



**Environment, Society
& Governance
2023**



Statement of Corporate Purpose

Petroleum-based products and fuels benefit the lives of people around the world immeasurably. We are responsible environmental and financial stewards who are proud to find and develop this valuable natural resource and offer it to the market.

The employees of Canvas Energy work every day in pursuit of, committed to and driven by this common purpose. Manifesting it is our privilege and responsibility, and our actions in pursuit of it are both guided by Core Values and consistently demonstrate our commitment to the Environment, Society and Governance.



This report provides detailed information about Canvas Energy's ("Canvas" or the "Company") Environment, Society and Governance (ESG) initiatives and related activities. In the creation of this document, we consulted, among other things, the American Exploration & Production Council's (AXPC) ESG Metrics and Framework.

For more information about our ongoing ESG efforts, please visit our website, www.canvasenergy.com under "ESG".

CORE VALUES

Realizing our purpose requires that our decisions and actions constantly reflect our core values.



Pursuing Excellence

We strive to excel, and we expect constant improvement in every aspect of our business.



Driving Results

We focus on what matters, making the highest and best use of ourselves and our resources.



Valuing Relationships

People and relationships matter – we prioritize the people who work for us and with us, and our neighbors who live in the communities in which we



Leading with Integrity

We will always act purposefully and with integrity.

“In the last several years, the label ‘ESG’ has gained currency with investors and policy makers alike. At the same time, we have all developed a greater appreciation for the realities of the modern world and the imperatives of the human condition. For many thoughtful people that has resulted in an evolving view of ESG topics among our business objectives. A clear-eyed look from that perspective reveals Canvas to be a company with a responsible culture of investing and operating, relating to all stakeholders with transparency and trust, on a path of continuous improvement. This culture is the source of our ESG focus at Canvas, and it always will be.”



Chuck Duginski

Chairman and Chief Executive Officer

CORE VALUE: PURSUING EXCELLENCE

Our Core Values begin with the pursuit of excellence. We understand that we will not drive results, truly put people first, or act with integrity if we are not consciously attempting to be excellent in everything we do.

Whether we are drilling, completing and operating wells, protecting the environment, preserving resources, interacting with our employees and communities, or governing ourselves, the standards for our thoughtfulness, preparation, and effort are as high as we can set them.



CORE VALUE: DRIVING RESULTS

The Environmental Investment

Too frequently, protecting and being respectful of the environment is characterized as a “cost” of doing business. On the contrary, we believe that our ability to obtain great results over the long term requires consistent and patient investment in reasonable measures designed to minimize our footprint. To that end, we mitigate our environmental impact, and we measure our performance in that regard.

Minimizing Emissions

Methane, the main constituent of the natural gas produced by Canvas, is among the simplest organic compounds and is the natural product of a variety of geological and biological processes. It is one of the most useful, and most used, substances on Earth. It is the clean-burning gas that we use to heat our homes, cook food on our stoves, and produce the electricity that powers our houses, transportation, workplaces and entertainment venues.

When unburned and released into the atmosphere, methane (CH₄) is a greenhouse gas (GHG). In oil and gas operations, methane can be released into the atmosphere

two ways – intentional venting and fugitive emissions. Additionally, intentionally flaring “associated natural gas” and the operation of gas-powered engines produces carbon dioxide (CO₂), another GHG. At Canvas, we act to address each of these in a thoughtful and meaningful way.

Venting and Flaring:

The sole reason for an oil and gas company to routinely vent or flare natural gas is because it is ready to produce oil from a well but there is inadequate takeaway capacity for the natural gas that is produced alongside the oil. To us, that is unnecessary, uneconomic and unacceptable. Our

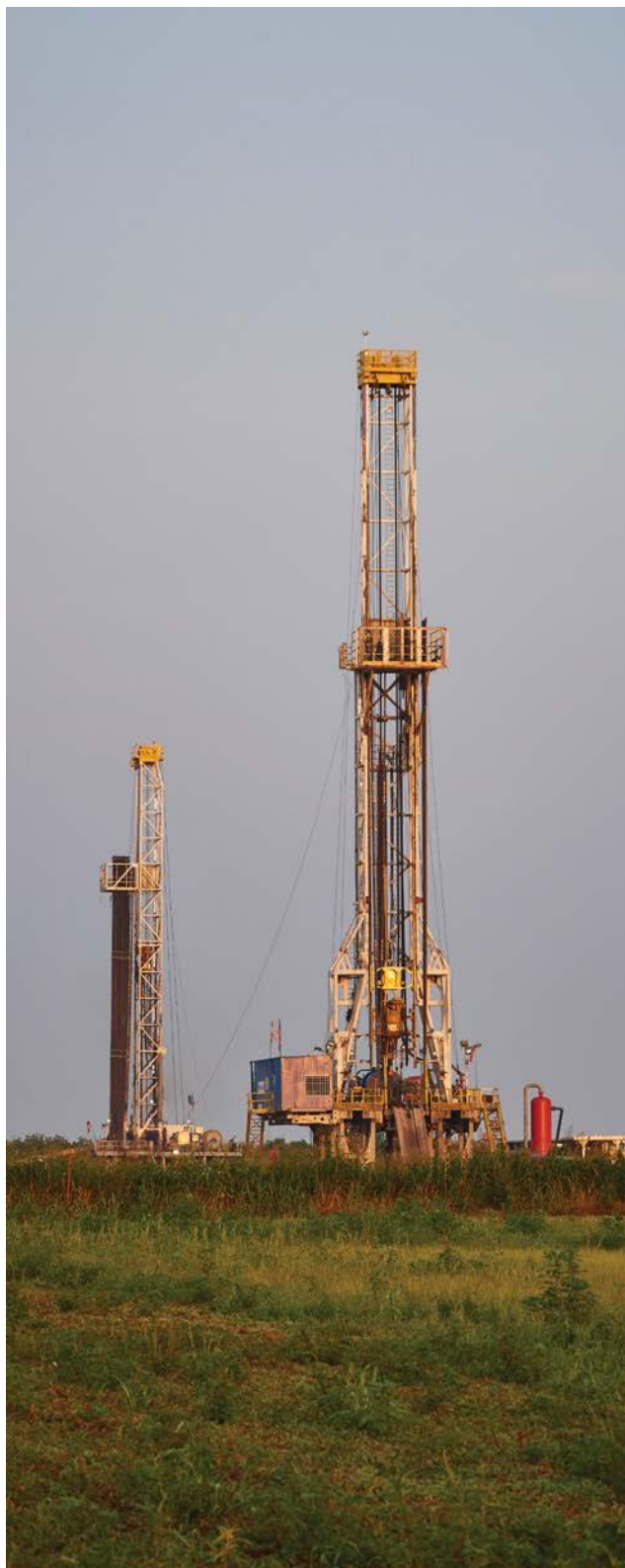
exploration and production teams collaborate with our gas marketing department months in advance of bringing new wells online to ensure that gathering lines are laid to the wellhead and midstream companies are ready to gather our gas the moment we are ready to produce our oil. As a result, in almost every case we are able to sell all of our production instead of venting or flaring any natural gas, a true win-win.

Fugitive Emissions:

While Canvas ensures that its equipment and gathering lines are in good working order when commissioned, corrosive elements in the oil and gas stream can degrade the integrity of that equipment over time, causing leaks that cannot always be predicted or prevented – but can be promptly detected and fixed. Twice annually, an independent third party commissioned by Canvas inspects all wells completed after September 18, 2015 (which accounted for over 85% of Canvas's gas production in 2022) for potential leaks of methane or other volatile organic compounds (VOCs), key ingredients in the

development of ground-level ozone. This is done in accordance with federal regulatory requirements using a Forward Looking Infrared (FLIR) camera. In the uncommon event that a leak is detected, we aim to have it repaired within 48 hours. The equipment is then re-inspected with the FLIR camera, or another appropriate method, to ensure the success of the repair. Regular FLIR camera inspections have allowed us to identify equipment and parts that were previously susceptible to frequent failures, giving us the opportunity to proactively replace those parts prior to failure or to utilize different equipment or technologies going forward.

Small amounts of methane and other VOCs can also escape into the atmosphere from liquid storage tanks when gas fumes continue to evolve from the oil stream in which they were produced. Canvas engineers have concluded that combustors are the most effective system for eliminating these vapors due to their high efficiency and enclosed flame, which allows Canvas to be a good neighbor by eliminating any visible nuisance caused by a traditional open-flame flare. In



compliance with state permitting requirements and federal tank emission regulations, we install combustors on all newly drilled well sites to efficiently capture and eradicate these storage tank vapors before they can be emitted.

While other permitted technologies might allow us to report higher official control efficiencies, based on hypothetical calculation methodologies prescribed by regulators, we remain committed to combustors because they have superior actual emissions control capabilities and performance.

Going another step, approximately 70% of our combustors are equipped with alarms monitored through our telemetry system. On these wells, field personnel receive immediate notification when a combustor status changes to “Off,” which allows them to address the issue in a timely manner and reduce overall combustor downtime.

Gas Powered Engines:

When available at our well locations, we use power from the electrical grid instead of engine-based power for production lift and

fluid transfer. We estimate that our use of grid-based power for these purposes reduces the carbon footprint that would otherwise be associated with production lift and fluid transfer by more than half. Additionally, all combustion engines for electricity generation and compression must be approved by Canvas's air quality team before installation to ensure the engines will comply with all air quality regulations and emissions-testing requirements for that facility. To that end, when we must deploy combustion engines, we utilize those powered by cleaner burning natural gas instead of diesel. Further, we have installed "bi-fuel" equipment that allows us to power contracted drilling rigs with compressed natural gas instead of diesel when circumstances warrant, significantly reducing GHGs associated with our drilling operations.

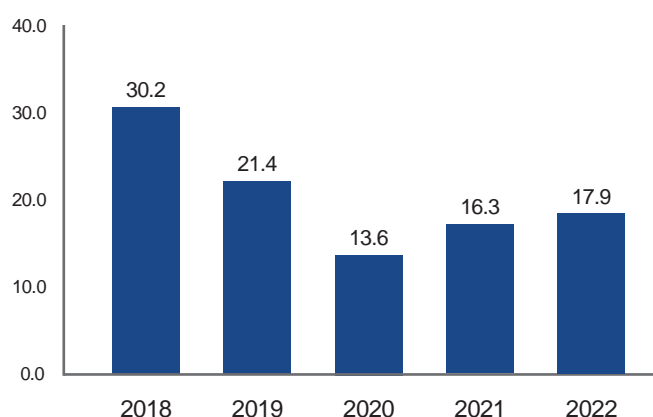
Another source of GHGs are the automobiles most of us drive to and from work every day. We are bringing those miles down materially through multiple initiatives. First, more than one-third of Canvas's corporate employees work from home regularly, reducing estimated driving mileage by about

7,000 miles per month and eliminating approximately 30 metric tons of CO₂ per year.

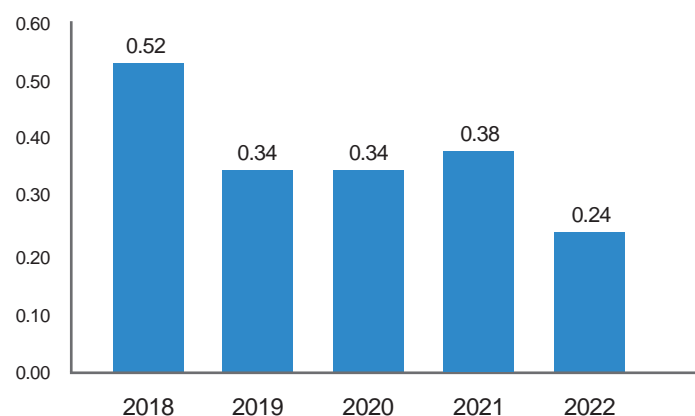
Second, we have pivoted away from the industry practice of field employees driving the same routes every day to physically monitor every producing oil and gas well. In that vein, we continue to implement and further refine our "Operate By Exception" program. The "Operate By Exception" program is tailored to our assets and operating areas and utilizes remote monitoring capabilities, artificial intelligence and GPS to customize routes on a daily basis thus making sure that the right wells get attention in the right order. That means less time on the road for our field employees and fewer miles powered by gasoline and diesel engines. After retrofitting 280 of our production wells (representing 90% of our production) with the necessary equipment, we reduced our field miles driven by over 27,000 miles annually.

Canvas's GHG emissions are reported to the U.S. Environmental Protection Agency (EPA) each year in accordance with the federal GHG Reporting Rule. In that regard, below are the reported GHG (total on a carbon dioxide equivalent basis) and methane intensities of our production in recent years. As you can see, we have seen material declines in both – ~41% for GHG and ~54% for methane – from 2018 to 2022.

GHG Intensity
metric tons CO₂e/MBoe produced



Methane Intensity
metric tons CH₄/MBoe produced



Reducing Spills

Industrial handling of fluids like oil, gas and produced water carries an inherent risk of spills. But “inherent” does not mean “unavoidable,” and we take numerous steps to avoid spills and to mitigate their magnitude and impact if they do occur. It starts with our “ZERO INCIDENT” mindset.

The Canvas operations team begins every day with its ZERO DAY report. The preceding day is recorded as a Zero Day if there were no spills or recordable injuries experienced by employees or contractors. If we fail either test, our Zero Days streak resets to zero, and we start counting again. Any failure is immediately investigated, and its root cause is determined to prevent reoccurrences. When we started this program in 2019, our goal was to reach 30 consecutive Zero Days. It is still our benchmark goal but, after having achieved a Zero Day streak of over 60 days, it has become our minimum expectation. But Zero Days only tell the end of the story. How does each day become a Zero Day? First, we develop Spill Prevention, Control, and Countermeasures (SPCC) plans for all storage facilities. Those plans are produced

in accordance with guidelines issued by an independent, third-party professional engineering firm that are reviewed and revised by that firm no less often than every five years. We inspect every one of our storage facilities in accordance with the SPCC plans annually and any deficiencies noted are promptly and fully remediated in accordance with a workflow designed, monitored and documented by our Environmental, Health and Safety (EHS) personnel. Remediation measures may involve simply replacing a faulty part, but frequently they include designing and implementing changes to the facility. Either way, the fix we implement is intended to be long term as repeat failures would be both bad for the environment and bad for business.

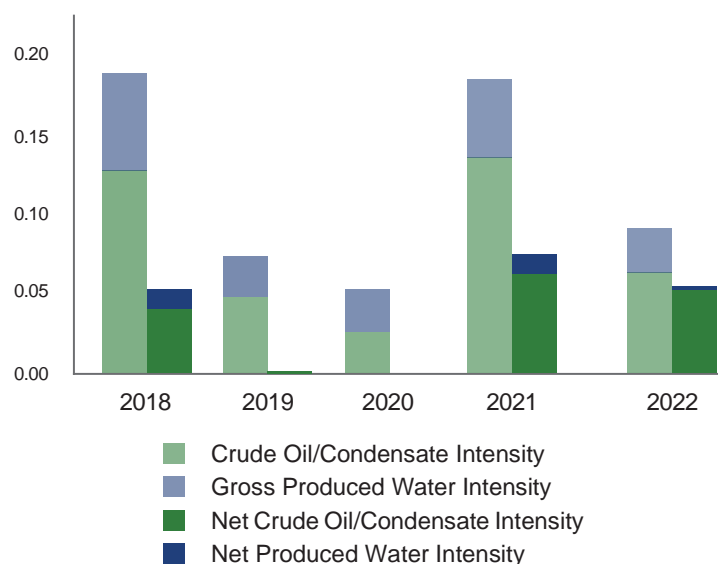
Finally, we utilize a mobile, app-based Safety Observation System (SOS) for any employee to report potential environmental issues, such as possible equipment failures, in order to prevent a release of produced fluids. Since rolling out SOS in 2018, over 2,600 potential environmental issues have been reported through the system and many of them used as teaching opportunities in

addition to remedying the issues themselves.

In that same time, Canvas's yearly reportable and non-reportable spill volumes have decreased by 90%.

Spills occurring outside of primary containment carry both environmental and economic costs. Canvas measures our performance mitigating spills outside of primary containment, using spill intensity. Gross spill intensity represents the volume of liquid barrels spilled outside of primary containment for every 1,000 barrels of that produced liquid. Net spill intensity indicates the volume of liquid barrels net of recovered barrels.

Spill Volume Intensity: Gross and Net of Recovered
bbls per 1,000 bbls produced





Waste Stream Management

Waste generation occurs in almost every operational activity. At Canvas, we focus on what happens to that waste. We previously engaged a third-party consultant to advise us on the development of a waste management program to facilitate compliance with all regulations applicable to waste streams generated through our operations and otherwise ensure that our waste is being disposed of in a responsible manner. In addition, we conduct regular audits of our waste disposal partners on an ongoing basis, as well as waste generated by third-party vendors conducting operations on our locations.

Over 90% of Canvas's produced water is piped directly to a disposal well rather than being trucked. That is intentional

as our contracts with third-party water disposal providers give those companies an economic incentive to transport the wastewater via pipes. With these arrangements, we have eliminated over 10,000 miles of heavy truck traffic per month and approximately 170 metric tons of CO₂/year of emissions.

Further, Canvas regularly evaluates opportunities to reuse and repurpose parts and equipment that formerly were considered as single usage. In that spirit, we reuse inspected tubing and vessels on newly drilled wells as well as repurpose unused casing, thereby reducing waste, improving the Company's economics and decreasing our need for new resources all in a single measure.

CORE VALUE: VALUING RELATIONSHIPS

Contributing to Society

Society should be better because of the contributions that Canvas makes. That's why we put the people whom we work alongside and our neighbors first. That core value materializes in three distinct ways: 1) Ensuring the safety of all stakeholders in our operations; 2) Investing in our community; and 3) Improving the lives of our employees in all aspects.

Planning for safety is not a thing we do; it is the way we do everything

Unfortunately, injuries are a known risk in the oil and gas industry. However, injuries are avoidable when appropriate precautions are taken. For Canvas, avoidance comes from a safety culture that is both comprehensive and reflects our zero-incident mindset.

We operate every phase of our business safely – from before wells are drilled and employees are hired, to after wells are decommissioned and people retire. The planning that is required by that high standard also contributes to our efficiency, making us not just a safer enterprise but a more profitable one.

Starting with a behavior-based safety culture

Complying with regulations and adopting written procedures for mitigating risks are necessary and appropriate to operate safely. However, they are not foundational. The foundation of an effective safety culture is based on behaviors, Canvas employs a number of tools to foster and reinforce safe behaviors and reward decision-making that is consistent with a safe atmosphere.

The guiding principle of our behavior-based safety culture is helping employees treat their work as a series of safe behaviors, or as we like to say, “Doing the right thing the right way.”

Field and operational employees complete safety training upon their hiring. That initial training is, of course, compliant with all applicable regulations and is updated at prescribed frequencies. It is also supplemented with training that targets specific risks typically associated with the company's assets, including fall protection, H₂S, electrical safety, excavations, confined space entry, mobile equipment, lockout/tagout, machine guarding, hot work, and housekeeping/fire prevention. We call these the Canvas 'Critical 10'. Safety meetings addressing both general safety and analyzing recent incidents or identified hazards are held monthly at each of our field offices and quarterly at corporate headquarters.

As described above, we start each day with our Zero Days report. If there was a spill or a recordable injury on the preceding day, the count starts over. We earn each Zero Day by acting purposefully. Before every new activity in the field, we hold a "Zero Day Site Orientation." Field supervisors outline for on-site personnel the work to be performed including the proper tools and procedures, describe known hazards and how to mitigate



them, and provide employees and contractors with the opportunity to discuss any safety issues that may concern them. In other words, Zero Days don't just happen – we plan for them.

A related and important feature of our safety culture is "Stop Work Authority" with which every employee and contractor is empowered. Stop Work Authority is the right and expectation of any worker to shut down work when an imminent EHS risk is identified in the workplace. It is something we take very seriously. We train supervisors on how to support Stop Work and we celebrate it when it is used.

Also, the SOS application discussed above is equally effective for both safety and environmental hazards. Employees are rewarded for proactively identifying safety and environmental concerns before any incident occurs and earn points which are redeemable for gift cards and recreational gear. Identifying

potential problems before they occur is not only encouraged and appreciated, it is also rewarded.

It should be clear from the above that our safety group doesn't "take care of safety" for us. Instead, they coach each employee to be a safety leader. Consistent with that understanding of our shared responsibility, we have formed field-level EHS committees at all field offices.

These teams meet on a quarterly basis to discuss issues or concerns in their field offices, provide critical feedback pertaining to new safety policies or programs, help investigate "near miss" events, and propose corrective actions to prevent reoccurrence. We also conduct safety meetings for corporate personnel on a quarterly basis that both address safety issues that are directly related to their work and educate them about safety matters experienced by their colleagues in the field whom they support.

To drive continual improvement, we engage an independent third party to regularly survey all of our employees and contractors about their perception of our level of commitment to a safe culture and whether we

are living up to our high standards. The survey focuses on eight categories of questions: commitment, accountability, priorities, competency, communication, supportive resources, hazard awareness, reporting and investigation. Consideration of the results of the most recently completed survey (84 of 100 on safety culture versus an 80 of 100 benchmark average) let us know how far we have come, how we compare to our peers, and how we can get better. In that respect, in 2022, we maintained our same high score even when the industry average fell.

Highlighted Efforts

In support of our behavior-based safety culture, Canvas has implemented additional safety-oriented initiatives.

Contractor Management:

Prior to being awarded work by Canvas, contractors are required to (a) satisfy diligence performed by Company personnel on the contractor's prior work and safety history, (b) contractually commit to the Company's safety protocols, and (c) submit relevant data and documents related to the contractor's

safety record to a specialized, independent third party for validation. In pursuit of those ends, Canvas's safety, procurement and legal groups coordinate with one another with respect to every vendor onboarding. Further, the contractor's continued compliance with and satisfaction of each of the foregoing is monitored through regular, independent testing and field level inspection by Canvas personnel.

Safe Driving Monitoring:

Driving is consistently identified as the most hazardous activity for land-based oilfield operations. Safe driving saves lives. It is that simple, and for that reason we are vigilant in monitoring both the driving records and real-time driving habits of persons driving Company vehicles. Drivers of company vehicles attend driving-related training at least quarterly. Further, we utilize on-board driver monitoring telematics based on GPS, which alert us immediately when someone may be driving at an excessive speed or otherwise in an unsafe manner. Using those telematics, all drivers participate in a vehicle-monitoring program designed to acknowledge, promote

and reward safe driving habits. We have also partnered with an independent third party to provide continuous monitoring of the motor vehicle records of each approved Company driver in every state to ensure all Company drivers are qualified to act in that capacity.



Emergency Response Plans:

Canvas developed emergency response plans (ERPs) tailored to each of its operating areas over 10 years ago. An emergency response plan anticipates the many different types of emergency scenarios that can develop on our oil and gas locations or at Company headquarters. It identifies potential decision points that could manifest over the course of the emergency, describes considerations when treating the event, and proposes detailed actions to resolve the situation. At least annually, those plans are

reviewed and updated. Our ERPs are tested in tabletop exercises and have been proven effective in live events.

Measuring Up

While Behavior Based Safety is our foundation, setting goals and measuring our proactivity introduces an additional layer of accountability. In addition to measuring our Zero Days, we have implemented a safe driving program that awards and deducts points based on the driving behaviors that are recorded in our monitored vehicles. We amplified that program by creating personalized, real time reports accessible to Company drivers that highlight for them opportunities for improvement and help them understand the quality of their driving habits compared to their peers. Finally, we track and evaluate monthly our employee and contractor incident rates, the recent results of which are below.

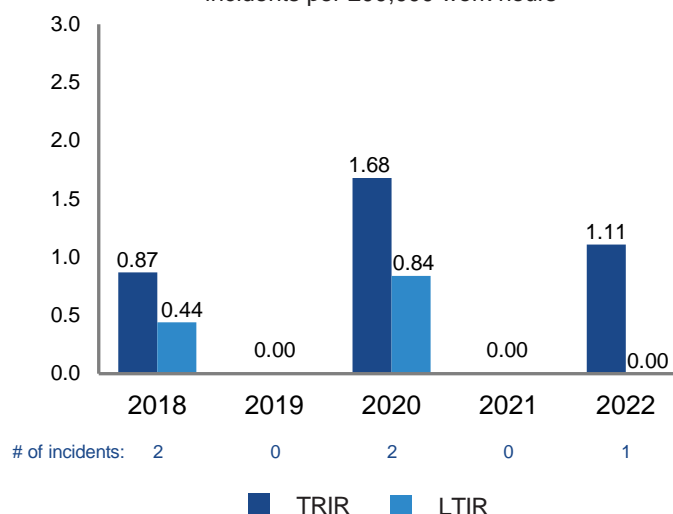
In 2022, we “measured up” in a number of ways of which we are proud, including:

- **41 consecutive Zero Days in 2022**
- 1 preventable auto accident in almost 1,000,000 miles driven
- District Zero Incident Milestones through 2022

- › Workover (12 Years)
- › Telemetry (8 Years)
- › Weatherford (7 Years)
- › Oklahoma City (4 Years)
- › Stillwater (2 Years)

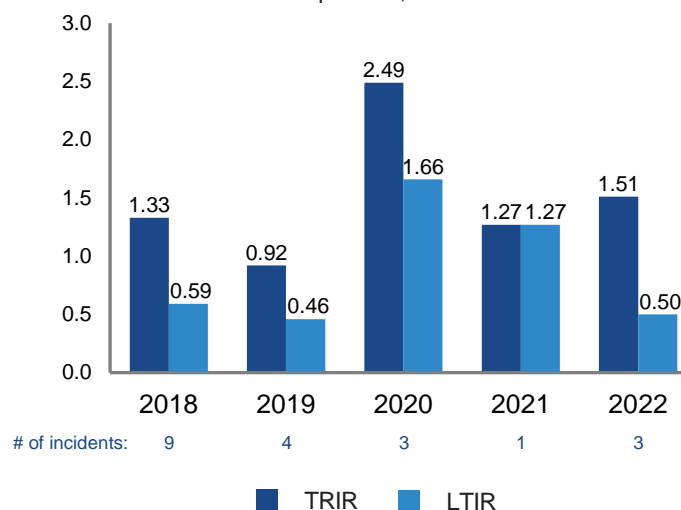
Employee Incident Rate

incidents per 200,000 work hours



Contractor Incident Rate

incidents per 200,000 work hours





We ARE our community

At Canvas, we are not outsiders operating in communities; rather, our resident employees are neighbors who are active in the communities where we operate. As a good neighbor and steward, we strive to make our communities better places to live, work and grow.

Consultation and Engagement

We begin by consulting with residents, mineral-rights holders, landowners, policymakers, school administrators, parents, businessowners, lawmakers, suppliers, municipal and county officials, vendors, service companies and others to understand the environmental and human impacts of our business presence. We listen to them, and we learn about their concerns and hopes for our shared communities. Equipped with

these learnings, we formulate and implement reasonable measures to significantly reduce the impacts of the industrial processes involved in finding and producing the oil and natural gas necessary to power those same communities – most commonly noise, traffic and impacts to local roads. Although not normally required, we may take an extra step to invest in building sound barriers at our well sites in populated urban areas as necessary to reduce noise even though such barriers are not normally required by applicable regulations. We also transport over 90% of our produced saltwater via pipelines, resulting in fewer trucks on the road, and we work with local authorities to reroute truck traffic, minimizing potential disruption to populated areas or those that are otherwise sensitive.

Resource Conservation

When we drill oil and gas wells, we build well locations, known as “pads,” in what are usually rural areas. For almost the entire history of onshore oil and gas development, that meant an individual pad (typically 3.5 acres of arable land) for every well. While utilizing that much acreage is acceptable to

regulators and permitted by law, it is no longer our default. Since the beginning of 2018, Canvas has drilled 141 wells from 56 multi-well pads (an average of 2.5 wells per pad) and only 18 wells from single well pads. This allows us to conserve valuable land resources (over 250 total acres since 2018), build fewer roads, and maintain constructive working relationships with the landowners in our core drilling areas.

Finally, there are few natural resources more important to the communities in which we operate than fresh water sources. We are not just cognizant observers of that fact; we are vigilant protectors of this lifeline. For that reason, when we drill new oil and gas wells, we set the maximum permitted surface casing to protect groundwater resources, and, in certain cases, we request and receive waivers to exceed the maximum surface casing permitted by regulators. Due in part to those efforts, none of Canvas's current wells have caused a known incident of groundwater contamination.

When possible, we purchase surface water from the local landowners with whom we are already partnering while at the same time

taking care not to contribute to any scarcity of available water in those same areas. This allows us to further invest in and preserve the health of the community, eliminate additional heavy truck traffic and minimize impact to any high water stressed areas.

Giving

Canvas and its employees offer their time, talent, and monetary contributions to our communities – not because we have to, but because we want to. The Company sponsors a corporate giving program that is driven primarily by employee generated preferences and ideas. We utilize regular surveys in which employees have an opportunity to indicate their preferences and to submit new ideas, for volunteer activities and donations. Our focus is to identify and contribute to the things about which we are passionate, many of which we learn about from our coworkers – broadening one another's horizons and expanding our collective reach.

Examples of those efforts are financial support of the United Way of Central Oklahoma and the Regional Food Bank of Oklahoma; company-wide volunteer days



at the Regional Food Bank of Oklahoma, the Boy Scouts and Upward Transitions; a LitterBlitz campaign for Oklahoma City Beautiful; and donations of school supplies and Christmas gifts for underprivileged children. Additionally, our employees are incentivized through discounts on our medical wellness plan to volunteer outside of the workplace. Many of them are little league coaches and referees, sit on local boards, and teach courses. In short, they contribute the same effort into bettering their communities as they do to their workplace.

A holistic relationship with our employees

Some companies view their employees as just a cost of doing business. The resulting

relationship with employees is purely transactional and, in our opinion, not satisfying or healthy. We want to build long-standing relationships with our employees that are rewarding today, both professionally and personally, and we want the benefits of those healthy relationships to extend for years to come. To achieve that, we recognize that everything matters.



In 2022, our employees endorsed our efforts to build and nurture holistic and transparent relationships with them. Their responses to an independent third-party study resulted in Canvas being named as one of the Top Workplaces in Oklahoma and the highest ranked Exploration & Production Company.

Professional development and flexibility for our employees

We believe that investing in our employees' professional development, in both depth and breadth of experience and perspective, is critical to their success in a constantly evolving industry. For those reasons Canvas employees gain valuable

experience, training, and mentoring from Day 1. Our functional disciplines are led by seasoned professionals with deep industry experience that they draw upon and expertise that they readily share. At the same time, small closely-knit teams provide the opportunity to experience a wider variety of tasks and cross functional roles, which yields measurable benefits.

For example, in 2020, we launched a cross-functional improvement initiative to help us identify opportunities for operational and cost improvements and margin expansion. This campaign, repeated annually with a tailored focus each year, has resulted in over \$28 million in annualized cash flow improvements, all driven by employee ideas and plans, few of which would have materialized without the cross-discipline constitution and commercial focus of the various working teams. Efforts like this also yield intangible and even more enduring benefits – employees who are intellectually stimulated and equipped to tackle a broad range of tasks and eager to develop further.

Canvas encourages our employees to learn constantly and facilitates that learning in

meaningful ways. Our Qualified Educational Assistance Program (QEAP) is designed to assist full-time employees who have completed six months of service to the Company with their pursuit of higher learning at an accredited educational institution. The QEAP provides reimbursement to employees for costs related to tuition, required books and certain required fees for approved courses over \$5,000 per employee per calendar year. We also pay for position-related professional renewals and certifications, certain professional development opportunities, and multi-modal training courses.

Employee health and wellness

We care about our employees' health and well-being, and we believe that is best achieved through a combination of preventative measures, healthy lifestyle decisions, regular exams, and eliminating unnecessary financial burdens typically associated with basic healthcare. To encourage employees to be proactive, Canvas:

- Covers the cost of annual physical exams, annual vision screenings,

annual dental exams, colonoscopies, mammograms, prostate exams and well-woman exams;

- Provides quarterly fitness membership reimbursement;
- Reimburses costs associated with weight management and tobacco cessation programs; and
- Significantly discounts the employee portion of health insurance premiums for those employees (over two-thirds of all employees in 2022) who complete certain health and wellness-oriented requirements, including an annual physical, three preventative items (flu shot, eye exam, dental exam, etc.), and volunteerism in the community (which is encouraged to be performed “on Company time”).

The combination of our wellness programs and health care benefits strategy has helped keep Canvas medical insurance premium costs flat or below national rates of increase, reflecting the resulting health and wellness of our employees. We partner with a third-party administrator who helps us connect with high quality medical providers and facilities who are willing to offer transparent,

bundled medical procedure pricing to our plan participants. This innovative healthcare strategy resulted in lower overall costs to our medical healthcare plan and to our employees’ out-of-pocket costs.

Additionally, our employee Life Assistance Program (LAP) provides resources and support for employees and their family members free of charge. The LAP serves as a confidential personal research center to assist with a variety of issues, including child and eldercare providers, financial services, professional issues, stress and anxiety, legal services, and behavioral services. Consultations are free and completely confidential and available 24 hours a day, 365 days a year. The LAP also provides access to helpful articles, interactive assessments, financial calculators, service locators, online newsletters, podcasts and more.

Finally, we have implemented an optional flexible work-from-home policy for a substantial portion of our corporate employees. However, it is not a one-size-fits-all approach. We recognize that certain employees prefer to work in the office, or are

needed there, in different ways and at different times. So, corporate employees may work from home (with Company-assisted ergonomic setup), at the office, or a combination of those, in each case tailored to their situation. This significant step forward by the Company contributes to the healthiest possible work-life balance for our employees.

Diversity & Inclusion

We focus on promoting diversity, equality and inclusion throughout our organization. From recent graduates to experienced hires, we seek to attract and develop top talent to continue building a unique blend of cultures, backgrounds, skills, and beliefs that mirrors the world we live in. We have focused on creating an environment that embraces diversity and encourages employees to thrive. As an equal opportunity employer, our policies and practices support diversity of thought, perspective, sexual orientation, gender, gender identity and expression, race, ethnicity, culture and professional experience, among others.



CORE VALUE: LEADING WITH INTEGRITY

Thoughtfulness and Transparency in Governance

At Canvas, good governance is a meaningful expression of our integrity. In that regard, we believe that being thoughtful and transparent are the essential ingredients.

The Board

The Company's Board of Directors has been purposefully composed and organized. Shareholders are directly and significantly represented, with over half of the Board comprised of shareholder representatives. Additionally, independent thought, fresh contributions and relevant experience are not just valued – they are required. Two completely independent directors with deep and recent experience in Canvas's area of operations, as well as other basins, were selected by designating shareholders to provide their insights. Neither of them has other ties to, or receive compensation from, any of the designating shareholders. Finally, our Chief Executive Officer is a valuable member of the Board, serving as its chair

to ensure efficient exchange of information and constant alignment between the Board and management. He offers experience and industry insight commensurate with that of Canvas's independent directors while representing the perspective of the employee base.

Even though Board committees are no longer required of the Company by regulation, the Board has insisted on the maintenance of an Audit Committee and a Compensation Committee. Each committee, comprised of three members, is chaired by an independent director who sets its agenda and works independently with management in advance of committee meetings. The Compensation Committee is chaired by an executive experienced in both public company



and private equity models, and the Audit Committee is chaired by a seasoned financial executive. No shareholder has more than a single representative on either committee and therefore does not control the committees. Likewise, the CEO is not a member of either committee and therefore does not unduly influence either committee. Each committee regularly meets in executive session without the CEO or other members of management. Importantly, all directors are invited to attend regular sessions of each committee even though each committee has the limited membership described above, reflecting Canvas's dedication to transparency at all levels.

A significant and genuine commitment of time and resources is expected of this group. The Board is not populated with "professional directors" serving on excessive numbers of other corporate boards, and the CEO does not sit on any other corporate board. Directors are expected to attend at least 80% of all meetings of the Board and committees of which they are a member, and each director has met this threshold. Annually, Board and committee members perform comprehensive

and anonymous evaluations of each body and identify areas of focus for the coming year. In connection with that periodic evaluation, the Board specifically considers its composition in order to maintain an appropriate diversity of skills, experiences and perspectives, including but not limited to, those associated with culture, race and gender.

Shareholders

Shareholder rights are valued and protected. To that end, all stockholders are party to a stockholders agreement that provides them with certain contractual protections. A single class of common stock ensures equal voting rights for each share of stock, and stockholders enjoy "tag-along" rights for proposed transfers of a majority of shares of our common stock. All stockholders have access to annual and quarterly financial statements on a schedule comparable to public companies, and, annually, all shareholders are invited to attend a live conference call with management that includes a Q&A session.





Enterprise Risk and Controls

At Canvas we recognize that good and effective governance requires responsible management of the Company's risks. To that end, in an effort overseen by the Audit Committee, led by senior executives, and informed by dozens of employees, the Company at least annually engages in a comprehensive and methodical evaluation of risks across multiple risk types. Teams populated with subject matter experts identify and refine inherent risks; assess their gravity, probability and velocity; evaluate the effectiveness of existing mitigation measures and the advisability of new or different ones; and appraise the quality and magnitude of

residual risks after the application of mitigation efforts. Constant attention is also given to identifying hazards, educating our employees, and promptly taking measures that protect the Company against risks that emerge and evolve in "real time," including cybersecurity risks. The result is a company that is fully cognizant of its comprehensive risk profile and purposeful in addressing it.

Central to the Company's risk management are key financial, operational and value-oriented metrics that are subject to systematic independent scrutiny. Independent registered public accountants audit the Company's financial statements annually, which are prepared in accordance with GAAP. Our



auditor has deep industry experience with both public and private companies, and the auditing team's performance is evaluated by the Audit Committee annually. During the last six years, our auditor has not rendered any adverse or qualified opinion except for such qualifications as related to the Company's ability to continue as a going concern prior to its financial restructuring.

Independent oil and gas reservoir engineers audit the Company's oil and natural gas reserves annually. The independent firm, which audits more than 90% of Canvas's reserves and reports directly to the Audit Committee, has earned the reputation as the leading experts for assets in our operating area. During the last four years, the independent firm's reserve calculations, on both volumetric and value bases, have not deviated from the Company's internal estimates by more than 6%. We regularly adopt the independent auditor's estimate as our official year-end reserves.

The Audit Committee periodically reviews and discusses with management the adequacy and effectiveness of the Company's

disclosure controls and procedures and internal control over financial reporting and any proposed changes in internal controls. Particular emphasis is given to the adequacy of controls to expose any payments, transactions or procedures that may involve fraud or other illegal or improper conduct. Designated Company personnel perform a continual evaluation of financial statement risk exposure, test the related controls, and implement remediation measures. Significant deficiencies or material weaknesses in the design or operation of internal controls, along with management's responses are reported to the Audit Committee.

Culture

As is evident from the many initiatives described below, the Company's culture is one of integrity, accountability, and transparent communication.

Business Ethics

Canvas's directors, officers and employees are required to strictly adhere to protocols designed to identify and address conflicts

of interest and potential conflicts of interest. For that purpose, multiple types of conflicts and protocols for resolving them, including submission of disclosure forms requiring prior approval, are described in a code of business conduct and ethics applicable to all directors, employees and officers. Further, none of the Company's directors or officers serve on the boards or management teams of companies competing with us.

Additionally, Canvas has adopted a related party transaction policy consistent with those typical of public companies even though we are now privately held. The policy requires prior approval by the Audit Committee of any material transaction between the Company and any officer, director or 5% shareholder. Directors, officers and significant shareholders are annually surveyed to identify entities with which they are associated to facilitate monitoring of prospective transactions for compliance with the related party transaction policy. Since the Company's recapitalization, there has been no instance of any transaction with any company, organization, entity or person that is related to a director, officer or 5% shareholder.

Canvas encourages the reporting of concerns and complaints related to ethical matters and promptly addresses such reports. An anonymous, 24-hour hotline is administered by a third party, and reporting is made through it to a cross discipline Company ethics committee with senior executive sponsorship. No member on the committee works within the same functional discipline and all have a reporting chain to the CEO that is independent from one another. No member of the ethics committee is informed of any concern or complaint related to him or her except and until it is necessary and appropriate for purposes of any investigation.

The availability of the hotline is prominently featured on the Company's website and intranet, and the hotline's functionality and the ethics committee's composition are summarized for employees on Canvas's intranet. Ethical violations or other inappropriate behavior result in remedial actions, including termination in some instances.



Employee Engagement

We recognize that our decisions and the rationale for them must be well understood by our employees as they, together with management, are responsible for implementing a vision that is designed to benefit all stakeholders. Therefore, the Company's CEO and other members of the management team engage in regular and multi-channel communication with all employees. The CEO leads periodic all-employee meetings, which are both in-person and virtual; questions and comments for executive management can be submitted confidentially before and in "real time" during those meetings.

Also, executives systematically hold weekly meetings with their direct reports, including employees who work remotely. We ask for and receive employees' feedback at those and other times and incorporate their valuable input into our decision making. It is because of this regular and open communication that we are able to continually assess the extent to which we are succeeding in fostering the long-term, productive, and healthy relationships we so value.



Lastly, Canvas's compensation program is designed to align with employees' and executives' contributions to measurable value creation and a sustainable enterprise. Compensation for all employees and executives is tied to both near-term operational, financial and ESG performance and long-term value creation. Operational and financial metrics align with generating and expanding cash flow, and ESG measures reward continuous improvement specifically with respect to environmental and safety performance thresholds. Not unduly focused on short-term results, current year performance against qualitative factors is also a material feature of annual compensation as the Company seeks to reward enterprise-level efforts to succeed long-term.



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