

HUMAN RESOURCES AND COMPENSATION COMMITTEE MANDATE

The Human Resources and Compensation Committee (the "Committee") is a committee of the Board of Directors (the "Board") of Cenovus Energy Inc. ("Cenovus" or the "Corporation") with two functions:

- (1) To assist the Board in carrying out its responsibilities by reviewing compensation and human resources matters in support of the achievement of the Corporation's business strategy and making recommendations to the Board as appropriate. In particular, the Committee is responsible for reviewing and approving corporate goals and objectives relevant to Chief Executive Officer compensation, evaluating the Chief Executive Officer's performance against those goals and objectives and making recommendations to the Board with respect to the Chief Executive Officer's compensation.
- (2) To assist the Board in carrying out its fiduciary responsibilities in reviewing pension matters and overseeing the investment management of the Corporation's savings and investment plans.

CONSTITUTION, COMPOSITION AND DEFINITIONS

1. Reporting

The Committee shall report to the Board.

2. Composition of Committee

The Committee shall consist of not less than three nor more than eight outside directors, all of whom shall qualify as independent directors pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (as implemented by the Canadian Securities Administrators and as amended from time to time). The non-executive Board Chair shall be a non-voting member of the Committee (see "Quorum" for further details). Committee members will include only duly-elected directors. At the request of the Committee, certain members of the Corporation's senior management and others may attend Committee meetings on an ad hoc or a regular basis.

3. Appointment of Committee Members

Members of the Committee shall be appointed by the Board, effective after the election of directors at the annual meeting of shareholders, provided that any member may be removed or replaced at any time by the Board and shall, in any event, cease to be a member of the Committee upon ceasing to be a member of the Board.

4. Vacancies

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

5. **Chair**

The [Nominating and Corporate Governance Committee](#) will recommend an independent director as Chair of the Human Resources and Compensation Committee to the Board for approval. The Board shall appoint the Chair of the Committee.

The Chair of the Committee shall be a member of the [Nominating and Corporate Governance Committee](#) to ensure adequate liaison between the two Committees.

If the Chair of the Committee is unavailable or unable to attend a meeting of the Committee, the Chair shall ask another member to chair the meeting, failing which a member of the Committee present at the meeting shall be chosen to preside over the meeting by a majority of members of the Committee present at such meeting.

The Chair of the Committee, presiding at any meeting of the Committee, shall have a casting vote.

The items pertaining to the Chair in this section should be read in conjunction with the Committee Chair section of the [Chair of the Board of Directors and Committee Chair General Guidelines](#).

6. **Secretary**

The Committee shall appoint a Secretary who need not be a member of the Committee. The Secretary shall keep minutes of the meetings of the Committee.

7. **Committee Meetings**

The Committee shall meet at least semi-annually at the call of the Chair. The Chair may call additional meetings as required. In addition, a meeting may be called by the non-executive Board Chair, the President & Chief Executive Officer, or any member of the Committee.

Committee meetings may be held in person, by video conference, by means of telephone or by combination of any of the foregoing.

The Committee shall have an in-camera session on a regular basis.

8. **Notice of Meeting**

Notice of the time and place of each meeting may be given orally, or in writing, or by facsimile, or by electronic means to each member of the Committee at least 24 hours prior to the time fixed for such meeting.

A member may in any manner waive notice of the meeting. Attendance of a member at a meeting shall constitute waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

9. **Quorum**

A majority of Committee members, present in person, by video conference, by telephone or by a combination thereof, shall constitute a quorum. In addition, if an ex officio, non-voting member's presence is required to attain a quorum of the Committee, then the said member shall be allowed to cast a vote at the meeting.

10. Attendance at Meetings

The President & Chief Executive Officer is expected to be available to attend meetings or portions thereof.

The Committee will meet annually with an external compensation consultant and the Committee may, by specific invitation, have other resource persons in attendance.

The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.

Directors, who are not members of the Committee, may attend Committee meetings, on an ad hoc basis, upon prior consultation and approval by the Committee Chair or by a majority of the Committee.

11. Minutes

Minutes of Committee meetings shall be sent to all Committee members. The full Board of Directors shall be kept informed of the Committee's activities by a report following each Committee meeting.

12. Mandate

The Committee shall review its mandate on a periodic basis.

13. General Responsibilities

In carrying out its mandate with respect to human resources and compensation matters and pension matters, the Committee is expected to:

- (a) Act in an advisory capacity to the Board; and
- (b) Evaluate the performance of the Committee on an annual basis.

14. Specific Responsibilities – Human Resources and Compensation Matters

In carrying out its mandate with respect to human resources and compensation matters, the Committee is expected to:

- (a) Review corporate goals and objectives relevant to President & Chief Executive Officer compensation, and evaluate the President & Chief Executive Officer's performance in light of corporate goals and objectives;
- (b) Review the design of the compensation policies and the incentives they create in the context of assessing the potential risks posed to Cenovus's financial or reputational well-being;
- (c) Ensure that all equity compensation plans and all material revisions to such plans, subject to limited exceptions for inducement options, plans relating to mergers or acquisitions and tax qualified and excess benefit plans, are approved by the shareholders;
- (d) Approve permitted exceptions to shareholder approval of the equity compensation plans referred to in (c);
- (e) Approve and evaluate performance measures for executive incentive plans;
- (f) Review executive share ownership;
- (g) Review any proposed disclosure of executive compensation;

- (h) Recommend to the Board for approval:
 - (i) Based upon the evaluation described in (a), remuneration of the President & Chief Executive Officer, including salary, short-term incentive awards and long-term incentive awards;
 - (ii) Appointment of corporate officers;
 - (iii) Reservation of shares for the Employee Stock Option Plan and such other equity compensation plans as applicable;
 - (iv) Amendment of the Corporation's equity compensation plans including but not limited to: Employee Stock Option Plan, Employee Stock Appreciation Rights Plan, Deferred Share Unit Plan for Employees, Performance Share Unit Plan for Employees, Restricted Share Unit Plan, Canadian Investment Plan; and all associated grant agreements;
 - (v) Annual compensation budget for staff, as approved in the annual corporate budget;
 - (vi) Incentive compensation plans;
 - (vii) Executive share ownership guidelines; and
 - (viii) Actions with respect to equity compensation plans referred to in (c);
- (i) Approve and report to the Board:
 - (i) The Corporation's compensation philosophy;
 - (ii) Disclosure of Executive Compensation as included in the Management Proxy Circular and/or such other public disclosure document as applicable;
 - (iii) Number of long-term incentive awards granted;
 - (iv) Salaries, short-term incentive awards and long-term incentive awards for Executive Vice-Presidents and total compensation including employment agreements, if any;
 - (v) Changes to compensation and benefits policies;
 - (vi) Succession planning for Executive Vice-Presidents and that it is undertaken on an annual basis;
 - (vii) Number and level of total incentive awards; and
- (j) Report to the Board:
 - (i) Appointment of Group officers;
 - (ii) The selection, from time to time, of the comparator group of companies to be used for executive compensation purposes; and
 - (iii) Compensation plans of subsidiary companies;
- (k) Review and advise on:
 - (i) The results of any shareholder advisory vote on executive compensation held in accordance with the Shareholder Advisory Vote on Executive Compensation Policy or such other applicable policy of the Corporation;
 - (ii) Communications and/or engagement by the Committee with shareholders conducted in accordance with the Shareholder Communication and Engagement Policy or such other applicable policy of the Corporation;
 - (iii) Salaries of other Group officers; and

- (iv) Number and level of other Group officers' short-term incentive awards and long-term incentive awards;
- (l) Receive informational reports regarding organization and talent management strategies; and
- (m) Consider such other human resources matters as delegated to the Committee by the Board, for review, recommendation or decision as appropriate.

15. Specific Responsibilities – Pension Matters

In carrying out its mandate with respect to pension matters, the Committee is expected to:

- (a) By way of written mandate, delegate certain duties and responsibilities to the Management Pension Committee ("MPC") in accordance with the Corporation's governance structure;
- (b) Ratify membership of the MPC;
- (c) Recommend to the Board for approval:
 - (i) Changes to the Corporation's pension plan design(s);
 - (ii) Funding levels to the Corporation's pension plans;
- (d) Approve and report to the Board:
 - (i) The Statement of Investment Policies and Procedures based on recommendations by the MPC;
 - (ii) The criteria for investment management selection established by the MPC;
- (e) Review and advise on:
 - (i) Fund status and investment management results for the pension and savings and investment plans;
 - (ii) The Annual Report of the MPC and actuarial reports as prepared; and
- (f) Monitor activities of the MPC.

16. Miscellaneous

The Committee may engage outside advisors if deemed advisable.

The Committee shall have sole authority to retain and terminate any consultant to be used to assist in the evaluation of the directors and/or executive compensation (including the compensation of the President & Chief Executive Officer), including approval of the consultant's fees and other retention terms. The Committee will assure itself of the independence of these consultants.

The Committee, upon approval by a majority of the members of the Committee, may delegate its duties and responsibilities to subcommittees of the Committee.

The duties and responsibilities of a member of the Committee are in addition to those duties set out for a member of the Board.