was converted to Canadian dollars at the December 31, 2019 close rate of 1.2988 provided by the Bank of Canada.

(d) J.R. Whelan was granted restricted stock units from 2017 to 2019 under the company's plan. With respect to previous years, J.R. Whelan participated in Exxon Mobil Corporation's restricted stock plan, which is similar to the company's restricted stock unit plan. Under that plan, J.R. Whelan held 15,850 Exxon Mobil Corporation restricted stock whose value on December 31, 2019 was \$1,436,490 based on a closing price for Exxon Mobil Corporation shares on December 31, 2019 of \$69.78 U.S., which was converted to Canadian dollars at the December 31, 2019 close rate of 1.2988 provided by the Bank of Canada.

(e) Represents the total of the outstanding restricted stock units received from the company plan in 2013 through 2019. The value is based on the closing price of the company's shares on December 31, 2019 of \$34.35.

Incentive plan awards for named executive officers – Value vested or earned during the year

The following table sets forth the value of the incentive plan awards that vested in the year for each named executive officer of the company.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)(e)	Non-equity incentive plan compensation – Value earned during the year (\$)(f)
R.M. Kruger (a)	-	1,504,901	-
D.E. Lyons (b)	-	-	-
B.W. Corson (c)	-	-	-
J.R. Whelan (d)	-	-	-
T.B. Redburn	-	488,227	258,348

- (a) R.M. Kruger received restricted stock units under the company's plan from 2013 to 2019. In previous years, R.M. Kruger participated in Exxon Mobil Corporation's restricted stock plan, which is similar to the company's restricted stock unit plan. In 2019, no restrictions were removed on restricted stock granted under the Exxon Mobil Corporation plan. R.M. Kruger received an annual bonus from Exxon Mobil Corporation in 2019 and participates in Exxon Mobil Corporation's earnings bonus unit plan, which is similar to the company's earnings bonus unit plan. R.M. Kruger received \$959,348 with respect to the annual cash bonus received in 2019 and earnings bonus units granted in 2017 and paid out in 2019, which amount was paid in U.S. dollars and converted to Canadian dollars at the average 2019 exchange rate of 1.3269.
- (b) Although D.E. Lyons received restricted stock units under the company's plan in 2018 and 2019, these restricted stock units have not vested. In previous years, D.E. Lyons participated in Exxon Mobil Corporation's restricted stock plan, which is similar to the company's restricted stock unit plan. In 2019, restrictions were removed on 10,300 Exxon Mobil Corporation restricted stock having a value as at December 31, 2019 of \$933,492 based on the closing price of Exxon Mobil Corporation common shares of \$69.78 U.S., which was converted to Canadian dollars at the December 31, 2019 close rate of 1.2988 provided by the Bank of Canada. D.E. Lyons received an annual bonus from Exxon Mobil Corporation in 2019 and participates in Exxon Mobil Corporation's earnings bonus unit plan, which is similar to the company's earnings bonus unit plan. D.E. Lyons received \$270,685 with respect to the annual cash bonus received in 2019 and earnings bonus units granted in 2017 and paid out in 2019, which amount was paid in U.S. dollars and converted to Canadian dollars at the average 2019 exchange rate of 1.3269.
- (c) Although B.W. Corson received restricted stock units under the company's plan in 2019, these restricted stock units have not vested. In previous years, B.W. Corson participated in Exxon Mobil Corporation's restricted stock plan, which is similar to the company's restricted stock unit plan. In 2019, restrictions were removed on 12,400 Exxon Mobil Corporation restricted stock having a value as at December 31, 2019 of \$1,123,815 based on the closing price of Exxon Mobil Corporation common shares of \$69.78 U.S., which was converted to Canadian dollars at the December 31, 2019 close rate of 1.2988 provided by the Bank of Canada. B.W. Corson received an annual bonus from Exxon Mobil Corporation in 2019 and participates in Exxon Mobil Corporation's earnings bonus unit plan, which is similar to the company's earnings bonus unit plan. B.W. Corson received \$693,967 with respect to the annual cash bonus received in 2019 and earnings bonus units granted in 2017 and paid out in 2019, which amount was paid in U.S. dollars and converted to Canadian dollars at the average 2019 exchange rate of 1.3269.
- (d) Although J.R. Whelan received restricted stock units under the company's plan from 2017 to 2019, these restricted stock units have not vested. In previous years, J.R. Whelan participated in Exxon Mobil Corporation's restricted stock plan, which is similar to the company's restricted stock unit plan. In 2019, restrictions were removed on 7,350 Exxon Mobil Corporation restricted stock having a value as at December 31, 2019 of \$666,132 based on the closing price of Exxon Mobil Corporation common shares of \$69.78 U.S., which was converted to Canadian dollars at the December 31, 2019 close rate of 1.2988 provided by the Bank of Canada. J.R. Whelan received an annual bonus from Exxon Mobil Corporation in 2019 and participates in Exxon Mobil Corporation's earnings bonus unit plan, which is similar to the company's earnings bonus unit plan. J.R. Whelan received \$211,667 with respect to the annual cash bonus in 2019 and earnings bonus units granted in 2017 and paid out in 2019, which amount was paid in U.S. dollars and converted to Canadian dollars at the average 2019 exchange rate of 1.3269.
- (e) These values show restricted stock units granted by the company that vested in 2019. The value is based on the five day average closing price of the company's shares, which includes the vesting date and the four preceding trading days. For R.M. Kruger the value represents restricted stock units granted in 2014 which vested in 2019. For T.B. Redburn the value represents restricted stock units granted in 2012 and 2016, which vested in 2019.
- (f) These values include amounts paid by the company with respect to the 2019 annual cash bonus and earnings bonus unit granted in 2016 and 2017 which paid out in 2019. It does not include the value of earnings bonus units granted in 2019, the value of which will be approximately equal to the cash bonus amounts disclosed in the Summary compensation table "Annual incentive plans" column in 2019, should the maximum settlement value (trigger) be achieved, or at a reduced level after three years.

Equity compensation plan information

The following table provides information on the common shares of the company that may be issued as of the end of 2019 pursuant to compensation plans of the company.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#) (c)	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 the first column) (#) (c)
Equity compensation plans approved by security holders (a)	-	-	-
Equity compensation plans not approved by security holders (b)	2,605,890	-	7,875,847
Total	2,605,890		7,875,847

(a) The company's stock option plan expired in 2012.

(b) This is a restricted stock unit plan, which is described starting on page 56.

(c) The Number of securities to be issued represents the total number of restricted stock units issued since 2008 and still outstanding (4,912,805) minus the outstanding restricted stock units that are only eligible for cash (and not common shares) upon vesting (2,306,915). The Number of securities remaining available for future issuance represents the restricted stock units not yet granted (5,568,932) plus the number of outstanding restricted stock units that are only eligible for cash (and not common shares) upon vesting (2,306,915).

Restricted stock units as a percentage of outstanding shares

The following table provides information on the restricted stock unit plan, expressed as a number and as a percentage of the common shares of the company as of the end of 2019.

	Maximum number of restricted stock units issuable under the plan (#) (b)	Total number of restricted stock units awarded and outstanding (#)	Total number of restricted stock units available for grant (#)
Number	10,481,737	4,912,805	5,568,932
Percent of outstanding common shares (a)	1.41%	0.66%	0.75%

(a) As of December 31, 2019, the number of common shares outstanding was 743,902,044.

(b) The Maximum number of restricted stock units issuable under the company plan is the number as of December 31, 2018 (10,482,387) minus the common shares issued in 2019 pursuant to the vesting of restricted stock units under the plan (650 common shares).

Annual burn rate

The following table provides the annual burn rate associated with the restricted stock unit plan for each of the company's three most recent fiscal years. The annual burn rate is the number of restricted stock units granted as a percentage of the weighted average number of outstanding shares of the company, which provides a measure of how quickly a company is using its available shares for incentive purposes.

	Number of restricted stock units granted under the plan (#) (a)	Weighted average number of securities outstanding (#) (b)	Annual burn rate (%) (c)
2019	854,800	762,680,114	0.11%
2018	739,870	807,517,306	0.09%
2017	758,990	842,943,735	0.09%

(a) The Number of restricted stock units granted under the plan in the applicable fiscal year.

(b) The Weighted average number of securities outstanding during the period is the number of securities outstanding at the beginning of the period, adjusted by the number of securities bought back or issued during the period multiplied by a time-weighting factor.

(c) The Annual burn rate percent is calculated as the Number of restricted stock units granted under the plan divided by the Weighted average number of securities outstanding.

Status of prior long-term incentive compensation plans

The company's only long-term incentive compensation plan is the restricted stock unit plan described starting on page 56. There are no units outstanding for any historical plan.

Pension plan benefits

The following table provides information for each named executive officer of the company participating in a defined benefit pension plan. Information for named executive officers on assignment from affiliates of the company who participate in a plan provided by such affiliates is disclosed in the footnotes.

Name	Number of years credited service (as of December 31, 2019) (#) (a)	Annual benefits payable (\$)		Opening present value of defined benefit obligation (\$) (d)	Compensatory change (\$) (e)	Non-compensatory change (\$) (f)	Closing present value of defined benefit obligation (\$) (d)
		At year-end (b)	At age 65 (c)				
R.M. Kruger	-	-	-	-	-	-	-
D.E. Lyons	-	-	-	-	-	-	-
B.W. Corson	-	-	-	-	-	-	-
J.R. Whelan (g)	-	-	-	-	-	-	-
T.B. Redburn	34.6	402,600	492,700	7,262,000	(181,500)	897,900	7,978,400

- (a) *R.M. Kruger, D.E. Lyons and B.W. Corson participate in the Exxon Mobil Corporation defined benefit pension plan including tax-qualified and non-qualified plans. Benefits under this plan are payable in U.S. dollars and have been converted to Canadian dollars at the average 2019 exchange rate of 1.3269. Under this plan, R.M. Kruger had 38.5 years of credited service, D.E. Lyons had 29.5 years of credited service and B.W. Corson had 36.5 years of credited service. J.R. Whelan participates in the ExxonMobil Canada Ltd. defined contribution pension plan and defined benefit supplemental pension arrangement. Benefits under these plans are payable in Canadian dollars. Under these plans, J.R. Whelan had 23.4 years of credited service.*
- (b) *For members of the company's pension plan, the annual benefits include the amount of the accrued annual lifetime pension from the company's registered pension plan and supplemental pension arrangement. Benefits under the supplemental pension arrangement can be paid as a lump-sum equivalent upon retirement. For members of the Exxon Mobil Corporation pension plan, the annual benefits include the accrued annual lifetime pension from the tax-qualified and the annual amount calculated under the non-qualified plans. For R.M. Kruger this value was \$1,353,383. For D.E. Lyons this value was \$429,853. For B.W. Corson this value was \$929,506. Non-qualified plan benefits are payable only as a lump-sum equivalent upon retirement. For members of the ExxonMobil Canada Ltd. defined benefit supplemental pension arrangement, benefits are payable only as a lump-sum equivalent upon retirement. For J.R. Whelan this lump-sum value was \$1,658,900.*
- (c) *For members of the company's pension plan, the annual benefits include the amount of the accrued annual lifetime pension from the company's registered pension plan and supplemental pension arrangement that would be earned to age 65 assuming final average earnings as at December 31, 2019. Benefits under the supplemental pension arrangement can be paid as a lump-sum equivalent upon retirement. For members of the Exxon Mobil Corporation pension plan, the annual benefits include the annual lifetime pension from the tax-qualified and the annual amount calculated under the non-qualified plans that would be earned to age 65 assuming final average earnings as at December 31, 2019. For R.M. Kruger this value was \$1,501,732. For D.E. Lyons this value was \$545,504. For B.W. Corson this value was \$1,106,622. Non-qualified plan benefits are payable only as a lump-sum equivalent upon retirement. For members of the ExxonMobil Canada Ltd. defined benefit supplemental pension arrangement, benefits are payable only as a lump-sum equivalent upon retirement. For J.R. Whelan the lump-sum value that would be earned to age 65 assuming final average earnings as of December 31, 2019 was \$1,947,300.*
- (d) *For members of the company's pension plan, the opening and closing defined benefit obligation is defined under U.S. generally accepted accounting principles (GAAP) and values are calculated on a basis that is consistent with the valuation that was performed for accounting purposes for the company's plans. The value is calculated based on estimated earnings eligible for pension as described previously and Yearly Maximum Pensionable Earnings (YMPE) as defined by the Canada Revenue Agency, projected to retirement and pro-rated on service to the date of valuation. The calculations assume that the Canada Pension Plan offset is based on the annual maximum benefit at retirement and the Old Age Security (OAS) offset is based on the OAS benefit at the date of valuation, projected to retirement. For members of the Exxon Mobil Corporation and ExxonMobil Canada Ltd. pension plan respectively, the opening and closing defined benefit obligation is defined under GAAP and values are consistent with the valuation performed for accounting purposes for the applicable affiliate plan. The values are calculated based on estimated earnings eligible for pension as described previously. For R.M. Kruger the opening value was \$17,570,645 and the closing value was \$17,954,387. For D.E. Lyons the opening value was \$5,728,656 the closing value was \$6,103,397. For B.W. Corson, the opening value was \$12,541,056 and the closing value was \$13,053,586. For J.R. Whelan, the opening value was \$1,587,500 and the closing value was \$1,476,200.*
- (e) *The value for "Compensatory change" includes service cost for 2019 and the impact of change in earnings on the projected benefit obligation. For members of the company's plan, these values are calculated using the individual's additional pensionable service in 2019 and the actual salary and bonus received in 2019. For members of the Exxon Mobil Corporation and ExxonMobil Canada Ltd. pension plans, these values are calculated using the individual's additional pensionable service in 2019 and earnings as described previously. For R.M. Kruger this value was (\$460,858). For D.E. Lyons this value was (\$150,729). For B.W. Corson this value was (\$63,715). For J.R. Whelan the compensatory value was (\$206,700).*
- (f) *The value for "Non-compensatory change" includes the impact of experience not related to earnings, benefit payments and change in measurement assumptions. With respect to the company pension plan, the discount rate used to determine the closing present value of defined benefit obligation at the end of 2019 decreased to 3.1 percent, from 3.9 percent at the end of 2018, which had a positive impact on the non-compensatory change element. For members of the Exxon Mobil Corporation and ExxonMobil Canada Ltd., the value for "Non-compensatory change" includes the impact of experience not related to earnings or service. For the Exxon Mobil Corporation plan this includes the effect of interest based on a discount rate of 3.5 percent at the end of 2019, down from 4.4 percent at the end of 2018. For the ExxonMobil Canada Ltd. plan this includes the effect of interest based on a discount rate of 3.1 percent at the end of 2019, down from 3.9 percent at the end of 2018. For R.M. Kruger this value was \$844,600. For D.E. Lyons this value was \$525,470. For B.W. Corson this value was \$576,245. For J.R. Whelan the non-compensatory value was \$95,400.*
- (g) *J.R. Whelan participates in the ExxonMobil Canada Ltd. defined contribution plan. Under this plan, the affiliate contributes a percent of base pay to the fund monthly, subject to regulatory limits. The "Accumulated value at start of year" was \$588,550, the "Compensatory value" was \$140,452 reflecting affiliate contribution and investment earnings, and the "Accumulated value at year-end" was \$729,002.*

Other important information

Effective date

The effective date of this management proxy circular is February 12, 2020.

If you have a shareholder proposal for the 2021 annual meeting

Any shareholder's proposal that meets the provisions of the *Canada Business Corporations Act (the "Act")*, and is intended to be presented at the 2021 annual meeting of shareholders, must be received by the company no later than December 14, 2020. The proposal can then be included in the management proxy circular and the proxy for the 2021 annual meeting.

Financial statements

For **registered and non-registered shareholders**, if you wish to receive a copy of the annual financial statements or interim financial statements (quarterly reports) by mail, you must elect to do so directly on your proxy form or voting instruction form by responding to the questions at the bottom of the form.

Electronic delivery

All **registered shareholders** may consent to the electronic delivery of documents by providing consent and an email address directly on the proxy form. Additionally, you can simply go to Delivery of Investor Materials in the Investor Services section of our transfer agent's website, **www.astfinancial.com**, to sign up for electronic delivery.

All **non-registered shareholders** may consent to the electronic delivery of documents by following the instructions on the 'Go Paperless' insert in the notice package.

Additional information

A copy of this management proxy circular, the company's latest Form 10-K and quarterly reports can be obtained on request and without charge by writing to the investor relations manager or to the corporate secretary at the head office address below. The Form 10-K contains additional information about the company and is filed each year with Canadian and United States securities commissions and administrators. Also, all of these documents and additional information relating to the company can be found on the company's SEDAR profile at **www.sedar.com** and on the company website at **www.imperialoil.ca**.

Company head office address: 505 Quarry Park Boulevard S.E., Calgary, Alberta, Canada, T2C 5N1.

Information is also available by writing to the investor relations manager at the company's head office, or by telephone at 587-476-4743.

For all other shareholder services related inquiries, please contact:
Ian R. Laing, Assistant general counsel and corporate secretary
Telephone: 587-476-3740

Directors' approval

The board of directors has approved the contents and the sending of this circular to the shareholders.

Original signed by

I.R. Laing

Assistant general counsel and corporate secretary

Forward-looking statements

Statements of future events or conditions in this report, including projections, targets, expectations, estimates, and business plans are forward-looking statements. Forward-looking statements can be identified by words such as believe, anticipate, intend, propose, plan, goal, seek, project, predict, target, estimate, expect, strategy, outlook, schedule, future, continue, likely, may, should, will and similar references to future periods. Forward-looking statements in this report include, but are not limited to, references to Kearn production outlook and the impact from supplemental crushing facilities; the Strathcona refinery expansion and co-generation projects; the development of in-house machine learning capabilities; the expected retirement date of board members; the effects of the company's corporate governance practices, including with respect to risk management and oversight; the effectiveness of the company's ethics programs, restrictions on insider trading, related party transaction controls and diversity initiatives; the effectiveness of director and executive compensation design, including aligning with shareholder interests, managing risk, promoting long term business performance and other stated objectives; the company's succession planning process; and the executive resources committee's assessment of executive compensation.

Forward-looking statements are based on the company's current expectations, estimates, projections and assumptions at the time the statements are made. Actual future financial and operating results, including expectations and assumptions concerning demand growth and energy source, supply and mix; commodity prices, foreign exchange rates and general market conditions; production rates, growth and mix; project plans, timing, costs, technical evaluations and capacities, and the company's ability to effectively execute on these plans and operate its assets; cost savings; the adoption and impact of new facilities or technologies, including on capital efficiency, production and reductions to greenhouse gas emissions intensity; applicable laws and government policies, including taxation, climate change and production curtailment; financing sources and capital structure; and capital and environmental expenditures could differ materially depending on a number of factors. These factors include global, regional or local changes in supply and demand for oil, natural gas, and petroleum and petrochemical products and resulting price, differential and margin impacts; general economic conditions; transportation for accessing markets; political or regulatory events, including changes in law or government policy, applicable royalty rates, tax laws and production curtailment; the receipt, in a timely manner, of regulatory and third-party approvals; environmental risks inherent in oil and gas exploration and production activities; environmental regulation, including climate change and greenhouse gas regulation and changes to such regulation; currency exchange rates; availability and allocation of capital; unanticipated technical or operational difficulties; management effectiveness; project management and schedules and timely completion of projects; unexpected technological developments; the results of research programs and new technologies, and ability to bring new technologies to commercial scale on a cost-competitive basis; operational hazards and risks; cybersecurity incidents; the ability to develop or acquire additional reserves; and other factors discussed in Item 1A risk factors and Item 7 management's discussion and analysis of financial condition and results of operations of the company's most recent annual report on Form 10-K.

Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties, some that are similar to other oil and gas companies and some that are unique to Imperial Oil Limited. Imperial's actual results may differ materially from those expressed or implied by its forward-looking statements and readers are cautioned not to place undue reliance on them. Imperial undertakes no obligation to update any forward-looking statements contained herein, except as required by applicable law.

Appendix A – Board of director and committee charters

Board of Directors Charter

The structure, process and responsibilities of the board of directors of the corporation shall include the following items and matters:

1. Responsibility

The directors shall be responsible for the stewardship of the corporation.

2. Duty of care

The directors, in exercising their powers and discharging their duties, shall:

- (a) act honestly and in good faith with a view to the best interests of the corporation; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

3. Stewardship process

In order to carry out their responsibility for stewardship within their duty of care, the directors shall, directly or through one or more committees of directors,

- (a) contribute to the formulation of and approve strategic plans on at least an annual basis;
- (b) identify the principal risks of the corporation's business where identifiable and oversee the implementation of appropriate systems to manage such risks;
- (c) oversee succession planning for senior management, including the appointing, training and monitoring thereof;
- (d) approve the corporate disclosure guidelines and monitor the external communications of the corporation;
- (e) monitor the integrity of the corporation's internal control and management information systems;
- (f) monitor the integrity of the corporation's information technology and systems to ensure the security and integrity of the corporation's electronic information, systems and assets;
- (g) consider management's recommendations regarding major corporation decisions and actions, which have significant societal implications;
- (h) monitor compliance with major corporate policies;
- (i) charge the chief executive officer of the corporation with the general management and direction of the business and affairs of the corporation;
- (j) monitor the performance of the chief executive officer;
- (k) satisfy itself as to the integrity of the chief executive officer and other executive officers and ensure that the chief executive officer and the other executive officers create a culture of integrity throughout the company;
- (l) annually review and approve the corporation's code of ethics and business conduct;
- (m) monitor compliance with the code of ethics and business conduct, provided that any waivers from the code that are granted for the benefit of the issuer's directors or executive officers should be granted by the board only;
- (n) determine appropriate measures are in place for receiving feedback from stakeholders;
- (o) by appropriate charter resolutions, establish the audit, executive resources, nominations and corporate governance, public policy and corporate responsibility and community engagement and collaboration

committees of the board with specific duties defined and the corporation provide each board committee with sufficient funds to discharge its responsibilities in accordance with its charter;

- (p) determine membership of each committee, including its chair and vice-chair, after receiving the recommendation of the nominations and corporate governance committee;
- (q) direct the distribution to the board by management of information that will enhance their familiarity with the corporation's activities and the environment in which it operates, as set out in section 5;
- (r) review the corporation's process in respect of employee conflicts of interest and directorships in non-affiliated commercial, financial and industrial organizations and the disclosures thereof;
- (s) review the mandates of the board and of the committees and their effectiveness at least annually; and
- (t) undertake such additional activities within the scope of its responsibilities as it may deem appropriate.

4. Range of items to be considered by the board

The following categories and specific items shall be referred to the board for information or decision on a regularly scheduled basis, to the extent appropriate:

Organization/legal

- fixing of the number of directors
- director appointments to fill interim vacancies
- director slate for election by the shareholders
- officer appointments
- board governance processes
- by-laws and administrative resolutions
- changes in fundamental structure of the corporation
- shareholder meeting notice and materials
- non-employee director compensation
- policies adopted by the board
- investigations and litigation of a material nature

Financial

- equity or debt financing
- dividend declarations
- financial statements and the related management discussion and analysis, annual and quarterly
- status of the corporation's retirement plan and employee savings plan

Strategic/investment/operating plans/performance

- near-term and long-range outlooks
- capital, lease, loan and contributions budgets annually
- budget additions over \$250 million individually
- quarterly updates of actual and projected capital expenditures
- capital expenditures or dispositions in excess of \$250 million individually
- entering into any venture that is outside of the corporation's existing businesses
- financial and operating results quarterly
- Canadian and world economic outlooks
- regional socio-economic reviews
- information technology, systems and cybersecurity

In addition to the items which are specific to the categories identified above, the chief executive officer shall refer to the board for information or decision all other items of corporate significance; and any member of the board may request a review of any such item. Items to be referred to the committees of the board are specified in their respective charters.

5. Information to be received by the board

Material shall be distributed to directors through the office of the corporate secretary. Corporate policies, board calendars, contact information and other company processes, are updated on the board portal site and accessible to all directors.

Material under the following general headings, including the specific items listed below and only other similar items, shall be distributed to directors on a regular basis:

Organization/legal

- articles of incorporation, by-laws and administrative resolutions
- corporate policies
- corporate data
- board and management processes
- financial and operating report
- organization outline

Social/political/economic environment

- public issues updates
- economic outlook
- external communications packages
- information technology, systems and cybersecurity updates

Major announcements

- press releases
- speeches by management
- organization changes

Communications to shareholders

Other significant submissions, studies and reports

6. Meetings of the board

- (a) The board normally holds seven (7) regular meetings per year. Additional meetings may be scheduled as required to consider the range of items charged for consideration by the board.
- (b) An agenda for each board meeting and briefing materials will, to the extent practicable in light of the timing of matters that require board attention, be distributed to each director approximately five to seven days prior to each meeting. The chairman, in consultation with the chair of the executive sessions will normally set the agenda for board meetings. Any director may request the inclusion of specific items.
- (c) It is expected that each director will make every effort to attend each board meeting and each meeting of any committee on which he or she sits. Attendance in person is preferred but attendance by teleconference is permitted if necessary.
- (d) Each director should be familiar with the agenda for each meeting, have carefully reviewed all other materials distributed in advance of the meeting, and be prepared to participate meaningfully in the meeting, and to discuss all scheduled items of business.
- (e) The proceedings and deliberations of the board and its committees are confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director, and the chief executive officer, or those whom he or she has designated, will speak for the corporation.

7. Independent directors

- (a) The board shall be composed of a majority of independent directors. The board may also include one or more directors who are not independent, but who, as officers of the majority shareholder, may be viewed as independent of the company's management.
- (b) In respect of each director to be appointed to fill a vacancy and each director to be nominated for election or re-election by the shareholders, the board shall make an express determination as to whether he or she is an independent director and, for a director who may become a member of the audit committee, whether he or she is an audit committee financial expert or financially literate.
- (c) The term "independent", shall have the meaning as set out in applicable law, including on the basis of the standards specified by National Instrument 52-110 Audit Committees, the US. Securities and Exchange Commission rules and the listing standards of the NYSE American LLC.
- (d) Independent directors will have full access to senior management of the corporation and other employees on request to discuss the business and affairs of the corporation. The board expects that there will be regular opportunities for directors to meet with the chief executive officer, and other members of management in board and committee meetings and in other formal or informal settings.
- (e) Compensation for independent directors will be determined by the board on the recommendation of the nominations and corporate governance committee and will be reviewed annually. Non-employee director compensation will be set at a level that is consistent with market practice, taking into account the size and scope of the corporation's business and the responsibilities of its directors. A substantial portion of the compensation paid to independent directors for service on the board will be paid in restricted stock units of the corporation.

8. Independent legal or other advice

It is normally expected that information regarding the corporation's business and affairs will be provided to the board by the corporation's management and staff and by its independent auditors. However, the board and, with the approval of the board, any director, may engage independent counsel and other advisors at the expense of the corporation. The fees and expenses of any such advisor will be paid by the corporation.

9. Meetings of the independent directors in the absence of members of management

- (a) Meetings of the independent directors ("executive sessions of the board") shall be held in conjunction with all board meetings including unscheduled telephonic board meetings. Additional executive sessions may be convened by the chair or the executive sessions at his or her discretion and will be convened if requested by any other director. Any independent director may raise issues for discussion at an executive session.
- (b) The chair of the executive sessions of the board shall be chosen by the independent directors.
- (c) The chair of the executive sessions of the board, or in the chair's absence an independent director chosen by the independent directors, shall
 - (i) preside at executive sessions of the board;
 - (ii) ensure that meetings of the independent directors are held in accordance with this charter;
 - (iii) review, and modify if necessary the agenda of the meetings of the board in advance to ensure that the board may successfully carry out its duties; and
 - (iv) act as a liaison with the chairman, including providing feedback from the executive sessions to the chairman, provided that each director will also be afforded direct and complete access to the chairman at any time as such director deems necessary or appropriate.
- (d) The purposes of the executive sessions of the board shall include the following:
 - (i) to raise substantive issues that are more appropriately discussed in the absence of management;
 - (ii) to discuss the need to communicate to the chairman of the board any matter of concern raised by any committee or any director;

- (iii) to address issues raised but not resolved at meetings of the board and assess any follow-up needs with the chairman of the board;
- (iv) to discuss the quality, quantity, and timeliness of the flow of information from management that is necessary for the independent directors to effectively and responsibly perform their duties, and advise the chairman of the board of any changes required; and
- (v) to seek feedback about board processes.

10. Selection and tenure of directors

The nominations and corporate governance committee shall recommend to the board a slate of director candidates for election at each annual meeting of shareholders and shall recommend to the board directors to fill vacancies, including vacancies created as a result of any increase of the size of the board.

The guidelines for selection and tenure of directors shall be as follows:

(a) Selection

In considering the qualifications of potential nominees for election as directors, the nominations and corporate governance committee considers the work experience and other areas of expertise of the potential nominees with the objective of providing for diversity among non-employee directors. The following key criteria are considered to be relevant to the work of the board of directors and its committees:

Work Experience

- Experience in leadership of businesses or other large organizations (Leadership of large organizations)
- Operations/technical experience (Operations / technical)
- Project management experience (Project management)
- Experience in working in a global work environment (Global experience)
- Experience in development of business strategy (Strategy development)

Other Expertise

- Audit committee financial expert
- Expertise in financial matters (Financial expertise)
- Expertise in managing relations with government (Government relations)
- Experience in academia or in research (Academic / research)
- Expertise in information technology and cybersecurity oversight (Information technology / Cybersecurity oversight)
- Expertise in executive compensation policies and practices (Executive compensation)

In addition, the nominations and corporate governance committee may consider the following additional factors:

- possessing expertise in any of the following areas: law, science, marketing, administration, social/political environment or community and civic affairs;
- individual competencies in business and other areas of endeavour in contributing to the collective experience of the directors; and
- providing diversity in age, regional association, gender and other diversity elements (including Aboriginal peoples, persons with disabilities and members of visible minorities).

The nominations and corporate governance committee shall then assess what work experience and other expertise each existing director possesses. The nominations and corporate governance committee shall identify individuals qualified to become new board members and recommend to the board the new director nominees. In making its recommendations, the nominations and corporate governance committee shall consider the work experience and other expertise that the board considers each existing director to possess and which each new nominee will bring. The nominations and corporate governance committee may also consider the additional factors noted above and any other factors which it believes to be relevant.

A candidate may be nominated for directorship after consideration has been given as to his or her degree of compatibility with the following criteria, i.e., as to whether he or she:

- will not adversely affect the requirements with respect to citizenship and residency for the directors imposed by the *Canada Business Corporations Act*;
- will not adversely affect the corporation's status as a foreign private issuer under U.S. securities legislation;
- possesses the ability to contribute to the broad range of issues with which the directors and any one or all of the committees of directors must deal;
- will serve on the boards of other public companies only to the extent that such services do not detract from the director's ability to devote the necessary time and attention as a director;
- is able to devote the necessary amount of time to prepare for and attend all meetings of the directors and committees of directors, and to keep abreast of significant corporate developments;
- is free of any present or apparent potential legal impediment or conflict of interest, such as:
 - serving as an employee or principal of any organization presently providing a significant level of service to the corporation or which might so provide to the corporation, for example, institutions engaged in commercial banking, underwriting, law, management consulting, insurance, or trust companies; or of any substantial customer or supplier of the corporation;
 - serving as an employee or director of a competitor of the corporation, such as petroleum or chemical businesses, or of a significant competitor of corporations represented by a director of this corporation;
 - serving as the chief executive officer or a top administrator of an organization that has the chief executive officer or a top administrator of this corporation serving as director;
- is expected to remain qualified to serve for a minimum of five years;
- will not, at the time that he or she stands for election or appointment, have attained the age of 72;
- if an independent director, is, or will become within a period of five years of becoming a director, the beneficial owner, directly or indirectly, of not less than 15,000 common shares, deferred share units or restricted stock units of the corporation.

(b) Tenure

(i) Re-nomination

An incumbent director shall be supported for re-nomination as long as he or she:

- does not suffer from any disability that would prevent the effective discharge of his or her responsibilities as a director;
- makes a positive contribution to the effective performance of the directors;
- regularly attends directors' and committee meetings;
- has not made a change with respect to principal position or thrust of involvement or regional association that would significantly detract from his or her value as a director of the corporation;
- is not otherwise, to a significant degree, incompatible with the criteria established for use in the selection process;

- in a situation where it is known that a director will become incompatible with the criteria established for use in the selection process within a three-month period of election, such as retirement from principal position at age 65, this information would be included in the management proxy circular, and where possible, information regarding the proposed replacement would also be included;
- will not, at the time that he or she stands for re-election, have attained the age of 72; however, under exceptional circumstances, at the request of the chairman, the nominations and corporate governance committee may continue to support the nomination.

(ii) Resignation

An incumbent director will resign in the event that he or she:

- experiences a change in circumstances such as a change in his or her principal occupation, including an officer of the corporation ceasing to hold that position, but not merely a change in geographic location;
- displays a change in the exercise of his or her powers and in the discharge of duties that, in the opinion of at least 75 percent of the directors, is incompatible with the duty of care of a director as defined in the *Canada Business Corporations Act*;
- has made a change in citizenship or residency that will adversely affect the requirements for directors with respect to those areas imposed by the *Canada Business Corporations Act*;
- has made a change in citizenship or residency that adversely affects the corporation's status as a foreign private issuer under U.S. securities legislation;
- develops a conflict of interest, such as
 - assuming a position as an employee or principal with any organization providing a significant level of service to the corporation, for example, institutions engaged in commercial banking, underwriting, law, management consulting, insurance, or trust companies; or with any substantial customer or supplier of the corporation;
 - assuming a position as an employee or director of any competitor of the corporation, such as petroleum or chemical businesses, or of a competitor of corporations represented by a director of this corporation;
 - assuming the position of chief executive officer or a top administrator of an organization that has the chief executive officer or a top administrator of this corporation serving as a director;
 - becomes unable to devote the necessary amount of time to prepare for and regularly attend meetings of the directors and committees of directors, and to keep abreast of significant corporate developments,

and the nominations and corporate governance committee will make a recommendation to the board as to whether to accept or reject such resignation.

11. Election of Directors

All directors will stand for election at the annual meeting of shareholders. If the majority shareholder's holdings were ever to fall below 50% for any non-contested elections of directors, any director nominee who receives a greater number of votes "withheld" from his or her election than votes "for" in such election shall tender his or her resignation. Within 90 days after certification of the election results, the board will decide, through a process managed by the nominations and corporate governance committee and excluding the nominee in question, whether to accept the resignation. Absent a compelling reason for the director to remain on the board, the board shall accept the resignation. The board will promptly disclose and, if applicable, the reasons for rejecting the tendered resignation.

12. Director Orientation and Continuing Education

(a) Orientation

New non-employee directors will receive a comprehensive orientation from appropriate executives regarding the corporation's business and affairs.

(b) Continuing Education

Reviews of aspects of the corporation's operations will be presented by appropriate employees from time to time as part of the agenda of regular board meetings. The board will also normally conduct an on-site visit to a location other than the corporation's headquarters in conjunction with one or more regular board meetings every year.

13. Chairman and chief executive officer

The board currently believes that it is appropriate and efficient for the corporation's chief executive officer to also act as chairman of the board. However, the board retains the authority to separate those functions if it deems such action appropriate in the future.

(a) Position description

The chairman and chief executive officer shall:

- plan and organize all activities of the board of directors;
- ensure that the board receives sufficient, timely information on all material aspects of the corporation's operations and financial affairs;
- chair annual and special meetings of the shareholders;
- conduct the general management and direction of the business and affairs of the corporation;
- recommend to the board of directors a strategic plan for the corporation's business and, when approved by the board of directors, implement this strategic plan and report to the board of directors on the implementation of this strategic plan;
- develop and implement operational policies to guide the corporation within the limits prescribed by the corporation's by-laws and the directions adopted by the board of directors;
- identify, for review with the board of directors, the principal risks of the corporation's business, where identifiable, and develop appropriate systems to manage such risks;
- under the oversight of the board of directors, develop plans for succession planning for senior management, including the appointing, training and monitoring thereof, and implement those plans;
- ensure compliance with the corporation's code of ethics and business conduct so as to foster a culture of integrity throughout the company; and
- ensure effective internal controls and management information systems are in place.

(b) Minimum shareholding requirements

The chairman and chief executive officer shall hold, or shall, within three years after his appointment as chairman and chief executive officer, acquire shares of the corporation, including common shares and restricted stock units, of a value no less than five times his base salary.

Audit Committee Charter

1. Purpose of the Committee

The primary purpose of the audit committee (the "committee") is oversight. The committee shall assist the board of directors (the "board") in fulfilling its responsibility to oversee:

- management's conduct of the corporation's financial reporting process,
- the integrity of the financial statements and other financial information provided by the corporation to Canadian securities regulators, the United States Securities and Exchange Commission (the "SEC") and the public,
- the corporation's system of internal accounting and financial controls,
- the corporation's compliance with legal and regulatory requirements,
- the performance of the corporation's internal audit function,
- the independent auditors' qualifications, performance, and independence, and
- the annual independent audit of the corporation's financial statements.

The corporation's management is responsible for preparing the corporation's financial statements. The independent auditors are responsible for auditing those financial statements. Management, including the internal audit function, and the independent auditors, have more time, knowledge, and detailed information about the corporation than do committee members. Consequently, in carrying out its oversight responsibilities, the committee is not providing any expert or special assurance as to the corporation's financial statements, or any professional certification as to the independent auditors' work, including with respect to auditor independence. Each member of the committee shall be entitled to rely on the integrity of people and organizations from whom the committee receives information and the accuracy of such information, including representations by management and the independent auditors regarding non-audit services provided by the independent auditors.

2. Committee Membership

The committee shall consist of no fewer than three members. Committee members shall be appointed by the board from among its independent members who shall serve at the pleasure of the board, but only so long as he or she continues to be a directors of the corporation and is independent. Each member of the committee must satisfy such criteria of independence as the board may establish and such additional regulatory or listing requirements as the board may determine to be applicable or appropriate. Each member of the committee shall serve only so long as he or she continues to be a director of the corporation and is independent. The actual number of members shall be determined from time to time by resolution of the board.

Accordingly, each member of the committee shall be financially literate within a reasonable period of time after appointment to the committee; must be "independent" as defined in the board charter; and may not serve on more than two other public company audit committees unless the board determines that such simultaneous service would not impair the ability of the member to serve effectively on the committee. In addition, at least one member of the committee shall be an "audit committee financial expert" as defined by applicable laws.

3. Committee Structure and Operation

The chair and vice-chair of the committee shall be designated by the board from among the members of the committee. The committee shall fix its own rules of procedure and shall meet where and as provided by such rules or by resolution of the committee. In addition to the regular meeting schedule established by the committee, the chair of the committee may call a special meeting at any time.

The chair, or in that person's absence, the vice-chair or in the vice-chair's absence, an alternate designated by the committee, shall:

- (a) preside at committee meetings;
- (b) ensure that meetings of the committee are held in accordance with this charter; and
- (c) review, and modify if necessary the agenda of the meetings of this committee in advance to ensure that the committee may effectively carry out its duties.

A majority of the members of the committee shall constitute a quorum thereof. Every question shall be decided by a majority of the votes cast on the question and in the case of an equality of votes, the chair of the meeting shall be entitled to a second or casting vote.

The committee shall designate its secretary.

Meetings of the committee may be called by any member or by the external auditors of the corporation, and notice of every meeting shall be given to the external auditors.

The external auditors and the internal auditor of the corporation shall report directly to the audit committee.

The committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous written consent.

The committee may establish sub-committees to carry out such duties as the committee may assign.

4. Committee Activities

The following shall be the common recurring activities of the committee in carrying out its purposes. These activities are set forth as a guide with the understanding that the committee may diverge from this guide as appropriate given the circumstances.

The committee shall:

- (a) recommend the external auditors to be appointed by the shareholders, review and recommend their remuneration to the board, approve advances on such remuneration, which shall be paid by the corporation, and oversee their work, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- (b) approve the proposed current year audit program of the external auditors and assess the results of the program after the end of the program period.
- (c) approve in advance any non-audit services that are permitted by applicable law to be performed by the external auditors after considering the effect of such services on their independence.
- (d) receive from the external auditors a formal written statement delineating all relationships between the external auditor and the corporation consistent with Independence Standards Board Standard 1, and shall actively engage in a dialogue with the external auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditor and shall recommend that the board take any appropriate action to oversee the independence of the external auditor.
- (e) maintain hiring policies for employees and former employees of the independent auditors.
- (f) establish procedures for the receipt, retention and treatment of complaints received by the corporation regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the corporation of concerns regarding questionable accounting or auditing matters.
- (g) approve the proposed current year audit program of the internal auditors and assess the results of the program after the end of each quarter.

- (h) review the adequacy of the corporation's system of internal controls and auditing procedures.
- (i) review the accounting and financial reporting processes of the corporation.
- (j) approve changes proposed by management in accounting principles and practices, and review changes proposed by the accounting profession or other regulatory bodies which impact directly on such principles and practices.
- (k) review the quarterly news release of financial and operating results, the annual and quarterly financial statements of the corporation, any accounting items affecting the statements and the overall format and content of the statements, and the related management discussion and analysis, prior to approval of such news release and financial statements by the board of directors.
- (l) review the results of the corporation's business ethics compliance program.
- (m) review annually a summary of senior management expense accounts.
- (n) evaluate, along with the other members of the board, management, the controller, and the general auditor, the qualifications, performance and independence of the independent auditors, including the performance of the lead audit partner.
- (o) require attendances at its meetings by members of management, as the committee may direct.
- (p) undertake such additional activities within the scope of its responsibilities as it may deem appropriate.

5. Committee Evaluation

The committee will annually complete a self-evaluation of the committee's own performance and effectiveness and will consider whether any changes to the committee's charter are appropriate.

6. Resources and Authority of the Committee

The committee has exclusive authority with respect to the retention of the independent auditors described in section 4 of this charter. In discharging its oversight role, the committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the corporation. The committee also has the authority to retain outside advisors, including legal counsel, auditors, or other experts, as it deems appropriate; to approve the fees and expenses of such advisors; and to incur such other ordinary administrative expenses as are necessary or appropriate in carrying out its duties.

Public Policy and Corporate Responsibility Committee Charter

1. Purpose of the Committee

The primary purpose of the public policy and corporate responsibility committee (the 'committee') is to review and provide advice, as the committee deems appropriate, regarding the corporation's policies, programs and practices on public issues of significance including their effects on safety, health and the environment. This includes environmental, health and safety performance, along with compliance with legislation, and the assessment of long term impacts of public policy on corporate performance.

2. Committee Membership

The committee shall consist of no fewer than three members, to be appointed by the board of directors from among (a) the independent directors; and (b) the non-independent directors who are not members of the corporation's management, who shall serve at the pleasure of the board, but only so long as he or she continues to be a director of the corporation. The actual number of members shall be determined from time to time by resolution of the board. Members of the committee should be suitably knowledgeable in matters pertaining to public issues.

3. Committee Structure and Operation

The chair and vice-chair of the committee shall be designated by the board from among the members of the committee. The committee shall fix its own rules of procedure and shall meet where and as provided by such rules or by resolution of the committee.

The chair, or in that person's absence, the vice-chair or in the vice-chair's absence, an alternate designated by the committee, shall:

- (a) preside at committee meetings;
- (b) ensure that meetings of the committee are held in accordance with this charter; and
- (c) review, and modify if necessary the agenda of the meetings of this committee in advance to ensure that the committee may effectively carry out its duties.

A majority of the members of the committee shall constitute a quorum thereof. Every question shall be decided by a majority of the votes cast on the question and in the case of an equality of votes, the chair of the meeting shall be entitled to a second or casting vote.

The committee shall designate its secretary.

Meetings of the committee may be called by any member.

The committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous written consent.

The committee may establish subcommittees consisting of one or more members to carry out such duties as the committee may delegate.

4. Committee Activities

The following shall be the common recurring activities of the committee in carrying out its purpose. These activities are set forth as a guide with the understanding that the committee may diverge from this guide as appropriate given the circumstances.

The committee shall:

- (a) review and monitor the effectiveness of the corporation's policies, programs and practices on safety, health and environment, and make such recommendations to the board with respect thereto as it may deem advisable.
- (b) monitor the corporation's compliance with legislative, regulatory and corporation standards for environmental, health and safety practices and matters, and advise the directors on the results and adequacy thereof.
- (c) monitor trends and review current and emerging public policy issues relating to matters of significance to the corporation, including environment, health and safety issues as they may impact the corporation's operations.
- (d) review the impact of proposed legislation relating to matters of significance to the corporation, including the impact of the environment, health and safety on the operations of the corporation and to advise the directors and management as to the appropriate response of the corporation thereto.
- (e) recommend to the directors and management desirable policies and actions arising from its review and monitoring activity.
- (f) require attendances at its meetings by members of management, as the committee may direct.
- (g) undertake such additional activities within the scope of its responsibilities as it may deem appropriate.

5. Committee Evaluation

The committee will annually complete a self-evaluation of the committee's own performance and effectiveness and will consider whether any changes to the committee's charter are appropriate.

6. Resources and Authority of the Committee

The committee has the authority to retain such outside advisors, including legal counsel or other experts, as it deems appropriate, and to approve the fees and expenses of such advisors.

Executive Resources Committee Charter

1. Purpose of the Committee

The primary purpose of the executive resources committee (the "committee") is to discharge the board of directors' (the "board") responsibilities relating to the evaluation and compensation of the corporation's chief executive officer (the "CEO") and certain other key senior executive management positions reporting directly to the CEO, including all officers of the corporation, and to discharge the responsibilities of the committee under applicable rules and regulations. The committee also makes recommendations to the board regarding succession planning and development for senior executives and positions as needed.

2. Committee Membership

The committee shall consist of no fewer than three members, to be appointed by the board of directors from among (a) the independent directors; and (b) the non-independent directors who are not members of the corporation's management, who shall serve at the pleasure of the board, but only so long as he or she continues to be a director of the corporation. The actual number of members shall be determined from time to time by resolution of the board. Members of the committee should be suitably knowledgeable in matters pertaining to executive compensation.

3. Committee Structure and Operation

The chair and vice-chair of the committee shall be designated by the board from among the members of the committee. The committee shall fix its own rules of procedure and shall meet where and as provided by such rules or by resolution of the committee.

The chair, or in that person's absence, the vice-chair or in the vice-chair's absence, an alternate designated by the committee, shall:

- (a) preside at committee meetings;
- (b) ensure that meetings of the committee are held in accordance with this charter; and
- (c) review, and modify if necessary the agenda of the meetings of this committee in advance to ensure that the committee may effectively carry out its duties.

A majority of the members of the committee shall constitute a quorum thereof. Every question shall be decided by a majority of the votes cast on the question and in the case of an equality of votes, the chair of the meeting shall be entitled to a second or casting vote.

The committee shall designate its secretary.

Meetings of the committee may be called by any member.

The committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous written consent.

The committee may establish subcommittees consisting of one or more members to carry out such duties as the committee may delegate.

4. Committee Activities

The following shall be the common recurring activities of the committee in carrying out its purposes. These activities are set forth as a guide with the understanding that the committee may diverge from this guide as appropriate given the circumstances.

The committee shall:

- (a) review and approve the corporate goals and objectives relevant to the compensation of the CEO.
- (b) review data on competitive compensation practices and review and evaluate policies and programs through which the corporation compensates its employees.
- (c) at least annually evaluate the CEO's performance as measured against the goals and objectives outlined above.
- (d) approve salaries and other compensation (including supplemental compensation such as cash bonuses and incentive bonus units, long-term incentive compensation such as restricted stock units, and any other payments for service), for the CEO and other key senior executive management positions reporting directly to the CEO, including all officers of the corporation.
- (e) at least annually review succession planning and development strategies for the CEO and key senior executive management positions reporting directly to the CEO, including all officers of the corporation.
- (f) review the executive development system to ensure that it foresees the corporation's senior management requirements and provides for early identification and development of key resources.
- (g) review and approve an annual report on compensation for inclusion in the corporation's management proxy circular in accordance with applicable legal requirements.
- (h) make recommendations to the board with respect to incentive compensation plans and equity-based plans.
- (i) review proposed terms of any new incentive program and any major amendment of an existing program, and make such recommendations to the board with respect thereto as it may deem advisable.
- (j) review and report on risks arising from the corporation's compensation policies and practices for employees as required by Canadian securities regulators and stock exchanges on which the corporation's stock trades.
- (k) consider factors that could affect the independence or represent a conflict of interest on the part of any compensation consultant, independent legal counsel, or other adviser the committee may retain and report thereon as required by Canadian securities regulators and stock exchanges on which the corporation's stock trades.
- (l) require attendances at its meetings by members of management, as the committee may direct.
- (m) undertake such additional activities within the scope of its responsibilities as it may deem appropriate.

5. Committee Evaluation

The committee will annually complete a self-evaluation of the committee's own performance and effectiveness and will consider whether any changes to the committee's charter are appropriate.

6. Resources and Authority of the Committee

The committee and, with the approval of the committee, any member, may engage independent counsel, compensation consultants or other advisors at the expense of the corporation. The committee shall be directly responsible for the appointment, compensation and oversight of the work of any independent legal counsel, compensation consultant or other advisor retained by the committee. The committee may select outside legal counsel, a compensation consultant or other advisor (an "Advisor") to the committee only after taking into consideration all factors relevant to the Advisor's independence from management, including the following:

- the provision of other services to the corporation by the person that employs the Advisor;
- the amount of fees received from the corporation by the person that employs the Advisor as a percentage of such that person's total revenue;
- the policies and procedures of the person that employs the Advisor that are designed to prevent conflicts of interest;
- any business or personal relationship of the Advisor with a member of the committee;
- any stock of the corporation owned by the Advisor; and
- any business or personal relationship of the Advisor or the person employing the Advisor with an executive officer of the corporation.

Nominations and Corporate Governance Committee Charter

1. Purpose of the Committee

The primary purpose of the nominations and corporate governance committee (the 'committee') is to monitor compliance with good corporate governance standards; to identify individuals qualified to become board members; to recommend to the board director nominees for election at the annual meeting of shareholders or for election by the board to fill open seats between annual meetings; to recommend to the board committee appointments for directors, including appointments as chair and vice chair of such committees; to review and make recommendations to the board regarding non-employee director compensation; and to develop and recommend to the board corporate governance guidelines applicable to the corporation.

2. Committee Membership

The committee shall consist of no fewer than three members, to be appointed by the board of directors from among (a) the independent directors; and (b) the non-independent directors who are not members of the corporation's management, who shall serve at the pleasure of the board, but only so long as he or she continues to be a director of the corporation. The actual number of members shall be determined from time to time by resolution of the board. Members of the committee should be suitably knowledgeable in matters pertaining to corporate governance.

3. Committee Structure and Operation

The chair and vice-chair of the committee shall be designated by the board from among the members of the committee. The committee shall fix its own rules of procedure and shall meet where and as provided by such rules or by resolution of the committee.

The chair, or in that person's absence, the vice-chair or in the vice-chair's absence, an alternate designated by the committee, shall:

- (a) preside at committee meetings;
- (b) ensure that meetings of the committee are held in accordance with this charter; and
- (c) review, and modify if necessary the agenda of the meetings of this committee in advance to ensure that the committee may effectively carry out its duties.

A majority of the members of the committee shall constitute a quorum thereof. Every question shall be decided by a majority of the votes cast on the question and in the case of an equality of votes, the chair of the meeting shall be entitled to a second or casting vote.

The committee shall designate its secretary.

Meetings of the committee may be called by any member.

The committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous written consent.

The committee may establish subcommittees consisting of one or more members to carry out such duties as the committee may delegate.

4. Committee Activities

The following shall be the common recurring activities of the committee in carrying out its purpose. These activities are set forth as a guide with the understanding that the committee may diverge from this guide as appropriate given the circumstances.

The committee shall:

- (a) oversee issues of corporate governance as they apply to the corporation, including the effectiveness of the system of corporate governance, and the board's relationship with management, and report to the board on such matters.
- (b) oversee the annual assessment of the effectiveness and contribution of the board, its committees and each individual director.
- (c) make recommendations to the board as to the appropriate size of the board with a view to facilitating effective decision-making.
- (d) review and recommend to the board of directors any modifications to the charters of the board or any of its committees.
- (e) review qualifications of existing directors and individuals suggested as potential candidates for director of the corporation, including candidates suggested by shareholders, and consider for nomination any of such individuals who are deemed qualified pursuant to the provisions of the board charter.
- (f) recommend to the board the nominees to be proposed by the board for election as directors of the corporation at the annual meeting of shareholders.
- (g) recommend to the board candidates for election as directors of the corporation to fill open seats on the board between annual meetings, including vacancies created by an increase in the authorized number of directors.
- (h) consider resignations tendered by directors in the event of:
 - (i) the majority shareholder's holdings falling below 50%, for any non-contested election of directors in the event a nominee standing for election by shareholders in a non-contested election receives a greater number of votes withheld from his or her election than votes for such election and, in any such case, refer the matter to the board with the committee's recommendation whether such resignation should be accepted, or
 - (ii) a change of circumstance as described in section 10(b)(ii) of the board charter.
- (i) review the remuneration of independent directors and make such recommendations to the board with respect thereto as it may deem advisable.
- (j) review present plans, programs or arrangements, and any proposed terms of any new plans, programs or arrangements, for the benefit of independent directors, and make such recommendations to the board with respect thereto as it may deem advisable.
- (k) review and recommend to the board guidelines to be adopted relating to tenure of independent directors.
- (l) provide recommendations to the board concerning committee structure of the board, committee operations, committee member qualifications, and committee member appointment.
- (m) review any allegation that an executive officer or director may have violated the corporation's Standards of Business Conduct and report its findings to the board and the general auditor.
- (n) require attendances at its meetings by members of management, as the committee may direct.
- (o) undertake such additional activities within the scope of its responsibilities as it may deem appropriate.

5. Committee Evaluation

The committee will annually complete a self-evaluation of the committee's own performance and effectiveness and will consider whether any changes to the committee's charter are appropriate.

6. Resources and Authority of the Committee

The committee has the authority to retain such outside advisors, including legal counsel or other experts, as it deems appropriate, and to approve the fees and expenses of such advisors. Without limiting the foregoing, the committee will have sole authority to retain and terminate any search firm to be used by the committee to identify director candidates and any consultant used by the committee to evaluate non-employee director compensation.

Community Collaboration and Engagement Committee Charter

1. Purpose of the Committee

The primary purpose of the community engagement and collaboration committee (the 'committee') is to review and provide advice on the corporation's guidelines, procedures and performance supporting public awareness and consultation efforts, government, community and Indigenous relations, and community partnership and investment programs.

2. Committee Membership

The committee shall consist of no fewer than three members to be appointed by the board from among its members who shall serve at the pleasure of the board, but only so long as he or she continues to be a director of the corporation. The actual number of members shall be determined from time to time by resolution of the board. Members of the committee should be suitably knowledgeable in matters pertaining to issues relating to corporate contributions and community investment.

3. Committee Structure and Operation

The chair and vice-chair of the committee shall be designated by the board from among the members of the committee. The committee shall fix its own rules of procedure and shall meet where and as provided by such rules or by resolution of the committee. In addition to the regular meeting schedule established by the committee, the chair of the committee may call a special meeting at any time.

The chair, or in that person's absence, the vice-chair or in the vice-chair's absence, an alternate designated by the committee, shall:

- (a) preside at committee meetings;
- (b) ensure that meetings of the committee are held in accordance with this charter; and
- (c) review, and modify if necessary the agenda of the meetings of this committee in advance to ensure that the committee may effectively carry out its duties.

A majority of the members of the committee shall constitute a quorum thereof. Every question shall be decided by a majority of the votes cast on the question and in the case of an equality of votes, the chair of the meeting shall be entitled to a second or casting vote.

The committee shall designate its secretary.

Meetings of the committee may be called by any member.

The committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous written consent.

The committee may establish subcommittees consisting of one or more members to carry out such duties as the committee may delegate.

4. Committee Activities

The following shall be the common recurring activities of the committee in carrying out its purpose. These activities are set forth as a guide with the understanding that the committee may diverge from this guide as appropriate given the circumstances.

The committee shall:

- (a) review and monitor the effectiveness of the corporation's programs and practices supporting public awareness and consultation activities.
- (b) monitor trends and review current and emerging issues related to government, stakeholder and Indigenous relations.
- (c) review and provide advice on the corporation's overall community investment strategies and programs, which consists of:
 - (i) charitable contributions;
 - (ii) local community contributions by business units on community-serving projects that also benefit the corporation, which are charitable in nature;
 - (iii) funding for public policy groups;
 - (iv) university research awards;
 - (v) sponsorships whose primary purpose is to promote community support and corporate recognition; and
 - (vi) expenditures required under socio-economic agreements to support the development of mutually-beneficial long-term relationships.
- (d) approve all grants or contributions for charitable contributions and local community contributions; as described in section 4(c)(i) above, in excess of \$300,000.
- (e) require attendances at its meetings by members of management, as the committee may direct.
- (f) undertake such additional activities within the scope of its responsibilities as it may deem appropriate.

5. Committee Evaluation

The committee will annually complete a self-evaluation of the committee's own performance and effectiveness and will consider whether any changes to the committee's charter are appropriate.

6. Resources and Authority of the Committee

The committee has the authority to retain such outside advisors, including legal counsel or other experts, as it deems appropriate, and to approve the fees and expenses of such advisors.



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