



## **BOARD AND MANAGEMENT DIVERSITY POLICY**

### **1. PURPOSE**

This Board and Management Diversity Policy (the "**Policy**") is intended to set out a framework to promote diversity on both the Board of Directors (the "**Board**") and in the senior leadership and management positions ("**Management**") of Pengrowth Energy Corporation ("**Pengrowth**").

### **2. POLICY STATEMENT**

Pengrowth recognizes that diversity among its Directors and Management supports balanced decision-making and debate which enhance organizational strength, problem solving ability and opportunity for innovation.

The Corporate Governance and Nominating Committee (the "**Governance Committee**"), in consultation with the Chairman of the Board and the President and Chief Executive Officer, identifies and recommends qualified individuals for nomination for election to the Board, and, depending on the Management position to be filled, the President and Chief Executive Officer and other senior officers ("**Senior Officers**") of Pengrowth identify and recommend qualified individuals to be hired or promoted into Management positions.

In filling a vacancy or in discussion regarding succession planning, the selection of candidates for appointment to the Board or for hire or promotion into Management positions will be based on merit which requires integrity, experience, skill, time and commitment. Within that overriding emphasis on merit, Board and Management position vacancies shall be filled by considering candidates that bring a diversity of background and industry or related expertise and experience.

### **3. OBJECTIVES FOR THE SELECTION OF BOARD AND MANAGEMENT**

In reviewing the composition of the Board and Management, the Governance Committee and the President and Chief Executive Officer, as applicable in the circumstances, will consider the benefits of diversity in order to maintain an optimum mix of skills, knowledge and experience on the Board and in Management. In identifying candidates for Director or Management positions, as applicable, consideration will be given to:

- (a) candidates who are highly qualified based on their experience, education, functional expertise, personal skills and qualities;
- (b) diversity criteria including gender, age, ethnicity, sexual orientation, indigenous heritage and geographic location of the candidate; and
- (c) the level of representation of women on the Board and in Management positions.

### **4. GENDER DIVERSITY**

Gender diversity is an important component of the Policy. Pengrowth is committed to ensuring that gender diversity is actively pursued. At the date of the adoption of this Policy, Pengrowth does not believe that quotas or a formulaic approach necessarily results in the identification or selection of the best

candidates. Accordingly, no fixed targets regarding the representation of women on the Board or in Management positions are established at this time.

## **5. IDENTIFYING BOARD AND MANAGEMENT CANDIDATES**

The Governance Committee will seek to include diverse candidates in any Director search and take into account that qualified candidates may be found in a broad array of organizations in addition to the traditional candidate pool of corporate directors. In addition to its own searches, as and when appropriate from time to time, qualified independent external advisors such as a recruitment firm may be engaged to conduct a search for candidates who meet the Board's expertise, skill and diversity criteria. Due consideration will be given to female representation in the Director nomination process by identifying female candidates in the selection process in order to promote gender diversity.

The President and Chief Executive Officer and other Senior Officers, as applicable, will endeavour to develop, mentor and promote diverse internal candidates and to identify and hire diverse external candidates for Management positions. In addition to its own searches, as and when appropriate from time to time, qualified independent external advisors such as a recruitment firm may be engaged to conduct a search which considers internal and external candidates who meet the required expertise, skill and diversity criteria. Due consideration will be given to female representation in the Management recruitment process by identifying female candidates in the selection process in order to promote gender diversity.

## **6. MONITORING AND REPORTING**

The Governance Committee will annually discuss promoting diversity on the Board and in Management in light of the skills required at that time and make recommendations for consideration by the Board.

A summary of this Policy will be included on an annual basis in Pengrowth's Management Information Circular.

## **7. REVIEW**

The Governance Committee will review this Policy from time to time as necessary, and make recommendations on any required changes to the Board for consideration and approval.

Adopted by the Board of Pengrowth on November 9, 2017.