

# **HUSKY ENERGY INC.**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To BE HELD ON**

**May 14, 2001**

**MANAGEMENT INFORMATION CIRCULAR**

**March 30, 2001**

# **HUSKY ENERGY INC.**

**707 - 8th Avenue S.W.**

**Calgary, Alberta**

**T2P 1H5**

## **NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT** the annual meeting (the "Meeting") of holders of common shares ("Common Shares") of Husky Energy Inc. (the "Corporation") will be held in the Imperial Ballroom at the Hyatt Regency, 700 Centre Street S.E., Calgary, Alberta on the 14th day of May, 2001 at 10:30 a.m. (Calgary time), for the following purposes:

1. To receive the annual report of the board of directors to the shareholders and the consolidated audited financial statements of the Corporation for the fiscal year ended December 31, 2000;
2. To elect the board of directors for the ensuing year;
3. To appoint KPMG LLP, Chartered Accountants, of Calgary, Alberta, as auditors of the Corporation;  
and
4. To transact such other business as may be properly brought before the Meeting or any adjournment or adjournments thereof.

The details of all matters proposed to be put before shareholders at the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting. At the Meeting, shareholders will be asked to approve each of the foregoing items.

Only shareholders of record at the close of business on March 26, 2001 are entitled to notice of and to attend the annual meeting or any adjournment or adjournments thereof and to vote thereat.

**DATED** at the City of Calgary, in the Province of Alberta this 30th day of March, 2001.

### **BY ORDER OF THE BOARD OF DIRECTORS**

*"James D. Girgulis"*

James D. Girgulis

Vice President, Legal and Corporate Secretary

### **IMPORTANT**

It is desirable that as many Common Shares as possible be represented at the Meeting. If you do not expect to attend and would like your Common Shares represented, please complete the enclosed form of proxy and return it as soon as possible in the envelope provided for that purpose. In accordance with the by-laws of the Corporation, all proxies, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Corporation, Computershare Trust Company of Canada, 600, 530 - 8th Avenue S.W., Calgary, AB T2P 3S8, no later than 10:30 a.m. (Calgary time) on May 10, 2001.

# HUSKY ENERGY INC.

## ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON May 14, 2001

### MANAGEMENT INFORMATION CIRCULAR

This Information Circular is furnished in connection with the solicitation of proxies by the management of Husky Energy Inc. ("Husky" or the "Corporation") for use at the annual meeting of the holders of common shares (the "Common Shares") of the Corporation to be held on the 14<sup>th</sup> day of May, 2001 at 10:30 a.m. (Calgary time), or at any adjournment thereof (the "Meeting"), for the purposes set forth in the Notice of Meeting. The information contained herein is given as of the 30th day of March, 2001, except where otherwise indicated. There is enclosed herewith a form of proxy for use at the Meeting, together with a copy of the Corporation's Annual Report containing the financial statements of the Corporation to be presented at the Meeting. Each shareholder who is entitled to attend at meetings of shareholders is encouraged to participate in the Meeting and shareholders are urged to vote in person or by proxy on matters to be considered.

### APPOINTMENT AND REVOCATION OF PROXIES

Those shareholders desiring to be represented by proxy must deposit their respective forms of proxy with Computershare Trust Company of Canada ("Computershare") at 600, 530 - 8th Avenue S.W. Calgary, AB T2P 3S8 by no later than 10:30 a.m. (Calgary time) on May 10, 2001 or on the second last business day preceding any adjournment of the Meeting. A proxy must be executed by the shareholder or by his attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. A proxy is valid only at the Meeting in respect of which it is given or any adjournment of the Meeting.

**Each shareholder submitting a proxy has the right to appoint a person to represent him, her or it at the Meeting other than the persons designated in the form of proxy furnished by the Corporation.** The shareholder may exercise this right by striking out the names of the persons so designated and inserting the name of the desired representative in the blank space provided, or by completing another form of proxy and in either case depositing the proxy with Computershare at the place and within the time specified above for the deposit of proxies.

**A proxy may be revoked by the person giving it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person.** In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or his attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized, and deposited with Computershare at the place and within the time specified above for the deposit of proxies. The close of business on March 26, 2001 is the record date for the determination of shareholders who are entitled to notice of, and to attend and vote at, the Meeting (the "Record Date").

Shareholders who do not hold their Common Shares in their own name (referred to herein as "beneficial shareholders") are advised that only proxies from shareholders of record can be recognized and voted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder

by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the beneficial shareholder. Without specific instructions, brokers/nominees are prohibited from voting Common Shares for their clients. The directors and officers of the Corporation do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held, and directors and officers of the Corporation do not necessarily know for whose benefit the Common Shares registered in the name of any broker or agent are held. Beneficial shareholders who complete and return a form of proxy must indicate thereon the person (usually a brokerage house) who holds their Common Shares as a registered shareholder. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The form of proxy supplied to beneficial shareholders is identical to that provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the beneficial shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Independent Investor Communications Corporation ("IICC"). IICC typically applies a special sticker to the proxy forms, mails those forms to the beneficial shareholders and asks beneficial shareholders to return the proxy forms to IICC. IICC then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A beneficial shareholder receiving a proxy with an IICC sticker on it cannot use that proxy to vote Common Shares directly at the Meeting. The proxy must be returned to IICC well in advance of the Meeting in order to have the Common Shares voted.**

All references to shareholders in this Information Circular and the accompanying form of proxy and Notice of Meeting are to shareholders of record, unless specifically stated otherwise.

### EXERCISE OF DISCRETION

The Common Shares represented by the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder where voting is by way of a show of hands or by ballot. **The persons appointed under the enclosed form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy and Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. If any such matters should come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxy in accordance with their best judgment unless the shareholder has specified to the contrary or that Common Shares are to be withheld from voting. At the time of printing this Information Circular, the management of the Corporation is not aware of any such amendment, variation, or other matter.**

**Unless otherwise specified, proxies in the accompanying form will be voted in favour of the election of the nominees, hereinafter set forth, as directors of the Corporation (provided that in the event that a vacancy among such nominees occurs because of death or for any other reason**

**prior to the Meeting, proxies shall not be voted with respect to such vacancy) and in favour of the appointment of KPMG LLP, Chartered Accountants as auditors of the Corporation.**

### **PERSONS MAKING THE SOLICITATION**

This solicitation is made on behalf of the management of the Corporation. The cost incurred in the preparation and mailing of both the proxy and this Information Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Corporation who will not be directly compensated therefor.

In accordance with National Policy Statement No. 41, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

### **PLAN OF ARRANGEMENT WITH RENAISSANCE ENERGY LTD.**

On June 18, 2000 Husky Oil Limited and Renaissance Energy Ltd. (“Renaissance”) entered into an Arrangement Agreement which contemplated the merger of Renaissance and Husky Oil Limited pursuant to a plan of arrangement (the “Plan of Arrangement”) under the provisions of the *Business Corporations Act* (Alberta). Pursuant to the Plan of Arrangement shareholders of Renaissance received one common share of the Corporation and a cash payment of \$2.50 per share as well as the right to participate in a buyback of approximately 18% of the common shares of Renaissance by shareholders of Husky Oil Limited. Former shareholders of Husky Oil Limited received approximately 71.7% of the Common Shares and former shareholders of Renaissance received approximately 28.3% of the Common Shares. Also pursuant to the Plan of Arrangement Husky Oil Limited, Renaissance and Husky Oil Operations Limited amalgamated to form Husky Oil Operations Limited. The Plan of Arrangement was completed on August 25, 2000 and the Common Shares commenced trading on The Toronto Stock Exchange on August 28, 2000.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

As at March 15, 2001, the Corporation had 415,808,383 Common Shares outstanding. Each Common Share confers upon the holder thereof the right to one vote. Only those shareholders of record on the Record Date are entitled to notice of, and to attend and vote at the Meeting. Any transferee or person acquiring Common Shares after the Record Date may, on proof of ownership of Common Shares, demand of Computershare not later than 10 days before the Meeting that his name be included in the list of persons entitled to attend and vote at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as at March 15, 2001 no person or company beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the voting rights attached to all of the outstanding Common Shares of the Corporation other than as set forth below:

<u>Name</u>	<u>Type of Ownership</u>	<u>No. of Common Shares</u>	<u>Percentage of Common Shares</u>
U.F. Investments (Barbados) Ltd.	Beneficial and of Record	146,044,589 <sup>(1)</sup>	35.123%
L.F. Investments (Barbados) Ltd.	Beneficial and of Record	137,103,086 <sup>(2)</sup>	32.973%
H.F. Investments (Barbados) Ltd.	Beneficial and of Record	14,902,510 <sup>(3)</sup>	3.584%

**NOTES:**

- (1) U.F. Investments (Barbados) Ltd. also owns 672,192 transferable common share purchase warrants of the Corporation. Each common share purchase warrant is exercisable at a price of \$0.01 for 1.857 Common Shares in accordance with the terms of such warrants as summarized in note (4) below for an aggregate of up to 1,248,261 Common Shares. U.F. Investments (Barbados) Ltd. is 100% indirectly owned by Hutchison Whampoa Limited of which Mr. Li Ka-shing is the Chairman. Trusts of which Mr. Li and members of his family are discretionary beneficiaries hold an indirect 33.3% interest in Cheung Kong (Holdings) Limited, which holds an indirect 49.9% interest in Hutchison Whampoa Limited. Mr. Li holds an indirect 2.7% interest in Cheung Kong (Holdings) Limited.
- (2) L.F. Investments (Barbados) Ltd. also owns 631,037 transferable common share purchase warrants of the Corporation. Each common share purchase warrant is exercisable at a price of \$0.01 for 1.857 Common Shares in accordance with the terms of such warrants as summarized in note (4) below for an aggregate of up to 1,171,836 Common Shares. L.F. Investments (Barbados) Ltd. is 100% indirectly owned by Mr. Li Ka-shing and trusts of which Mr. Li and members of his family are discretionary beneficiaries, and is indirectly controlled by Mr. Li through the ownership of voting preferred shares.
- (3) H.F. Investments (Barbados) Ltd. also owns 68,591 transferable common share purchase warrants of the Corporation. Each common share purchase warrant is exercisable at a price of \$0.01 for 1.857 Common Shares in accordance with the terms of such warrants as summarized in note (4) below for an aggregate of up to 127,373 Common Shares. H.F. Investments (Barbados) Ltd. is indirectly owned by Mr. Li Ka-shing.
- (4) The common share purchase warrants were issued pursuant to the Plan of Arrangement and are only exercisable if and when the stock options of Renaissance, which were exchanged for stock options of the Corporation pursuant to the Plan of Arrangement (the "Exchanged Options"), are exercised. The common share purchase warrants expire on a pro rata basis as the Exchanged Options are cancelled or expire.

**EXECUTIVE COMPENSATION**

The Corporation's executive compensation program (the "Compensation Program") is governed by the Compensation Committee of the board of directors of the Corporation. Among its responsibilities, the Compensation Committee will make recommendations to the board with respect to compensation of the executive officers of the Corporation and also review and monitor the design and competitiveness of major new compensation programs.

Mr. Canning Fok, Chairman of the Board, is also Chairman of the Compensation Committee. Messrs. Greene, Kluge, Sixt and Mrs. Kwok serve as committee members.

## **Report on Executive Compensation**

The Compensation Program is designed to attract, motivate, reward and retain the management talent needed to achieve the Corporation's business objectives. It is intended to align the interests of the executive officers with those of the Corporation's shareholders. Based on a pay-for-performance philosophy, it rewards executive officers on the basis of individual performance and corporate performance.

The Corporation participates in an annual compensation survey, conducted by independent consultants, of the salary, benefit and other incentive programs in effect with comparative oil and gas companies in Canada ("Survey"). The Survey is employed as a reference by the Compensation Committee in its deliberations. The executive compensation of the Corporation is comprised of four major components: base salaries, a short-term incentive program, a long-term incentive plan and benefit plans.

### *Base Salary*

The base salary of the President & Chief Executive Officer, and of each of the other executive officers, will be determined by the Compensation Committee based on the level of responsibility and the experience of the individual, the relative importance of the position to the Corporation and the performance of the individual during the relevant period. Business and other economic factors are considered as well. Although greater emphasis is placed on incentive compensation, the Compensation Committee considers that a competitive base salary for all employees of the Corporation is a key factor in achieving and maintaining the Corporation's desired competitive positioning in the oil and gas industry. Salary information from the Survey is used as a reference point.

### *Short-term Incentive Program*

#### Corporate Bonus Plan

The purpose of the corporate bonus plan is to relate a component of compensation directly to annual corporate results for key employees, including the executive officers. The intent is that each key employee at a certain level may earn a bonus equal in amount to a percentage of the key employee's annual base salary.

Bonus awards are determined by comparing actual financial and operating results for the fiscal year to financial and operating targets set in advance by the Corporation and by subjectively taking account of individual performance and the relative importance of the contribution to the Corporation.

### *Long-term Incentive Compensation*

#### Incentive Stock Option Plan

On August 21, 2000 the Corporation received shareholder approval for its Incentive Stock Option Plan (the "Plan").

The purpose of the Plan is to enable the Corporation in appropriate circumstances to offer ownership interests in the Corporation through stock options in order to assist the Corporation and its subsidiaries to attract and retain directors, officers and employees of outstanding ability, competence and potential.

Pursuant to the Plan, the board of directors may, on the recommendation of the Compensation Committee, grant to directors, officers and employees of the Corporation (each an "Eligible Person") options to purchase Common Shares of the Corporation. The exercise price at which Common Shares may be purchased pursuant to an option is established at the time such option is granted and will not be less than the weighted average trading price per Common Share on The Toronto Stock Exchange (the "TSE") for the five days preceding the grant date, or if the Common Shares are not listed on the TSE or any other stock exchange, at a price determined by the board of directors. The term of each option may be fixed by the board of directors when the option is granted to a maximum of 10 years. Options will vest as to one-third on each anniversary date of the date of grant of the options, subject to the right of the board of directors to determine at the time of grant that particular options will be exercisable in whole or in part on earlier dates. The maximum number of Common Shares that may be reserved for issuance pursuant to options granted under the Plan is presently fixed at 30,000,000 and the maximum number of Common Shares that may be optioned to any one Eligible Person under the Plan together with all other previously established or proposed options, shall not exceed 1% of the total number of Common Shares issued and outstanding on a non-diluted basis. The options are not assignable and terminate immediately upon the Eligible Person being dismissed from his or her office or employment for cause or resigning at the request of the Corporation, or terminate after 90 days upon the Eligible Person resigning his or her office or employment (other than at the request of the Corporation) or is dismissed without cause.

#### *Benefit Plans*

The executives participate with all employees in the benefit plans provided by the Corporation. There are no special pension plans in place for the executives.

The foregoing report is respectfully submitted to the shareholders of the Corporation by the Compensation Committee:

#### **MEMBERS:**

Canning K.N. Fok, Chairman  
 Ronald G. Greene  
 Holger Kluge  
 Eva L. Kwok  
 Frank J. Sixt

#### **Senior Executive Compensation**

The following table details compensation information for the financial year ended December 31, 2000 for the Corporation's President & Chief Executive Officer, John C.S. Lau, and the Corporation's four most highly compensated executive officers, Neil D. McGee, Vice President & Chief Financial Officer, James S. Blair, Sr. Vice President & Chief Operating Officer, Donald R. Ingram, Sr. Vice President, Midstream and Refined Products and Robert S. Coward, Vice President, Western Canada Production (collectively, the "Named Executive Officers").

### Summary Compensation Table

Name and Position	Year	Annual Compensation			Long-Term Compensation			All Other Compensation \$
		Salary \$	Bonus <sup>(1)</sup> \$	Other Annual Compensation <sup>(2)</sup> \$	Awards		Payouts	
					Securities Under Options/ Stock Options Outstanding #	Restricted Shares or Restricted Share Units %	LTIP Payouts \$	
John C.S. Lau President & Chief Executive Officer	2000 <sup>(3)</sup>	692,500	200,000	102,668	420,000	-	-	-
Neil D. McGee Vice President & Chief Financial Officer	2000 <sup>(4)</sup>	312,375	30,000	35,898	100,000	-	-	-
James S. Blair Sr. Vice President & Chief Operating Officer	2000 <sup>(5)</sup>	203,499	70,000	32,118	100,000	-	-	-
Donald R. Ingram Sr. Vice President, Midstream & Refined Products	2000 <sup>(6)</sup>	203,499	70,000	22,306	100,000	-	-	-
Robert S. Coward Vice President, Western Canada Production	2000 <sup>(7)</sup>	195,000	40,000	38,011	90,000	-	-	-

**NOTES:**

- (1) Bonuses paid in 2000 are based on 1999 performance.
- (2) Includes savings plan, parking, vehicle and pension contributions.
- (3) Prior to August 25, 2000 Mr. Lau was Chief Executive Officer of Husky Oil Limited, a predecessor company of the Corporation. The compensation disclosed is the aggregate received as Chief Executive Officer of Husky Oil Limited and then as President & Chief Executive Officer of the Corporation.
- (4) Prior to August 25, 2000 Mr. McGee was Vice President & Chief Financial Officer of Husky Oil Limited, a predecessor company of the Corporation. The compensation disclosed is the aggregate received as Vice President & Chief Financial Officer of Husky Oil Limited and then as Vice President & Chief Financial Officer of the Corporation.
- (5) Prior to August 25, 2000 Mr. Blair was Vice President, Canadian Frontier and International Operations of Husky Oil Limited, a predecessor company of the Corporation. On November 2, 2000 Mr. Blair was appointed as Sr. Vice President & Chief Operating Officer of the Corporation. The compensation disclosed is the aggregate received as Vice President, Canadian Frontier and International Operations of Husky Oil Limited, Sr. Vice President, Frontiers and International of the Corporation and then as Sr. Vice President & Chief Operating Officer of the Corporation.
- (6) Prior to August 25, 2000 Mr. Ingram was Vice President, Midstream Operations of Husky Oil Limited, a predecessor company of the Corporation. The compensation disclosed is the aggregate received as Vice President, Midstream Operations of Husky Oil Limited and then as Sr. Vice President, Midstream and Refined Products of the Corporation.

- (7) Prior to August 25, 2000 Mr. Coward was Vice President, Western Canadian Operations and Exploration of Husky Oil Limited, a predecessor company of the Corporation. The compensation disclosed is the aggregate received as Vice President, Western Canadian Operations and Exploration of Husky Oil Limited and then as Vice President, Western Canada Production.

### Option Grants During the Most Recently Completed Financial Year

The following table sets forth the details with respect to all options of the Corporation granted to the Named Executive Officers during the financial year ended December 31, 2000.

<b>Option Grants During the Most Recently Completed Financial Year <sup>(1)</sup></b>					
<b>Name</b>	<b>Securities Under Option Granted #</b>	<b>% of Total Options Granted to Employees in Financial Year</b>	<b>Exercise or Base Price (\$/Security)</b>	<b>Market Value of Securities Underlying Options on the Date of Grant (\$/Security)</b>	<b>Expiration Date</b>
John C.S. Lau	420,000	4.6%	\$13.61	\$13.61	Sept. 2005
Neil D. McGee	100,000	1.1%	\$13.61	\$13.61	Sept. 2005
James S. Blair	100,000	1.1%	\$13.61	\$13.61	Sept. 2005
Donald R. Ingram	100,000	1.1%	\$13.61	\$13.61	Sept. 2005
Robert S. Coward	90,000	0.8%	\$13.61	\$13.61	Sept. 2005

**NOTE:**

- (1) Husky's Incentive Stock Option Plan was implemented in September 2000.

### Aggregated Option Exercises During the Most Recently Completed Financial Year End and Financial Year End Option Values

The following table sets forth information in respect of aggregated option exercises by the Named Executive Officers during the year ended December 31, 2000 together with the number and value of unexercised options held as at December 31, 2000.

Aggregated Option Exercises During the Most Recently Completed Financial Year End and Financial Year End Option Values				
Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options At Financial Year End Exercisable/Unexercisable (#)	Value of Unexercised In-The-Money Options at Financial Year End Exercisable/Unexercisable <sup>(1)</sup> (\$)
John C.S. Lau	-	-	0/420,000	0/541,800
Neil D. McGee	-	-	0/100,000	0/129,000
James S. Blair	-	-	0/100,000	0/129,000
Donald R. Ingram	-	-	0/100,000	0/129,000
Robert S. Coward	-	-	0/90,000	0/116,100

**NOTE:**

(1) Based on the closing price of the Common Shares on December 29, 2000 of \$14.90.

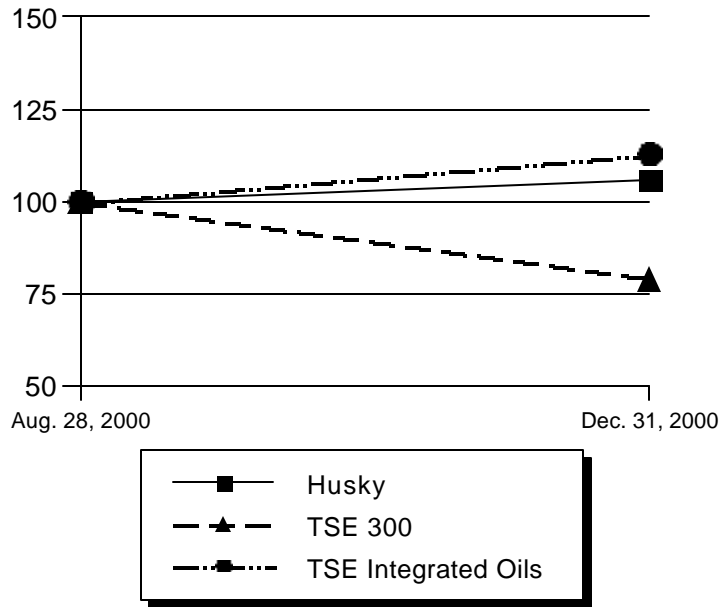
### Compensation of Directors

Directors of the Corporation are paid a fee of \$1,200 per meeting of the board or of a committee of the board attended paid quarterly and an annual retainer of \$20,000. The directors of the Corporation are also entitled to reimbursement for out-of-pocket expenses for attendance at meetings of the board of directors and any committees of the board of directors, and are entitled to participate in the Corporation's Incentive Stock Option Plan. To date non-executive directors have not been granted options.

**Performance Graph**

The following performance graph compares the Corporation's cumulative total shareholder return on Common Shares over the period August 28, 2000 (the first day of trading of the Corporation's Common Shares on The Toronto Stock Exchange following the completion of the Plan of Arrangement on August 25, 2000) to December 31, 2000, assuming a \$100 initial investment with the cumulative total shareholder return on the TSE 300 Index and the TSE Integrated Oils Sub-Index.

*Cumulative Value of a \$100 Investment*



	<b>Aug. 28, 2000</b>	<b>Dec. 31, 2000</b>
Husky	100	106
TSE 300	100	79
TSE Integrated Oils	100	113

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

Commencing in 1995, the TSE mandated every listed company to disclose on an annual basis its approach to corporate governance with reference to guidelines contained in the TSE's by-laws (the "Guidelines"). These Guidelines were subsequently updated in 1999.

The following statement of Husky's corporate governance practices has been approved by the board of directors. The Corporation's board of directors has taken account of the revised Guidelines and where a divergence exists between the Corporation's practices and the Guidelines, the rationale is explained.

### **Mandate of the Board of Directors**

The board of directors specific duties and responsibilities include:

1. approve, supervise and provide guidance on the strategic planning process. The President & Chief Executive Officer and senior management team have direct responsibility for the ongoing strategic planning process and the establishment of long term goals for the Corporation, which are reviewed and approved not less than annually by the board of directors;
2. identify the principal risks of the Corporation's business and use reasonable steps to ensure the implementation of appropriate systems to manage these risks;
3. approve the Corporation's annual corporate budget; and
4. oversee the integrity of the Corporation's internal control and management information systems.

A principal responsibility of the Co-Chairmen of the Board is to manage, and act as the chief administrative officers of, the board of directors with such duties and responsibilities as the board of directors may establish from time to time. The Co-Chairmen of the Board are independent of management.

The board of directors appoints the President & Chief Executive Officer of the Corporation who shall be a member of the board of directors, and establishes the duties and responsibilities of the President & Chief Executive Officer. On the recommendation of the President & Chief Executive Officer, the board of directors appoints the senior officers of the Corporation.

New directors are provided with substantial reference material pertaining to the Corporation, its strategic focus, financial and operating history and corporate vision.

The board is supportive of an individual director engaging an independent advisor at the expense of the Corporation in appropriate circumstances. The engagement of an independent advisor is subject to the approval of one of the Co-Chairmen of the Board.

The Co-Chairmen of the Board assess the effectiveness of the board as a whole, the committees of the board and the contributions of individual directors.

Directors receive the annual retainer and attendance fees as set forth under “*Compensation of Directors*” as compensation for their activities as directors of the Corporation and are entitled to reimbursement for out-of-pocket expenses for attendance at meetings of the board of directors and any committees of the board of directors. The board of directors feels that this compensation adequately reflects the responsibilities and risks involved in being a director of a senior integrated energy and energy related company.

### **Composition of the Board of Directors**

Of the members of the board of directors of the Corporation, eight are “unrelated” directors (being Martin Glynn, Ron Greene, Terrence Hui, Brent Kinney, Holger Kluge, Eva Kwok, Wilmot Matthews and Wayne Shaw). An “unrelated” director is one who is independent of management and is free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interests of the Corporation, other than interests and relationships arising from shareholding. A “related” director is one who is not an “unrelated director”.

The related directors are considered to be so because of the offices they hold with the Corporation or their business relationship with the Corporation or its significant shareholders. The Corporation’s significant beneficial shareholders, U.F. Investments (Barbados) Ltd., L.F. Investments (Barbados) Ltd. and H.F. Investments (Barbados) Ltd., together own approximately 72% of the Common Shares. See “*Voting Securities and Principal Holders Thereof*”. The eight directors who are “unrelated” are so, because among other things, none of them has ever been employed by the Corporation, has any material contract with the Corporation, receives any remuneration from the Corporation (other than pursuant to their activities as directors of the Corporation) or has a relationship with the significant shareholders that, in the board of directors’ opinion could reasonably be perceived to materially interfere with their ability to act in the best interests of the Corporation.

The board of directors is of the opinion that its size and composition is effective for a senior integrated energy and energy related company with two major shareholders. The board has no current intention to reduce, enlarge or otherwise alter the composition of the board of directors. The board of directors is of the view that the number of its members that are unrelated directors adequately reflects the perspectives and interests of the minority shareholders.

### **Committees of the Board of Directors**

The board of directors has established an Audit Committee, a Compensation Committee and a Health, Safety and Environment Committee. Corporate governance issues are discussed by the board as a whole. The board of directors has established the mandate, duties and responsibilities of each committee, which it reviews from time to time. All of the members of each committee are non-management directors.

The Audit Committee is comprised of three directors, two unrelated and one related. The Audit Committee’s duties and responsibilities include, assisting the board of directors in fulfilling its fiduciary responsibilities relating to the Corporation’s accounting and reporting practices and the integrity of the Corporation’s internal accounting controls and information systems; reviewing with the auditors of the Corporation the annual or interim financial statements; reviewing the annual report and any interim or other

reports of the auditors; and, through periodic meetings with the auditors, reviewing the adequacy of internal accounting and audit procedures.

The Compensation Committee is comprised of two related directors and three unrelated directors. The duties and responsibilities of the Compensation Committee include determining the salary and benefits of the President & Chief Executive Officer and on the recommendation of the President & Chief Executive Officer, determining the general compensation structure and policies and programs for the Corporation and the salary and benefit levels for the senior officers.

The Health, Safety and Environment Committee is comprised of three directors, one related and two unrelated. The duties and responsibilities of the Health, Safety and Environment Committee include reviewing a health, safety and environmental policy prepared by management for approval by the board of directors, and considering and recommending updates to the policy, as necessary, on an annual basis.

Nominations for the board of directors are proposed by the Co-Chairmen for consideration by the board.

### **Relationship between the Board of Directors and Management**

The board of directors has structures and procedures in place to ensure that the board functions independently of management at such times as is desirable or necessary. Directors who are independent of management may discuss issues in the absence of management.

The board of directors' expectations of management are established through the annual planning process at which time approvals are authorized for achievable goals which are consistent with the Corporation's overall strategic plans. Budgets are prepared by senior management on at least an annual basis and are submitted to the board of directors. The board measures the performance of senior management in part by the degree to which it is successful in achieving the objectives set out in the budgets. Arrangements have been made for the board to receive and review operational and financial status reports.

The Co-Chairmen of the Board of directors are not members of management.

### **Communications with Shareholders**

The board of directors oversees the Corporation's communications policy. The board of directors monitors the policies and procedures that are in place to provide for effective communication by the Corporation with its shareholders and with the public generally, including effective means to enable shareholders to communicate with senior management and the board of directors.

## **ELECTION OF DIRECTORS**

At the Meeting, it is proposed that 15 directors be elected until the next annual meeting of shareholders or until their successors are elected or appointed. There are currently 15 directors of the Corporation. Pursuant to the *Business Corporations Act* (Alberta), the current directors of the Corporation cease to hold office at the close of the Meeting.

The following table sets forth, in respect of each nominee, all positions currently held with the Corporation, principal occupation or employment during the past 5 years and the approximate number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which voting control is exercised as of March 15, 2001. The information contained herein is based upon information furnished by the respective nominee.

<b>Name and Municipality of Residence</b>	<b>Date Since Served as a Director</b>	<b>Office or Position</b>	<b>Principal Occupation During Past 5 Years</b>	<b>Number of Common Shares Owned or Subject to Control or Direction</b>
Li, Victor T. K. Hong Kong	August 25, 2000	Co-Chairman and Director	Managing Director of Cheung Kong (Holdings) Limited (an investment holding company) since 1999 and Deputy Chairman since 1994. Mr. Li has also been Deputy Chairman of Hutchison Whampoa Limited (an investment holding company) since 1999 and Executive Director since 1995 as well as the Chairman of Cheung Kong Infrastructure Holdings Limited (an infrastructure development company) since 1996. Mr. Li is also an Executive Director of Hongkong Electric Holdings Limited (holding company) and a director of Hopewell (Holdings) Limited (a holding company). Mr. Li is a member of the Chinese People's Political Consultative Conference, the Commission on Strategic Development and the Business Advisory Group. Mr. Li holds a Bachelor of Science degree in Civil Engineering and a Master of Science degree in Structural Engineering.	—
Fok, Canning K.N. Hong Kong	August 25, 2000	Co-Chairman and Director	Group Managing Director of Hutchison Whampoa Limited since 1993 and Executive Director since 1984. Mr. Fok is the Chairman of Hutchison Telecommunications (Australia) Limited (an investment holding company) and Partner Communications Company Ltd. (a telecommunications company) and the Deputy Chairman of Cheung Kong Infrastructure Holdings Limited and Hongkong Electric Holdings Limited. Mr. Fok is also a director of Cheung Kong (Holdings) Limited, VoiceStream Wireless Corporation (a telecommunications company) and Hutchison Whampoa Finance (CI) Limited (a finance company). Mr. Fok holds a Bachelor of Arts degree and is a member of the Australian Institute of Chartered Accountants.	300,000

<b>Name and Municipality of Residence</b>	<b>Date Since Served as a Director</b>	<b>Office or Position</b>	<b>Principal Occupation During Past 5 Years</b>	<b>Number of Common Shares Owned or Subject to Control or Direction</b>
Glynn, Martin J.G. Vancouver, British Columbia	August 25, 2000	Director	President, Chief Executive Officer and a director of HSBC Bank Canada since late 1999. From 1982 Mr. Glynn held various senior executive positions with HSBC Bank Canada (formerly Hongkong Bank of Canada). Mr. Glynn is also a Director of HSBC Bank USA, Chairman and a director of HSBC Canadian Direct Insurance Incorporated, a director and President of James Capel Canada Holdings Inc., a director of 133759 Canada Ltd. and Wells Fargo HSBC Trade Bank N.A. in the United States.	—
Greene, Ronald G. Calgary, Alberta	August 25, 2000	Director	President and Chief Executive Officer of Tortuga Investment Corp. (an investment holding company), Chairman of Denbury Resources Inc. and a director of WestJet Airlines Ltd. Mr. Greene was Chairman and Acting Chief Executive Officer of Renaissance from December 1999 to August 25, 2000. Prior thereto Mr. Greene was non-executive Chairman of Renaissance and an independent businessman.	1,009,801
Hui, Terence C.Y. Vancouver, British Columbia	August 25, 2000	Director	President and Chief Executive Officer, Concord Pacific Group Inc. (a real estate development company) since 1997. Mr. Hui was President and Chief Executive Officer of Adex Enterprises Inc. (a real estate development company) from 1987 to 1997. Mr. Hui has been President and Chief Executive Officer of Pacific Place Developments Corp. (a real estate development company) since 1992 and Chairman of Multiactive Technologies Inc. (a computer software company) and of Multiactive Software Inc. (a computer software company) since 1995. Mr. Hui was President and Chief Executive Officer of BurCon Properties Limited (a real estate development company) from 1997 to 1998.	—
Kinney, Brent D. Dubai, United Arab Emirates	August 25, 2000	Director	Independent businessman. Prior to 1998 Mr. Kinney was an international petroleum lawyer with Clyde & Co. in London, England. Mr. Kinney is also a director of Dragon Oil plc in the United Arab Emirates.	6,272
Kluge, Holger	August 25,	Director	Currently retired, Mr. Kluge was President,	—

Name and Municipality of Residence	Date Since Served as a Director	Office or Position	Principal Occupation During Past 5 Years	Number of Common Shares Owned or Subject to Control or Direction
Toronto, Ontario	2000		Personal and Commercial Bank, Canadian Imperial Bank of Commerce from 1990 to 1999 and a director from 1993 to 1999. Mr. Kluge is a director of Covenant House, Hongkong Electric Holdings Limited, Hutchison Telecommunications (Australia) Limited, TAL Global Asset Management Inc., TOM.COM LIMITED and 724 Solutions Inc. Mr. Kluge holds a Bachelor of Commerce degree and a Master's degree in Business Administration.	
Koh, Poh Chan Hong Kong	August 25, 2000	Director	Finance Director, Harbour Plaza Hotel Management (International) Ltd. Ms. Koh was Executive Vice President and Chief Financial Officer of Husky Oil Ltd. from 1992 to 1997.	—
Kwok, Eva L. Vancouver, British Columbia	August 25, 2000	Director	Chairman and Chief Executive Officer, Amara International Investment Corp. (an investment holding company) since 1992 and President and a director from 1992 to 1996. Mrs. Kwok is a director of Air Canada and Bank of Montreal. Mrs. Kwok was President and Managing Director of Melcorp Mercantile Inc. from 1995 to 1996.	—
Kwok, Stanley T.L. Vancouver, British Columbia	August 25, 2000	Director	President, Stanley Kwok Consultants (an architecture and development company) since 1993. Mr. Kwok has been a director since 1997, and was Chairman from 1996 to 1998 of Amara International Investment Corp. Mr. Kwok is a director of Cheung Kong (Holdings) Limited and CTC Bank of Canada.	—
Lau, John C.S. Calgary, Alberta	August 25, 2000	President & Chief Executive Officer and Director	President & Chief Executive Officer of Husky Energy Inc. since August 2000. Prior thereto, Mr. Lau was Chief Executive Officer of Husky Oil Limited since 1993.	11,356
Matthews, Wilmot L. Toronto, Ontario	August 25, 2000	Director	Currently retired, Mr. Matthews was Vice-Chairman and Director of Nesbitt Burns Inc. (an investment banking company) from 1994 to 1996 and held the same position at a predecessor company Burns Fry Limited. Mr. Matthews is a director of WestJet Airlines Ltd., WorldPages.Com Inc. (a yellow page directory company) and Student On-Site Solutions Inc. (a	884,236

Name and Municipality of Residence	Date Since Served as a Director	Office or Position	Principal Occupation During Past 5 Years	Number of Common Shares Owned or Subject to Control or Direction
			computer productivity consulting company).	
Shaw, Wayne E. Toronto, Ontario	August 25, 2000	Director	Barrister and Solicitor, Stikeman, Elliott.	5,000
Shurniak, William Australia	August 25, 2000	Deputy Chairman and Director	Chairman of both ETSA Utilities (a utility company) and Powercor Australia Limited (a utility company) and a director of Australia based Envestra Limited. Mr. Shurniak was an Executive Director and Group Finance Director of Hutchison Whampoa Limited from 1984 to 1997 and has remained a director of and a consultant to Hutchison Whampoa Limited since then. Mr. Shurniak was Executive Director of Hongkong Electric Holdings Limited from 1985 to 1997 and a director and Deputy Chairman of Asia Satellite Telecommunications Holdings Limited (a telecommunications company) from 1996 to 1999. Mr. Shurniak holds an Honorary Doctor of Laws degree from the University of Saskatchewan and from The University of Western Ontario.	—
Sixt, Frank J. Hong Kong	August 25, 2000	Director	Group Finance Director of Hutchison Whampoa Limited since 1998 and Executive Director since 1991. Mr. Sixt is the Chairman of TOM.COM LIMITED. Mr. Sixt is also an Executive Director of Cheung Kong Infrastructure Holdings Limited and Hongkong Electric Holdings Limited and a director of Cheung Kong (Holdings) Limited, Concord Pacific Group Inc., Hutchison Whampoa Finance (CI) Limited, Hutchison Telecommunications (Australia) Limited, Partner Communications Company Ltd. and VoiceStream Wireless Corporation. Mr. Sixt holds a Master's degree in Arts and a Bachelor's degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Quebec and Ontario, Canada.	—

The board of directors has an Audit Committee (as required by the *Business Corporations Act* (Alberta)) consisting of Messrs. Shurniak, Matthews and Glynn, a Compensation Committee consisting of Messrs. Fok, Greene, Kluge, Sixt and Mrs. Kwok, and a Health, Safety and Environment Committee consisting of Messrs. Kluge, Kwok and Kinney. Husky does not have an Executive Committee.

## **INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICES**

No directors or executive officers have loans, other than routine indebtedness, outstanding with the Corporation.

## **APPOINTMENT OF AUDITORS**

The persons named in the enclosed form of proxy intend to have nominated and to vote for the appointment of KPMG LLP, as auditors of the Corporation, KPMG LLP, Chartered Accountants, of Calgary, Alberta (the "Auditors") to hold such office until the next annual meeting of the Corporation. The Auditors were first appointed as auditors of Husky Oil Limited, a predecessor company of the Corporation, in 1953 and became the auditors of the Corporation after completion of the Plan of Arrangement on August 25, 2000.

## **OTHER MATTERS TO BE ACTED UPON**

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in the best judgment of the person or persons voting the proxy.

## **INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS**

Except as described elsewhere herein, none of the Corporation's insiders, proposed nominees for election as directors of the Corporation or their associates and affiliates, has any material interest in any transaction with the Corporation since the commencement of the Corporation's last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation which has not been previously disclosed.

As part of the pre-arrangement steps of the Plan of Arrangement completed with Renaissance on August 25, 2000, Western Canadian Place Ltd., a company currently indirectly owned by Hutchison Whampoa Limited and Mr. Li Ka-Shing and trusts for members of his family, purchased Western Canadian Place from Husky Oil Limited at market value. Western Canadian Place Ltd. upon completion of the transfer has leased the building to the Corporation for a three year term on commercial terms consistent with those for leases of comparable space in Class A office buildings in Calgary. Western Canadian Place serves as the head office premises for the Corporation.

## **INTEREST OF DIRECTORS AND OFFICERS IN MATTERS TO BE ACTED UPON**

No director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

### **ADDITIONAL INFORMATION**

The Corporation will provide to any person upon request a copy of the Corporation's current Annual Information Form, the Corporation's audited financial statements contained in the Annual Report for the year ended December 31, 2000, together with the report of the auditors thereon, and one copy of any of the Corporation's interim financial statements subsequent to such audited financial statements and a copy of this Information Circular.

Any request for any of these documents should be made to the Corporate Secretary, Husky Energy Inc., 707 - 8th Avenue S.W., Calgary, Alberta, T2P 1H5 and/or fax (403) 298-7323 and in certain cases, the Corporation may require the payment of a reasonable charge for these documents. Information can also be obtained through the Corporation's website at [www.huskyenergy.com](http://www.huskyenergy.com).

### **BOARD APPROVAL**

The contents and the sending of this Information Circular have been approved by the board of directors of the Corporation.

**CERTIFICATE**

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

*“John C. S. Lau”*

John C. S. Lau  
President & Chief Executive Officer

*“Neil D. McGee”*

Neil D. McGee  
Vice President & Chief Financial Officer

Calgary, Alberta  
March 30, 2001