



Notice of 2024 annual meeting of shareholders and management proxy circular



Annual meeting of shareholders
April 30, 2024
Imperial Oil Limited

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Cover photo:

Imperial employees at the Cold Lake Grand Rapids Phase 1 (GRP1) project. GRP1 will be the first deployment in industry of solvent-assisted steam-assisted gravity drainage (SA-SAGD) technology



Notice of 2024 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:

April 30, 2024 at 10:00 a.m. (MDT)

Where:

Virtual meeting only
Online via live audio broadcast
www.virtualshareholdermeeting.com/IMO2024

To facilitate broad engagement with our shareholders, employees and other stakeholders, the 2024 annual meeting of shareholders will be held in a virtual only format. Shareholders may attend and participate in the meeting online via live audio webcast, but will not be able to attend the meeting in person. Details on attending the virtual meeting can be found at page 7 of the management proxy circular and will be posted to the company's website at www.imperialoil.ca.

Business of the meeting

1. to consider the consolidated financial statements for the year ended December 31, 2023, and the auditor's report,
2. to reappoint the auditor for the ensuing year,
3. to elect directors for the ensuing year,
4. to vote on the shareholder proposal contained in this management proxy circular, and
5. 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 4, 2024, 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, telephone, online or using your mobile device as described on the proxy form or voting instruction form.

Your proxy must be received prior to 5:00 p.m. (EDT) on Friday, April 26, 2024, or two days (excluding Saturdays, Sundays or statutory holidays) prior to any adjournment of the meeting. The effective date of the circular is February 15, 2024, on which date there were 535,836,803 common shares outstanding.

A webcast of the meeting will be available on our company website for viewing after the meeting.

I.R. (Ian) Laing

Vice-president, general counsel and corporate secretary
March 14, 2024

Management Proxy Circular

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Message from the chairman, president and chief executive officer

Letter to shareholders

2023 was another strong year for Imperial, as the company delivered solid operating performance, advanced strategic growth projects and continued to provide significant shareholder returns.

Solid operational performance across all businesses resulted in a net income of nearly \$4.9 billion and full-year cash flow from operating activities of more than \$6.4 billion, excluding working capital¹.

We continued to execute on our strategic plans, exercising capital discipline while investing in high-return growth projects. In 2023, Imperial deployed nearly \$1.8 billion in capital to sustain operations and advance key projects including opportunities to increase production and reduce emissions.

The company also continued its more than 100-year history of delivering returns to shareholders. Throughout 2023, Imperial returned over \$4.9 billion to shareholders through reliable and growing dividend payments, and through the repurchase of more than eight percent of our outstanding shares.

Providing reliable and affordable energy

Imperial's upstream business achieved full-year production of 413,000 barrels per day and set many production records – including the highest quarterly production in over 30 years². These results were supported by strong operations across upstream assets, most notably increased volumes at Kearl. This asset set multiple production records while continuing to reduce operating costs.

Imperial's downstream business, with a structurally advantaged Canadian position, continued to capture significant value from wider crude discounts in 2023. The segment achieved throughput of 407,000 barrels per day and utilization of 94 percent, while completing significant turnaround activity on schedule and under budget at both the Strathcona and Sarnia refineries.

We continued to have safe and reliable operations across the company, however, we are disappointed to have had environmental incidents at Kearl involving release of industrial wastewater. We remain committed to rebuilding trust with local communities through increased engagement as we take actions to address these incidents and prevent reoccurrence.

Reducing emissions

In 2023, Imperial made progress on strategic investments that will help lower emissions in our operations, as well as for customers. This includes the Grand Rapids Phase 1 project at Cold Lake, which commenced operations in late 2023. The project is industry's first-ever solvent-assisted steam-assisted gravity drainage application – increasing production, while reducing greenhouse gas emissions intensity by up to 40 percent compared to existing steam processes. We also progressed construction of Canada's largest renewable diesel facility at our Strathcona refinery. Work remains on plan with production expected to begin in 2025.

In addition to these investments, Imperial also established a Low Carbon Solutions organization to leverage our unique capabilities to bring lower-emissions technologies to market, helping customers reduce emissions from their operations. We look forward to exploring opportunities in this space, as well as continued collaboration on emissions reduction opportunities with third parties – notably the Pathways Alliance's carbon capture and storage network.

These initiatives, as well as actions we are taking to improve the efficiency of our operations, are important steps on our journey to reduce greenhouse gas emissions intensity by 30 percent, by 2030³; as well as our company-wide goal to achieve net-zero emissions in our operated assets through collaboration with government and other industry partners.



The AND equation

We know in order to be successful, we need to find ways to balance energy security and affordability and take meaningful steps to support the energy transition. We are committed to undertaking these actions while maintaining an unrelenting focus on the fundamentals of our business – the safety of our people and the communities where we work; protecting water and biodiversity; and developing meaningful relationships and partnerships with Indigenous communities.

This is no small feat. Imperial has shown throughout the company's 140+ year history our ability to adapt, learn, innovate and persevere. There are more than 5,000 Imperial employees who are not only skilled and capable but also passionate and dedicated to this cause. Our 2023 performance is the direct result of their hard work that I want to recognize here and share my appreciation for their efforts.

On behalf of the Board of Directors, the management team and all Imperial employees, thank you for investing in Imperial.

Brad W. Corson

Chairman, president and chief executive officer
Imperial Oil Limited

- 1. Non-GAAP financial measure - see definitions and frequently used terms on page 76.*
- 2. Adjusted for the divestment of XTO Energy Canada*
- 3. Scope 1 and 2. Compared with 2016 operated oil sands GHGi. Governmental, legal or regulatory changes and production volumes could directly or indirectly delay or otherwise impact GHG emissions intensity reduction measures.*

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.

2024 Annual meeting of shareholders

Date and time:	April 30, 2024 at 10:00 a.m. mountain time
Location:	Virtual only, available online at www.virtualshareholdermeeting.com/IMO2024
Record date:	March 4, 2024
Mail date:	March 14, 2024

Voting matters and board recommendations

Voting items	Board voting recommendation
Reappointment of the auditor (page 12)	For
Election of the directors (starting on page 14)	For each of the director nominees
Shareholder proposal (Appendix B starting on page 109)	Against the proposal

Overview of director nominees

	D.W. Cornhill	B.W. Corson	S.R. Driscoll	J.N. Floren	G.J. Goldberg	N.A. Hansen (b)	M.C. Hubbs
Gender	Male	Male	Female	Male	Male	Male	Female
Age (as of February 15, 2024)	70	62	62	65	65	49	57
Director since	November 29, 2017	September 17, 2019	May 2, 2023	May 2, 2023	May 2, 2023	n/a	July 26, 2018
Citizenship	Canadian	United States	Canadian	Canadian	United States	United States	Canadian
Independent director	Yes	No	Yes	Yes	Yes	No	Yes
Standing committee participation in 2023 (a)	AC ERC S&S N&CG FC*	n/a	AC* ERC S&S N&CG FC	AC ERC S&S* N&CG FC	AC ERC* S&S N&CG FC	n/a	AC ERC S&S N&CG* FC
Board interlocks	None	None	None	None	None	None	None
2023 Meeting attendance	100%	100%	100%	100%	100%	n/a	95%
# of other public companies	1	0	2	1	1	0	1
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	90.28%	98.86%	99.52%	99.94%	99.94%	n/a	97.62%

(a) AC – Audit Committee; ERC – Executive Resources Committee; S&S – Safety and Sustainability Committee; N&CG – Nominations and Corporate Governance Committee; FC - Finance Committee * indicates chair of that committee.

(b) N.A. Hansen is being nominated for election as a director at the annual meeting of shareholders and is not currently a director. M.R. Crocker is a current director and has chosen not to stand for re-election.

2023 Business performance highlights

In 2023, Imperial delivered strong business results across a wide range of performance dimensions.

- Delivered strong safety performance and effective enterprise risk management across the organization.
- Recognized as one of Canada's top employers by Mediacorp Canada Inc. for the fourth consecutive year, and designated as a 2023 top employer for Canadians over 40 and for young people.

Commitment to sustainability

- Published Imperial's Advancing Climate Solutions and Corporate Sustainability Reports.
- Continued to progress the company's goals to reduce emissions intensity at its operated oil sands by 30% by 2030 compared with 2016 levels, and to achieve net zero (scope 1 and 2) by 2050 in operated assets through collaboration with government and industry partners.
- Established Low Carbon Solutions organization, focused on leveraging our unique capabilities in lower-emission technologies like renewable fuels, hydrogen and carbon capture and storage, to help customers meet their sustainability goals.
- Progressed Pathways foundational carbon storage hub project to provide crucial infrastructure to support oil sands emission reductions.
- Achieved start-up of the final boiler flue gas units at Kearl. The six units now operating have the potential to reduce greenhouse gas emissions.
- Received first-ever shipment of renewable diesel at Kearl for use in mine fleet as part of the company's ongoing effort to reduce emissions and demonstrate suitability for use in heavy equipment.
- Through Imperial's partnership, E3 Lithium commissioned the Direct Lithium Extraction field pilot plant and began operations.
- Reached new milestone with \$4.6 billion spent on Indigenous businesses since 2008.

Financial performance

- Strong operating performance and reliability performance.
- Achieved net income of about \$4.9 billion.
- Generated substantial cash with \$3.7 billion in cash flow from operating activities, and \$6.4 billion in cash flow from operating activities excluding the impacts of working capital.¹
- Increased quarterly dividend to \$0.50 per share in the second quarter, increasing the annual dividend paid for the 29th consecutive year. The dividend of \$0.50 per share represents a 14% increase year over year.
- Total shareholder returns of \$4.9 billion; including dividends of \$1.1 billion and share repurchases of \$3.8 billion which includes a substantial issuer bid of \$1.5 billion, and the accelerated completion of the company's normal course issuer bid.

Upstream operations performance

- In response to off-lease seepage at Kearl, the company expanded monitoring, interception and collection systems. The company also increased communications and engagement with local communities.
- Produced 413,000 gross oil-equivalent barrels per day of full-year upstream production; driven by strong operations and a continued focus on low capital high return investments.
- Kearl's full year production was the highest in the asset's history, bringing full year production to 270,000 gross oil-equivalent barrels per day (191,000 barrels Imperial's share).
- Achieved best-ever quarterly production at Kearl of 308,000 gross oil-equivalent barrels per day (218,000 barrels Imperial's share) in the fourth quarter, and best-ever single-day production at Kearl of 363,000 gross oil-equivalent barrels per day (258,000 barrels Imperial's share) on December 25th.
- Completed conversion of last remaining haul trucks at Kearl to autonomous operation, which helped capture significant improvements to truck productivity and workforce safety.
- Produced 135,000 gross oil-equivalent barrels per day of full-year production at Cold Lake.
- Started-up steam-injection at Cold Lake Grand Rapids Phase 1, which will be the first solvent-assisted SAGD project in industry and is expected to reduce greenhouse gas emissions intensity by up to 40% compared to existing cyclic steam simulation technology.
- Produced 76,000 gross oil-equivalent barrels per day of full-year production at Syncrude.
- Advanced field trial of our Enhanced Bitumen Recovery Technology at Aspen to validate the technology and prepare for commercial use. This solvent technology has the potential to reduce greenhouse gas emissions intensity by 60% versus SAGD production.

Downstream and Chemical operations performance

- Achieved average throughput of 407,000 barrels per day with refinery capacity utilization of 94 percent, while completing significant turnaround activity on schedule and under budget at both the Strathcona and Sarnia refineries.
- Achieved several full-year production records across the company's refineries.
- Approved \$720 million project to construct largest renewable diesel facility in Canada, located at Strathcona refinery, and commenced facility construction with renewable diesel production expected to begin in 2025.
- Reliable operational performance supported Chemicals net income of \$164 million.

¹non-GAAP financial measure – see *Frequently used terms* section on page 76 for definition.

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,
- the election of the directors, and
- the shareholder proposal contained in this circular.

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 April 30, 2024. 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 4, 2024, or their duly appointed proxyholders, will be entitled to attend the meeting and to vote in person or by proxy. 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 14, 2024. Each common share registered in your name in the list of shareholders entitles you to one vote at the annual 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 company.

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.

Instead of mailing meeting materials to shareholders, the company has posted the Notice of Annual Meeting of Shareholders, the management proxy circular, the 2023 audited annual financial statements and related management discussion and analysis (collectively, the "Meeting Material") on its website at www.imperialoil.ca/en-ca/company/investors/shareholder-services/annual-meetings. In addition, the Meeting Material has been posted at <https://materials.proxyvote.com/453038> and to the System for Electronic Document Analysis and Retrieval+ ("SEDAR+") at www.sedarplus.ca 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.

Important information about the meeting

The meeting will be conducted in a virtual only format. Shareholders may attend and participate in the meeting online via live audio webcast, but will not be able to attend the meeting in person. The company's directors and senior management will be in attendance online and will be available to answer questions. The virtual only meeting format reflects Imperial's commitment to broad engagement with wide range of shareholders.

Attending the virtual meeting

To participate in the meeting, registered and non-registered (beneficial) shareholders or their proxyholders, will need to visit www.virtualshareholdermeeting.com/IMO2024 and log-in. The webcast meeting allows you to attend the meeting live, submit questions and vote if you have not already done so in advance of the meeting. The meeting will begin promptly at 10:00 a.m. (MDT) on April 30, 2024. Online check-in will begin starting 15 minutes prior, at 9:45 a.m. (MDT). You should allow ample time for online check-in procedures.

Registered shareholders who have not appointed a proxyholder log-in to the meeting using the 16-digit control number included on their proxy form.

Duly appointed proxyholders of registered and non-registered (beneficial) shareholders log-in using the unique eight character identification number you create when you appoint your proxyholder. If you are a non-registered (beneficial) shareholder and wish to vote at the meeting, you must appoint yourself as proxyholder and log-in with the unique eight character identification number you create. Non-registered shareholders can also attend the meeting using the 16-digit control number found on your voting instruction form and ask questions, but will not be able to vote. Please see the "Appointee instructions" section below to ensure you or your proxyholder is able to access and vote at the meeting.

Guests will be able to attend the live webcast by joining as a guest at www.virtualshareholdermeeting.com/IMO2024, but will not be able to submit questions or vote.

If you encounter any difficulties accessing the virtual meeting during the check-in or meeting time, please call the technical support number that will be posted on the virtual shareholder meeting log in page. The meeting platform is fully supported across browsers and devices running the most updated version of applicable software plug-ins. You should ensure you have a strong, preferably high-speed, internet connection wherever you intend to participate in the meeting.

Voting information

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 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 at the meeting, do not use the proxy. You can log-in to the virtual meeting using the 16-digit control number included on your proxy form, and your vote will be taken and counted at the meeting. If you do not wish to attend the meeting or do not wish to vote at the meeting, you should use the enclosed proxy form. You can return the proxy form to Broadridge, in the envelope provided, so that it is received by 5:00 p.m. (EDT) on Friday, April 26, 2024. You may also cast your vote prior to the meeting by using one of the other voting methods set out in the Voting options section starting on the following page.

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 in the Voting options section starting on the following page. Unless otherwise specified, shareholder votes will be conducted by virtual ballot.

All shares represented by properly completed proxies received prior to 5:00 p.m. (EDT) on Friday, April 26, 2024, or two days (excluding Saturdays, Sundays or statutory holidays) prior to any adjournment of the meeting, will be voted 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, M.C. Hubbs or D.W. Cornhill, 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 must follow the instructions in the “Appointee instructions” section below by no later than 5:00 p.m. (EDT) on Friday, April 26, 2024 so that your proxyholder can log-in to the virtual meeting and vote on your behalf.**

Using your proxy does not preclude you from attending the virtual meeting using your 16-digit control number. If you log-in to the meeting and have already appointed a proxyholder, other than the named directors on the proxy form, you will be given the option to revoke all previously appointed proxies. You may then choose to revoke the previously appointed proxies and vote yourself, or allow your proxyholder to continue voting on your behalf.

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.

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 instruction form executed by the intermediary but otherwise uncompleted. 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 instruction form.





Non-registered shareholders who wish to attend and vote at the virtual meeting must first appoint themselves as proxyholder. This is because the company does not have a record of the company’s non-registered shareholders and will have no knowledge of your shareholdings or entitlement to vote unless you appoint yourself as proxyholder. Non-registered shareholders who have not duly appointed themselves as proxyholder will be able to attend the meeting with their 16-digit control number found on your voting instruction form and ask questions, but will not be able to vote. Non-registered shareholders can also attend the meeting as guests, but will not be able to vote or ask questions at the meeting.

Non-registered shareholders may also appoint another person to attend and vote at the virtual meeting on their behalf. **In order to appoint yourself or some other person to represent you as your proxyholder and vote at the annual meeting, you must follow the instructions in the “Appointee instructions” section below by no later than 5:00 p.m. (EDT) on Friday, April 26, 2024.**

Voting options

Shareholders are encouraged to vote in advance of the meeting at www.proxyvote.com. Even if you currently plan to participate in the virtual meeting, you should consider voting your shares by proxy in advance so that your vote will be counted if you later decide not to attend the meeting or in the event that you are unable to access the meeting for any reason. The deadline for voting is 5:00 p.m. (EDT) on Friday, April 26, 2024.

Shareholders can vote using one of the following methods:

Proxy voting options	Registered and Non-registered shareholders by proxy form or voting instruction form
Vote online 	Go to web site www.proxyvote.com and follow the instructions to vote your shares. You will need to refer to your 16-digit control number printed on your proxy form or voting instruction form.
Vote with your mobile device 	Scan the QR code using your mobile device and follow the instructions to vote your shares. You will need to refer to your 16-digit control number printed on your proxy form or voting instruction form.
Vote by mail 	Complete and return your proxy form or voting instruction 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 telephone 	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 your 16-digit control number printed on your proxy form or voting instruction form. For US shareholders, please call 1-800-454-8683.
Vote at the virtual meeting	Registered shareholders log-in using the 16-digit control number included on their proxy form and vote when prompted. <input checked="" type="checkbox"/> Duly appointed proxyholders of registered and non-registered (beneficial) shareholders (including non-registered shareholders who have appointed themselves as proxyholder) log-in using the unique eight character identification number you create when you appoint your proxyholder and vote when prompted.

Appointee instructions

If you wish to appoint someone to vote your shares for you at the meeting (other than the management nominees identified in the proxy form or voting information form), you must appoint that person as proxyholder. This includes registered shareholders who wish to appoint another person as proxyholder, and non-registered (beneficial) shareholders who wish to appoint themselves or another person as proxyholder. Carefully follow the instructions found on your proxy form or voting instruction form. It is important that you comply with the signature and return instructions provided on the form or by your intermediary.

When appointing a proxyholder, you will be asked to create a unique eight character identification number which will allow your appointee access to the meeting and to vote your shares on your behalf. You can appoint this proxyholder directly on your proxy form or voting instruction form or you may do so online at **www.proxyvote.com**.

In order for your proxyholder to be properly validated and access the meeting, you must provide your appointee with the exact name used in your appointment and the eight character appointee identification number. **If you do not designate the appointee information when completing your form of proxy or voting information form, or if you do not provide the appointee the exact appointee name and identification number, that other person will not be able to access the meeting and vote on your behalf.**

Proxy deadline

You are encouraged to provide your voting instructions or appoint your proxyholder online at **www.proxyvote.com** no later than 5:00 p.m. (EDT) on Friday, April 26, 2024, or if the meeting is adjourned, at least 48 hours (not including Saturdays, Sundays or statutory holidays) prior to the reconvened meeting. Broadridge must receive your completed form of proxy or voting instruction form prior to the proxy deadline by mail or if voting online or by telephone as described in the Voting option section above. Providing your voting instructions or voting by the proxy deadline will ensure your vote is counted at the meeting even if you later decide not to attend the meeting or are unable to access it in the event of technical difficulties. If you attend and vote at the meeting during the live webcast, any proxy you have previously given will be revoked.

Voting by proxy

In the absence of instructions, the shares will be voted as stated in the banner in **bold blue type** on pages 12 and 13.

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

Changing your vote

If you change your mind about how you want to vote your shares, you can revoke your proxy form or voting instruction form by voting again on the internet or by phone. You may also attend and vote at the meeting during the live webcast, which will revoke any proxy you have previously given.

Registered shareholders can also revoke their instructions by delivering a signed written notice changing their instructions to 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. Non-registered shareholders who wish to revoke their instructions but are unable to do so by voting again on the internet or by phone should consult their intermediary.

Voting Results

Shareholder votes will be conducted by virtual ballot. Broadridge will count and tabulate the virtual ballots and votes by proxy. 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.sedarplus.ca and on EDGAR at www.sec.gov/edgar.shtml.

Submitting questions

As part of the meeting, there will be a live question period where management intends to answer all questions submitted before or during the meeting. Only shareholders may submit questions. Shareholders can submit questions in advance of the meeting by emailing shareholder.services@esso.ca. To ask a question during the meeting, please log into the meeting at www.virtualshareholdermeeting.com/IMO2024. Once past the log-in screen, please click on "Ask a Question", type in your question and click "Submit".

All questions and answers provided at the meeting will be posted to the company's website as part of the transcript following the meeting. Guests will not be able to submit questions, either before or during the meeting. Further information about the meeting, including the agenda and rules of conduct, will be posted on the company's website at www.imperialoil.ca.

Meeting amendments

The person named in the proxy form or voting instruction form will have discretionary authority with respect to amendments or variations of matters identified in the invitation to attend the 2024 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.

Webcast availability after the meeting

Shareholders who cannot attend the live virtual meeting are encouraged to listen to the webcast at their convenience by visiting the company's website at www.imperialoil.ca. A copy of the 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 15, 2024, there were 535,836,803 common shares outstanding. The quorum for the annual meeting is five shareholders.

Contact

For shareholders with questions, please contact Broadridge by email at proxy.request@broadridge.com, by telephone toll free at 1-844-916-0609 (English) or 1-844-973-0593 (French).

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, 2023 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.sedarplus.ca and are available in print by contacting the company's vice-president, general counsel and corporate secretary or the investor relations manager. Contact information can be found on page 89 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, 2023 and December 31, 2022 were as follows:

thousands of Canadian dollars	2023	2022
Audit fees	2,200	2,190
Audit-related fees	97	92
Tax fees	—	—
All other fees	—	—
Total fees	2,297	2,282

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 2023. 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 periodically 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, with the exception of M.R. Crocker who has chosen not to stand for re-election. N.A. Hansen is not currently a director and is being nominated for election as a director for the first time.

The proxy form provides instructions for a shareholder to vote for or against 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 voted against any or all of the director nominees.

The nominees for election as director are: **D.W. (David) Cornhill, B.W. (Bradley) Corson, S.R. (Sharon) Driscoll, J.N. (John) Floren, G.J. (Gary) Goldberg, N.A. (Neil) Hansen and M.C. (Miranda) Hubbs.** See the Nominees for director section starting on page 14 for more details on the seven directors nominated for election.

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

Unless a proxy specifies that the shares it represents should be voted against a nominee, the proxyholders named in the accompanying proxy intend to vote FOR the election of the nominees.

(iv) Shareholder proposal

You will be asked to vote on a shareholder proposal that was submitted for consideration at the annual meeting of shareholders, regarding a report on the impact of climate transition scenarios on asset retirement obligations.

The shareholder proposal and supporting statement, and the board and management response and recommendation, is set out in Appendix B to this circular.

Shareholders may vote **FOR** or **AGAINST** the shareholder proposal. Approval of the shareholder proposal requires the favourable vote of a majority of the votes cast.

Unless a proxy specifies that the shares it represents should be voted for the proposal, the proxyholders named in the accompanying proxy intend to vote AGAINST the shareholder proposal.

(v) 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 statements

This management proxy circular contains forward-looking statements 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, with the exception of N.A. Hansen, are now directors and have been since the dates indicated. M.R. Crocker is a current director and has chosen not to stand for re-election. Mr. Hansen is not currently a director and is being nominated for election as a director for the first time.

Included in these tables is information relating to the director nominees' biographies, independence status, expertise, standing committee memberships, attendance, public board memberships and shareholdings in the company. The information is as of February 15, 2024, the effective date of this circular, unless otherwise indicated.

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

Director nominee tables

DAVID W. CORNHILL



Calgary, Alberta,
Canada

Age: 70

Nonemployee
director
(independent)

Director since:
November 29, 2017

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

Mr. Cornhill is a director of AltaGas Ltd., and is the chairman of the board of directors of TriSummit Utilities Inc. (formerly AltaGas Canada Inc.), a privately owned corporation. 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 operating 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 BSc (Hons.) degree and a MBA degree from Western University, and he was awarded an honorary Doctor of Laws degree by the University in 2015.

Board and Standing Committee Membership	Attendance in 2023	Voting Results of Last Annual Meeting
Board	8 of 8 (100%)	
Audit	5 of 5 (100%)	Votes For: 477,220,521 (90.28%)
Executive resources	8 of 8 (100%)	Votes against: 51,359,878 (9.72%)
Safety and sustainability	5 of 5 (100%)	Total Votes: 528,580,399
Nominations and corporate governance	6 of 6 (100%)	
Finance (Chair)	5 of 5 (100%)	

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 15, 2024 (#)	12,500 (<0.01%)	15,217	27,717	18,700	46,417
Total market value as at February 15, 2024 (\$)	1,016,250	1,237,142	2,253,392	1,520,310	3,773,702
Year over year change (#)	0	1,909	1,909	1,800	3,709

*Meets the necessary share ownership requirements

Public Company Directorships in the Past Five Years*

- AltaGas Ltd. (2010 - present)
- AltaGas Canada Inc. (2018 - 2020)

*no public board interlocks

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

- AltaGas Ltd., Chairman of the board (1994 - 2019)

BRADLEY W. CORSON



Calgary, Alberta,
Canada

Age: 62

Non-independent
director

Director since:
September 17, 2019

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

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.

Board and Standing Committee Membership	Attendance in 2023	Voting Results of Last Annual Meeting
Board (Chair)	8 of 8 (100%)	Votes For: 522,575,825 (98.86%) Votes Against: 6,004,574 (1.14%) Total Votes: 528,580,399

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 15, 2024 (#)	0	0	0	410,400	410,400
Total market value as at February 15, 2024 (\$)	0	0	0	33,365,520	33,365,520
Year over year change (#)	0	0	0	86,800	86,800

*Meets the necessary share ownership requirements

Public Company Directorships in the Past Five Years*

– None

*no public board interlocks

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)

SHARON R. DRISCOLL



Vancouver, British
Columbia, Canada

Age: 62

Nonemployee
director
(independent)

Director since:
May 2, 2023

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

Ms. Driscoll is currently an independent director of Empire Company Limited and also serves as a director of Gildan Activewear Inc. Prior to her retirement in 2023, Ms. Driscoll held executive positions at RB Global Incorporated, including chief financial officer, co-chief executive officer and executive vice-president and advisor to the chief executive officer. Prior to joining RB Global, Ms. Driscoll served as the executive vice-president and chief financial officer for Katz Group Canada Ltd. from 2013 to 2015 and was the senior vice-president and chief financial officer at Sears Canada Inc. from 2008 to 2013. Ms. Driscoll is a Chartered Professional Accountant and has a Bachelor of Commerce (Honours) degree from Queen's University.

Board and Standing Committee Membership	Attendance in 2023	Voting Results of Last Annual Meeting
Board	4 of 4 (100%)	
Audit (Chair)	2 of 2 (100%)	Votes For: 526,032,840 (99.52%)
Executive resources	5 of 5 (100%)	Votes against: 2,547,559 (0.48%)
Safety and sustainability	4 of 4 (100%)	Total Votes: 528,580,399
Nominations and corporate governance	3 of 3 (100%)	
Finance	5 of 5 (100%)	

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 15, 2024 (#)	0	1,122	1,122	3,300	4,422
Total market value as at February 15, 2024 (\$)	0	91,219	91,219	268,290	359,509
Year over year change (#)	0	1,122	1,122	3,300	4,422

*Has 5 years from date of appointment to meet the necessary share ownership requirements

Public Company Directorships in the Past Five Years*

- Gildan Activewear Ltd. (2023 - Present)
- Empire Company Limited (2018 – Present)

*no public board interlocks

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

- RB Global (formerly Ritchie Bros. Auctioneers Incorporated) Executive vice-president and advisor to CEO (2022 – 2023)
- RB Global (formerly Ritchie Bros. Auctioneers Incorporated), Chief financial officer (2015 - 2022)
- RB Global (formerly Ritchie Bros. Auctioneers Incorporated), Chief financial officer and Co-chief executive officer (2019)

JOHN N. FLOREN



Mr. Floren is the former president and chief executive officer of Methanex Corporation, and prior to that appointment held the positions of senior vice-president, global marketing and logistics and regional director, marketing and logistics, North America. Mr. Floren was an employee of Methanex for approximately 22 years and has worked in the chemical industry for over 37 years. He currently serves as a director of West Fraser Timber Co. Ltd. Mr. Floren holds a Bachelor of Arts in Economics from the University of Manitoba and attended the Harvard Business School's Program for Management Development, the International Executive Program at INSEAD and completed the Directors Education Program at the Institute of Corporate Directors.

Oakville, Ontario, Canada

Age: 65

Nonemployee director (independent)

Director since: May 2, 2023

Skills and experience:

Leadership of large organizations, Operations/technical Project management, Global experience, Strategy development, Environment and sustainability, Financial expertise, Government relations, Information technology/ Cybersecurity oversight, Executive compensation, Risk management

Board and Standing Committee Membership	Attendance in 2023	Voting Results of Last Annual Meeting
Board	4 of 4 (100%)	
Audit	2 of 2 (100%)	Votes For: 528,279,988 (99.94%)
Executive resources	5 of 5 (100%)	Votes against: 300,411 (0.06%)
Safety and sustainability (Chair)	4 of 4 (100%)	Total Votes: 528,580,399
Nominations and corporate governance	3 of 3 (100%)	
Finance	5 of 5 (100%)	

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 15, 2024 (#)	0	1,122	1,122	3,300	4,422
Total market value as at February 15, 2024 (\$)	0	91,219	91,219	268,290	359,509
Year over year change (#)	0	1,122	1,122	3,300	4,422

*Has 5 years from date of appointment to meet the necessary share ownership requirements

Public Company Directorships in the Past Five Years*	Other Positions in the Past Five Years (position, date office held and status of employer)
<ul style="list-style-type: none"> West Fraser Timber Co. Ltd. (2016 – present) Methanex Corporation (2013 – 2022) 	<ul style="list-style-type: none"> Methanex Corporation, President and chief executive officer (2013 – 2022)

*no public board interlocks

GARY J. GOLDBERG



Mr. Goldberg has more than 40 years of global experience in the mining industry, including in executive, operational and strategic roles, and currently serves as a non-executive director of BHP Group Limited. Mr. Goldberg served as the chief executive officer of Newmont Corporation from 2013 to 2019, and prior to that, was president and chief executive officer of Rio Tinto Minerals. Mr. Goldberg was also a non-executive director of Port Waratah Coal Services Limited and Rio Tinto Zimbabwe, and served as vice-chair of the World Gold Council, treasurer of the International Council on Mining and Metals, and chair of the National Mining Association in the United States.

Breckenridge, Colorado, United States of America

Age: 65

Nonemployee director (independent)

Director since: May 2, 2023

Skills and experience:

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

Board and Standing Committee Membership	Attendance in 2023	Voting Results of Last Annual Meeting
Board	4 of 4 (100%)	
Audit	2 of 2 (100%)	Votes For: 528,282,636 (99.94%)
Executive resources (Chair)	5 of 5 (100%)	Votes against: 297,763 (0.06%)
Safety and sustainability	4 of 4 (100%)	Total Votes: 528,580,399
Nominations and corporate governance	3 of 3 (100%)	
Finance	5 of 5 (100%)	

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 15, 2024 (#)	0	1,122	1,122	3,300	4,422
Total market value as at February 15, 2024 (\$)	0	91,219	91,219	268,290	359,509
Year over year change (#)	0	1,122	1,122	3,300	4,422

*Has 5 years from date of appointment to meet the necessary share ownership requirements

Public Company Directorships in the Past Five Years*	Other Positions in the Past Five Years (position, date office held and status of employer)
<ul style="list-style-type: none"> BHP Group Limited (2020 – present) Newmont Corporation (previously Newmont Mining Corporation) (2013 – 2019) 	<ul style="list-style-type: none"> Newmont Corporation, Executive advisor (2019 – 2020) Newmont Corporation, Chief executive officer (2013 – 2019)

*no public board interlocks

NEIL A. HANSEN



**The Woodlands,
Texas, United States
of America**

Age: 49

**Non-independent
director**

Director since:
Not currently a member
of the board; first
nomination for election
as director

Skills and experience:
Leadership of large
organizations,
Project management,
Global experience,
Strategy development,
Environment and
sustainability,
Financial expertise,
Government relations,
Executive
compensation,
Risk management

Mr. Hansen is currently senior vice-president, energy products, for ExxonMobil Product Solutions Company and has held that position since April, 2022. He is responsible for the global fuels and aromatics value chains. Mr. Hansen has 24 years of financial and commercial experience across ExxonMobil's Upstream and Downstream businesses in the Americas, Europe, and Asia Pacific regions. Prior to his current position, Mr. Hansen was vice-president, fuels for Europe, Africa and Middle East based in Belgium and prior to that was vice-president investor relations and corporate secretary at ExxonMobil.

Board and Standing Committee Membership	Attendance in 2023	Voting Results of Last Annual Meeting
Not currently a member of the board or any of its committees	None	Votes For: n/a Votes against: n/a Total Votes: n/a

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 15, 2024 (#)	0	0	0	0	0
Total market value as at February 15, 2024 (\$)	0	0	0	0	0
Year over year change (#)	0	0	0	0	0

* No share ownership guidelines apply

Public Company Directorships in the Past Five Years*

– None
*no public board interlocks

Other Positions in the Past Five Years

(position, date office held and status of employer)

– Senior vice-president, energy products, Exxon Mobil Product Solutions Company, (2022 – present) (Affiliate)
– Vice-president, fuels, ExxonMobil Fuels & Lubricants Company, (2020 – 2022) (Affiliate)
– Vice-president, investor relations and corporate secretary, Exxon Mobil Corporation (2018 – 2020) (Affiliate)

MIRANDA C. HUBBS



**Toronto, Ontario,
Canada**

Age: 57

**Nonemployee
director
(independent)**

Director since:
July 26, 2018

Skills and experience:
Global experience,
Strategy development,
Environment and
sustainability,
Audit committee
financial expert,
Financial expertise,
Information technology/
Cybersecurity oversight
Executive
compensation,
Risk management

Ms. Hubbs is currently an independent director of Nutrien Ltd. and also serves as a director of PSP Investments (Public Sector Pension Investment Board), Canadian Investment Regulatory Organization (CIRO) and serves as Chair of the board of the Canadian Red Cross. Prior to retirement in 2011, Ms. Hubbs was executive vice-president and managing director of McLean Budden, one of Canada's leading investment managers. Ms. Hubbs holds a BSc from Western University and an MBA from Schulich School of Business at York University and is a CFA charterholder. Ms. Hubbs serves on the ICD Climate Strategy Advisory Board and the Global Risk Institute Sustainable Finance Advisory Committee, holds the Fundamentals of Sustainability Accounting credential from the Sustainability Accounting Standards Board, and has received her CERT Certificate in Cybersecurity Oversight issued by the Software Engineering Institute at Carnegie Mellon University.

Board and Standing Committee Membership	Attendance in 2023	Voting Results of Last Annual Meeting
Board	8 of 8 (100%)	
Audit	5 of 5 (100%)	Votes For: 515,973,536 (97.62%)
Executive resources	7 of 8 (88%)	Votes against: 12,601,009 (2.38%)
Safety and sustainability	5 of 5 (100%)	Total Votes: 528,574,545
Nominations and corporate governance (Chair)	5 of 6 (83%)	
Finance	5 of 5 (100%)	

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 15, 2024 (#)	0	18,736	18,736	17,400	36,136
Total market value as at February 15, 2024 (\$)	0	1,523,237	1,523,237	1,414,620	2,937,857
Year over year change (#)	0	2,001	2,001	1,800	3,801

*Meets the necessary share ownership requirements

Public Company Directorships in the Past Five Years*

– Nutrien Ltd. (2018 – present)

*no public board interlocks

Other Positions in the Past Five Years

(position, date office held and status of employer)

– None

Footnotes to director nominee tables on pages 14 through 17:

- (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 45. The company's plan for deferred share units for nonemployee directors is described on page 44. The company's plan for restricted stock units for selected employees is described on page 65.
- (c) The numbers for the company's restricted stock units represent the total of the outstanding restricted stock units received in 2017 through 2023 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 \$81.30 on February 15, 2024.

Director and nominee 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)
B.W. Corson	129,044	59,700	188,744	26,417,156
M.R. Crocker (d)	22,433	149,000	171,433	23,994,258
N.A. Hansen	—	155,800	155,800	21,806,218

- (a) Holdings as at February 15, 2024. 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 and directors individually. None of these individuals own more than 0.01 percent of the outstanding shares of Exxon Mobil Corporation. D.W. Cornhill, S.R. Driscoll, J.N. Floren, G.J. Goldberg and M.C. Hubbs 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 \$103.73 U.S., which is converted to Canadian dollars at the daily rate of exchange of \$1.3493 provided by the Bank of Canada for February 15, 2024.
- (d) M.R. Crocker is a current director and has chosen not to stand for re-election. Mr. Crocker does not hold any Imperial Oil Limited common shares, restricted stock units or deferred share units.

Majority voting policy

In 2022, amendments to the *Canada Business Corporations Act* came into force implementing majority voting requirements for uncontested director elections. These amendments provide for the election of a director only if the number of "for" votes represents a majority of the votes cast both "for" and "against" the director. Following the implementation of these amendments, the company's existing majority voting policy was rendered redundant and was revoked by the board.

Corporate governance disclosure

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2023 Corporate governance highlights

- Five of seven of our directors and our director nominees are independent and meet the criteria for independence set by Canadian securities regulators, the SEC and the NYSE American LLC.
- The company delivered extensive orientation programs to S.R. Driscoll, J.N. Floren and G.J. Goldberg upon their election to the board for the first time in 2023.
- 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 (S.R. Driscoll, J.N. Floren and G.J. Goldberg were each elected to the board on May 2, 2023 and are expected to meet the share ownership guidelines within five years from the date of their appointment). The independent directors collectively have nearly \$7.8 million in shareholdings in the company.
- The independent directors regularly meet in executive sessions without management present.
- 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.
- 97% average vote in favour for the election of our directors at the 2023 annual meeting.
- Two of seven or 29% of the director nominees, and 10 of 23 or 43% of the executive officers of the company and its major subsidiaries, are women.

Corporate governance at a glance

Controlled company	Yes
Size of board	7
Number of independent directors	5
Women on board (board and nominees)	2
Average attendance of directors at board and committee meetings	97%
Lead director	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)	3 years
Average age of director nominees (approximate)	61 years
Mandatory retirement age	72 years
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, lead director 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

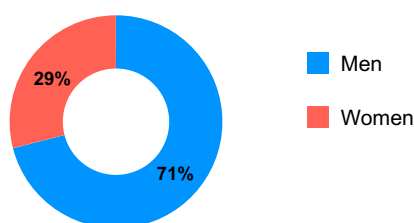
Statement of corporate governance practice

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

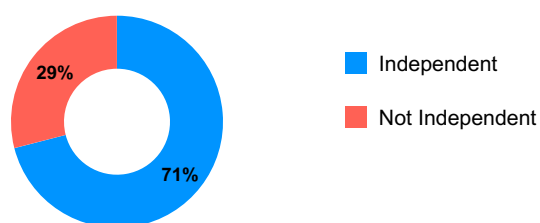
This section provides information pertaining to our board, the committees of the board, ethics, diversity and shareholder engagement. The company is committed to high corporate governance standards and best practices. The company's corporate governance policies and practices comply with and in most cases 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. In accordance with NYSE American LLC requirements for non-U.S. companies, the company is in compliance with NYSE American standards in all significant respects except as described on the company's website at www.imperialoil.ca.

Composition of our board nominees

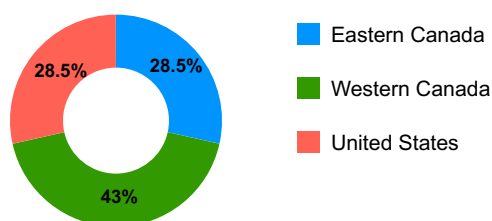
Gender



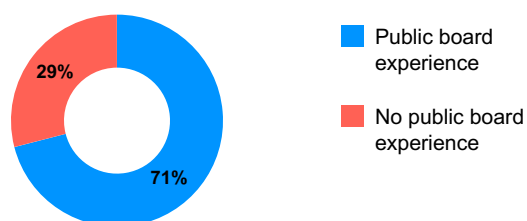
Independence



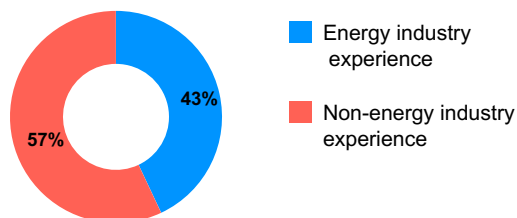
Regional association



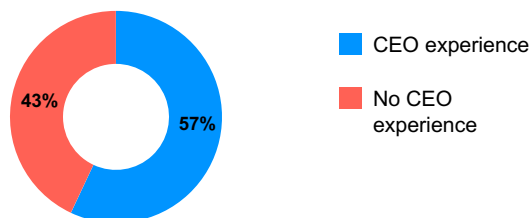
Public company board experience



Energy industry experience



CEO experience



More information on diversity, including on the board and among executive officers of the company, can be found at page 52.

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.W. Cornhill	6 years	2026
B.W. Corson	4 years	—
S.R. Driscoll	1 year	2034
J.N. Floren	1 year	2031
G.J. Goldberg	1 year	2031
N.A. Hansen (a)	—	—
M.C. Hubbs	5 years	2039

(a) N.A. Hansen is being nominated for election as a director at the annual meeting of shareholders and is not currently a director.

Skills and experience of our board members and nominees

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

The current directors and director nominees have the experience and expertise required to ensure effective oversight, 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 director nominee tables on pages 14 through 18 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 and nominee that led the board to conclude that such person should serve as a director of the company.

	D.W. Cornhill	B.W. Corson	M.R. Crocker (a)	S.R. Driscoll	J.N. Floren	G.J. Goldberg	N.A. Hansen (b)	M.C. Hubbs
Leadership of large organizations	✓	✓	✓	✓	✓	✓	✓	
Operations / technical	✓	✓	✓		✓	✓		
Project management	✓	✓	✓	✓	✓	✓	✓	
Global experience		✓	✓	✓	✓	✓	✓	✓
Strategy development	✓	✓	✓	✓	✓	✓	✓	✓
Environment and sustainability	✓	✓	✓	✓	✓	✓	✓	✓
Audit committee financial expert	✓			✓				✓
Financial expertise	✓	✓	✓	✓	✓	✓	✓	✓
Government relations		✓	✓		✓	✓	✓	
Information technology / cybersecurity oversight					✓			✓
Executive compensation	✓	✓	✓	✓	✓	✓	✓	✓
Risk management	✓	✓	✓	✓	✓	✓	✓	✓

(a) M.R. Crocker is a current director and has chosen not to stand for re-election at the annual meeting of shareholders.

(b) N.A. Hansen is not currently a director and is being nominated for election as a director at the annual meeting of shareholders.

Independence of our board members and nominees

Five out of seven of the director nominees are independent.

The board is currently composed of seven directors, six of whom will be standing for re-election at the annual meeting of shareholders on April 30, 2024. M.R. Crocker is a current director and has chosen not to stand for re-election. N.A. Hansen is not currently a director and is being nominated for election as a director. The majority of the nominees (five out of seven) are independent. The independent directors and nominees 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.

M.R. Crocker is also a non-independent director as he is an employee of Exxon Mobil Corporation. Mr. Crocker has chosen not to stand for re-election at the annual meeting of shareholders. Director nominee, N.A. Hansen, holds the position of senior vice-president, energy products at ExxonMobil Product Solutions Company, a division of Exxon Mobil Corporation, and if elected will also be a non-independent director. The company believes that Mr. Crocker and Mr. Hansen, although deemed non-independent under the relevant standards by virtue of their employment, can be viewed as independent of the company's management and that their ability to reflect the perspective of the company's shareholders enhances the effectiveness of the board.

Name of director and/or nominee	Management	Independent	Not independent	Reason for non-independent status
D.W. Cornhill		✓		
B.W. Corson	✓		✓	B.W. Corson is a director and chairman, president and chief executive officer of Imperial Oil Limited.
M.R. Crocker (a)			✓	M.R. Crocker is an employee of Exxon Mobil Corporation.
S.R. Driscoll		✓		
J.N. Floren		✓		
G.J. Goldberg		✓		
N.A. Hansen (b)			✓	N.A. Hansen is an employee of Exxon Mobil Corporation.
M.C. Hubbs		✓		

(a) M.R. Crocker is a current director and has chosen not to stand for re-election at the annual meeting of shareholders.

(b) N.A. Hansen is not currently a director and is being nominated for election as a director at the annual meeting of shareholders.

Committee membership of our board

Each standing 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 standing committee memberships and the chair of each committee.

Director	Nominations and corporate governance committee	Audit committee (b)	Safety and sustainability committee (d)	Executive resources committee	Finance committee (d)
D.W. Cornhill (c)	✓	✓	✓	✓	✓ Chair
B.W. Corson (a)	—	—	—	—	—
M.R. Crocker (a)	✓	—	✓	✓	✓
S.R. Driscoll (c)	✓	✓ Chair	✓	✓	✓
J.N. Floren	✓	✓	✓ Chair	✓	✓
G.J. Goldberg	✓	✓	✓	✓ Chair	✓
M.C. Hubbs (c)	✓ Chair	✓	✓	✓	✓

(a) Not independent directors. M.R. Crocker is a current director and has chosen not to stand for re-election.

(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.

(d) In May 2023, the board of directors approved the creation of the finance committee, and dissolved the community collaboration and engagement committee with the ongoing responsibilities of this committee being assumed by the safety and sustainability committee. There were no meetings of the community collaboration and engagement committee in 2023 prior to its dissolution.

In addition to its standing committees, the board may establish ad hoc committees or special committees from time to time. One special committee of independent directors was established in September, 2022 and remained active during 2023 for the purposes of considering certain matters. The special committee was chaired by D.W. Cornhill and consisted of the five independent directors. The special committee was dissolved in February, 2024.

Number of meetings

The chart below shows the number of board and standing committee meetings held in 2023. This includes seven regular meetings and one additional special meeting of the board.

Meetings of the board and standing committees in 2023:



- (a) In February 2023, the public policy and corporate responsibility committee was changed to the safety and sustainability committee.
- (b) In May 2023, the board of directors approved the creation of the finance committee, and dissolved the community collaboration and engagement committee with the ongoing responsibilities of this committee being assumed by the safety and sustainability committee. There were no meetings of the community collaboration and engagement committee in 2023 prior to its dissolution.

Attendance of our board members in 2023

97% board and standing committee meeting attendance from all members.

The following chart provides a summary of the attendance record of each of the directors in 2023. The attendance record of each director nominee is also set out in their biographical information within the nominee section. The attendance chart also provides an overall view of the attendance per standing committee. Senior management directors and other members of management periodically attend standing committee meetings at the request of the committee chair.

Director	Board	Audit committee	Executive resources committee	Safety and sustainability committee (a)(b)	Nominations and corporate governance committee	Finance committee (b)	Annual meeting	Total	Percentage by director
D.W. Cornhill	8 of 8	5 of 5	8 of 8	5 of 5	6 of 6	5 of 5 (chair)	1 of 1	38 of 38	100%
B.W. Corson	8 of 8 (chair)	—	—	—	—	—	1 of 1	9 of 9	100%
M.R. Crocker	8 of 8	—	8 of 8	5 of 5	6 of 6	5 of 5	1 of 1	33 of 33	100%
S.R. Driscoll (c)	4 of 4	2 of 2 (chair)	5 of 5	4 of 4	3 of 3	5 of 5	1 of 1	24 of 24	100%
J.N. Floren (c)	4 of 4	2 of 2	5 of 5	4 of 4 (chair)	3 of 3	5 of 5	1 of 1	24 of 24	100%
G.J. Goldberg (c)	4 of 4	2 of 2	5 of 5 (chair)	4 of 4	3 of 3	5 of 5	1 of 1	24 of 24	100%
K.T. Hoeg (d)	3 of 3	3 of 3	3 of 3	1 of 1	3 of 3	—	1 of 1	14 of 14	100%
M.C. Hubbs	8 of 8	5 of 5	7 of 8	5 of 5	5 of 6 (chair)	5 of 5	1 of 1	36 of 38	95%
J.M. Mintz (d)	3 of 3	3 of 3	3 of 3	1 of 1	3 of 3	—	1 of 1	14 of 14	100%
D.S. Sutherland (d)	2 of 3	2 of 3	2 of 3	1 of 1	2 of 3	—	1 of 1	10 of 14	71%
Percentage by committee	98%	96%	96%	100%	94%	100%	100%	226 of 232	Overall attendance 97%

- (a) In February 2023, the public policy and corporate responsibility committee was changed to the safety and sustainability committee.
- (b) In May 2023, the board of directors approved the creation of the finance committee, and dissolved the community collaboration and engagement committee with the ongoing responsibilities of this committee being assumed by the safety and sustainability committee. There were no meetings of the community collaboration and engagement committee in 2023 prior to its dissolution.
- (c) S.R. Driscoll, J.N. Floren and G.J. Goldberg were elected to the board and its committees on May 2, 2023.
- (d) K.T. Hoeg, J.M. Mintz and D.S. Sutherland retired from the board and its committees on May 2, 2023. Prior to retirement, K.T. Hoeg was the chair of the audit committee, J.M. Mintz was the chair of the safety and sustainability committee, and D.S. Sutherland was the chair of the executive resources committee.

Other public company directorships of our board members and nominees

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

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

Name of director or nominee	Other reporting issuers of which director or nominee is also a director	Type of company	Stock symbol: Exchange	Committee appointments
D.W. Cornhill	AltaGas Ltd.	Diversified energy company	ALA:TSX	Environment, health and safety committee
B.W. Corson	—	—	—	—
M.R. Crocker (a)	—	—	—	—
S.R. Driscoll	Empire Company Limited	Food retailing	EMPA:TSX	Audit committee (chair), Nominating committee, and Corporate governance and social responsibility committee
	Gildan Activewear Inc.	Apparel and Luxury	GIL:TSX	Audit and finance committee, Compensation and human resources committee
J.N. Floren	West Fraser Timber Co. Ltd	Basic Materials-Forest Products	WFG:TSX	Health, safety and environment committee (chair), Human resources and compensation committee, and Governance and nominating committee
G.J. Goldberg	BHP Group Limited	Basic Materials-Other industrial Metals and mining	BHP:ASX	Sustainability committee (chair) and Nominations and governance committee
N.A. Hansen (b)	—	—	—	—
M.C. Hubbs	Nutrien Ltd.	Fertilizer manufacturing	NTR:TSX, NYSE	Human resources and compensation committee and Safety and sustainability committee (chair)

(a) M.R. Crocker is a current director and has chosen not to stand for re-election at the annual meeting of shareholders.

(b) N.A. Hansen is not currently a director and is being nominated for election as a director at the annual meeting of shareholders.

Interlocking directorships of our board nominees

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

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 11 (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)
- Experience with environmental, health, community relations and/or safety policy, practices and management (Environment and sustainability)

Other expertise

- Audit committee financial expert (also see the financial expert section in the audit committee table starting on page 38)
- Expertise in financial matters (Financial expertise)
- Expertise in managing relations with government (Government relations)
- Expertise in information technology and cybersecurity oversight (Information technology / cybersecurity oversight)
- Expertise in executive compensation policies and practices (Executive compensation)
- Expertise in oversight of risk management policies and practices (Risk management)

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. More detailed information on diversity of the board, including in connection with the director recruitment process that was completed in 2023, can be found at page 52. 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 16,500 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 11 (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. Under exceptional circumstances, the nominations and corporate governance committee, on the request of the chairman, may continue to support the nomination of a director who has attained the mandatory retirement age.

Recently, the board and nominations and corporate governance committee completed an extensive director recruitment process in early 2023 in anticipation of three of the then-current directors reaching mandatory retirement age. Throughout this process, the board reviewed the recruitment progress on a regular basis, including discussing numerous candidates, conducting extensive interviews and ensuring that all board members had the opportunity to meet the candidates to ensure a strong fit for the board. It also included engaging executive search firms to cultivate a diverse selection of potential nominees. This recruitment process resulted in three new directors being elected at the 2023 annual meeting, S.R. Driscoll, J.N. Floren and G.J. Goldberg, all of whom are standing for re-election at the 2024 annual meeting. These new directors complement the board's existing skillsets and expertise by providing additional experience in energy, business transition and capital allocation.

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. Shortly after their election to the board, S.R. Driscoll, J.N. Floren and G.J. Goldberg completed an extensive orientation program with the company's corporate secretary and senior managers of various departments. Each new director participated in comprehensive onboarding sessions, including in-depth reviews of the company's history, culture, practices, businesses and operations, risk framework, and ethics and other foundational policies, and in-depth reviews of legal and regulatory requirements, the Canadian climate framework, the company's emissions profile, emissions-related targets and plans for achieving such targets, and energy industry dynamics in general. With N.A. Hansen being nominated for election for the first time this year, the corporate secretary plans to provide an orientation shortly after his election to the board.

Board and committee members participate in continuing education and maintain oversight over company operations through regular presentations by management, which focus on providing and discussing more in-depth information about key aspects of the business. Subject to exceptional circumstances, 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. These site visits help directors better understand the strengths and business opportunities unique to various operations and markets across the country, and enhance the board's perspective of the integrated nature of the company's business. In 2023, the board visited the Calgary research centre ("CRC"), the Kearl site and the Strathcona refinery, for a tour of the facilities and discussions specific to the operations and research at CRC, Strathcona and Kearl, including reviewing the mitigations and community engagement in respect of the Kearl environmental protection order.

Throughout 2023, one way in which the board and its committees exercised oversight was through regularly receiving and discussing presentations and updates that focused on performance, strategy and opportunities for the business. Some of these sessions included ongoing reviews of upstream and downstream performance, plans and strategies, regular reviews and consideration of the company's monitoring, assessment, mitigations and engagement relating to the Kearl environmental protection order, internal audit reviews, a pension management review, community engagement strategy, litigation reviews, conflict of interest and ethics reviews and a competition and anti-corruption review. Recognizing the importance of cybersecurity oversight for the company, the board also reviewed and considered an information technology and cybersecurity update including strategic cybersecurity priorities, the evolving threat landscape, key security initiatives and metrics, business response plans, and mitigation efforts and system improvements throughout the year. The board also reviewed presentations on the company's risk assessment processes for forced labour and child labour in its supply chain to support implementation of Canadian disclosure requirements on this subject.

With strong market conditions and business performance throughout the year, the board focused on strategic direction, operational priorities, capital allocation and prioritizing shareholder returns. This included reviews and approval of renewal and acceleration of the company's normal course issuer bid and the completion of one substantial issuer bid during the year.

The board also maintained oversight over the company's various environmental, social and governance initiatives throughout the year, including considering and discussing the publication of the company's advancing climate solutions and sustainability reports and reviewing the company's surplus site management process. There was a continued focus by the board on the company's progress with emissions reduction initiatives, including the company's continued participation in the Oil Sands Pathways to Net Zero initiative and setting and tracking emissions reduction goals. The board also undertook reviews of disclosure and emissions performance, safety performance, Canada climate policy updates and a review of the company's regulatory compliance framework and management system. Please see the Risk oversight section for more information on the board's role in relation to the environment.

Members of ExxonMobil's management also provide reviews of various aspects of ExxonMobil's global business. In 2023, the directors considered presentations on ExxonMobil's global internal audit process and strategy, cybersecurity, ExxonMobil's corporate strategy, and its Global Outlook.

Prior to each board meeting, members of the board receive and review an extensive package of materials that provides a comprehensive summary on each agenda item to be discussed. Similarly, the committee members also receive and review 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 for discussion. 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. In 2023, one or more directors participated in continuing education provided by third parties pertaining to, among other things, board oversight of climate change and the energy transition, corporate disclosures, corporate governance and ethics, risk management, cybersecurity, artificial intelligence and internal audit. Furthermore, the board recognizes the importance of the company's relationships with Indigenous communities and acknowledges the calls to action of the Truth and Reconciliation Commission of Canada, and all of the independent directors have completed the "4 Seasons of Reconciliation" course provided by the Indigenous Continuing Education Centre of the First Nations University of Canada.

Board performance assessment

The board and its committees, as well as the performance of the directors, are assessed on an annual basis. For 2023, the directors engaged in a performance assessment with the chairman, president and chief executive officer, which includes discussion and evaluation of 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 discuss a summary of these assessment outcomes in the first quarter of each year. Beginning in 2024, the lead director and the chairman, president and chief executive officer will together lead the annual performance evaluation of the board. More information about the new lead director position can be found in the section that follows, under the heading "Board and committee structure — Leadership structure".

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 and an independent lead director selected by and from the independent directors.

Through more than 40 years of experience with ExxonMobil and Imperial, the current chief executive officer possesses an in-depth knowledge of the evolving energy industry supply and demand fundamentals and the array of challenges to be faced by the company. The board believes that the extensive experience and other insights put the chief executive officer in the best position to provide broad leadership for the board as it considers strategy and exercises its fiduciary responsibilities. Further, the board has demonstrated its commitment and ability to provide independent oversight of management. The position description of the chief executive officer is fully described in paragraph 14 (a) of the Board of Directors Charter attached as Appendix A.

In February 2024, the board established a lead director position to further enhance independent board leadership. D.W. Cornhill was appointed lead director. Prior to the formation of the lead director position, D.W. Cornhill provided leadership for the independent directors in his capacity as chair of the executive sessions of the board. It is normally expected that the same director will serve as lead director for a minimum of two years. The duties and responsibilities of the lead director include:

- act as liaison with the chairman, in consultation with the other directors, (provided however that each director will also be afforded direct and complete access to the chairman at any time as such director deems necessary or appropriate);
- calls, chairs and sets agendas for executive sessions of the independent directors;
- provides feedback to the chairman;
- chairs meetings of the board in the absence of the chairman;
- reviews and approves the schedule and agenda for all board and committee meetings and reviews associated materials distributed to the directors;
- advises the chairman as to the quality, quantity and timeliness of information flows;
- working together with the chairman, oversees the annual performance evaluation of the board; and
- working together with the chair of the executive resources committee, oversees the annual performance review of the chief executive officer.

Compensation for the lead director is determined by the board on the recommendation of the nominations and corporate governance committee and will be reviewed annually. Presently, the board has established the compensation for acting as lead director at \$45,000 per year. The position description of the lead director is fully described in paragraph 8 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 eight executive sessions in 2023. Following the establishment of the lead director position in 2024, the executive sessions of the board are chaired by the lead director. The purposes of the executive sessions of the board include the following and are more fully described in paragraph 10 of the Board of Directors Charter attached as Appendix A:

- 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 standing 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. M.R. Crocker is also a member of each committee, with the exception of the audit committee, which is composed entirely of independent directors. Mr. Crocker has chosen not to stand for re-election at the annual meeting of shareholders. It is anticipated that if elected, director nominee N.A. Hansen will also be a member of each committee, with the exception of the audit committee. In February 2023, the public policy and corporate responsibility committee was changed to the safety and sustainability committee. In May 2023, the board dissolved the community collaboration and engagement committee, with the ongoing responsibilities of that committee being assumed by the safety and sustainability committee. At the same time, the board of directors approved the creation of the finance committee, reflecting the board's responsibility for oversight of the company's capital structure and allocation, financial policies, practices and strategies and significant investments.



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 set out the purpose, structure, position description for the chair, and the responsibility and authority of that committee, and are reviewed and approved by the board annually.

In addition to its standing committees, the board may establish ad hoc committees or special committees from time to time.

Risk oversight

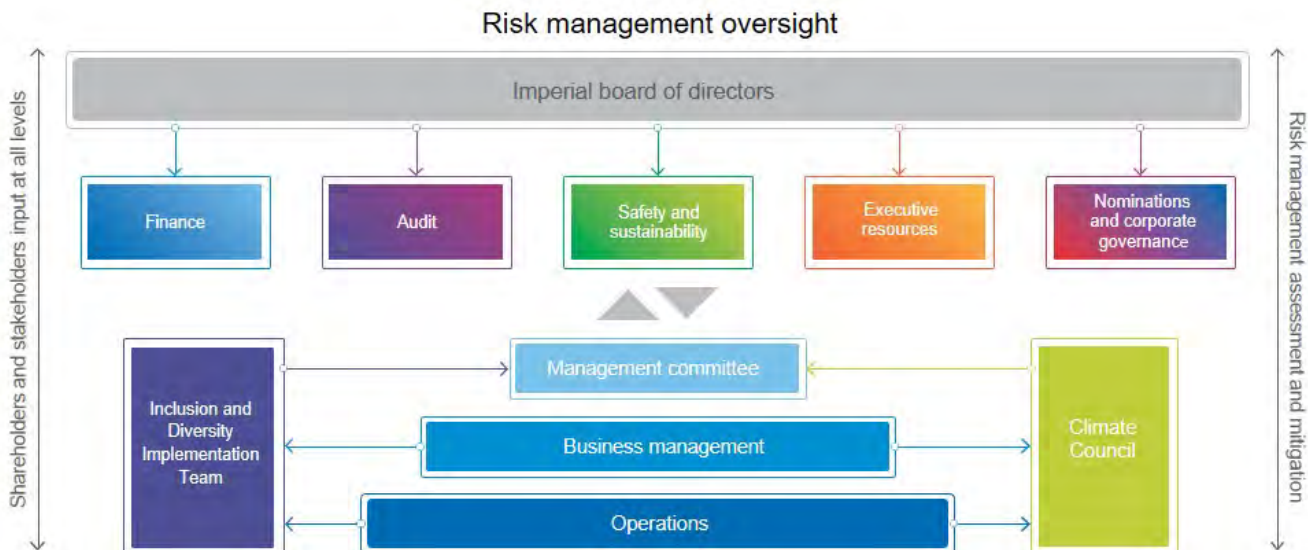
The company is governed by a comprehensive and well-established risk management system, and the company's success in managing risk over time has been achieved through emphasis on execution of this disciplined management framework.



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 at multiple levels of the business 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.



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 company incorporates external input in the identification and assessment of risks, including engaging directly with a variety of external stakeholders and communities, including policy makers, investors, customers, regulators, academics, Indigenous peoples, non-governmental organizations and industry associations on issues and opportunities of relevance to the company. These risks included energy transition risks, operational risks, environmental and sustainability risks, and policy 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. This integrated risk management approach facilitates recognition and oversight of risk. 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 finance committee oversees risk management in connection with capital allocation and expenditures.

The safety and sustainability committee oversees the policies and practices that manage environment, health, safety and security risk. The committee regularly engages with senior management on climate matters and our environmental practices and performance, including reviews of, and briefings from subject-matter experts on, compliance with legislation and the assessment of public policy impacts on corporate performance, health and safety systems and performance, new technology developments, and the risks, actions and disclosure associated with climate change and the energy transition. In 2023, this included an in-depth review of the company's regulatory compliance framework and management processes through its operations integrity management system. As part of this assessment, the committee reviews the company's commitments to environmental sustainability priorities such as progressive reclamation, decommissioning and remediation, water conservation and use, air quality improvement, waste management and land use and biodiversity. Additionally, the committee and board provide oversight over the company's emission reduction goals and performance, including the company's target to reduce greenhouse gas emissions intensity (Scope 1, 2) for its operated oil sands facilities by 30 percent by 2030 (relative to 2016 levels). As part of the company's efforts to provide solutions that lower the greenhouse gas emissions intensity of its operations and to provide lower life-cycle emission products to its customers, Imperial has also implemented a company-wide goal to achieve net-zero emissions (Scope 1, 2) by 2050 in its operated assets through collaboration with government and other industry partners.

The board of directors evaluates climate change risk in the context of overall enterprise risk, including other operational, strategic, and financial risks. Imperial's board is actively engaged and committed to overseeing the company's efforts as it pursues a strategy that is resilient to a wide range of potential pathways for society's energy transition while continuing to grow shareholder value.

The board and its committees carry out their risk oversight responsibility through regular reviews and assessments. Topic-specific assessments, such as for compliance programs, controls, stewardship of business performance, regulatory changes, the company's energy outlook, and climate risk and sustainability are conducted regularly and as necessary. The board carefully considers various factors and risks in connection with specific proposals for capital expenditures, budget additions and strategic initiatives, as well as in evaluating strategic plans. Members of the board ask questions of management to ensure risks are identified, assessed, mitigated, and monitored. Each typical 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.

In the annual planning process, consideration is given to a diverse set of risks and other factors that may influence future energy supply and demand trends, including technological advancements, regulation and government policies, climate change, greenhouse gas restrictions, and other general economic conditions. It also takes into account emerging industry and economic conditions and market and government policy uncertainties in developing its strategic plans and longer-term price views. Further, the board is responsible for ensuring the company's strategic planning process is effective, and in doing so regularly reviews the process, key issues and various alternatives for future strategy development to inform updates. Business plans and strategies are reviewed on an annual basis and approved by the board.

The tables on the following pages provides additional oversight and other information about the board and its five standing 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. The board is satisfied that its activities over the year have fulfilled its mandate.

Directors

- B.W. Corson ^(chair)
- D.W. Cornhill
- M.R. Crocker
- S.R. Driscoll
- J.N. Floren
- G.J. Goldberg
- M.C. Hubbs

Number of meetings

Eight meetings of the board of directors were held in 2023, which included one special meeting of the board. 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 eight executive sessions in 2023.

Board highlights in 2023

- Welcomed three newly elected directors to the board.
- Approved changes to the composition of the committees of the board and updated charters to reflect mandates of those committees.
- Carried out site visits to Kearl, Stathcona refinery, and the Calgary research centre.
- Engaged in active oversight of company's response to Kearl environmental protection order
- 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.
- Discussed comprehensive company strategy for all business lines, including a focus on capital allocation and discipline.
- Implemented various mechanisms for enhancing shareholder returns, such as increasing the dividend, renewing and accelerating the company's normal course issuer bid program, and one substantial issuer bid.
- Provided oversight in support of safety, environmental performance and sustainability.
- Regularly discussed climate change policies, risks, opportunities and the company's climate strategy, including the company's continued membership in the Oil Sands Pathways to Net Zero initiative.
- Expanded existing mechanisms for recovering certain executive compensation in the event of a material negative financial restatement, by adopting new policy in compliance with new Rule 10D-1 of the US Securities Exchange Act of 1934.
- Reviewed various stages of key projects such as Kearl in-pit tailings, Kearl autonomous haul vehicles, Cold Lake Grand Rapids Phase 1, Enhanced Bitumen Recovery Technology pilot, and approved Strathcona's renewable diesel project.

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 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. The committee is satisfied that its activities over the year have fulfilled its mandate.

Committee members

- S.R. Driscoll (chair)
- M.C. Hubbs (vice-chair)
- D.W. Cornhill
- J.N. Floren
- G.J. Goldberg

Number of meetings

Five meetings of the audit committee were held in 2023. 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 2023

- 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.
- Ensured the effectiveness of controls and procedures and integrity of financial statements was maintained.

Financial expertise

The company's board of directors has determined that D.W. Cornhill, S.R. Driscoll and M.C. Hubbs 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. The committee is satisfied that its activities over the year have fulfilled its mandate.

Committee members

- G.J. Goldberg (chair)
- D.W. Cornhill (vice-chair)
- M.R. Crocker
- S.R. Driscoll
- J.N. Floren
- M.C. Hubbs

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

Number of meetings

Eight meetings of the executive resources committee were held in 2023.

Committee highlights in 2023

- Evaluated performance and approved compensation for CEO and other executive officers.
- Approved overall compensation budget and incentive program for the company.
- Reviewed new policy relating to new Rule 10D-1 of the *US Securities Exchange Act of 1934* for recovering certain executive compensation in the event of a material negative financial restatement, and related amendments to the short term incentive plan.
- Reviewed a number of workforce and organizational changes.
- Continued focus on succession planning for senior management positions.

Committee members relevant skills and experience

All committee members 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. D.W. Cornhill, S.R. Driscoll, J.N. Floren G.J. Goldberg and M.C. Hubbs 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 M.R. Crocker, 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. Crocker as a related director and independent of management and who may participate as a member of the company's executive resources committee. Mr. Crocker'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.

Safety and sustainability committee

The role of the safety and sustainability committee is to oversee and monitor the company's policies and practices in matters of the environment, health, safety, security and sustainability. 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. It also assesses the potential impacts of public policy, climate change, and stakeholder and Indigenous relations on corporate performance, and oversees the company's community investment activities including charitable donations.

The committee evaluates safety and environmental performance, incidents and trends on a regular basis to ensure the company's focus on the safety of its employees, contractors and stakeholders and on operating in an environmentally responsible manner. It also provides oversight over sustainability and climate risk, including regular reviews and assessment of sustainability performance and initiatives, as well as climate risk within the company's risk management system and the strategies to address these risks. The formal mandate of the committee can be found within the Safety and Sustainability Committee Charter in Appendix A of this circular. The committee is satisfied that its activities over the year have fulfilled its mandate.

Committee members

- J.N. Floren (chair)
- G.J. Goldberg (vice-chair)
- D.W. Cornhill
- M.R. Crocker
- S.R. Driscoll
- M.C. Hubbs

Number of meetings

Five meetings of the safety and sustainability committee were held in 2023.

Committee highlights in 2023

- Personnel and process safety systems, performance and incident review, including ongoing oversight and guidance for mitigations and community engagement in respect of the Kearn environmental protection order.
- Environmental performance review (greenhouse gas, other air emissions, water consumption).
- Updates on material Canadian policy developments.
- Updates on Pathways Alliance carbon capture utilization and storage (CCUS) activities.
- Review of the company's Advancing Climate Solutions and Sustainability Reports and the company's disclosure strategy and plans.
- The company invested more than \$17.5M in Canadian communities in 2022 as reported using the London Benchmark Group model – a global standard for measuring and reporting community investment.
- In 2023, the company contributed over \$16.5M through community benefit agreements to Indigenous communities.
- The company surpassed \$5 billion in spending with Indigenous business since 2008, achieving the highest annual Indigenous business spend in 2023.
- Celebrated 20 years of support for Indspire, an organization that invests in the education of First Nations, Inuit and Métis people in Canada in 2023. Through the company's support, Indspire has provided scholarships to more than 500 Indigenous students.

Role in risk oversight

The safety and sustainability committee reviews and monitors the company's policies and practices in matters of environment, health, personnel and process safety and security, which policies and practices are intended to mitigate and manage risk in these areas. This includes specific reviews with respect to climate risk and the company's strategies to address these risks. It also includes pandemic and emergency response and continuity planning, in relation to health pandemics and epidemics. The committee receives regular reports from management on these matters.

Independence

The members of the safety and sustainability committee are independent, with the exception of M.R. Crocker.

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. The committee is satisfied that its activities over the year have fulfilled its mandate.

Committee members

- M.C. Hubbs (chair)
- J.N. Floren (vice-chair)
- D.W. Cornhill
- M.R. Crocker
- S.R. Driscoll
- G.J. Goldberg

Number of meetings

Six meetings of the nominations and corporate governance committee were held in 2023.

Committee highlights in 2023

- Approval of the statement of corporate governance practices.
- Engagement in board and committee self-assessment.
- Review of director compensation principles.
- Continued oversight and completion of director recruitment process with three new directors joining the board upon election at the 2023 shareholder meeting.
- Recommendation for changes to the composition of the committees of the board and recommendations for changes to the charters to reflect mandates of those committees.

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 M.R. Crocker, 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. Crocker 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. Crocker'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.

Finance committee

The role of the finance committee is to provide oversight and guidance regarding the corporation's capital structure/capital allocation, financial policies, practices and strategies. The formal mandate of the committee can be found within the Finance Committee Charter in Appendix A of this circular. The committee is satisfied that its activities over the year have fulfilled its mandate.

Committee members

- D.W. Cornhill (chair)
- S.R. Driscoll (vice-chair)
- M.R. Crocker
- J.N. Floren
- G.J. Goldberg
- M.C. Hubbs

Number of meetings

Five meetings of the finance committee were held in 2023.

Committee highlights in 2023

- Review and recommendation of the company's corporate and finance plans including the capital budget.
- Review and recommendation of dividend declarations.
- Review and recommendation of share buyback programs.

Role in risk oversight

The finance committee oversees risk by implementing and overseeing effective policies, practices and procedures, and by carefully considering various risk and other factors in connection with specific proposals for capital expenditures, budget additions and strategic initiatives and plans.

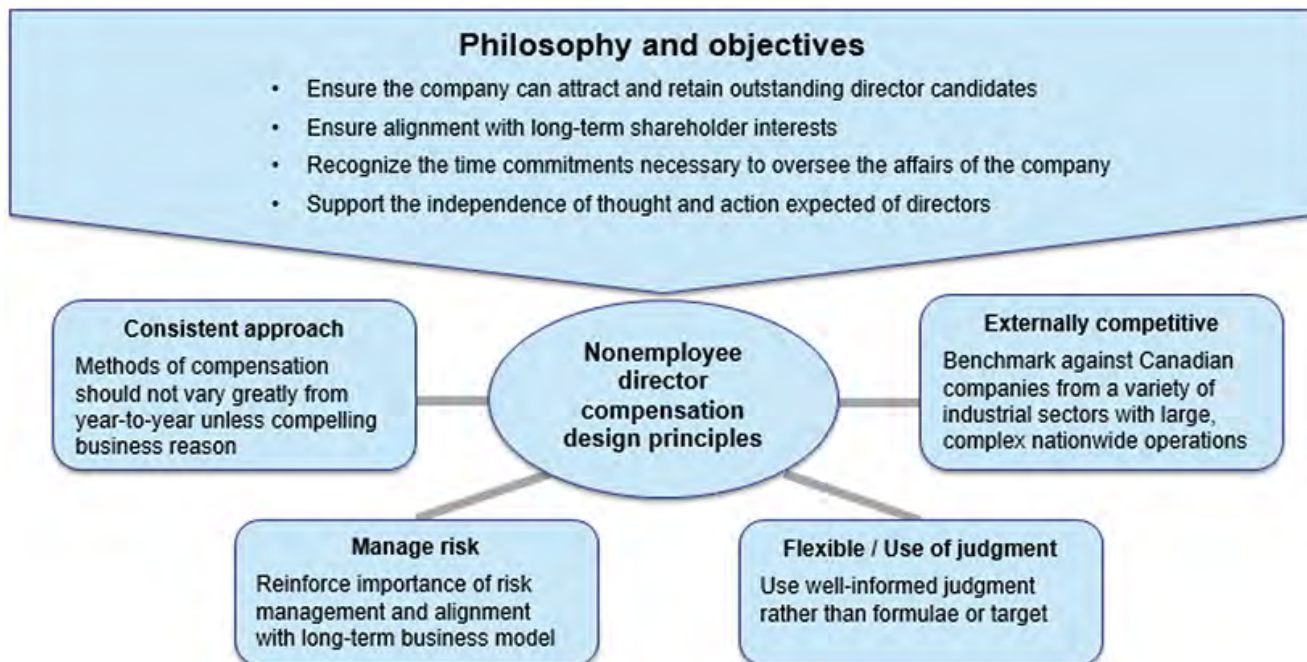
Independence

The members of the finance committee are independent, with the exception of M.R. Crocker.

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 committee relied 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 internally-led assessment included a review of data from benchmark companies, with this data being provided by an independent external consultant. 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 44.

Compensation decision making process and considerations

The nominations and corporate governance committee relies on market comparisons with a group of 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 comparator companies included in the benchmark sample are as follows:

Energy	Non-energy
Canadian Natural Resources Limited	Air Canada
Cenovus Energy Inc.	BCE Inc.
Enbridge Inc.	Canadian National Railway Company
Ovintiv Inc.	Nutrien Ltd.
Parkland Fuel Corporation	Royal Bank of Canada
Suncor Energy Inc.	Teck Resources Limited
TC Energy Corporation	TELUS 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 59.

Compensation details

Board retainer

The compensation of the nonemployee directors is assessed annually, and currently consists of a cash retainer for board membership and a grant of restricted stock units.

In 2021, the nominations and corporate governance committee reviewed and recommended a change to the annual grant of restricted stock units, increasing the grant from 3,000 to 3,300, with the annual retainer for board membership remaining at \$110,000 per year. The board subsequently approved this recommendation. During 2023, the committee recommended and the board approved no changes to nonemployee director compensation.

The following table summarizes the compensation terms for the nonemployee directors in 2023:

Director compensation	
Annual retainer terms: (a)	
Cash retainer:	
Board membership	\$110,000 annually
Committee chair	None
Equity based compensation:	
	3,300 units
Restricted stock units	(50% vests on each of the 5 th and 10 th anniversary dates of the 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 elected or appointed to the board during the year receive the full restricted stock unit grant and a pro-rated cash retainer based on the appointment or election date.*

In addition to compensation for board membership, the board determines the compensation for special committee membership when the committee is established. There was no cash retainer in connection with the special committee that was in place during 2023.

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 2023.

Director	Election for 2023 director’s fees in cash (%)	Election for 2023 director’s fees in deferred share units (%)
D.W. Cornhill	0	100
S.R. Driscoll (a)	0	100
J.N. Floren (a)	0	100
G.J. Goldberg (a)	0	100
K.T. Hoeg (b)	0	100
M.C. Hubbs	0	100
J.M. Mintz (b)	0	100
D.S. Sutherland (b)	0	100

(a) *S.R. Driscoll, J.N. Floren, G.J. Goldberg were elected to the board and its committees on May 2, 2023.*

(b) *K.T. Hoeg, J.M. Mintz and D.S. Sutherland retired from the board and its committees on May 2, 2023.*

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 65.

The number of restricted stock units granted annually was increased in 2016 from 2,000 units to 2,600 units, in 2018 to 3,000 units, and in 2021 to 3,300 units. Up until 2015, the vesting period for restricted stock units was 50 percent vesting on the third anniversary of the grant date (received in cash) and the remaining 50 percent vesting on the seventh anniversary of the grant date (with an option to receive in cash or common shares). In 2016, in order to better align the long-term financial interests of the directors with those of the shareholders, the vesting period 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 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 2023.

Director (a)	Annual retainer for board membership (\$) (b)	Restricted stock units (RSU) (#)	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	3,300	—	110,000	254,496	58,331	422,827
S.R. Driscoll	82,500	3,300	—	82,500	254,496	673	337,669
J.N. Floren	82,500	3,300	—	82,500	254,496	673	337,669
G.J. Goldberg	82,500	3,300	—	82,500	254,496	673	337,669
K.T. Hoeg (b)	55,000	—	—	55,000	—	85,346	140,346
M.C. Hubbs	110,000	3,300	—	110,000	254,496	62,032	426,528
J.M. Mintz (b)	55,000	—	—	55,000	—	80,009	135,009
D.S. Sutherland (b)	55,000	—	—	55,000	—	102,176	157,176

(a) As directors employed by the company or Exxon Mobil Corporation in 2023, B.W. Corson and M.R. Crocker did not receive compensation for acting as directors. S.R. Driscoll, J.N. Floren, G.J. Goldberg were elected to the board on May 2, 2023, and their "Annual retainer for board membership" has been pro-rated accordingly.

(b) K.T. Hoeg, J.M. Mintz and D.S. Sutherland retired from the board on May 2, 2023 and their "Annual retainer for board membership" has been prorated accordingly.

(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 47.

(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 44. This amount plus the "Total value of restricted stock units" amount is shown as "Share-based awards" in the Director compensation table on page 47.

(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, December 4, 2023 (\$77.12).

(f) Amounts under "All other compensation" consist of dividend equivalent payments on unvested restricted stock units, the value of additional deferred share units granted in lieu of dividends on unvested deferred share units, and the value of premiums paid by the company for accidental death and dismemberment (AD&D) insurance. In 2023, D.W. Cornhill received \$30,892 in dividend equivalent payments on restricted stock units, additional deferred share units valued at \$27,307 in lieu of dividends on deferred share units and insurance premiums of \$132. S.R. Driscoll received additional deferred share units valued at \$585 in lieu of dividends on deferred share units and insurance premiums of \$88. J.N. Floren received additional deferred share units valued at \$585 in lieu of dividends on deferred share units and insurance premiums of \$88. G.J. Goldberg received additional deferred share units valued at \$585 in lieu of dividends on deferred share units and insurance premiums of \$88. K.T. Hoeg received \$33,776 in dividend equivalent payments on restricted stock units, additional deferred share units valued at \$51,526 in lieu of dividends on deferred share units, and insurance premiums of \$44. M.C. Hubbs received \$27,876 in dividend equivalent payments on restricted stock units, additional deferred share units valued at \$34,024 in lieu of dividends on deferred share units, and insurance premiums of \$132. J.M. Mintz received \$33,776 in dividend equivalent payments on restricted stock units, additional deferred share units valued at \$46,189 in lieu of dividends on deferred share units, and insurance premiums of \$44. D.S. Sutherland received \$33,776 in dividend equivalent payments on restricted stock units, additional deferred share units valued at \$68,356 in lieu of dividends on deferred share units, and insurance premiums of \$44.

Director compensation table

The following table summarizes the compensation paid, payable, awarded or granted for 2023 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	—	364,496	—	—	—	58,331	422,827
S.R. Driscoll	—	336,996	—	—	—	673	337,669
J.N. Floren	—	336,996	—	—	—	673	337,669
G.J. Goldberg	—	336,996	—	—	—	673	337,669
K.T. Hoeg	—	55,000	—	—	—	85,346	140,346
M.C. Hubbs	—	364,496	—	—	—	62,032	426,528
J.M. Mintz	—	55,000	—	—	—	80,009	135,009
D.S. Sutherland	—	55,000	—	—	—	102,176	157,176

- (a) As directors employed by the company or Exxon Mobil Corporation in 2023, B.W. Corson and M.R. Crocker did not receive compensation for acting as directors. S.R. Driscoll, J.N. Floren, G.J. Goldberg were elected to the board on May 2, 2023, and their compensation has been pro-rated accordingly. K.T. Hoeg, J.M. Mintz and D.S. Sutherland retired from the board on May 2, 2023 and their compensation has been pro-rated 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 44).
- (d) Amounts under "All other compensation" consist of dividend equivalent payments on unvested restricted stock units, the value of additional deferred share units granted in lieu of dividends on unvested deferred share units, and the value of premiums paid by the company for accidental death and dismemberment (AD&D) insurance. In 2023, D.W. Cornhill received \$30,892 in dividend equivalent payments on restricted stock units, additional deferred share units valued at \$27,307 in lieu of dividends on deferred share units and insurance premiums of \$132. S.R. Driscoll received additional deferred share units valued at \$585 in lieu of dividends on deferred share units and insurance premiums of \$88. J.N. Floren received additional deferred share units valued at \$585 in lieu of dividends on deferred share units and insurance premiums of \$88. G.J. Goldberg received additional deferred share units valued at \$585 in lieu of dividends on deferred share units and insurance premiums of \$88. K.T. Hoeg received \$33,776 in dividend equivalent payments on restricted stock units, additional deferred share units valued at \$51,526 in lieu of dividends on deferred share units, and insurance premiums of \$44. M.C. Hubbs received \$27,876 in dividend equivalent payments on restricted stock units, additional deferred share units valued at \$34,024 in lieu of dividends on deferred share units, and insurance premiums of \$132. J.M. Mintz received \$33,776 in dividend equivalent payments on restricted stock units, additional deferred share units valued at \$46,189 in lieu of dividends on deferred share units, and insurance premiums of \$44. D.S. Sutherland received \$33,776 in dividend equivalent payments on restricted stock units, additional deferred share units valued at \$68,356 in lieu of dividends on deferred share units, and insurance premiums of \$44.

Five-year look back at total compensation paid to nonemployee directors

Year	Amount (\$)
2019	1,251,395
2020	1,073,527
2021	1,557,202
2022	2,153,807
2023	2,294,893

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, 2023 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 (#) (c)	Market or payout value of share-based awards that have not vested (\$) (d)
D.W. Cornhill	—	—	—	—	33,917	2,560,055
S.R. Driscoll	—	—	—	—	4,422	333,773
J.N. Floren	—	—	—	—	4,422	333,773
G.J. Goldberg	—	—	—	—	4,422	333,773
K.T. Hoeg (b)	—	—	—	—	16,700	1,260,516
M.C. Hubbs	—	—	—	—	36,136	2,727,545
J.M. Mintz (b)	—	—	—	—	16,700	1,260,516
D.S. Sutherland (b)	—	—	—	—	16,700	1,260,516

(a) As directors employed by the company or Exxon Mobil Corporation in 2023, B.W. Corson and M.R. Crocker did not receive compensation for acting as directors. S.R. Driscoll, J.N. Floren and G.J. Goldberg were elected to the board on May 2, 2023.

(b) K.T. Hoeg, J.M. Mintz and D.S. Sutherland retired from the board on May 2, 2023.

(c) Represents restricted stock units and deferred share units held as of December 31, 2023.

(d) Value is based on the closing price of the company's shares on December 31, 2023 (\$75.48). For K.T. Hoeg, J.M. Mintz and D.S. Sutherland, the value represents restricted stock units held as of December 31, 2023, as each of them exercised their deferred share units by the end of the 2023.

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 2023.

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	—	116,211	—
S.R. Driscoll	—	—	—
J.N. Floren	—	—	—
G.J. Goldberg	—	—	—
K.T. Hoeg	—	3,914,117	—
M.C. Hubbs	—	116,211	—
J.M. Mintz	—	3,595,688	—
D.S. Sutherland	—	3,438,084	—

- (a) As directors employed by the company or Exxon Mobil Corporation in 2023, B.W. Corson and M.R. Crocker did not receive compensation for acting as directors. S.R. Driscoll, J.N. Floren and G.J. Goldberg were elected to the board on May 2, 2023. K.T. Hoeg, J.M. Mintz and D.S. Sutherland retired from the board on May 2, 2023.
- (b) Represents restricted stock units granted in 2016 and 2018, which vested in 2023. 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. For K.T. Hoeg, the value also includes 55,991.53 deferred share units that were exercised on May 3, 2023 after her retirement, at a price of \$67.83 which was the weighted average price of common shares of the company on the five consecutive trading days immediately prior to the exercise date. For J.M. Mintz, the value also includes 50,237.90 deferred share units that were exercised on May 2, 2023 after his retirement, at a price of \$69.26 which was the weighted average price of common shares of the company on the five consecutive trading days immediately prior to the exercise date. For D.S. Sutherland, the value also includes 48,551.19 deferred share units that were exercised on July 28, 2023 after his retirement, at a price of \$68.42 which was the weighted average price of common shares of the company on the five consecutive trading days immediately prior to the exercise date.

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

Independent directors are required to hold the equivalent of at least 16,500 shares of Imperial Oil Limited, including common shares, deferred share units and restricted stock units, within five years from the date of joining 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 95,819 shares which meets 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	16,500 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 15, 2024, the record date of the management proxy circular.

Director	Director since	Amount acquired since last report (February 9, 2023 to February 15, 2024) (#)	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	3,709	46,417	3,773,702	16,500	Yes
B.W. Corson	September 17, 2019	86,800	410,400	33,365,520	Five times base salary	Yes
S.R. Driscoll	May 2, 2023	4,422	4,422	359,509	16,500	Yes (b)
J.N. Floren	May 2, 2023	4,422	4,422	359,509	16,500	Yes (b)
G.J. Goldberg	May 2, 2023	4,422	4,422	359,509	16,500	Yes (b)
M.C. Hubbs	July 26, 2018	3,801	36,136	2,937,857	16,500	Yes
Total accumulated holdings (#) and value of directors' holdings (\$)			506,219	41,155,606		

(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 15, 2024 (\$81.30).

(b) S.R. Driscoll, J.N. Floren and G.J. Goldberg were elected to the board on May 2, 2023 and are expected to meet the share ownership guidelines for independent directors of 16,500 shares within the required five years from such date.

For information relating to compensation of the company's named executive officers, see the Compensation discussion and analysis section starting on page 59.

Ethical business conduct

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

The company's directors, officers and employees are responsible for developing, approving and implementing plans and actions designed to achieve corporate objectives. In doing so, they are expected to observe the highest standards of integrity in the conduct of the company's business, with the methods employed to attain results being as important as the results themselves.

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/en-CA/Investors/Investor-relations, including any applicable amendments. The Code applies 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. No person in the company has the authority to make exceptions or grant waivers with respect to its foundational policies. 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. 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.

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 and procedures by various means, including to their supervisors or the company's ethics advisor, controller or general auditor. Imperial also has an ethics "hotline" that is operated by a third-party service provider and offers confidential, anonymous reporting 24 hours a day, seven days a week. 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. No action may be taken or threatened against employees for asking questions, voicing concerns, or making complaints or suggestions in good faith.

Management provides the board of directors with a review of corporate ethics and conflicts of interest on an annual basis. The company's internal auditors audit each business line's compliance with the program and report to the audit committee. Directors, officers and employees review the company's standards of business conduct (which includes the Code) on an annual basis, with independent directors and all employees being required to sign a declaration 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 all 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 is composed entirely of the independent directors and M.R. Crocker, who is an employee of Exxon Mobil Corporation and although deemed non-independent under the relevant standards by virtue of his employment, is viewed as independent of the company's management. It is anticipated that if elected, director nominee N.A.Hansen will also be a member of each committee, with the exception of the audit committee, and although Mr. Hansen will be deemed non-independent under the relevant standards by virtue of his employment with Exxon Mobil Corporation, he will be viewed as 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 board may also utilize ad hoc or special committees when considering various matters.

The independent directors conduct executive sessions in the absence of members of management. In 2023 these meetings were chaired by D.W. Cornhill, the independent director designated by the independent directors to chair and lead these discussions. Eight executive sessions were held in 2023. Following the establishment of the lead director position in 2024, the executive sessions of the board are chaired by the lead director.

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 occur, 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's code of ethics prohibits employees from securities transactions based on material, non-public information learned through their positions with the company. The company also has guidelines regarding corporate disclosure processes and procedures, as well as insider trading prohibitions and trading bans that are applicable 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's shares and advise the company within five days of any purchase of the company's shares. Reporting insiders are required, under securities regulations, to publicly 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. Imperial has had at least one woman on its board continuously since 1977, and 40 percent of the board's independent directors are women.

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 gender and membership in other designated groups, 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.

The board considers diversity through the annual nomination process, board assessment and other discussions. The board and the nominations and corporate governance committee also specifically consider diversity through targeted director recruitment processes. With three of the company's directors retiring in 2023, the board and the nominations and corporate governance committee completed an extensive director recruitment process in early 2023, with S.R. Driscoll, J.N. Floren and G.J. Goldberg being elected as directors of the company at the annual meeting in 2023. Diversity and the composition of the board was a key consideration throughout this process and the review of potential candidates, with the company instructing executive search firms to cultivate a diverse selection of potential nominees. The result of the recruitment process brought further experience and diverse perspectives to the board and maintained 40 percent of the independent directors being women.

As of the date of this proxy circular, 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 and nominees)	29
	2 of 5 (independent directors)	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 nominees, 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 21 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 senior management. 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. The company supports educational development and recruiting practices that facilitate the employment of Indigenous peoples, and in 2021 achieved Silver Certification in the Progressive Aboriginal Relations (PAR) program managed by the Canadian Council for Aboriginal Business. 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. These programs are conducted in both virtual and in-person formats to reach a broad range of employees.

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. 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.

As of the date of this proxy circular, 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	10 of 23	43
Aboriginal peoples	0 of 23	0
Persons with disabilities	0 of 23	0
Members of visible minorities	2 of 23	9

(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.

Understanding investor interests and concerns and obtaining their feedback is central to the company's shareholder engagement program. This critical input not only informs how the company interacts and communicates, but also helps identify what areas require additional focus to demonstrate ongoing progress and performance.

The company's senior management regularly meet with institutional investors and shareholders through industry conferences, roadshows and company hosted investor events. In 2023, these events were largely held as in-person engagements. Pertinent materials from these hosted events are available on the company's website.

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 took a number of steps to ensure active engagement through the annual meeting that was held in a virtual only format. Shareholders were given the opportunity to register a proxyholder to attend and ask questions in real time, and the company encouraged engagement from shareholders prior to the event. This format also allowed shareholders, who may not otherwise have been able to attend in person, to log in as a guest and follow the meeting. 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 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 responds to shareholder queries throughout the year, and proactively reaches out to shareholders to obtain their views on matters identified broadly by shareholders, including with respect to environment, social and governance topics, as well as optimal engagement approaches. In 2023, shareholder engagement and discussion involved a broad range of topics including capital allocation strategy, corporate guidance and operational performance, company growth plans, emission reduction plans and the Oil Sands Pathways to Net Zero initiative, and corporate strategy including with respect to the energy transition. Investor perspectives were a factor considered in decision making, and investor feedback was incorporated into company disclosure improvement efforts.

Communicating with the board

Shareholders, employees and others can contact the board directly by writing to:

Chair of the Board of Directors
c/o Corporate Secretary
Imperial Oil Limited
505 Quarry Park Blvd SE
Calgary, AB, Canada T2C 5N1

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 15, 2024, 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, 22777 Springwoods Village Parkway, Spring, Texas, 77389-1425, which owns beneficially 372,942,029 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.

The company undertook a number of issuer bid transactions during 2023 that involved ExxonMobil. On June 27, 2023, the company implemented a 12-month "normal course" share purchase program, allowing the company to purchase up to five percent of its outstanding common shares as of June 15, 2023, or a maximum of 29,207,635 shares. The program ended on October 19, 2023 upon the company purchasing the maximum allowable number of shares, with 8,879,143 common shares purchased on the open market and a corresponding 20,328,492 common shares purchased from ExxonMobil concurrent with, but outside of the program to maintain its shareholding at approximately 69.6 percent.

On November 3, 2023, the company commenced a substantial issuer bid that offered to purchase up to \$1.5 billion of its common shares through a modified Dutch auction and proportionate tender offer. The substantial issuer bid was completed on December 13, 2023, with the company purchasing 19,108,280 common shares at a price of \$78.50 per share, for an aggregate purchase of \$1.5 billion and 3.4 percent of the company's issued and outstanding shares (as of the close of business on October 30, 2023). This included 13,299,349 shares purchased from ExxonMobil by way of a proportionate tender to maintain its ownership percentage at approximately 69.6 percent.

The amounts of purchases and revenues by the company and its subsidiaries for other transactions in 2023 with ExxonMobil and its affiliates were \$4,026 million and \$13,544 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 costs. 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. The company had an existing agreement with ExxonMobil to provide for the delivery of management, business and technical services to Syncrude Canada Ltd. by ExxonMobil, which was terminated in connection with the transfer of operatorship of Syncrude on September 30, 2021.

As at December 31, 2023, the company had an outstanding loan of \$3,447 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.

Company executives and executive compensation

Named executive officers of the company

The named executive officers of the company at year end 2023 are listed below, all of whom remain in their positions as of February 15, 2024.

Bradley W. Corson, 62

Calgary, Alberta, Canada



Position held at the end of 2023 (date office held):

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

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

President
(2019 – 2020)

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

Daniel E. Lyons, 61

Calgary, Alberta, Canada



Position held at the end of 2023 (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):

No other positions in the last five years

Simon P. Younger, 48

Calgary, Alberta, Canada



Position held at the end of 2023 (date office held):

Senior vice-president, upstream
(2020 – Present)

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

Vice-president, production, upstream
(2019 – 2020)

Senior planning advisor, corporate strategic planning, upstream, Exxon Mobil Corporation
(2017 – 2019) (affiliate)

Bruce A. Jolly, 56

Calgary, Alberta, Canada



Position held at the end of 2023 (date office held):

Treasurer
(2023 – Present)

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

Assistant controller
(2019 – 2023)

Upstream controller
(2018 – 2019)

Sherri L. Evers, 47

Calgary, Alberta, Canada



Position held at the end of 2023 (date office held):

Senior vice-president, sustainability, commercial development and product solutions
(2023 – Present)

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

Vice-president, commercial and corporate development
(2021 – 2023)

Fuels manager, Central and Eastern Canada, fuels and lubricants
(2018 – 2020)

Other executive officers of the company

In addition to the named executive officers listed on the previous page, the following individuals are executive officers of the company as of February 15, 2024.

Kristi L. Desjardins, 50

Calgary, Alberta, Canada



Position held (date office held):
Vice-president, human resources
(2020 – Present)

Other positions in the past five years (position, date office held and status of employer):
Human resources services manager, global human resources operations, Exxon Mobil Corporation
(2018 – 2020) (affiliate)

Constance D. Gemmell, 57

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):
No other positions in the past five years

Ian R. Laing, 50

Calgary, Alberta, Canada



Position held (date office held):
Vice-president, general counsel and corporate secretary
(2020 – Present)

Other positions in the past five years (position, date office held and status of employer):
Assistant general counsel, downstream and corporate departments and corporate secretary
(2019 – 2020)

Christopher Leyerzapf, 48

Calgary, Alberta, Canada



Position held (date office held):
Assistant controller
(2023 – Present)

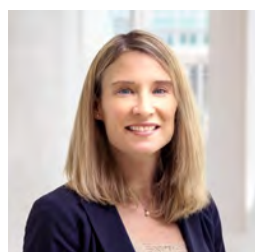
Other positions in the past five years (position, date office held and status of employer):
Upstream controller
(2021 – 2023)

Upstream business analysis and reporting manager
(2019 – 2021)

Senior financial advisor, upstream corporate reporting, Exxon Mobil Corporation
(2018 – 2019) (affiliate)

Eloissa D. Wells, 43

Sarnia, Ontario, Canada



Position held (date office held):
Vice-president, chemicals and Sarnia site complex manager
(2023 – Present)

Other positions in the past five years (position, date office held and status of employer):
US and Canada commercial fuel sales and marketing manager, product solutions, fuels value chain, Exxon Mobil Corporation (2021 – 2023) (affiliate)

Business analysis and reporting manager, controllers, Exxon Mobil Corporation
(2019 – 2021) (affiliate)

Baton Rouge fuels refinery process department head, Baton Rouge refinery, Exxon Mobil Corporation (2017 – 2019) (affiliate)

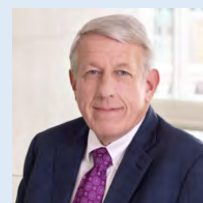
Executive Compensation

Compensation discussion and analysis

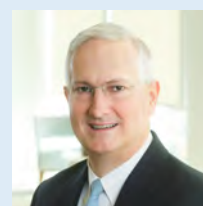
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The compensation and discussion analysis and executive compensation tables outline Imperial's executive compensation program and process for determining pay as it applies to the named executive officers (NEOs).

For 2023, named executive officers were:



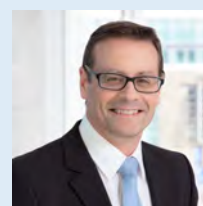
Brad W. Corson
Chairman, president,
and chief executive
officer



Daniel E. Lyons
Senior vice-president,
finance and
administration, and
controller



Simon P. Younger
Senior vice-president,
upstream



Bruce A. Jolly
Treasurer



Sherri L. Evers
Senior vice-president,
sustainability,
commercial
development, and
product solutions

Executive summary

Letter to shareholders

Fellow shareholders:

The executive resources committee (“committee”) supports the design and resulting pay outcomes of Imperial's executive compensation program; we believe that it aligns well with the company's business model and considers the complexity of the business environment in which the company operates. Executive performance is evaluated across multiple performance dimensions within the context of the company's long-term strategy. The design of the executive compensation program rewards performance and ensures the goal of maximizing long-term shareholder value is achieved and the company is positioned for long-term success.

Business Perspective

Imperial's business involves investments that create shareholder value over long periods of time, requiring executives to maintain a long-term view when making decisions. The executive compensation program design reflects this and has proven to be adaptable to evolving strategic priorities.

In 2023, Imperial delivered strong business results across a wide range of performance dimensions. Through its focus on strategic priorities and commitment to delivering reliable, affordable, and lower emission energy to Canadians, the company is positioned for long-term success, and able to drive long-term shareholder value. The company's disciplined approach and focus on cost efficiencies allows it to realize the full benefit of market conditions and deliver strong financial performance. For more information on the 2023 key business results see page 69.

Compensation Decisions

The committee exercises oversight of a compensation program that aligns executives' pay with the results of their decisions and the returns of our shareholders over the long term. The program design is aligned with the core elements of the majority shareholder's compensation program, and is designed to drive long-term accountability, reward the highest standard of performance, and promote retention.

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.

Key decisions approved by the committee are as follows:

- The committee approved competitive base salaries for named executive officers, consistent with the salary program for all executives.
- The 2023 bonus program awards were approved at lower levels than 2022, reflective of changes in year-on-year earnings performance and further differentiated by individual performance.
- The committee granted restricted stock unit awards in keeping with program design, with the value of awards having increased year-on-year in line with increases in stock price.

The committee has reviewed and discussed the CD&A with management of the company and has recommended to the board that the CD&A be included in the company's management proxy circular for the 2024 annual meeting of shareholders and annual report of Form 10-K. On behalf of the committee, I 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.



G.J. Goldberg,
Chair, executive resources
committee

Compensation design

Approach to executive compensation

The decisions that our executives make and the risks they manage play out over multi-year time horizons. Executives are required to carefully consider current and future risks, such as those related to the energy transition, and to make decisions across a broad range of business environments that generate sustainable shareholder value over the long term.

The company's executive compensation program design aligns executives' pay with the results of their decisions and shareholder returns over the long term. The program is designed to drive long-term accountability, reward the highest standard of performance, and promote retention.

Drive long-term accountability

The company's strategic objectives have been established to drive sustainable value while positioning the company for long-term success in a lower-emissions future. These objectives are translated into annual plan goals through a comprehensive process which incorporates corporate and functional plans. Goals are incorporated in the corporate plan, which is reviewed and approved by the board and provides the framework for the company's commitments.

Reward outstanding performance

Highly differentiated pay-for-performance is foundational to the company's compensation program design. The extent to which executives achieve pre-established goals, assessed over near- and long-term horizons, is a key differentiating factor in executives' pay deliberations. Performance evaluation directly impacts level of base salary, bonus, and long-term incentive awards.

Promote retention

Long-term orientation also underpins how the company develops talent. It begins with recruiting exceptional people, and continues with individually planned experiences and training, which leads to broad development and a deep understanding of our business across the business cycle.

The compensation program is designed to attract and retain talent for a career through compensation that is market competitive, highly differentiated by individual performance, and with long restriction periods that promote retention.

Supported by strong governance practices

Key design features that discourage executives from taking inappropriate risk include:

- ✓ Extensive stock ownership
- ✓ Significant pay at risk
- ✓ Strong forfeiture provisions
- ✓ Clawback policy
- ✓ Anti-hedging policy
- ✓ Annual assessment of compensation design
- ✗ No severance agreements
- ✗ No change-in-control arrangements
- ✗ No guaranteed bonuses
- ✗ No additional stock grants to balance losses in value
- ✗ No accelerated vesting at retirement

Overview

Accountability and performance | Pages 63 - 64

- Board reviews and approves corporate goals and objectives annually; integrated into company's plan cycle.
- Goals are cascaded at each level, tailored for area of responsibility; annual assessment versus planned goals results in differentiated pay outcomes.

Compensation design | Pages 65 - 67

- Named executive officers participate in the same broad-based programs as all other executives.
- Restricted stock units for senior executives represent a higher percentage of total direct compensation¹, reflective of the impact of their decisions, and resulting in increased pay-at-risk.

	Restricted stock units	Annual bonus	Base salary
Percent of NEO total direct compensation¹	<ul style="list-style-type: none"> • Over 50 percent 	<ul style="list-style-type: none"> • 10 to 20 percent 	<ul style="list-style-type: none"> • 10 to 30 percent
Intent	<ul style="list-style-type: none"> • Link pay to returns of long-term shareholders • Encourage long-term view through the commodity price cycle 	<ul style="list-style-type: none"> • Link pay to annual company earnings performance • Align incentives across all functions 	<ul style="list-style-type: none"> • Provide competitive base pay
Key Design Features	<ul style="list-style-type: none"> • Granted in the form of stock units • CEO: 50 percent vests in 5 years from grant date; 50 percent in 10 years • All other executives: 50 percent vests in 3 years from grant date; 50 percent in 7 years • Long restriction periods coupled with performance metrics applied at grant • Significant portion of pay at risk of forfeiture for extended period of time 	<ul style="list-style-type: none"> • Paid in year of grant • Bonus award pool reflective of business performance • Individual award further determined by individual performance and pay grade • Full award subject to clawback 	<ul style="list-style-type: none"> • Increase determined by individual performance, experience, and pay grade • Ties directly to long-term benefits

Determining compensation

Annual compensation benchmarking | Page 68

- Target pay around the median, considering tenure in position, individual and business performance

Business performance | Page 69

Performance Dimension	Measurement
<ul style="list-style-type: none"> • Progress toward strategic objectives <ul style="list-style-type: none"> – Operations performance – Financial performance – Energy transition – Business portfolio 	<ul style="list-style-type: none"> • Demonstrated leadership and accomplishments relative to established goals and objectives

Pay deliberations and decisions | Pages 71 - 72

- Balances progress toward strategic objectives, business results, individual performance, and competitiveness of pay, taking into account experience in position

¹ Refer to definitions and frequently used terms on page 76

Accountability and performance

Executive compensation program design is aligned with business model and talent development approach - long-term oriented, performance differentiated, and adaptable to evolving strategic priorities through goal setting.

Strategic objectives

The company's long-term strategic objectives center around four key interdependent performance dimensions, reflective of the company's priority focus areas. These objectives, fully integrated into the company's plan cycle, provide the framework for the organization to deliver on its commitments.

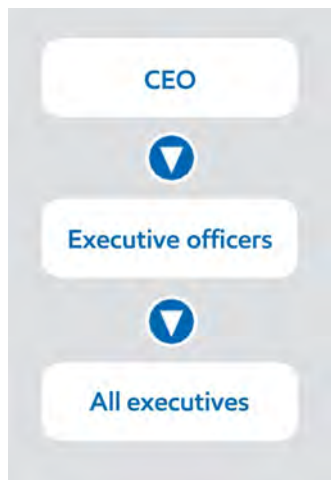
Strategic objectives have been established to drive sustainable growth in shareholder value while positioning the company for long-term success in a lower-emissions future.

Long-term strategic objectives	
Operations performance	Deliver industry-leading performance in safety, environmental performance, and reliability
Financial performance	Deliver industry-leading earnings and cash flow growth
Energy transition	Reduce GHG emissions intensity at our operated assets and in hard-to-decarbonize sectors
Business portfolio	Optimize existing business portfolio, resilient to a transitioning energy system

Plan goals

The company's strategic objectives are translated into annual plan goals through a comprehensive process that incorporates corporate and functional plans. Plan goals are endorsed by the board.

A disciplined approach to establishing goals aligns executives to deliver on the company's strategic objectives.



The chief executive officer ("CEO") is primarily responsible for executing the company's long-term strategic objectives, as translated into annual plan goals. CEO goals and objectives are supplemented with enterprise-wide initiatives. These include risk management, corporate reputation, talent management, research and technology, and management of major projects.

Plan goals and objectives are cascaded throughout the organization, tailored to each executive's area of responsibility.

Goals and objectives are reviewed with senior management annually and reinforced through periodic stewardship reviews and the performance assessment process.

Leaders are held accountable to deliver on plan goals and objectives across all performance dimensions within the context of the company's strategic objectives. This sets a high performance threshold. Where faced with trade-offs across different priorities, these are discussed with senior management.

Design adaptable to evolving strategic priorities through integration in the company's plan process, corporate goals & objectives approved by the board

Performance evaluation

The executive resources committee evaluates accomplishments across all business performance dimensions within the context of the company's long-term strategy. Financial and operating metrics further support the committee's assessment.

Relevant business performance measures include:

- Safety, health, and environmental performance;
- Risk management;
- Total shareholder return;
- Net income;
- Return on average capital employed¹;
- Cash flow from operations and asset sales¹;
- Operating performance of the upstream, downstream, and chemical businesses; and
- Progress on advancing long-term strategic interests.

¹non-GAAP financial measure – see *definitions and frequently used terms* section on page 76.

Results of the annual performance evaluation inform level of pay, including salary, bonus, and restricted stock unit award. For more details on pay deliberations for the CEO and other named executive officers, see pages 71 to 72.

Chief executive officer

The committee evaluates the CEO's performance based on progress against plan goals and objectives, which are reflective of the company's strategic objectives and supported by financial and operating metrics.

The company's strategic objectives are interdependent, with long-term success determined by delivery in each of the strategic objectives. As such, the committee assigns equal weight to each of the four strategic objectives.

Recognizing the complexity and significant uncertainty inherent in a transitioning energy system, the committee maintains its focus on balancing the energy transition objectives and meeting society's need for affordable products that support modern life.

Progress is discussed throughout the year in various board and committee reviews. Financial and operating metrics are assessed over near- and long-term time horizons, taking into account the broader business environment. See page 69 for 2023 business performance.

Executive officers

The CEO reviews the performance of all other executive officers with the board during the annual executive development review. Performance is evaluated based on accomplishments versus plan goals and objectives.

In addition to this formal annual assessment, the board evaluates the performance of all senior executives throughout the year during specific reviews and board meetings.

The committee also takes into account demonstrated leadership in sustaining sound business controls and a strong ethical and corporate governance environment.

The committee does not use quantitative targets or formulae to assess individual performance or determine compensation. 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, senior executives must advance multiple strategies and objectives in parallel, versus emphasizing one or two at the expense of others that require equal attention.

Disciplined approach holds executives accountable for business results and progressing strategic objectives, balancing short- and long-term activities

Long-term award program

Through long restriction periods, Imperial executives are incentivized to take a long-term view in decision making

Restricted stock units represent over 50 percent of total direct compensation¹, and are intended to link executive pay to the returns of long-term shareholders and encourage a long-term view through the commodity price cycle.

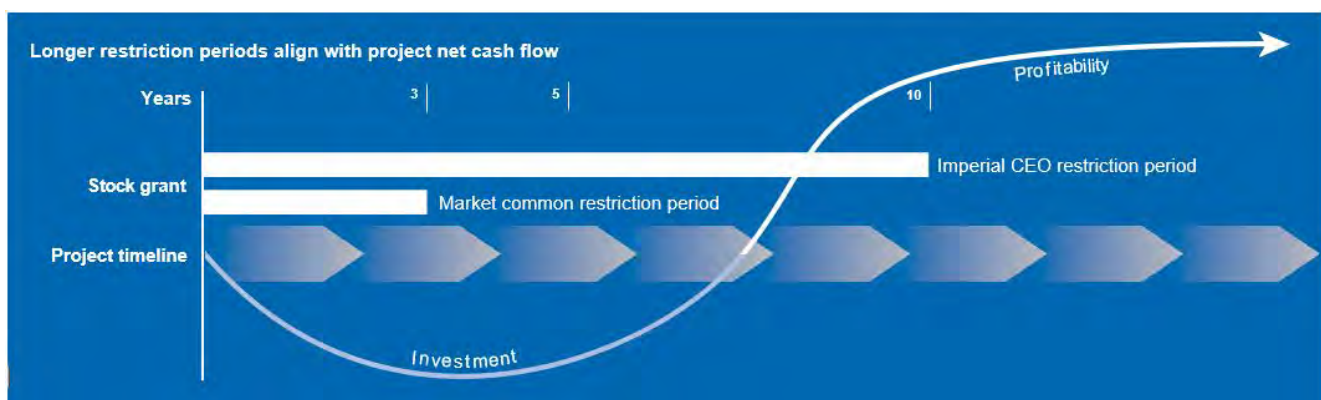
Restricted stock units granted to the CEO vest 50 percent in 5 years and 50 percent in 10 years. Restricted stock units granted to all other executives vest 50 percent in 3 years and 50 percent in 7 years.

Program design

<p>Business model alignment Long investment lead times and complex risk management landscape require long-term view</p>	<p>Shareholder alignment Majority of executive pay delivered in restricted stock units, aligning realized pay level with returns of long-term shareholders</p>	<p>Accountability Restriction periods and risk of forfeiture drive focus on long-term shareholder value creation while managing risk</p>
<p>Longest restriction periods in any industry Applying performance measures at grant enables restriction periods of up to 10 years</p>	<p>Highest standards of performance Performance assessed against pre-established goals and objectives, results tie directly to award level</p>	<p>Ability to retain key talent Executives unable to monetize significant portion of pay, creating large "buyout" hurdle</p>

Long restriction periods in line with investment lead times and risk profile

- Investment decisions in a capital-intensive industry and management of risk play out over time horizons often decades in length, through volatile commodity price cycles, requiring executives to maintain a long-term view when making decisions.
- Long restriction periods ensure that a significant portion of pay reflects the outcome of these decisions and the experience of long-term shareholders.
- An alternate formula-based program would require a shorter time horizon to set meaningful, credible targets. A shorter-term program could encourage short-term decision making, which is not aligned with the long investment lead times and capital-intensive nature of the business.
- Example below shows net cash flow of a typical Imperial project aligning with the restricted stock program design for the Imperial CEO. It illustrates that short-term vesting occurs prior to determination of project financial success or failure and that longer-term vesting better aligns with shareholder returns resulting from investment decisions.



¹ Refer to definitions and frequently used terms on page 76

Share-denominated basis aligns award values with shareholder outcomes

- Uniquely long restriction periods result in a need to apply performance metrics at grant, versus at vest.
- Restricted stock award grant levels are established based on pay grade and individual performance.
- The executive resources committee does not adjust share grants to offset changes in share price, which results in executives seeing a one-for-one change in compensation through share price.
- A share-denominated approach¹ coupled with long restriction periods defines the risk/reward profile of stock-based performance awards and results in a greater degree of volatility versus alternate programs with a dollar-denominated approach.¹

2023 decisions

- As in prior years, and as a matter of principle, the committee did not adjust share grants to offset changes in the current share price, thus maintaining strong alignment in the experience of our executives and our long-term shareholders.
- Changes in award grants for named executive officers reflect individual performance.
- Long-term award value increased reflective of stock price, \$77.12 at 2023 grant versus \$72.62 in 2022, up from \$44.08 in 2021, and \$24.26 in 2020.

Stock ownership¹

- It is Imperial's policy that executives maintain significant stock ownership, with no accelerated vesting at retirement
- The chairman, president and chief executive officer must, within three years of his appointment, acquire shares of the company, including common shares and restricted stock units, of a value no less than five times his base salary
- Long restriction periods result in stock ownership far exceeding ownership guidelines typical among other companies across industries. This aligns the interests of our executives with those of long-term shareholders and ensures focus on actions that create sustainable shareholder value over the long term
- At retirement, outstanding shares will continue to vest over a 7 to 10 year period

Exxon Mobil Corporation has a plan similar to the company's restricted stock unit plan, under which grantees may receive restricted stock units, referred to herein as Exxon Mobil Corporation restricted stock. B.W. Corson holds Exxon Mobil Corporation restricted stock granted in 2018 and previous years, as well as Imperial Oil restricted stock units granted since 2019. D.E. Lyons holds Exxon Mobil Corporation restricted stock granted in 2017 and previous years, as well as Imperial Oil restricted stock units granted since 2018. S. P. Younger holds Exxon Mobil Corporation restricted stock granted in 2019 and previous years, as well as Imperial Oil restricted stock units granted since 2020.

¹ Refer to definitions and frequently used terms on page 76

Bonus program

Annual bonus program represents **10 to 20 percent** of total direct compensation¹, and is intended to link executive pay to annual company earnings performance.

Program design

- The executive resources committee ("committee") establishes the overall size of the bonus program. In establishing the annual bonus program, the 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 the linkage to the majority shareholder's 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.
- A bonus award matrix is used to determine individual grant levels based on pay grade and individual performance.
- Tie to year-over-year change in earnings coupled with individual performance defines the risk/reward profile of the bonus program and results in greater degree of volatility versus market practice, aligned with our approach to executive compensation as discussed on page 61.
- Bonus delivered in cash in year of grant.
- Full bonus award subject to clawback, see page 74.

2023 decisions

- 2023 bonus program awards were approved at lower levels than 2022, reflective of year-over-year changes in earnings performance; individual awards for named executive officers further reflect individual performance.
- CEO bonus \$1.7 million, down from \$2.2 million in 2022.

Salary program

Base salary represents **10 to 30 percent** of total direct compensation¹, and is intended to provide competitive base pay and directly affect the level of retirement benefits, as salary is included in benefit formulas.

The overall size of the program is determined by annual benchmarking. Individual salary increases are the result of individual performance, experience, and changes to pay grade.

2023 decisions

- For 2023, the committee approved competitive base salaries for named executive officers consistent with the salary program for all executives.
- Individual salary treatments take into account individual performance, level of responsibility and experience, and reflect market analysis and competitiveness at the time of the decision in 2023.

¹ Refer to definitions and frequently used terms on page 76

Determining Compensation

Annual benchmarking

The executive resources committee conducts annual benchmarking to assess market competitiveness of executive pay and program design

Compensation benchmarking

In addition to the assessment of business and individual performance, the executive resources committee ("committee") benchmarks against a select group of major Canadian companies¹.

Criteria for selecting benchmark companies¹ include:

- Canadian companies or Canadian affiliates;
- Large operating scope and complexity;
- Capital intensive; and
- Proven sustainability over time.

Pay orientation

In assessing the appropriateness of pay levels, the committee considers scale and complexity, and tenure in position as relevant factors.

The committee focuses on a broad range around the median of compensation benchmark companies. This provides the ability to:

- Differentiate compensation based on experience and performance levels among executives;
- Minimize the potential for automatic ratcheting-up of compensation that could occur within a narrow target among benchmark companies; and
- Respond to changing business conditions

The elements of Exxon Mobil Corporation and respective affiliates' compensation programs for B. W. Corson, D. E. Lyons, and S. P. Younger, including salary, annual bonus, and restricted stock units (long-term) compensation considerations, are generally similar to those of the company.

¹ Refer to definitions and frequently used terms on page 76

2023 business performance

In 2023, Imperial delivered strong business results across a wide range of performance dimensions.

- Delivered strong safety performance and effective enterprise risk management across the organization.
- Recognized as one of Canada's top employers by Mediacorp Canada Inc. for the fourth consecutive year, and designated as a 2023 top employer for Canadians over 40 and for young people.

Commitment to sustainability

- Published Imperial's Advancing Climate Solutions and Corporate Sustainability Reports.
- Continued to progress the company's goals to reduce emissions intensity at its operated oil sands by 30% by 2030 compared with 2016 levels, and to achieve net zero (scope 1 and 2) by 2050 in operated assets through collaboration with government and industry partners.
- Established Low Carbon Solutions organization, focused on leveraging our unique capabilities in lower-emission technologies like renewable fuels, hydrogen and carbon capture and storage, to help customers meet their sustainability goals.
- Progressed Pathways foundational carbon storage hub project to provide crucial infrastructure to support oil sands emission reductions.
- Achieved start-up of the final boiler flue gas units at Kearl. The six units now operating have the potential to reduce greenhouse gas emissions.
- Received first-ever shipment of renewable diesel at Kearl for use in mine fleet as part of the company's ongoing effort to reduce emissions and demonstrate suitability for use in heavy equipment.
- Through Imperial's partnership, E3 Lithium commissioned the Direct Lithium Extraction field pilot plant and began operations.
- Reached new milestone with \$4.6 billion spent on Indigenous businesses since 2008.

Financial performance

- Strong operating performance and reliability performance.
- Achieved net income of about \$4.9 billion.
- Generated substantial cash with \$3.7 billion in cash flow from operating activities, and \$6.4 billion in cash flow from operating activities excluding the impacts of working capital.¹
- Increased quarterly dividend to \$0.50 per share in the second quarter, increasing the annual dividend paid for the 29th consecutive year. The dividend of \$0.50 per share represents a 14% increase year over year.
- Total shareholder returns of \$4.9 billion; including dividends of \$1.1 billion and share repurchases of \$3.8 billion which includes a substantial issuer bid of \$1.5 billion, and the accelerated completion of the company's normal course issuer bid.

Upstream operations performance

- In response to off-lease seepage at Kearl, the company expanded monitoring, interception and collection systems. The company also increased communications and engagement with local communities.
- Produced 413,000 gross oil-equivalent barrels per day of full-year upstream production; driven by strong operations and a continued focus on low capital high return investments.
- Kearl's full year production was the highest in the asset's history, bringing full year production to 270,000 gross oil-equivalent barrels per day (191,000 barrels Imperial's share).
- Achieved best-ever quarterly production at Kearl of 308,000 gross oil-equivalent barrels per day (218,000 barrels Imperial's share) in the fourth quarter, and best-ever single-day production at Kearl of 363,000 gross oil-equivalent barrels per day (258,000 barrels Imperial's share) on December 25th.
- Completed conversion of last remaining haul trucks at Kearl to autonomous operation, which helped capture significant improvements to truck productivity and workforce safety.
- Produced 135,000 gross oil-equivalent barrels per day of full-year production at Cold Lake.
- Started-up steam-injection at Cold Lake Grand Rapids Phase 1, which will be the first solvent-assisted SAGD project in industry and is expected to reduce greenhouse gas emissions intensity by up to 40% compared to existing cyclic steam simulation technology.
- Produced 76,000 gross oil-equivalent barrels per day of full-year production at Syncrude.
- Advanced field trial of our Enhanced Bitumen Recovery Technology at Aspen to validate the technology and prepare for commercial use. This solvent technology has the potential to reduce greenhouse gas emissions intensity by 60% versus SAGD production.

Downstream and Chemical operations performance

- Achieved average throughput of 407,000 barrels per day with refinery capacity utilization of 94 percent, while completing significant turnaround activity on schedule and under budget at both the Strathcona and Sarnia refineries.
- Achieved several full-year production records across the company's refineries.
- Approved \$720 million project to construct largest renewable diesel facility in Canada, located at Strathcona refinery, and commenced facility construction with renewable diesel production expected to begin in 2025.
- Reliable operational performance supported Chemicals net income of \$164 million.

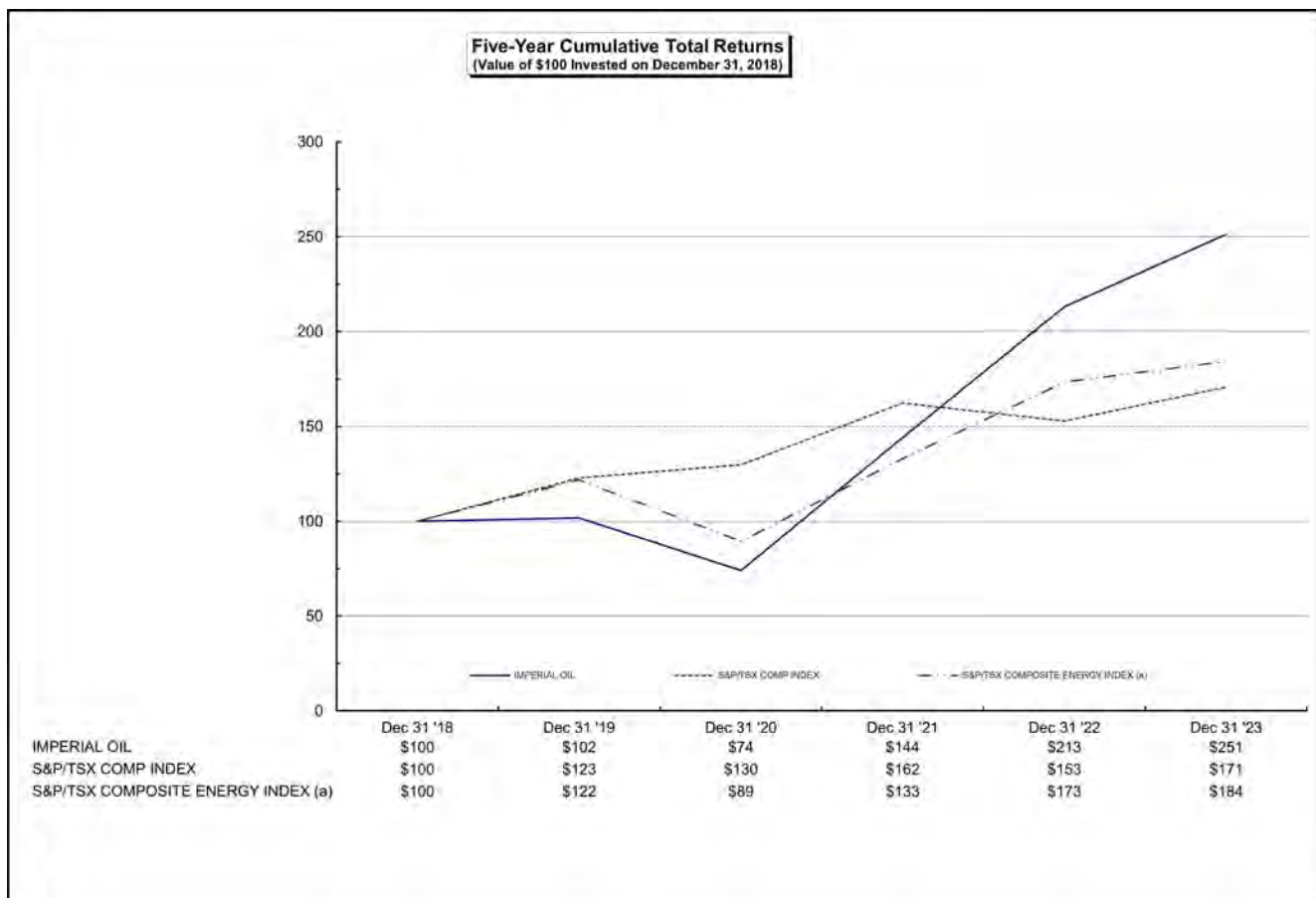
¹non-GAAP financial measure – see *definitions and frequently used terms* section on page 76.

Performance graph

The following graph shows changes over the past 5 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 41 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 returns¹ 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 5 years, the company's cumulative total shareholder return¹ was 151 percent, for an average annual return of 20 percent. Total direct compensation¹ 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.



¹ Refer to definitions and frequently used terms on page 76

2023 compensation actions

Chief executive officer

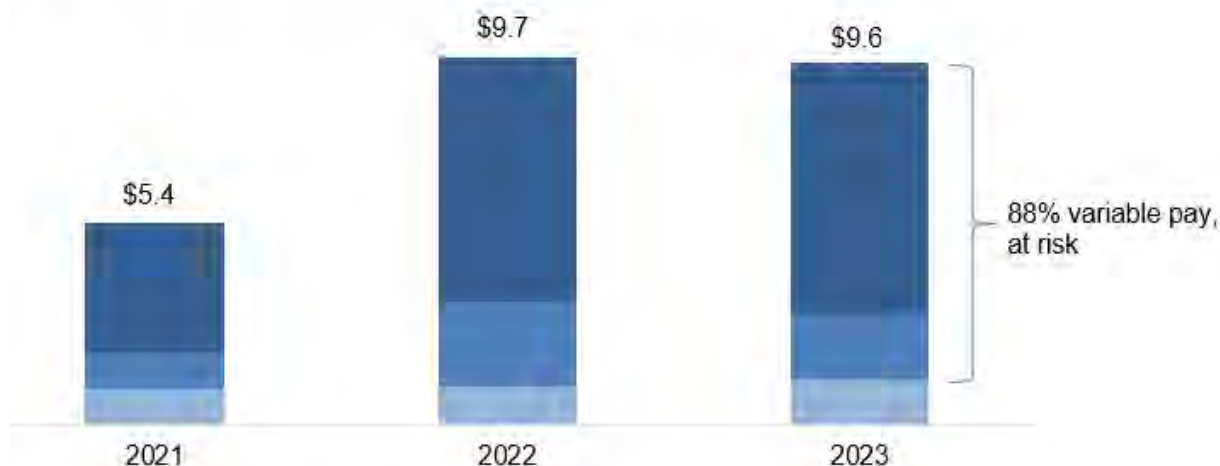
Mr. Corson is primarily responsible for executing the company's long-term strategic objectives while progressing plan goals in support of these objectives. His level of salary in 2023 was determined by the committee based on his individual performance and to align with that of his peers at Exxon Mobil Corporation. For 2023, the committee approved an increase of \$80,000 USD to \$884,000 USD (\$1.19 million CAD). For 2024, the committee approved a salary increase of \$35,400 USD to \$919,400 USD. (\$1.24 million CAD).

Mr. Corson's 2023 annual bonus of \$1.27 million USD (\$1.71 million CAD) was based on his performance as assessed by the committee. His long-term incentive award of 86,800 restricted stock units was granted in the form of Imperial 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. 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. Corson's shareholding net worth to the performance of the company. As such, the realized value of the long-term incentive grants may differ from the amounts shown in the summary compensation table, depending on company performance at time of future vesting. During these vesting periods, the awards remain at risk of forfeiture even after retirement.

The committee has determined that the total compensation of Mr. Corson 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 64.

Total direct compensation¹

■ Salary ■ Bonus ■ Stock-based awards
(millions)



Total reported pay¹

\$8.8 \$17.3 \$14.8

- 2023 total direct compensation¹ down 1.4 percent versus 2022 reflective of lower bonus program offset by an increase in share price.
- 70 percent of CEO total direct compensation¹ delivered in the form of restricted stock units with long restriction periods.

¹ Refer to definitions and frequently used terms on page 76. Amounts are shown in Canadian dollars.

Other named executive officers

Within the context of the compensation program structure and performance assessment processes previously described, the value of 2023 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 committee’s decisions on pay awarded to other named executive officers reflect judgment, rather than the application of formulae or targets. The committee approved the individual elements of compensation and the total compensation as shown in the summary compensation table.

Other compensation elements

Retirement plans

The company’s approach to talent development stems from the need to develop future leaders broadly and deeply given the complexity and long-term nature of the business. Retirement plans support the company’s talent management approach and are designed to attract and retain talent for a career. Retirement plans include:

- A company savings plan that is attractive to new hires who can begin building an account balance immediately upon achieving eligibility; and
- Defined benefit plans, such as the company’s pension plan, that help retain mid- and late-career employees until retirement eligibility. These are viewed as the primary vehicle for retirement planning.

Named executive officers participate in the same savings and pension plan, including supplemental pension arrangements outside the registered plan, as other employees, except for B.W. Corson, D.E. Lyons and S.P. Younger who participate in Exxon Mobil Corporation or respective affiliates’ pension plans.

Below are brief descriptions of the plans. See the Pension Benefits section on page 85 for more details.

Plan	Description
Savings plan	<ul style="list-style-type: none"> • Employees with more than one year of service may contribute between 1 and 30 percent of normal earnings via payroll deductions. • The company provides matching contributions up to 6% which vary depending on the amount of employee contributions and which defined benefit pension arrangement the employee participates. • 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), subject to contribution limits under the <i>Income Tax Act</i>.
Registered pension plan	<ul style="list-style-type: none"> • The company provides a registered defined pension benefit when leaving the company if age, service, and other provisions under the plan are met. • Benefit available in various annuity forms upon retirement. • Subject to income tax regulations that impose limits on the amounts that can be paid from a registered plan. • Provides for pension benefits accrual only until December 1st in the year the employee reaches the age of 71. • The company does not grant additional pension service credit.
Supplemental pension arrangement	<ul style="list-style-type: none"> • Addresses any portions of the defined benefit that cannot be paid from the registered plan due to income tax regulations. • Executive officers who receive an annual bonus, can also receive an annual supplemental pension benefit resulting from the annual bonus. • May be taken as a lump sum or an annuity. • Not payable if an employee resigns or is terminated with cause before reaching retirement eligibility.

Award vesting and share utilization

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 company's directors and officers as a group hold approximately 19 percent of the unvested restricted stock units that give the recipient the right to receive common shares that represent about 0.05 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 72,500 common shares, which is about 0.01 percent of the outstanding common shares.

Upon vesting, each restricted stock unit entitles the recipient 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. Units that vest on the third anniversary of the grant date vest as a cash payment. Units that vest on the fifth, seventh, or tenth anniversary of the grant date vest as a cash payment, except that for units granted to Canadian residents, the recipient may receive one common share 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.

Consistent with the program documentation, 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 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, at 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.

Granting practices

The executive resources committee ("committee") grants annual incentive awards to the company's executive officers at its regular November meeting. Incentive awards are granted to other eligible employees within the parameters of the bonus and restricted stock award ceilings approved by the committee.

The company's compensation program does not include granting stock options. No stock options have been granted since 2002 and there are no plans to make such grants in the future.

Amendments

In 2020, the restricted stock unit plan was amended to update provisions regarding the vesting periods for the units granted in 2020 and onwards to the chairman, president and chief executive officer such that 50 percent of restricted stock units vest on the fifth anniversary and remaining 50 percent on the tenth anniversary. For awards granted prior to 2020, the vesting of the tenth anniversary portion of the award is the later of 10 years or retirement.

As a result of an employee stock program expansion implemented in 2022, the restricted stock unit plan was amended to include an additional vesting schedule, in which some non-executive participants will be eligible for awards granted that vest 100 percent after 3 years.

Risk and governance

Compensation program underpinned by strong governance practices that discourage inappropriate risk taking

Executive stock ownership

- Long holding periods on restricted stock units (RSUs) results in executives maintaining significant stock ownership during employment and for 7 years into retirement, with a longer holding period for the chairman, president and chief executive officer up to 10 years into retirement.

Significant pay at risk

- Uniquely long restriction periods on RSUs substantially increase the percentage of career compensation at risk well into retirement.
- Unvested RSUs cannot be used as collateral for any purpose and cannot be assigned.

Strong forfeiture provisions

- Unvested RSUs are at risk of forfeiture in the event of resignation, termination of employment, early retirement and/or detrimental activity, even if such detrimental activity occurs or is discovered after retirement.
- In the event of retirement prior to age 65 but after eligibility for early retirement (i.e., at least 55 years of age with at least 10 years of service), the executive resources committee, in the case of an executive officer, must approve the retention of awards. Forfeiture provisions remain in place until an award has vested, including those that vest post retirement.

Clawback policies

- In the event of a material negative restatement of the company's reported financial or operating results, the Board is authorized to take actions it deems necessary and appropriate, including the recoupment (clawback) of any bonus paid to an executive officer.
- Policies reflect the company's high ethical standards and strict compliance with accounting and other regulations applicable to public companies, including compliance with Rule 10D-1 of the *US Securities Exchange Act of 1934*.

Anti-hedging/derivative policy

- Company policy prohibits all employees, including executives, and directors, from being a party to a derivative or similar financial instrument, 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.

Annual assessment of compensation design

- The executive resources committee ("committee") reviews the effectiveness and competitiveness of the compensation program design annually, and approves annual compensation recommendations for each named executive officer prior to implementation.
- The committee is responsible for overseeing the compensation program and practices that are designed to encourage appropriate risk assessment and risk management. For further discussion on the company's risk management system and oversight, see "Risk oversight" on page 34.

Independent compensation consultant

- In 2023, the 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 in 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.

No severance agreements	<ul style="list-style-type: none"> • The company does not have written employment contracts or any other agreement with its named executive officers providing for payments on change in control or termination of employment.
No change in control arrangements	<ul style="list-style-type: none"> • Eliminates any real or perceived "safety net" with respect to job security and increases the risk and consequences to the individual for performance that does not meet the highest standards.
No guaranteed bonuses	<ul style="list-style-type: none"> • Bonus remains at risk, subject to year-on-year changes in performance. • Demonstrated by bonus program suspension in 2020; no award granted.
No additional stock grants to balance losses in value	<ul style="list-style-type: none"> • The committee sets the size of the restricted stock unit program and does not offset a loss or gain in the value of prior restricted stock units by the value of current-year grants. • Such a practice would minimize the risk/reward profile of stock-based awards and undermine the long-term view that executives are expected to adopt.
No accelerated vesting at retirement	<ul style="list-style-type: none"> • Restricted stock units (RSUs) are not subject to acceleration, not even at retirement, except in the case of death. • Unvested RSUs cannot be used as collateral for any purpose.

Definitions and frequently used terms

Please also refer to the "Frequently used terms" section of the company's Annual Report on Form 10-K for additional definitions and reconciliation of non-GAAP financial measures.

Compensation benchmark companies consist of Canadian Natural Resources Limited, Cenovus Energy Inc., CNOOC International, ConocoPhillips Canada, Crescent Point Energy, Enbridge Inc., Gibson Energy, Irving Oil Ltd., MEG Energy, NOVA Chemicals Corporation, Nutrien Ltd., Ovintiv Inc., Parkland Corporation, Repsol Oil & Gas Canada Inc., Shell Canada Limited, Suncor Energy Inc., TC Energy Corporation, Valero Energy, BCE Inc., Canadian Pacific Railway Limited, Canadian Tire Corporation, General Electric Canada, IBM Canada Ltd., and Teck Resources.

Total reported pay is total compensation as reported in the summary compensation table.

Total direct compensation is compensation granted during the year, including salary, current year bonus, and the grant date fair value of restricted stock units.

Non-GAAP financial measures

The following definitions are used in the compensation discussion and analysis as several of Imperial's business and financial performance measures. These measures are not prescribed by U.S. Generally Accepted Accounting Principles (GAAP). These measures constitute "non-GAAP financial measures" under Securities and Exchange Commission Regulation G and Item 10(e) of Regulation S-K, and "specified financial measures" under National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure of the Canadian Securities Administrators. Reconciliation of these non-GAAP financial measures to the most comparable GAAP measure, and other information required by these regulations, has been provided below or is available in the "Frequently used terms" section of the company's most recent Annual Report on Form 10-K. Non-GAAP financial measures and specified financial measures are not standardized financial measures under GAAP and do not have standardized definitions. As such, these measures may not be directly comparable to measures presented by other companies, and should not be considered a substitute for GAAP financial measures.

- Cash flow from operating activities and asset sales (CFOAS) is the sum of the net cash provided by operating activities and proceeds from asset sales reported in the consolidated statement of cash flows.
- Return on average capital employed (ROCE) 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 flows from (used in) operating activities excluding working capital is a non-GAAP financial measure that is the total cash flows from operating activities less the changes in operating assets and liabilities in the period. The most directly comparable financial measure that is disclosed in the financial statements is "Cash flows from (used in) operating activities" within the company's Consolidated statement of cash flows. Management believes it is useful for investors to consider these numbers in comparing the underlying performance of the company's business across periods when there are significant period-to-period differences in the amount of changes in working capital. Changes in working capital is equal to "Changes in operating assets and liabilities" as disclosed in the company's Consolidated statement of cash flows. This measure assesses the cash flows at an operating level, and as such, does not include proceeds from asset sales as defined in Cash flows from operating activities and asset sales in the Frequently Used Terms section of the company's annual Form 10-K.

Reconciliation of cash flows from (used in) operating activities excluding working capital

millions of Canadian dollars	2023
From the Consolidated statement of cash flows	
Cash flows from (used in) operating activities	3,734
Less changes in working capital	
Changes in operating assets and liabilities	(2,701)
Cash flows from (used in) operating activities excl. working capital	6,435

- Free cash flow is a non-GAAP financial measure that is cash flows from operating activities less additions to property, plant and equipment and equity company investments plus proceeds from asset sales. The most directly comparable financial measure that is disclosed in the financial statements is "Cash flows from (used in) operating activities" within the company's Consolidated statement of cash flows. This measure is used to evaluate cash available for financing activities (including but not limited to dividends and share purchases) after investment in the business.

Reconciliation of free cash flow

millions of Canadian dollars	2023
From the Consolidated statement of cash flows	
Cash flows from (used in) operating activities	3,734
Cash flows from (used in) investing activities	
Additions to property, plant and equipment	(1,785)
Proceeds from asset sales	86
Additional investments	—
Loans to equity companies - net	5
Free cash flow	2,040

Total shareholder return (TSR) measures the change in value of an investment in stock over a specified period of time, assuming dividend reinvestment. TSR is subject to many different variables, including factors beyond the control of management.

Share-denominated approach: annual equity grant is based on a fixed number of shares; aligns award values with shareholder outcomes. Imperial uses this approach; results in a greater degree of volatility than a dollar-denominated approach.

Dollar-denominated approach: annual equity grant is based on target dollar value with underlying units adjusted to achieve target value. Market common approach; results in less volatility than a share-denominated award.

Stock ownership includes vested shares, unvested restricted shares, and shares underlying unvested restricted stock units.

Statements regarding plans, objectives, and other future events or conditions are forward-looking statements. See the "Forward-looking statements" section for important additional information about these statements, including factors that could cause actual results to differ materially.

Executive compensation tables

Summary compensation table

The following table shows the compensation for the chairman, president 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 2023.

The information in the summary compensation table includes the Canadian dollar value of base salaries, cash bonus awards, long-term incentive compensation and certain other compensation.

Name and principal position at the end of 2023	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)			
B.W. Corson (a) Chairman, president and chief executive officer (since January 1, 2020)	2023	1,193,135	6,694,016	—	1,707,371	—	2,461,764	2,775,244	14,831,530
	2022	1,046,245	6,463,180	—	2,223,922	727,427	4,905,567	1,975,182	17,341,523
	2021	968,956	3,447,056	—	956,421	—	1,200,091	2,178,025	8,750,549
D.E. Lyons (a) Senior vice-president, finance and administration, and controller (since May 1, 2018)	2023	785,525	2,390,720	—	719,390	—	850,549	1,088,590	5,834,774
	2022	688,388	1,917,168	—	890,089	298,642	1,850,528	1,798,933	7,443,748
	2021	646,806	1,163,712	—	439,979	—	463,757	784,104	3,498,358
S.P. Younger (a) Senior vice-president, upstream (since July 1, 2020)	2023	581,618	1,526,976	—	406,935	—	65,136	665,966	3,246,631
	2022	574,345	1,597,640	—	565,155	170,133	346,566	709,862	3,963,701
	2021	545,996	714,096	—	250,449	—	81,762	415,505	2,007,808
B.A. Jolly Treasurer (since August 1, 2023)	2023	526,840	1,218,496	—	340,583	—	1,060,000	170,528	3,316,447
	2022	472,500	1,234,540	—	469,657	140,448	1,306,400	118,315	3,741,860
	2021	450,000	749,360	—	237,332	—	268,900	91,487	1,797,079
S.L. Evers Senior vice-president, sustainability, commercial development and product solutions (since May 1, 2023)	2023	411,877	1,033,408	—	294,650	—	427,300	84,710	2,251,945
	2022	—	—	—	—	—	—	—	—
	2021	—	—	—	—	—	—	—	—

Refer to footnotes starting on page 79.

Total direct compensation

The following pro forma table displays total direct compensation, which includes salary, bonus, and stock award value. In its pay deliberations, the executive resources committee considers total direct compensation as it excludes the volatility that results from changes in pension value and all other compensation.

Name	Year	Salary (\$) (b)	Bonus (\$) (e)	Restricted stock units (\$) (c)	Total direct compensation (\$) (i)
	2023	1,193,135	1,707,371	6,694,016	9,594,522
B.W. Corson (a)	2022	1,046,245	2,223,922	6,463,180	9,733,347
	2021	968,956	956,421	3,447,056	5,372,433
	2023	785,525	719,390	2,390,720	3,895,635
D.E. Lyons (a)	2022	688,388	890,089	1,917,168	3,495,645
	2021	646,806	439,979	1,163,712	2,250,497
	2023	581,618	406,935	1,526,976	2,515,529
S.P. Younger (a)	2022	574,345	565,155	1,597,640	2,737,140
	2021	545,996	250,449	714,096	1,510,541
	2023	526,840	340,583	1,218,496	2,085,919
B.A. Jolly	2022	472,500	469,657	1,234,540	2,176,697
	2021	450,000	237,332	749,360	1,436,692
	2023	411,877	294,650	1,033,408	1,739,935
S.L. Evers	2022	—	—	—	—
	2021	—	—	—	—

Footnotes to summary compensation and total direct compensation tables on pages 78 through 79

- (a) **Affiliate employees.** The compensation for B.W. Corson, D.E. Lyons, and S.P. Younger 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) **Salary.** The amounts listed in the "Salary" column for each named executive officer on expatriate assignment (B.W. Corson, D.E. Lyons and S.P. Younger) are paid in their local currency, but disclosed in Canadian dollars. Mr. Corson's and Mr. Lyons' salaries are paid in U.S. dollars and were converted to Canadian dollars at the average 2023 exchange rate of 1.3497. In 2022 and 2021, the average exchange rate was 1.3013 and 1.2535 respectively. Mr. Younger's salary is paid in Australian dollars and was converted to Canadian dollars at the average 2023 exchange rate 0.8967. In 2022 and 2021, the average exchange rate was 0.9032 and 0.9421 respectively.

- (c) **Share-based awards.** The valuation of stock awards in this table represents the grant date fair value, which is equal to the number of restricted stock units multiplied by the closing price of the company's shares on the date of grant.

Grant Date	Grant Price (\$)
December 4, 2023	77.12
December 5, 2022	72.62
December 6, 2021	44.08

- (d) **Option-based awards.** The company has not granted stock options since 2002. The stock option plan expired in 2012.
- (e) **Bonus.** The amounts listed in the "Annual incentive plans" column for each named executive officer represent their cash bonus. B.W. Corson, D.E. Lyons, and S.P. Younger participate in Exxon Mobil Corporation's annual cash bonus program, which is similar to the company's plan, is paid in U.S. dollars, but disclosed in Canadian dollars. For amounts paid in U.S. dollars, they were converted to Canadian dollars at the average exchange rates of 1.3497 for 2023, 1.3013 for 2022, and 1.2535 for 2021.
- (f) **Long-term incentive plans.** The amounts listed in the "Long-term incentive plans" column represent earnings bonus units related to prior year grants that paid out in the year. In 2021, the maximum settlement value (trigger) or cumulative earnings per share was not achieved, therefore no payments were made. B.W. Corson, D.E. Lyons, and S.P. Younger participate in Exxon Mobil Corporation's program, which is similar to the company's program, is paid in U.S. dollars, but disclosed in Canadian dollars. Under the Exxon Mobil Corporation's program, the maximum settlement value (trigger) or cumulative earnings per share was not achieved, therefore no payments were made in 2021. Amounts paid in 2022 in U.S. dollars were converted to Canadian dollars at the average exchange rate of 1.3013. As of 2023, there are no outstanding earnings bonus units.
- (g) **Pension value.** "Pension value" is the "compensatory change" in pensions as of December 31, 2023 as set out in the "Pension plan benefits" table on page 85.
- (h) **All other compensation.** 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 perquisites.

Perquisites. Use of perquisites is very limited, composed of financial planning for senior executives, selective use of club memberships primarily for business, and costs associated with participation in Exxon Mobil Corporation's executive life insurance benefit plan, as applicable. In 2023, B.W. Corson received \$37,514 of senior executive life insurance premiums, \$17,287 for club memberships, and \$14,713 for financial planning services. For all other named executive officers, the aggregate value of perquisites received in 2023 was not greater than \$50,000 or 10 percent of the named executive officer's base salary.

Dividend equivalents. In 2023, the paid dividend equivalents on company restricted stock units were \$569,208 for B.W. Corson, \$170,832 for D.E. Lyons, \$92,592 for S.P. Younger, \$136,456 for B.A. Jolly, and \$57,536 for S.L. Evers. Dividend equivalent payments on Exxon Mobil Corporation's restricted stock were \$366,805 for B.W. Corson, \$47,682 for D.E. Lyons and \$67,550 for S.P. Younger, paid in U.S. dollars and converted to Canadian dollars at the average 2023 exchange rate of 1.3497.

Expatriate assignment costs. For the named executive officers on expatriate assignment (B.W. Corson, D.E. Lyons and S.P. Younger), "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.** "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". "Total direct compensation" is compensation granted during the year, including salary, current year bonus, and the grant date fair value of restricted stock units.

Outstanding equity awards

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, 2023.

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 (#) (d)	Market or payout value of share-based awards that have not vested (\$) (d)	Market or payout value of vested share-based awards not paid out or distributed (\$)
B.W. Corson (a)	—	—	—	—	410,400	30,976,992	—
D.E. Lyons (b)	—	—	—	—	114,400	8,634,912	—
S.P. Younger (c)	—	—	—	—	66,100	4,989,228	—
B.A. Jolly	—	—	—	—	76,300	5,759,124	—
S.L. Evers	—	—	—	—	39,600	2,989,008	—

- (a) B.W. Corson was granted restricted stock units from 2019 to 2023 under the company's plan. With respect to previous years, Mr. Corson participated in Exxon Mobil Corporation's restricted stock plan, which is similar to the company's restricted stock unit plan. Under that plan, Mr. Corson held 59,700 Exxon Mobil Corporation restricted valued at \$7,894,343 on December 31, 2023, at a closing price for Exxon Mobil Corporation shares on December 31, 2023 of \$99.98 U.S., and converted to Canadian dollars at the December 31, 2023 close rate of 1.3226 provided by the Bank of Canada.
- (b) D.E. Lyons was granted restricted stock units from 2018 to 2023 under the company's plan. With respect to previous years, Mr. Lyons participated in Exxon Mobil Corporation's restricted stock plan, which is similar to the company's restricted stock unit plan. Under that plan, Mr. Lyons held 4,800 Exxon Mobil Corporation restricted stock valued at \$634,721 on December 31, 2023, at a closing price for Exxon Mobil Corporation shares on December 31, 2023 of \$99.98 U.S., and converted to Canadian dollars at the December 31, 2023 close rate of 1.3226 provided by the Bank of Canada.
- (c) S.P. Younger was granted restricted stock units from 2020 to 2023 under the company's plan. With respect to previous years, Mr. Younger participated in Exxon Mobil Corporation's restricted stock plan, which is similar to the company's restricted stock unit plan. Under that plan, Mr. Younger held 10,300 Exxon Mobil Corporation restricted stock valued at \$1,362,006 on December 31, 2023, at a closing price for Exxon Mobil Corporation shares on December 31, 2023 of \$99.98 U.S., and converted to Canadian dollars at the December 31, 2023 close rate of 1.3226 provided by the Bank of Canada.
- (d) Represents the total of the outstanding restricted stock units received from the company plan that have not vested, based on the closing price of the company's shares on December 31, 2023 of \$75.48.

Incentive plan awards – Value vested or earned

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 (\$)(d)	Non-equity incentive plan compensation – Value earned during the year (\$)(e)
B.W. Corson (a)	—	—	—
D.E. Lyons (b)	—	883,204	—
S.P. Younger (c)	—	627,539	—
B.A. Jolly	—	1,028,709	340,583
S.L. Evers	—	402,148	294,650

(a) Although B.W. Corson received restricted stock units under the company's plan from 2019 to 2023, these restricted stock units have not vested. In previous years, Mr. Corson participated in Exxon Mobil Corporation's restricted stock plan, which is similar to the company's restricted stock unit plan. In 2023, restrictions were removed on 14,150 Exxon Mobil Corporation restricted stock having a value of \$1,993,858 based on the average of the high and low sale prices of Exxon Mobil Corporation common shares on the NYSE on the date restrictions lapsed. B.W. Corson participates in Exxon Mobil Corporation's annual bonus program, which is similar to the company's annual bonus program. In 2023, B.W. Corson received \$1,707,371 with respect to the annual cash bonus. All these amounts were paid in U.S. dollars and converted to Canadian dollars at the average 2023 exchange rate of 1.3497.

(b) Prior to 2018, Mr. Lyons participated in Exxon Mobil Corporation's restricted stock plan, which is similar to the company's restricted stock unit plan. In 2023, restrictions were removed on 4,800 Exxon Mobil Corporation restricted stock having a value of \$668,231 based on the average of the high and low sale prices of Exxon Mobil Corporation common shares on the NYSE on the date restrictions lapsed. D.E. Lyons participates in Exxon Mobil Corporation's annual bonus program, which is similar to the company's annual bonus program. In 2023, D.E. Lyons received \$719,390 with respect to the annual cash bonus. All these amounts were paid in U.S. dollars and converted to Canadian dollars at the average 2023 exchange rate of 1.3497.

(c) Prior to 2020, Mr. Younger participated in Exxon Mobil Corporation's restricted stock plan, which is similar to the company's restricted stock unit plan. In 2023, restrictions were removed on 3,300 Exxon Mobil Corporation restricted stock having a value of \$459,409 based on the average of the high and low sale prices of Exxon Mobil Corporation common shares on the NYSE on the date restrictions lapsed. S.P. Younger participates in Exxon Mobil Corporation's annual bonus program, which is similar to the company's annual bonus program. In 2023, S.P. Younger received \$406,935 with respect to the annual cash bonus. All these amounts were paid in U.S. dollars and converted to Canadian dollars at the average 2023 exchange rate of 1.3497.

(d) These values show restricted stock units granted by the company that vested in 2023. 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 D.E. Lyons and S.P. Younger, the values represent restricted stock units granted in 2020. For B.A. Jolly and S.L. Evers, the values represent restricted stock units granted in 2016 and 2020, which vested in 2023.

(e) This column represents amounts paid by the company with respect to the annual cash bonus.

Equity compensation plan information

The information shown in the following table represents the common shares of the company that may be issued as of the end of 2023 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)	1,500,370	—	8,967,667
Total	1,500,370	—	8,967,667

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

(b) This is a restricted stock unit plan, which is described starting on page 65.

(c) The Number of securities to be issued represents the total number of restricted stock units still outstanding (3,913,310) minus the outstanding restricted stock units that are only eligible for cash (and not common shares) upon vesting (2,412,940). The Number of securities remaining available for future issuance represents the restricted stock units not yet granted (6,554,727) plus the number of outstanding restricted stock units that are only eligible for cash (and not common shares) upon vesting (2,412,940).

RSUs 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 2023.

	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 (#)	10,468,037	3,913,310	6,554,727
Percent of outstanding common shares (%) (a)	1.95	0.73	1.22

(a) As of December 31, 2023, the number of common shares outstanding was 535,836,803.

(b) The maximum number of restricted stock units issuable under the company plan is the number as of December 31, 2022 (10,468,037) minus the common shares issued in 2023 pursuant to the vesting of restricted stock units under the plan (0 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)
2023	949,520	574,750,575	0.17
2022	884,140	640,160,028	0.14
2021	680,720	711,602,150	0.10

(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 65. 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, 2023) (#) (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)				
B.W. Corson	—	—	—	—	—	—	—
D.E. Lyons	—	—	—	—	—	—	—
S.P. Younger (g)	—	—	—	—	—	—	—
B.A. Jolly	32.5	393,700	503,200	5,864,500	1,060,000	80,700	7,005,200
S.L. Evers	25.7	136,000	254,800	1,129,100	427,300	180,200	1,736,600

- (a) B.W. Corson and D.E. Lyons 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 2023 exchange rate of 1.3497. Under this plan, Mr. Corson had 40.5 years of credited service and Mr. Lyons had 33.5 years of credited service. S.P. Younger participates in the Esso Australia Pty Ltd. defined benefit and defined contribution pension plans. Benefits under these plans are payable in Australian dollars and have been converted to Canadian dollars at the average 2023 exchange rate of 0.8967. Under these plans, Mr. Younger had 26.8 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's 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 B.W. Corson this value was \$1,787,211. For D.E. Lyons this value was \$749,962. Non-qualified plan benefits are payable only as a lump-sum equivalent upon retirement. For members of the Esso Australia Pty Ltd. defined benefit plan, benefits are payable as a lump-sum equivalent or annual lifetime pension upon retirement for participants age 55 and older. For S.P. Younger, this is not applicable as his age is under 55 years, and therefore he is not currently entitled to pension if leaving service.
- (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, 2023. Benefits under the supplemental pension arrangement can be paid as a lump-sum equivalent upon retirement. For members of the Exxon Mobil Corporation's 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, 2023. For B.W. Corson, this value was \$1,913,621. For D.E. Lyons, this value was \$834,292. Non-qualified plan benefits are payable only as a lump-sum equivalent upon retirement. For members of the Esso Australia Pty. Ltd. defined benefit plan, benefits are payable as an annual lifetime pension or a lump-sum equivalent upon retirement or a combination of both, as elected by the participant upon leaving service. For S.P. Younger, the annual lifetime pension that would be earned to age 65, assuming final average earnings as of December 31, 2023 was \$379,975.
- (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, as applicable. For members of the Exxon Mobil Corporation and Esso Australia Pty 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 B.W. Corson, the opening value was \$17,292,939 and the closing value was \$19,928,162. For D.E. Lyons the opening value was \$7,585,952 and the closing value was \$8,517,413. For S.P. Younger, the opening value was \$2,574,182 and the closing value was \$3,160,518.

- (e) The value for “Compensatory change” includes service cost for 2023 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 2023 and the actual salary and bonus received in 2023. For members of the Exxon Mobil Corporation and Esso Australia Pty Ltd. pension plans, these values are calculated using the individual’s additional pensionable service in 2023 and earnings as described previously. For B.W. Corson, this value was \$2,461,764. For D.E. Lyons, this value was \$850,549. For S.P. Younger, this value was \$59,505.
- (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’s pension plan, the discount rate used to determine the closing present value of defined benefit obligation at the end of 2023 decreased to 4.6 percent, from 5.1 percent at the end of 2022, which had a positive impact on the non-compensatory change element. For members of Exxon Mobil Corporation and Esso Australia Pty Ltd., the value for “Non-compensatory change” includes the impact of experience not related to earnings or service. For Exxon Mobil Corporation’s plan, this includes the effect of interest based on a discount rate of 5.3 percent at the end of 2023, down from 5.6 percent at the end of 2022. For the Esso Australia Pty Ltd. Plan, this includes the effect of interest based on a discount rate of 5.0 percent at the end of 2023, down from 6.2 percent at the end of 2022. For B.W. Corson, this value was \$173,459. For D.E. Lyons, this value was \$80,912. For S.P. Younger, this value was \$526,831.
- (g) S.P. Younger participates in the Esso Australia Pty Ltd. defined contribution plan. Contribution limits under this plan have been reached. The “Accumulated value at start of year” was \$42,409, the “Compensatory value” was 5,631 reflecting affiliate contribution and investment earnings, and the “Accumulated value at year-end” was \$48,040.

Pension plan

B.A. Jolly participates in the 1.6 percent provision, and S.L. Evers participates in the three pension option (3PO) provision of the company’s pension plan. Key features of the plan provisions for these executives include:

Type	Pension plan	Supplemental pension arrangement (SPA)
	Registered	Non-registered
1.6% provision calculation	<ul style="list-style-type: none"> An annual benefit equal to 1.6 percent multiplied by final average earnings^(a) multiplied by years of service, with a partial offset for applicable government pension benefits. An option to forego a portion of the company’s matching contributions to the savings plan in order to receive an additional 0.4 percent of final average earnings. 	<ul style="list-style-type: none"> Includes any portions of the defined pension benefit that cannot be paid from the registered plan due to income tax regulations. Executive officers who receive an annual bonus, and meet the criteria of the SPA, can also receive an annual benefit of 1.6% of final average bonus earnings^(b) multiplied by years of service.
3PO provision calculation	<ul style="list-style-type: none"> An annual benefit equal to 1.0, 1.5 or 2.0 percent multiplied by final average earnings^(a) multiplied by years of service. Employees may elect to change the pension percent multiplier once every five years. Company contributions to the savings plan are integrated with the pension multiplier election.^(c) 	<ul style="list-style-type: none"> Includes any portions of the defined pension benefit that cannot be paid from the registered plan due to income tax regulations. Executive officers who receive an annual bonus, and meet the criteria of the SPA, can also receive an annual benefit of 1.5% of final average bonus earnings^(b) multiplied by years of service.
Form of payment	Benefit available in various annuity forms upon retirement.	<ul style="list-style-type: none"> May be taken as a lump sum or an annuity upon retirement.

(a) Final average earnings consist of base salary over the highest 36 consecutive months in the 10 years of service prior to retirement.

(b) Final average bonus earnings include the average of the annual bonus for the three highest grants of the last five bonus years awarded prior to retirement for eligible executives.

(c) For the 3PO provision, the company contribution to the savings plan is integrated with the pension multiplier election as follows:

Pension multiplier	Company savings plan match
1.5%	Up to 6%
1.0%	Up to 6% and an additional company contribution of 2%
2.0%	Forego company matching contribution

B.W. Corson, D.E. Lyons and S.P. Younger are not participants in the company's pension plan, but are participants in the Exxon Mobil Corporation or respective affiliates' pension and savings plans:

- Mr. Corson and Mr. Lyons participate in the Exxon Mobil Pension Plan (EMPP). 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. They are also eligible for the ExxonMobil Supplemental Pension Plan (SPP) for pension benefits that cannot be paid from the EMPP due to IRS limitations. The ExxonMobil Additional Payment Plan (APP) provides a pension based on the average annual bonus for the three highest grants of the last five awarded prior to retirement. The SPP and APP are paid as a lump sum.
- Mr. Younger participates in the Esso Australia Pty Ltd. defined benefit plan. Under this plan, the pension is payable in Australian dollars and is calculated based on final average base salary over the highest 12 consecutive months in the 10 years of service prior to retirement.

Effect of early retirement or death

All company pension provisions require completion of 10 years of service and attainment of age 55 to be eligible for early retirement.

The early retirement benefit under the 1.6 percent pension plan provision consists of an annuity benefit that is undiscounted for retirement ages of 60 years or over, with a discount of 5 percent for each year under age 60. Alternatively, pension will be undiscounted if member attains age 55 and 30 years of service.

The early retirement benefit under the 3PO pension provision consists of an annuity benefit that is undiscounted for retirement ages of 62 years or over, with a discount of 5 percent for each year under age 57 and a discount of 3 percent for each year between age 57 and 62.

In the event of death after pension commencement, a retirement benefit may be payable to the participant's beneficiary, in accordance with pension selection.

Other compensation elements

Termination and change-in-control

- The company does not have written employment contracts or any other agreement with its named executive officers providing for payments on change-in-control or termination of employment; see page 75.
-

Common programs

- All executives employed by the company, including the named executive officers, participate in common programs (the same salary, incentive, and retirement programs). Compensation is differentiated based on individual performance assessment, experience and pay grade.
 - All executives on assignment from an affiliate of the company, including the named executive officers on assignment from Exxon Mobil Corporation and Esso Australia Pty Ltd., also participate in common programs that are administered by Exxon Mobil Corporation or such affiliates. The named executive officers on assignment receive restricted stock units from Imperial.
 - The executive resources committee (“committee”) reviews and approves annual compensation recommendations for each named executive officer prior to implementation.
-

Health care benefits

- Named executive officers are eligible to participate in their respective Company’s health care programs (medical, dental, prescription drug, and vision care) on the same basis as other employees; no special provisions apply.
-

Tax assistance

- 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 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.
-

Payments in the event of death

- The only event that results in acceleration of the vesting for outstanding restricted stock awards is death.
 - Executive’s estate or beneficiaries would be entitled to receive the applicable death benefits as described on page 87, a distribution of the executive’s savings plan balances, and payment of company-provided life insurance.
-

Other important information

Effective date

The effective date of this management proxy circular is February 15, 2024.

If you have a shareholder proposal for the 2025 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 2025 annual meeting of shareholders, must be received by the company no later than January 30, 2025. The proposal can then be included in the management proxy circular and the proxy for the 2025 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 shareholders may consent to the electronic delivery of documents by following the instructions on the 'Go Paperless' insert in the notice package. Additionally, registered shareholders can simply go to Delivery of Investor Materials in the Investor Services section of our transfer agent's website, www.tsxtrust.com, to sign up for electronic delivery.

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.sedarplus.ca 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 587-962-4401.

For all other shareholder services related inquiries, please contact:
Ian R. Laing, Vice-president, general counsel and corporate secretary
Telephone: 587-962-4708.

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

Vice-president, 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. Similarly, discussion of roadmaps or future plans related to carbon capture, transportation and storage, biofuel, hydrogen, and other future plans to reduce emissions and emission intensity of the company, its affiliates and third parties are dependent on future market factors, such as continued technological progress, policy support and timely rule-making and permitting, and represent 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 leveraging unique capabilities to bring lower-emissions technologies to market and taking actions to balance energy security, affordability, and support the energy transition; Imperial's company-wide net-zero goal (Scope 1 and 2) by 2050 and the company's greenhouse gas emissions intensity goal for 2030 for its oil sands operations; the impact of participation in the Pathways Alliance; the impact and timing of the Cold Lake Grand Rapids Phase 1 project, including expected production and reductions to greenhouse gas emissions intensity; the impacts of the boiler flue gas units, use of renewable diesel and use of autonomous haul trucks at Kearl, including potential reductions to greenhouse gas emissions and improvements in truck productivity and safety; the impacts of the Enhanced Bitumen Recovery Technology trial at Aspen; the timing, production and emissions reductions from the company's Strathcona renewable diesel facility; actions to improve operational efficiency; the company's commitment to managing safety, security, health and environment risks and to delivering reliable, affordable and lower emission energy; the impacts of the company's engagement with Indigenous communities; the expected retirement date and company share ownership of board members; the effectiveness 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, diversity and shareholder engagement initiatives; the effectiveness of director and executive compensation design, including aligning with shareholder interests, managing risk, promoting long-term business performance, strategic objectives and shareholder value, 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 future energy demand, supply and mix; commodity prices and foreign exchange rates; production rates, growth and mix across various assets; production life, resource recoveries and reservoir performance; project plans, timing, costs, technical evaluations and capacities, and the company's ability to effectively execute on these plans and operate its assets, including its investment in the renewable diesel facility at Strathcona, the Grand Rapids Phase 1 project at Cold Lake, and autonomous operations at Kearl; the adoption and impact of new facilities or technologies on reductions to GHG emissions intensity, including technologies using solvents to replace energy intensive steam at Cold Lake, the Enhanced Bitumen Recovery Technology field pilot on the Aspen lease, boiler flue gas technology at Kearl, Strathcona renewable diesel, carbon capture and storage including in connection with hydrogen for the renewable diesel project, recovery technologies and efficiency projects and any changes in the scope, terms, or costs of such projects; that any required support from policymakers and other stakeholders for various new technologies such as carbon capture and storage will be provided; for renewable diesel, the availability and cost of locally-sourced and grown feedstock and the supply of renewable diesel to British Columbia in connection with its low-carbon fuel legislation; the amount and timing of emissions reductions, including the impact of lower carbon fuels; performance of third party service providers; receipt of regulatory and third party approvals in a timely manner, especially with respect to large scale emissions reduction projects; applicable laws and government policies, including with respect to climate change, greenhouse gas (GHG) emissions reductions and low carbon fuels; the ability to offset any ongoing inflationary pressures; cash generation, financing sources and capital structure, such as dividends and shareholder returns, including the timing and amounts of share repurchases; progression of COVID-19 and its impacts on Imperial's ability to operate its assets; the capture of efficiencies within and between business lines and the ability to maintain near-term cost reductions as ongoing efficiencies; capital and environmental expenditures; and general market conditions, 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, petroleum and petrochemical products, feedstocks and other market factors, economic conditions or seasonal fluctuations and resulting demand, price, differential and margin impacts; transportation for accessing markets; political or regulatory events, including changes in law or government policy, applicable royalty rates, tax laws including taxes on share repurchases; environmental risks inherent in oil and gas activities; environmental regulation, including climate change and greenhouse gas regulation and changes to such regulation; government policies supporting lower carbon investment opportunities; failure, delay or uncertainty regarding supportive policy and market development for the adoption of emerging lower-emission energy technologies and other technologies that support emissions reductions; the receipt, in a timely manner, of regulatory and third-party approvals, including for new technologies that will help the company meet its lower emissions goals; third-party opposition to company and service provider operations, projects and infrastructure; availability and allocation of capital; availability and performance of third-party service providers; unanticipated technical or operational difficulties; management effectiveness and disaster response preparedness; commercial negotiations; project management and schedules and timely completion of projects; unexpected technological developments; the results of research programs and new technologies, the ability to bring new technologies to commercial scale on a cost-competitive basis, and the competitiveness of alternative energy and other emission reduction technologies; reservoir analysis and performance; the ability to develop or acquire additional reserves; operational hazards and risks; cybersecurity incidents; currency exchange rates; the occurrence, pace, rate of recovery and effects of public health crises, including the responses from governments; general economic conditions, including inflation and the occurrence and duration of economic recessions or downturns; and other factors discussed in Item 1A Risk factors and Item 7 Management's discussion and analysis of financial condition and results of operations in 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.

Forward-looking and other statements regarding Imperial's environmental, social and other sustainability efforts and aspirations are not an indication that these statements are material to investors or require disclosure in the company's filings with securities regulators. In addition, historical, current and forward-looking environmental, social and sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future, including future rule-making.

The term "project" as used in this report can refer to a variety of different activities and does not necessarily have the same meaning as in any government payment transparency reports.

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 board of directors shall be responsible for the stewardship of the corporation and provide oversight of management of the corporation, aimed at giving effect to the corporation's strategy and sustainably generating long-term value.

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) provide oversight regarding 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) provide oversight regarding the integrity of the corporation's internal control and management information systems;
- (f) provide oversight regarding 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) provide oversight regarding 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 and assess 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) provide oversight regarding 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) annually determine the recommended candidates to stand for election as directors of the corporation, and to make appointments of directors to the board to fill open seats between annual meetings, including vacancies created by an increase in the authorized number of directors;

- (p) annually review and approve the remuneration of independent directors;
- (q) by appropriate charter resolutions, establish the audit, executive resources, nominations and corporate governance, safety and sustainability, and finance 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;
- (r) determine membership of each committee, including its chair and vice-chair, after receiving the recommendation of the nominations and corporate governance committee;
- (s) 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;
- (t) 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;
- (u) review the mandates of the board and of the committees and their effectiveness at least annually; and
- (v) 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
- corporate reputation reviews
- risk management reviews
- climate, environment, and sustainability reviews
- personnel and process safety systems and performance 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 lead director 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 serves. Attendance in person is preferred but virtual attendance 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. Lead Director

The independent directors will annually select one independent director to serve as lead director. The appointment of a lead director is intended to ensure that the board functions with appropriate independence and to enhance the company's corporate governance. It is normally expected that the same director will serve as lead director for a minimum of two years.

The lead director's duties and responsibilities will include:

- (a) act as liaison with the chairman, in consultation with the other directors, (provided however that each director will also be afforded direct and complete access to the chairman at any time as such director deems necessary or appropriate);
- (b) calls, chairs and sets agendas for executive sessions of the independent directors;
- (c) provides feedback to the chairman;
- (d) chairs meetings of the board in the absence of the chairman;
- (e) reviews and approves the schedule and agenda for all board and committee meetings and reviews associated materials distributed to the directors;
- (f) advises the chairman as to the quality, quantity and timeliness of information flows;
- (g) working together with the chairman, oversees the annual performance evaluation of the board; and
- (h) working together with the chair of the executive resources committee, oversees the annual performance review of the CEO.

Compensation for the lead director will be determined by the board on the recommendation of the nominations and corporate governance committee and will be reviewed annually.

9. 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.

10. 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 virtual board meetings. Additional executive sessions may be convened by the lead director 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 lead director, or in the lead director's absence, an independent director chosen by the independent directors, shall preside at executive sessions of the board and ensure that meetings of the independent directors are held in accordance with this charter.
- (c) 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.

11. 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)
- Experience with environmental, health, community relations and/or safety policy, practices and management (Environment and sustainability)

Other Expertise

- Audit committee financial expert
- Expertise in financial matters (Financial expertise)
- Expertise in managing relations with government (Government relations)
- Expertise in information technology and cybersecurity oversight (Information technology / Cybersecurity oversight)
- Expertise in executive compensation policies and practices (Executive compensation)
- Expertise in oversight of risk management policies and practices (Risk management)

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 Indigenous 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 16,500 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.

12. 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.

13. 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.

14. 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 of financial reporting, compliance and controls. The independence of the committee is a critical component of corporate governance as the committee holds the board and management accountable and fosters trust and confidence for all stakeholders, which is vital for the generation of long-term value. 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 director 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) provide oversight regarding the corporation's tax compliance activities.
- (k) 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.
- (l) 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.
- (m) review the results of the corporation's business ethics compliance program.
- (n) review related party transactions to assess the commercial reasonableness of those transactions, and to ensure that all such transactions are entered into in compliance with applicable laws and regulations.
- (o) provide oversight regarding the corporation's anonymous ethics hotline.
- (p) review annually a summary of senior management expense accounts.
- (q) 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.
- (r) require attendances at its meetings by members of management, as the committee may direct.
- (s) 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.

Safety and Sustainability Committee Charter

1. Purpose of the Committee

The primary purpose of the safety and sustainability committee (the 'committee') is to provide oversight and guidance on matters related to safety, security, health and the environment, with a view to generation of long-term value. This includes environmental, health, personnel and process safety, security and sustainability risks and performance, including the risks associated with climate change. It also includes compliance with legislation and the assessment of long term impacts of public policy, climate change, stakeholder and Indigenous relations on corporate performance, while fostering long-term sustainability and responsible business practices.

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) provide oversight regarding the effectiveness of the corporation's policies, programs and practices on environment, health, safety, security and sustainability, including the impact, risks and disclosure associated with climate change and greenhouse gas emissions, and make such recommendations to the board with respect thereto as it may deem advisable.

- (b) provide oversight regarding the corporation's compliance with legislative, regulatory and corporation standards for environmental, health, safety, security and sustainability practices and matters, including the impact, risks and disclosure associated with climate change and greenhouse gas emissions, and provide guidance to the board on the results and adequacy thereof.
- (c) provide oversight regarding current and emerging public policy issues relating to matters of significance to the corporation, including environment, health, safety, security and sustainability issues and the impact, risks and disclosure associated with climate change and greenhouse gas emissions, 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, safety and security on the operations of the corporation and provide guidance to the board and management as to the appropriate response of the corporation thereto.
- (e) provide oversight regarding current and emerging issues related to government, stakeholder and Indigenous relations.
- (f) provide oversight regarding implementation of the corporation's Indigenous Relations Principles and Guidelines.
- (g) review and provide guidance on the corporation's overall community investment strategies and programs including approval of all grants or contributions for charitable contributions and local community contributions in excess of \$500,000.
- (h) recommend to the board and management desirable policies and actions arising from its oversight and guidance activity.
- (i) require attendances at its meetings by members of management, as the committee may direct.
- (j) 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. The committee is responsible for implementation and oversight of a compensation philosophy and program to incentivize the creation of long-term value, and to develop appropriate performance-based evaluation for the CEO and senior executives to support the corporation's long-term value creation strategies.

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) provide oversight regarding 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) administer the company's Policy for the Recovery of Erroneously Awarded Compensation.
- (m) require attendances at its meetings by members of management, as the committee may direct.
- (n) 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. Long term value creation requires strong corporate governance to ensure appropriate transparency and accountability. The committee aims to build and maintain an engaged and diverse board whose composition is appropriate in light of the corporation's needs and strategy.

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) provide oversight regarding 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) provide oversight regarding 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, including the lead director, 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) provide oversight and recommendations regarding director education.
- (n) 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.
- (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 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.

Finance Committee Charter

1. Purpose of the Committee

The primary purpose of the finance committee (the 'committee') is to provide oversight and guidance regarding the corporation's capital structure/capital allocation, financial policies, practices and strategies. The committee is responsible for ensuring that such matters align with the corporation's strategy and are aimed at the generation of long-term value and shall take such action and make such reports and recommendations to the board of directors as it deems advisable.

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 finance.

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, as the committee deems appropriate, the corporation's capital structure / capital allocation, and its financial policies, practices and strategies, which may include the following:
 - i. financial outlook and financing plan;
 - ii. dividend policies and share repurchase programs;
 - iii. investment of pension assets and the funding of pension obligations;
 - iv. capital plan including significant capital appropriations;
 - v. issuance of equity or debt securities; and
 - vi. significant investments, acquisitions and divestitures by the corporation, including discussion of possible mergers and other transactions, and their financial impact.
- (b) require attendances at its meetings by members of management, as the committee may direct.
- (c) undertake such additional activities within the scope of its responsibilities as it may deem appropriate.

The committee will make such reports and recommendations to the board with respect thereto as it may deem advisable.

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, in its sole discretion, to retain and oversee the work of such outside advisors, including legal counsel, financial advisors or other experts, as it deems appropriate; to approve the fees and expenses of such advisors with funding provided by the corporation; and to incur such other ordinary administrative expenses as are necessary or appropriate in carrying out its duties.

Appendix B – Shareholder proposal

The company is required by applicable law to set forth shareholder proposals and related supporting statements in its management proxy circular. The following shareholder proposal and supporting statement represent the view of the shareholder submitting the proposal.

For the reasons set forth below, the Board recommends that shareholders vote AGAINST the shareholder proposal.

Shareholder Proposal – Report on the impact of climate transition scenarios on asset retirement obligations

The following shareholder proposal was submitted by Leanne Baer for consideration at the annual meeting of shareholders:

RESOLVED: Shareholders request that the Board provide an audited report within a year estimating the quantitative impacts a range of climate transition scenarios on all asset retirement obligations.

SUPPORTING STATEMENT:

Whereas:

As oil and gas assets are retired, oil and gas companies are legally obliged to clean up and remediate the impacted areas and landscapes. The current level of action on climate change is forecast to reduce demand for oil and gas within the next decade. These market changes raise risk as there are potentially accelerating timelines for oil and gas companies to meet their asset retirement obligations.

This risk comes at a time when there is a lack of transparency and clarity on the scale of the sector's liability.¹ The current systems are underestimating the oil and gas sector's liabilities², raising concerns about the accuracy and transparency of reported closure obligations.

The oil sands tailings ponds are a particularly serious source of oil and gas liability as they represent about half of the total clean up liability in Alberta³. There is no solution that can yet deliver a proven method to remove these tailings from the landscape, so tailings ponds have grown exponentially since oil sands mining first started⁴. The lack of a solution comes even as the industry has made extensive investment in research and technologies to address this growing problem.⁵

The system failures that allowed toxic discharges from Imperial's Kear1 tailings pond to enter regional waterways and affect downstream communities are a serious problem.⁶ Yet these problems are a symptom of the big issue being the need to fund the removal of the tailings from the landscape at a time when eroding oil and gas demand could accelerate remediation and closure obligations.

There is a lack of transparency and confidence in the systems that are meant to protect the water, land and downstream communities. A key step to address this problem is to disclose the estimated undiscounted costs to settle the company's AROs, and separately, identify both recognized and unrecognized amounts. These actions will improve the transparency and reporting of Imperial's capacity to fulfill its asset retirement obligations. We respectfully request that shareholders vote FOR this proposal.

¹ <https://www.cbc.ca/news/canada/calgary/alberta-oil-well-cleanup-liability-estimate-1.7087133>

² https://www.policyschool.ca/wp-content/uploads/2023/10/EFL-49A-ABConvenOGLiabilityRegime_YewchukFluker.pdf

³ <https://environmentaldefence.ca/wp-content/uploads/2023/03/Tailings-ponds-facts.pdf>

⁴ <https://www.pembina.org/op-ed/oilsands-tailing-ponds-are-nasty-challenge-cant-be-ignored>

⁵ <https://cosia.ca/blog/mythbusting-tailings-environmental-priority-area>

⁶ <https://www.cbc.ca/news/canada/edmonton/kearl-oilsands-releases-tailings-seepage-leak-alberta-1.6984307>

The Board recommends voting AGAINST this proposal for the following reasons:

Imperial recognizes the important role the company plays by responsibly and efficiently producing lower emission intensity oil and product solutions that are needed for energy security and affordability, while advancing low carbon solutions. Imperial established a goal for a 30% greenhouse gas intensity reduction in oil sands operations by 2030 versus a 2016 baseline as well as a company-wide goal to achieve net-zero emissions (Scope 1 and 2) by 2050 in our operated assets through collaboration with government and industry partners, including through the Pathways Alliance.

As outlined in our 2023 Advancing Climate Solutions report, Imperial considers reputable third-party energy transition scenarios to inform our strategic thinking, stress-test assets and challenge 'business as usual' assumptions including potential timing for implementation and scale-up of lower-carbon solutions. Imperial's net-zero ambition is supported by a comprehensive approach centered on detailed emission-reduction roadmaps for our major operated assets which have been developed considering these scenarios. Scenarios are hypothetical constructs and are highly sensitive to assumptions that will change in the future. Key unknowns include yet-to-be developed government policies, market conditions, and advances in technology that may influence the cost, pace, and potential availability of certain pathways.

Imperial incurs retirement obligations for assets for which an end of life can be reasonably estimated and for which remediation requirements are clear. The fair values of these obligations are recorded on the company's balance sheet as liabilities on a discounted basis. In the estimation of fair value, the company uses assumptions and judgments regarding such factors as the existence of a legal obligation for an asset retirement obligation, technical assessments of the assets, estimated amounts and timing of settlements, discount rates and inflation rates.

Asset retirement obligations are included in our audited financial statements, comply with all legal and regulatory requirements, and are periodically updated to reflect changes to regulations, technologies, estimated asset end of life timing and other factors.

Calculating asset retirement obligations as per the resolution presented would produce a set of arbitrary, uncertain and hypothetical views of the future rather than the thoughtful, fact-based approach used to produce asset retirement obligation estimates that are aligned with legal and regulatory requirements. Therefore, we recommend voting against this proposal.



Imperial

