

Obsidian Energy Employee Retirement/Savings Plan Summary

Contribution Details

- You are eligible to contribute from 1% to 10% of your gross salary to this plan
 - There is no requirement to participate
 - For every \$1.00 you contribute to the plan, Obsidian Energy currently contributes \$1.00 on your behalf, to a maximum of 10% of your annual base salary
 - The value you acquire through the Employee Retirement/Savings Plan will be held in an account with AST Trust Company (Canada) (“AST”)
 - Your contributions can be directed to one or both of the following investments:
 - *Equity Component* – contributions are used to purchase Obsidian Energy Common Shares through the TSX on a monthly basis
 - *Cash Component* – contributions remain as cash in a low risk investment vehicle
- Please note: The minimum contribution to either component of the plan is 1% of your base annual salary (so you must contribute a minimum of 2% if you choose to participate in both the Equity and Cash Components).
- For each investment, you can contribute to one or more of the following accounts:

Non-RRSP (a non-registered account)

- Employer Contributions to this account are a taxable benefit.
 - Tax will be calculated at your marginal tax rate and deducted each pay period for any employer contributions made by Obsidian Energy on your behalf
- There are no contribution limits associated with non-registered accounts
- Any growth that accumulates within the account (whether in the form of interest, dividends or an increase in share price) is taxable

Group RRSP (a Registered Retirement Savings Plan held in your name)

- Employer Contributions to this account are a taxable benefit.
 - Both your contribution and the employer contribution will lower your taxable income each pay period. You will receive an RRSP contribution receipt from AST in March to offset the tax break which has been received each pay by contributing to a registered account.
- Your personal RRSP contribution limit is indicated on your annual Notice of Assessment from the Canadian Revenue Agency
 - ➔ **You are personally responsible to ensure that contributions made to the Group RRSP and any other RRSP contribution source does not exceed your personal RRSP deduction limit**
- Any growth that accumulates within the account (whether in the form of interest, dividends or an increase in share price) is not taxable until it is withdrawn from the RRSP

Spousal RRSP (a Registered Retirement Savings Plan held in your spouse’s name)

- Employer Contributions to this account are a benefit.
 - Both your contribution and the employer contribution will lower your taxable income each pay period. You will receive an RRSP contribution receipt from AST in March to offset the tax break which has been received each pay by contributing to a registered account.
- Contributions to this account result in an RRSP contribution receipt in your name (they count towards your RRSP deduction limit, not your spouse’s)
 - ➔ **You are personally responsible to ensure that contributions made to the Group RRSP, Spousal RRSP and any other personal or spousal RRSP contribution source does not exceed the personal RRSP deduction limit indicated in your Annual Notice of Assessment**
- Once the value enters the account, it belongs to your spouse, so it is released at your spouse’s request and made payable in your spouse’s name
- Any growth that accumulates within the account (whether in the form of interest, dividends or an increase in share price) is not taxable until it is withdrawn from the RRSP

- Obsidian Energy’s contributions are always directed to the same account(s) and investment type(s) as your contributions
- You can change the amount you’re contributing the plan, the allocation between accounts, and the investment types you contribute to up to four times per year by submitting an electronic form
 - To do so, please complete the “Employee Retirement/Savings Plan Contribution Form” on Obsidian Energy’s Intranet site (to access it from the Obsidian Energy Homepage, click on Company, Departments, Human Resources, Employee Retirement Savings)
 - Once the request is received, contributions will be deducted from each pay as requested until you submit another request
- Tax-Free Savings Accounts (TFSA) are also available through AST, however contributions cannot be made directly through payroll; existing shares can be transferred from the non-RRSP

Withdrawals/Transfers

- All investments made as a result of contributions to the plan (both employee and employer contributions) are unrestricted
 - In other words, investments are available to be removed from the plan on a month-to-month basis following the monthly contribution load
- Obsidian Energy will pay for up to four transactions per year; transactions include inter-plan and external transfers, cash withdrawals, selling of shares, and share certificates
- Employees are permitted to move value from one account to another
 - In other words, value can be moved from the non-RRSP to the Group RRSP, Spousal RRSP, or even a TFSA account, provided that the value remains in the same investment type as the contributions were originally directed to
- Shares purchased through the *Equity Component* can be moved to a different account within this plan or to an external account with a brokerage firm
- Once you’ve contributed, value cannot be moved from one investment to another within the plan
 - Cash held within the Cash Component cannot be used to purchase Obsidian Energy shares within the Equity Component, and cash from the sale of shares within the Equity Component cannot be moved to the Cash Component.

Online Access and Account Statements

- Within 3 months of initiating contributions, a letter will be mailed to your home address from AST providing information on how to access account information online
 - If you wish to access your account prior to receiving this letter, please contact savingsplan@obsidianenergy.com
- Contributions made to the Spousal RRSP are housed under a separate login than the contributions made in your name. Separate login information will be sent directly to your spouse.

For more information on the Employee Retirement/Savings Plan, please contact us at savingsplan@obsidianenergy.com.