

## 2012 RESTRICTED BONUS AWARD INCENTIVE PLAN

The Board of Directors of Cardinal Energy Ltd. ("**Cardinal**") has adopted this restricted bonus award incentive plan (the "**Plan**") governing the issuance of Bonus Awards (as defined herein) of Cardinal to Service Providers (as defined herein).

### 1. Purposes

The principal purposes of the Plan are as follows:

- (a) to retain and attract qualified Service Providers that Cardinal and the Cardinal Entities require; and
- (b) to promote a proprietary interest in Cardinal by such Service Providers and to encourage such persons to remain in the employ or service of Cardinal and the Cardinal Entities and put forth maximum efforts for the success of the affairs of Cardinal and the business of the Cardinal Entities.

### 2. Definitions

As used in this Plan, the following words and phrases shall have the meanings indicated:

- (a) "**Adjustment Ratio**" means, with respect to any Bonus Award, the ratio used to adjust the number of Common Shares to be issued on the applicable Issue Date pertaining to such Bonus Award for Dividends and, in respect of each Bonus Award, shall be equal to one plus the amount, rounded to the nearest five decimal places, equal to a fraction, having as its numerator the arithmetic total of the Dividends, expressed as an amount per Common Share, declared on each Dividend Record Date following the Grant Date of the initial Bonus Award, and having as its denominator the Fair Market Value of the Common Shares on the first Business Day of the calendar month in which the Issue Date occurs;
- (b) "**Award Value**" means, with respect to any Bonus Award, an amount equal to the value of a notional number of Common Shares granted pursuant to such Bonus Award, as such number may be adjusted in accordance with the terms of the Plan, multiplied by the Fair Market Value of a Common Share;
- (c) "**Black-Out Period**" means a period of time imposed by the Board pursuant to the policies of Cardinal upon certain Service Providers during which those persons may not trade in any securities of Cardinal;
- (d) "**Board**" has the meaning set forth in **Section 3** hereof;
- (e) "**Bonus Award**" means an award whose Award Value is computed by reference to equal to a notional number of Common Shares made pursuant to the Plan, for which payment shall be made on the Payment Date(s) in accordance with the terms of **Section 6** hereof;
- (f) "**Bonus Award Agreement**" has the meaning set forth in **Section 6** hereof;
- (g) "**Cardinal Entities**" means, collectively, any of Cardinal's subsidiaries, partnerships, trusts or other controlled entities;
- (h) "**Business Day**" means a day other than a Saturday, Sunday or a day when banks in the City of Calgary, Alberta are not generally open for business;
- (i) "**Cessation Date**" means the date that is the earlier of:
  - (i) the date the Optionee ceases to be a Service Provider actively engaged in carrying out regular and normal duties for Cardinal or a Cardinal Entity; or

- (ii) the date of termination of any contractual agreement between Cardinal or a Cardinal Entity and a Service Provider; or
- (iii) the date the Optionee has been provided with written notice of termination referred to in (ii) above; or
- (iv) in the case of a director, the date of resignation of that director; or
- (v) the date of the of the Service Provider's death or disability, as the case may be.

For greater certainty, a transfer of employment or services between Cardinal and a Cardinal Entity or between Cardinal Entities shall not be considered an interruption or termination of the active employment of an employee or the active provision of regular and normal duties of a Service Provider for any purpose of the Plan;

(j) **"Change of Control"** means:

- (i) a successful "take-over bid" as defined in Multilateral Instrument 62-104 or any replacement or successor provisions ("**MI 62-104**"), which is not exempt from the take-over bid requirements of MI 62-104, pursuant to which the "offeror" as a result of such take-over bid, beneficially owns, directly or indirectly, in excess of 50% of the outstanding Total Common Shares;
- (ii) the issuance to or acquisition by any person, or group of persons acting in concert, of directly, or indirectly, including through an arrangement, merger or other form of reorganization of Cardinal, of Common Shares of Cardinal which in the aggregate total 50% or more of the then issued and outstanding Total Common Shares;
- (iii) the winding up or termination of Cardinal or the sale, lease or transfer of all or substantially all of the directly or indirectly held assets of Cardinal to any other person or persons (other than pursuant to an internal reorganization or in circumstances where the business of Cardinal is continued,

provided that notwithstanding the application of any of the foregoing, a **"Change of Control"** shall be deemed to not have occurred:

- (iv) pursuant to an arrangement, merger or other form of reorganization of Cardinal where the holders of the outstanding voting securities or interests of Cardinal immediately prior to the completion of the reorganization will hold more than 50% of the outstanding voting securities or interests of the continuing entity upon completion of the reorganization; or
- (v) if a majority of the Board determines that in substance an arrangement, merger or reorganization has not occurred or the circumstances are such that a Change of Control should be deemed to not have occurred and any such determination shall be binding and conclusive for all purposes of the Plan;

(k) **"Common Shares"** means common shares of Cardinal;

(l) **"disability"** means:

- (i) a Service Provider who has been placed on long term disability under Cardinal's long term disability plan or, if such Service Provider is not covered by Cardinal's long term disability plan, would meet the requirements to be placed on long term disability under Cardinal's long term disability plan if covered; and

- (ii) Cardinal has not made a determination to designate the Service Provider's status as being on a Leave of Absence;
- (m) "**Dividend**" means any dividend declared by Cardinal in respect of the Common Shares, whether in the form of cash, Common Shares or other securities or other property, expressed as an amount per Common Shares;
- (n) "**Dividend Payment Date**" means any date that a Dividend is paid to Shareholders;
- (o) "**Dividend Record Date**" means the applicable record date in respect of any Dividend used to determine the Shareholders entitled to receive such Dividend;
- (p) "**Exchange**" means the Toronto Stock Exchange or, if the Common Shares are not then listed and posted for trading on the Toronto Stock Exchange, on such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board;
- (q) "**Expiry Date**" means, in connection with each Bonus Award made pursuant to the Plan, means December 15th of the third year following the year in which the Bonus Award was granted;
- (r) "**Fair Market Value**" with respect to a Common Share, as at any date means the weighted average of the prices at which the Common Shares traded on the Exchange (or, if the Common Shares are not then listed and posted for trading on the Exchange or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the Common Shares are then listed and posted for trading as may be selected for such purpose by the Board in its sole discretion) for the five (5) trading days on which the Common Shares traded on the said exchange immediately preceding such date. In the event that the Common Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Common Shares as determined by the Board in its sole discretion, acting reasonably and in good faith. If initially determined in United States dollars, the Fair Market Value shall be converted into Canadian dollars at an exchange rate selected and calculated in the manner determined by the Board from time to time acting reasonably and in good faith;
- (s) "**Grant Date**" means the grant date for a Bonus Award;
- (t) "**Grantee**" has the meaning set forth in **Section 4** hereof;
- (u) "**Insider**" has the meaning set forth in the applicable rules of the Exchange for this purpose;
- (v) "**Leave of Absence**" means a period of time designated as a "leave of absence" by the Board which is in excess of three (3) months;
- (w) "**Leave Expiration Term**" means ten (10) Business Days from the date that any Leave of Absence ends;
- (x) "**Non-Management Director**" means a director of Cardinal who is not an officer or employee of Cardinal or a Cardinal Entity;
- (y) "**Other Incentive Plan**" means Cardinal's stock option plan dated effective November 5, 2012, as amended from time to time;
- (z) "**Payment Date**" means, with respect to any Bonus Award, the date upon which Cardinal shall pay to the Grantee the Award Value to which the Grantee is entitled pursuant to such Bonus Award in accordance with the terms hereof;
- (aa) "**Service Provider**" means certain directors, officers, consultants, employees and other service providers, as applicable of Cardinal and any Cardinal Entities;

- (bb) **"Shareholder"** means a holder of Common Shares; and
- (cc) **"Total Common Shares"** means the aggregate number of issued and outstanding Common Shares.

### **3. Administration**

- (a) The Plan shall be administered by the Board of Directors of Cardinal (the **"Board"**) or such committee of the Board as the Board considers appropriate, provided that the Board shall have the authority in its sole discretion to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan subject to and not inconsistent with the express provisions of this Plan and of **Section 9** hereof.
- (b) For greater certainty and without limiting the discretion conferred on the Board pursuant to this **Section 3**, the Board's decision to approve the grant of a Bonus Award to any Service Provider in any period shall not require the Board to approve the grant of a Bonus Award to any Service Provider in any other period; nor shall the Board's decision with respect to the size or terms and conditions of a Bonus Award in any period require it to approve the grant of a Bonus Award of the same or similar size or with the same or similar terms and conditions to any Service Provider in any other period, nor shall the Board's decision with respect to the form of payment of a Bonus Award require it to pay any other Bonus Awards in the same manner or entitle a Service Provider to be paid in a particular form. The Board shall not be precluded from approving the grant of a Bonus Award to any Service Provider solely because such Service Provider may previously have been granted a Bonus Award under this Plan or any other similar compensation arrangement of Cardinal or a Cardinal Entity. No Service Provider has any claim or right to be granted a Bonus Award.
- (c) The Board may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, and the Board or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Board or such person may have under the Plan.

### **4. Eligibility and Award Determination**

- (a) In the event that the Common Shares of the Corporation are listed on the Exchange, any grant of Bonus Awards under the Plan after such date shall be subject to the following restrictions:
  - (i) Bonus Awards may be granted by the Board from time to time, at its sole discretion, to Service Providers, provided that the aggregate number of Common Shares that could be issued pursuant to Bonus Awards that have been granted to any single holder shall not exceed 1% of the Total Common Shares. No Service Provider shall have any rights to be granted Bonus Awards hereunder, except as may be specifically granted by the Board.
  - (ii) The aggregate number of Common Shares that could be issued pursuant to Bonus Awards issued to each Non-Management Director in the Plan together with all Common Shares that could be issued to each Non-Management Director under the Other Incentive Plan is limited to the lesser of:
    - (A) 0.25% of the outstanding Total Common Shares; and
    - (B) an annual equity award value of \$100,000, with the value of each equity award calculated at the time of grant.
  - (iii) The number of Common Shares that are available to be issued to Insiders within one year pursuant to the Plan, and issuable to Insiders at any time, under the Plan or when combined with all of Cardinal's other security based compensation arrangements, shall not exceed 5% of the Total Common Shares. In determining the number of Common Shares issuable within one year for the

purposes of this paragraph (iii), shall be determined on the basis of the number of Common Shares that are outstanding immediately prior to the Common Share issuance, excluding any Common Shares issued pursuant to share compensation arrangements over the preceding one-year period.

- (iv) Bonus Awards may be granted in excess of the limits set forth in this **Section 4** provided that prior to the receipt of the approval required in **Section 9(d)** such Bonus Awards may not be paid until such approval has been received.
- (b) In determining the Service Providers to whom Bonus Awards may be granted ("**Grantees**") and the number of Common Shares to be referred to in respect of each Bonus Award, the Board may take into account such factors as it shall determine in its sole discretion.
- (c) For purposes of the calculations in this section, it shall be assumed that all issued and outstanding Bonus Awards are to be paid by the issuance of Common Shares from treasury, notwithstanding Cardinal's right pursuant to **Section 6** hereof to settle the Award Value underlying Bonus Awards in cash or by purchasing Common Shares on the open market.

## **5. Reservation of Common Shares**

- (a) The number of Common Shares reserved that are available to be issued from time to time pursuant to outstanding Bonus Awards granted and outstanding under the Plan shall not exceed a number of Common Shares equal to: (i) 5% of the Total Common Shares; less (ii) the aggregate number of Common Shares reserved for issuance from time to time under the Other Incentive Plan.
- (b) Any increase in the Total Common Shares will result in an increase in the available number of Common Shares that are available to be issued under the Plan and any issuance of Common Shares pursuant to Bonus Awards will make new grants available under the Plan.
- (c) If any Bonus Award granted under this Plan shall expire, terminate or be cancelled for any reason without payment, any Common Shares that were reserved hereunder shall be available for the purposes of the granting of further Bonus Awards under this Plan.
- (d) Bonus Awards may be granted in excess of the limits set forth in this **Section 5** provided that prior to the receipt of such approval required in **Section 9(e)** such Bonus Awards may not be paid until such approval has been received.
- (e) For purposes of the calculations in this section, it shall be assumed that all issued and outstanding Bonus Awards are to be paid by the issuance of Common Shares from treasury, notwithstanding Cardinal's right pursuant to **Section 6** hereof to settle the Award Value underlying Bonus Awards in cash or by purchasing Common Shares on the open market.

## **6. Terms and Conditions of Bonus Awards**

Each Bonus Award granted under the Plan shall be subject to the terms and conditions of the Plan and evidenced by a written agreement between Cardinal and the Grantee (a "**Bonus Award Agreement**") which agreement shall comply with, and in the event that the Common Shares of the Corporation are listed on the Exchange, shall comply with, and be subject to, the requirements of the Exchange and the following terms and conditions (and with such other terms and conditions as the Board, in its sole discretion, shall establish):

- (a) **Payment Dates of Bonus Awards** – The Payment Dates in respect of Bonus Awards issued pursuant to the Plan shall be as follows unless otherwise determined by the Board in its sole discretion (and, for greater certainty, the Board may in its sole discretion impose additional or different conditions to the determination of the Payment Date(s) in respect of payment pursuant to any Bonus Award):

- (i) as to one-third of the Award Value of such Bonus Award, on the first anniversary of the Grant Date of the Bonus Award;
- (ii) as to one-third of the Award Value of such Bonus Award, on the second anniversary of the Grant Date of the Bonus Award; and
- (iii) as to the remaining one-third of the Award Value of such Bonus Award, on the third anniversary of the Grant Date of the Bonus Award;

provided however, that:

- (A) if a Grantee is on a Leave of Absence before any of the Payment Dates referred to in paragraphs (i), (ii) and (iii) above, such Payment Date or Payment Dates shall be extended by that portion of the duration of the period of the Leave of Absence that is in excess of three (3) months;
- (B) in the event that a Payment Date referred to in paragraphs (i), (ii) and (iii) above falls during a Black-Out Period, such Payment Date shall be delayed as follows:
  - (I) if Cardinal elects to settle the Bonus Award pursuant to Section 6(d)(ii) or (iii), the Payment Date shall be the date that is immediately following the last day of the Black-Out Period; and
  - (II) if Cardinal elects to settle the Bonus Award pursuant to Section 6(d)(i), the Payment Date shall be the date that is the sixth trading day immediately following the last day of the Black-Out Period;

provided that in no case shall the Payment Date of a Bonus Award occur after the Expiry Date of such Bonus Award;

- (C) in the event of any Change of Control of Cardinal prior to the Payment Dates determined in accordance with the above provisions of this **Section 6(a)**, the Payment Date for all Common Shares awarded pursuant to such Bonus Awards that have not yet been vested as of such time shall be the effective date of the Change of Control; and
  - (D) notwithstanding any other provision of this Plan, the Board may, in its sole discretion, determine that a Bonus Award is payable in relation to all or a percentage of the Award Value covered thereby for all or any Bonus Awards at any time and from time to time.
- (b) ***Expiry Dates of Bonus Awards*** – Notwithstanding any other provision hereof, no Payment Date in respect of a Bonus Award may occur after the Expiry Date of such Bonus Award, and in the event that a Payment Date would occur after the Expiry Date, the Payment Date in respect of such Bonus Award shall be on the Expiry Date of such Bonus Award;
- (c) ***Adjustment of Bonus Awards*** – Immediately prior to each Payment Date, the notional number of Common Shares underlying a Bonus Award shall be adjusted by multiplying such number by the Adjustment Ratio applicable in respect of such Bonus Award, provided however, that:
- (i) if a Grantee has been on a Leave of Absence at any time since the Grant Date in respect of such Bonus Award, the Adjustment Ratio shall not be adjusted for any Dividends paid during the period of such Leave of Absence; and
  - (ii) notwithstanding any other provision of this Plan, but subject to the limits described in **Section 5** hereof and, in the event that the Common Shares of the Corporation are listed on the Exchange, any applicable requirements of the Exchange, or other applicable regulatory authority, the Board

hereby reserves the right to make any additional adjustments to the notional number of Common Shares underlying any Bonus Award if, in the sole discretion of the Board, such adjustments are appropriate in the circumstances having regard to the principal purposes of the Plan and terms of the Bonus Award.

- (d) ***Payment in Respect of Bonus Awards*** - On the Payment Date, Cardinal, at its sole and absolute discretion, shall have the option of settling the Award Value payable in respect of a Bonus Award by any of the following methods or by a combination of such methods:
- (i) payment in cash;
  - (ii) in the event that the Common Shares of the Corporation are listed on the Exchange, payment in Common Shares acquired by Cardinal on the Exchange; or
  - (iii) payment in Common Shares issued from the treasury of Cardinal.
- (e) Cardinal shall not determine whether the payment method shall take the form of cash or Common Shares until the Payment Date, or some reasonable time prior thereto. A holder of a Bonus Award shall not have any right to demand, be paid in, or receive Common Shares in respect of the Award Value underlying a Bonus Award, at any time. Notwithstanding any election by Cardinal to settle any Award Value, or portion thereof, in Common Shares, Cardinal reserves the right to change its election in respect thereof at any time up until payment is actually made, and the holder of such Bonus Award shall not have the right, at any time to enforce settlement in the form of Common Shares of Cardinal.
- (f) Where Cardinal elects to pay any amounts pursuant to a Bonus Award by issuing Common Shares, and the determination of the number of Common Shares to be delivered to a Grantee in respect of a particular Payment Date would result in the issuance of a fractional Common Share, the number of Common Shares deliverable on the Payment Date shall be rounded down to the next whole number of Common Shares. No certificates representing fractional Common Shares shall be delivered pursuant to this Plan nor shall any cash amount be paid at any time in lieu of any such fractional interest.
- (g) ***Delivery of Payment*** – Any amount payable to a Grantee in respect of a Bonus Award shall be paid to the Grantee as soon as practicable following the Payment Date provided that the payment must occur not later than the Expiry Date.
- (h) ***Termination of Relationship as Service Provider*** – Unless otherwise determined by the Board or unless otherwise provided in a Bonus Award Agreement pertaining to a particular Bonus Award or any written employment or consulting agreement governing a Grantee's role as a Service Provider, the following provisions shall apply in the event that a Grantee ceases to be a Service Provider:
- (i) ***Termination upon Ceasing to be a Service Provider*** – If a Grantee ceases to be a Service Provider for any reason whatsoever, including termination without cause, other than the death or disability of such Grantee (as contemplated under paragraph (ii) below), all outstanding Bonus Award Agreements under which Bonus Awards have been made to such Grantee and which have vested in accordance with **Section 6(a)**, shall be terminated and all rights to receive Common Shares thereunder shall be forfeited by the Grantee effective as of the date that is 30 days from the Cessation Date, provided that; upon the termination of any employee for cause, the Board may, in its sole discretion, determine that all outstanding vested Bonus Awards shall immediately terminate and become null and void. All Bonus Awards which have not vested in accordance with **Section 6(a)** at the Cessation Date shall immediately terminate and become null and void.
  - (ii) ***Termination Upon Death or Disability*** – Upon the death or disability of a Grantee prior to the Expiry Date, all outstanding Bonus Award Agreements under which Bonus Awards have been made to such Grantee which have vested in accordance with **Section 6(a)** shall be terminated and all rights to receive Common Shares thereunder shall be forfeited by the Grantee (or the Grantee's

legal representative) effective on earlier of: (i) the Expiry Date; and (ii) date that is six months from the Cessation Date. All Bonus Awards which have not vested in accordance with **Section 6(a)** at the Cessation Date shall immediately terminate and become null and void.

- (i) ***Rights as a Shareholder*** – Until Common Shares have actually been issued in accordance with the terms of the Plan, the Grantee to whom a Bonus Award has been made shall not possess any incidents of ownership of such Common Shares including, for greater certainty and without limitation, the right to receive Dividends on such Common Shares and the right to exercise voting rights in respect of such Common Shares. Such Grantee shall only be considered a Shareholder in respect of such Common Shares when such issuance has been entered upon the records of the duly authorized transfer agent of Cardinal.
- (j) ***Treatment of non-cash Dividends*** – Subject to any required approval of the Exchange, in the event that the Common Shares of the Corporation are listed on the Exchange, in the case of a non-cash Dividend, including Common Shares or other securities or other property, the Board may, in its sole discretion, determine that this non-cash Dividend be provided to a Grantee on the same basis as a holder of a Common Share with the same Dividend Record Date and Dividend Payment Date, regardless of the vesting date applicable to such Bonus Award, and, in such event, no adjustment to the Adjustment Ratio will be provided to the Grantee. The Board may provide this non-cash Dividend to the Grantee in the same form as the non-cash distribution received by a holder of a Common Share or a cash equivalent amount determined in the sole discretion of the Board. In the alternate case, where the Grantee does not participate in a non-cash Dividend as described above, the Board will, in its sole discretion, determine the cash value of such non-cash Dividend to be applied to the Adjustment Ratio.
- (k) ***Effect of Certain Changes*** – In the event:
  - (i) of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise;
  - (ii) that any rights are granted to all Shareholders to purchase Common Shares at prices substantially below the Fair Market Value; or
  - (iii) that, as a result of any recapitalization, merger, consolidation or other transaction, the Common Shares are converted into or exchangeable for any other securities,

then, in any such case, the Board may, in the event that the Common Shares of the Corporation are listed on the Exchange, subject to any required approval of the Exchange, make such adjustments to the Plan, to any Bonus Awards and to any Bonus Award Agreements outstanding under the Plan as may be appropriate in the circumstances (including changing the Common Shares covered by each Bonus Award into other securities on the same basis as Common Shares are converted into or exchangeable for such securities in any such transaction) to prevent dilution or enlargement of the rights granted to Grantees hereunder

## **7. Withholding Taxes**

When a Grantee or other person becomes entitled to receive a payment in respect of a Bonus Award, Cardinal or a Cardinal Entity shall have the right to require the Grantee or person to remit to Cardinal an amount sufficient to satisfy any withholding tax requirements relating thereto. Unless otherwise prohibited by the Board or by applicable law, satisfaction of the withholding tax obligation may be accomplished by any of the following methods or by a combination of such methods:

- (a) the tendering by the Grantee of a cash payment to Cardinal in an amount less than or equal to the total withholding tax obligation; or
- (b) where Cardinal has elected to issue Common Shares to the Grantee, the withholding by Cardinal or a Cardinal Entity, as the case may be, from the Common Shares otherwise due to the Grantee such number of Common Shares as it determines are required to be sold by Cardinal, as trustee, to satisfy the total

withholding tax obligation (net of selling costs). The Grantee consents to such sale and grants to Cardinal an irrevocable power of attorney to effect the sale of such Common Shares and acknowledges and agrees that Cardinal does not accept responsibility for the price obtained on the sale of such Common Shares; or

- (c) the withholding by Cardinal or a Cardinal Entity, as the case may be, from any cash payment otherwise due to the Grantee, including the Settlement Amount, such amount of cash as is required for the amount of the total withholding tax obligation;

provided, however, that the sum of any cash so paid or withheld and the Fair Market Value of any Common Shares so withheld is sufficient to satisfy the total withholding tax obligation.

Grantees (or their beneficiaries) shall be responsible for all taxes with respect to any Bonus Awards granted under the Plan. The Board and Cardinal make no guarantees to any person regarding the tax treatment of Bonus Awards or payments made under the Plan and none of Cardinal, nor any of its employees or representatives shall have any liability to a Grantee (or its beneficiaries) with respect thereto.

## **8. Non-Transferability**

The right to receive payment pursuant to a Bonus Award granted to a Service Provider is held only by such Service Provider personally. Except as otherwise provided in this Plan, no assignment, sale, transfer, pledge or charge of a Bonus Award, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Bonus Award whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Bonus Award shall terminate and be of no further force or effect.

## **9. Amendment and Termination of Plan**

This Plan and any Bonus Awards granted pursuant to the Plan may be amended, modified or terminated by the Board without approval of Shareholders, subject to any required approval of the Exchange in the event that the Common Shares of the Corporation are listed on the Exchange.

If the Common Shares of the Corporation are listed on the Exchange, then notwithstanding the foregoing, the Plan may not be amended without Shareholder approval to:

- (a) make any amendment to the Plan to increase the percentage of Common Shares that are available to be issued under outstanding Bonus Awards at any time pursuant to **Section 5(a)** hereof;
- (b) extend the Expiry Date of any outstanding Bonus Awards held by Insiders;
- (c) make any amendment to the Plan that would permit a holder to transfer or assign Bonus Awards to a new beneficial holder other than in the case of death of the holder;
- (d) amend the limits on Non-Management Directors contained in **Section 4(a)**;
- (e) any amendment to increase the number of Common Shares that may be issued to Insiders above the restriction contained in **Section 4(a)**; or
- (f) an amendment to amend this **Section 9**.

In addition, no amendment to the Plan or Bonus Awards granted pursuant to the Plan may be made without the consent of the Grantee, if it adversely alters or impairs the rights of any Grantee in respect of any Bonus Award previously granted to such Grantee under the Plan.

## 10. Merger and Sale

In the event that Cardinal enters into any transaction or series of transactions whereby Cardinal or all or substantially all of Cardinal's undertaking, property or assets would become the property of any other trust, body corporate, partnership or other person (a "**Successor**") whether by way of takeover bid, acquisition, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, unless prior to or contemporaneously with the consummation of such transaction, Cardinal and the Successor shall execute such instruments and do such things as are necessary, if any, to establish that upon the consummation of such transaction the Successor will have assumed all the covenants and obligations of Cardinal under this Plan and the Bonus Award Agreements outstanding on consummation of such transaction in a manner that substantially preserves and does not impair the rights of the Grantees thereunder in any material respect (including the right to receive shares, securities, cash or other property of the Successor in lieu of Common Shares upon the subsequent vesting of Bonus Awards). Subject to compliance with this **Section 10**, any such Successor shall succeed to, and be substituted for, and may exercise every right and power of Cardinal under this Plan and such Bonus Award Agreements with the same effect as though the Successor had been named as Cardinal herein and therein and thereafter, Cardinal shall be relieved of all obligations and covenants under this Plan and such Bonus Award Agreements and the obligation of Cardinal to the Grantees in respect of the Bonus Awards shall terminate and be at an end and the Grantees shall cease to have any further rights in respect thereof including, without limitation, any right to acquire Common Shares upon vesting of the Bonus Awards.

## 11. Miscellaneous

- (a) **Effect of Headings** – The section and subsection headings contained herein are for convenience only and shall not affect the construction hereof.
- (b) **Compliance with Legal Requirements** – Cardinal may, in its sole discretion, postpone the issuance or delivery of any Common Shares that it elects to issue as payment for any Bonus Award as the Board may consider appropriate, and may require any Grantee to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Common Shares in compliance with applicable laws, rules and regulations. Cardinal shall not be required to qualify for resale pursuant to a prospectus or similar document any Common Shares awarded under the Plan, provided that, if required, Cardinal shall notify the TSX and any other appropriate regulatory bodies in Canada of the existence of the Plan and the granting of Bonus Awards hereunder in accordance with any such requirements.
- (c) **No Right to Continued Employment** – Nothing in the Plan or in any Bonus Award Agreement entered into pursuant hereto shall confer upon any Grantee the right to continue in the employ or service of Cardinal or any Cardinal Entities, to be entitled to any remuneration or benefits not set forth in the Plan or a Bonus Award Agreement or to interfere with or limit in any way the right of Cardinal or any Cardinal Entity to terminate a Grantee's employment or service arrangement with Cardinal or any Cardinal Entity.
- (d) **Ceasing to be a Cardinal Entity** – Except as otherwise provided in this Plan, Bonus Awards granted under this Plan shall not be affected by any change in the relationship between or ownership of Cardinal and a Cardinal Entity. For greater certainty, all Bonus Awards remain valid and exercisable in accordance with the terms and conditions of this Plan and are not affected by reason only that, at any time, any corporation, partnership or trust ceases to be a Cardinal Entity.
- (e) **Grantee Information** – Each Grantee shall provide Cardinal with all information (including personal information) required by Cardinal in order to administer the Plan. Each Grantee acknowledges that information required by Cardinal in order to administer the Plan may be disclosed to the Board or its appointed administrator and other third parties in connection with the administration of the Plan. Each Grantee consents to such disclosure and authorizes Cardinal to make such disclosure on the Grantee's behalf.
- (f) **Expenses** – Other than as contemplated pursuant to **Section 7**, all expenses in connection with the Plan shall be borne by Cardinal.

**12. Governing Law**

The Plan shall be governed by and construed in accordance with the laws in force in the Province of Alberta.

**13. Effective Date**

This Plan shall take effect on November 5, 2012.