



## COMPENSATION & BENEFITS



### TOTAL COMPENSATION AT CANADIAN NATURAL

Our total rewards package is one of the most competitive personal rewards packages in the oil and natural gas industry. This compensation package is very unique because it reflects the entrepreneurial spirit so deeply rooted in the culture of our company. Employees at all levels participate in rewarding long-term incentive programs. See for yourself below!

Component	Explanation and Examples						
Base Salary	<b>Annual Salary Review</b> based on performance, peers and industry						
Stock Options on Hiring	<p>Stock Options are a valuable component of your total compensation package. Stock options are vested in 25% increments with the first vesting occurring two years from your start date. Thereafter, 25% will be vested at each of your 3, 4 &amp; 5 year anniversary dates.</p> <p><b>Example:</b></p> <p><b>Employee A is granted 2000 stock options upon hire at \$35.00 per share. Once vested, the current market value of CNQ shares has risen to \$40.00 per share. Below is the calculation of what Employee A can receive:</b></p> <p><b>\$40.00</b> Current Market Share Price</p> <p><b>- \$35.00</b> Strike price (share price when options were granted upon hire)</p> <p><b>\$5.00</b> Difference (Current Price – Strike Price)</p> <p><b>\$5.00 x 2000 = \$10,000</b> worth of stock options eligible for exercise once vested</p>						
Stock Savings Plan	<p>Employees are eligible to contribute up to 10% of their salary into the Stocks Savings Plan or Group RRSP Stock Savings Plan. These proceeds purchase Canadian Natural shares. Currently, the Company contributes 1.5 times (150%) the value of the employee's contribution into the plan, on behalf of the Employee.</p> <p>Company shares vest to the employee over 2 years on January 1 of each year (50% per year). Once an employee has completed 5 years of employment with the Company, 100% of Company contributions will vest each January 1 of the following year. Employee shares vest 100% immediately.</p> <p><b>Example:</b></p> <table> <tr> <td><b>Annual Base Salary:</b></td> <td><b>\$60,000</b></td> </tr> <tr> <td><b>Maximum Contribution to Savings Plan (10%)</b></td> <td><b>\$6,000</b></td> </tr> <tr> <td><b>Company Contribution to Savings Plan (15%)</b></td> <td><b>\$9,000 (Annually)</b></td> </tr> </table>	<b>Annual Base Salary:</b>	<b>\$60,000</b>	<b>Maximum Contribution to Savings Plan (10%)</b>	<b>\$6,000</b>	<b>Company Contribution to Savings Plan (15%)</b>	<b>\$9,000 (Annually)</b>
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<b>3 Annual Bonuses</b>							
(Subject to Management Approval based on Company and Individual Performance)							
Performance Bonus	Cash Bonus						
Stock Options Grant Bonus	Awarded as a # of stock options. Options vest in 5 equal parts over 5 years starting at the grant anniversary date						
Share Bonus Grant	Awarded as a \$ value towards purchase of CNQ shares. Shares vest in 3 equal parts over 3 years starting at grant anniversary date						

\* All programs are subject to change at Management discretion



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### BENEFITS

Below is a brief summary of the benefits offered for Canadian Natural employees. For more details, please review the Benefit Summary page.

Benefits	
<b>Benefits</b>	Vision Care, Dental Insurance, Extended Health, Wellness Program, Employee and Family Assistance Program, Basic Life Insurance, Dependent Life Insurance, Accidental Death and Dismemberment (AD&D), Short Term Disability
<b>Other Benefits</b>	Annual Vacation, Education & Training and Social Functions

### ADDITIONAL FORT MCMURRAY PROGRAMS (for Fort McMurray Residents Only)

Canadian Natural is committed to supporting affordable family life in Fort McMurray and to building a strong community and healthy workforce. In addition to the total compensation components on page 1, Fort McMurray residents are eligible for additional compensation and benefit incentives included below:

Fort McMurray Compensation Programs	
<b>Fort McMurray Location Premium</b>	All employees residing in Fort McMurray, Alberta are eligible to receive the Horizon Fort McMurray location premium. The Location Premium is an additional 10% of your base salary paid on each bi-weekly pay.
<b>Fort McMurray "Operators" Location Premium</b>	All operators residing in Fort McMurray, Alberta are eligible to receive the Horizon Fort McMurray "Operators" Location Premium. The Operators Location Premium is an additional 5% of your base salary paid on each bi-weekly pay.
<b>Living Choices</b>	<b>Monthly incentives of \$500, \$1000 or \$1500</b> will be paid to employees depending on their employment classification, type of residency and location of their home in the Fort McMurray area.
<b>Transportation Subsidy</b>	To encourage employees to utilize company provided bus service from Fort McMurray to our work site, we provide a <b>travel allowance (approximately \$25/day per regular scheduled day worked)</b> . Based on shift cycle and vacation entitlement.
<b>Travel Days</b>	Employees who reside in Fort McMurray are eligible to receive 2 additional calendar days leave with pay per year for travel outside the region for personal reasons (prorated to start date).
<b>Northern Living Allowance</b>	The Northern Resident Travel Deduction (NRTD) allows an employee whose principal residence is located within a prescribed zone to claim personal travel expenses as a deduction on their income tax return based on Canada Revenue Agency (CRA) guidelines. Fort McMurray residents are eligible for this tax deduction.

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