

Proxy Advisory Firm ISS Supports Cation Capital's Call for Change at Crescent Point Energy

Shareholders Recommended to Vote FOR Cation Nominees and AGAINST Executive Compensation, Utilizing the BLUE Proxy ONLY

Cation Urges Shareholders to Vote BLUE for ALL FOUR of its Highly Qualified Nominees

Cation Board Nominees Bring Experience, Independence and Commitment to Work Constructively to Immediately Begin Unlocking Shareholder Value

April 20, 2018 08:00 AM Eastern Daylight Time

CALGARY, Alberta--([BUSINESS WIRE](#))--Cation Capital Inc. (together with its affiliates and associates, "Cation Capital" or "Cation"), a private investment firm and shareholder of Crescent Point Energy Corp (TSX/NYSE: CPG) ("Crescent Point" or "Company"), today announced that Institutional Shareholder Services Inc. ("ISS"), a leading independent proxy advisory firm, has come out in support of Cation's call for change at Crescent Point.

ISS recommends shareholders vote FOR Cation's board nominees, Dallas J. Howe and Herbert C. Pinder, and WITHHOLD votes for Crescent Point directors Rene Amirault and Mike Jackson, as well as recommending that all Crescent Point shareholders use Cation's universal BLUE proxy or BLUE VIF to vote on ALL matters.

In a further rebuke to the Crescent Point Board, ISS also recommends shareholders vote AGAINST the advisory vote on executive compensation, because of "high concern based on relative degree of pay-and-performance alignment (RDA) measure, which concern is evident even when the Company's self-selected peer group is utilized."

Cation recommends that Crescent Point shareholders vote for its four nominees – Dallas J. Howe, Herbert C. Pinder, Thomas A. Budd, Sandy L. Edmonstone – on the BLUE proxy or BLUE VIF today.

Sandy L. Edmonstone, President of Cation Capital, said:

"We are appreciative that ISS has taken an independent perspective on Crescent Point's dismal performance and the failure of leadership that has caused it. ISS clearly agrees that change is needed, and further that Cation board nominees bring the experience, independence and ideas to unlock shareholder value. We look forward to the support of shareholders for the election of all four of our nominees, who are committed to working with the full board to realize the true potential of Crescent Point and create value for all shareholders over the near and long term."

In supporting Cation's call for change, ISS commented as follows:

- **"[C]hange on the board appears warranted" and "[t]he dissident has made a reasonably compelling case for some change to the incumbent board."**

- “To summarize, operating performance at Crescent Point ... shows **the company has not participated to the same degree as peers in industrywide cost-cutting efforts**. In terms of capital allocation,... there might be open questions as to what extent the company is optimizing its investment decisions, **the combination of those decisions funded with a high proportion of debt have put it in a relatively weak spot; all these issues have translated in one of the worst stock performances of our peer group.**”
- “[W]ith its [total shareholder return] at the bottom of the sector, **credibility is ... an issue for the company.** We note there are valid concerns raised by the dissident.”
- “Against [ISS’] peer group, the company **underperformed by about 25.5 percentage points** over the three years prior to the dissident’s announcement of its position, and **by 60.6 percentage [points]** over the five years prior to that announcement.”
- “[Crescent Point’s] **stock performance ... might be reflective of market doubts on capital allocation and leverage.**”
- “We note that **a majority of [Crescent Point’s] ... nominees lack substantial previous public board experience** ...in terms of corporate governance, **it does not appear that the nominees added over the last few years by the company have been ideal choices in terms of improving board oversight.**”
- “The company **appears to not have obtained an optimal level of return from its capex program** historically, and **its guidance has not provided reassurance to investors.**”
- “**[T]he route chosen by the company to fund its capex program may have been an additional factor playing against its stock performance.**”
- “**Similar to the dissidents’ claim, ... the company has lost its premium valuation ... and has been generally trading at discount to the peer median since about April 2015. [Crescent Point’s] lower multiple seems to point to the market’s doubts regarding effectiveness of the company’s Capex program.**”
- “While the oil crash has brought harsh times for the whole energy sector, many of the industry issuers are currently trading above the Jan. 2016 lows. **The company’s share price, however, has been moving in the opposite direction.**”

Commenting on Crescent Point’s compensation practices, ISS said:

- “Although the company has revamped its executive compensation program twice during the last four years, **ISS’ quantitative pay-for-performance screen has indicated a high concern level pertaining to alignment of the CEO’s compensation package and the company’s performance.**”
- “**There has been a lot focus on CEO compensation at this company. For 5 of the last 6 years, ISS’ quantitative pay- for-performance screen has indicated a high concern.** In the past 4 years, the company’s compensation program has been revamped twice, first after the 57% support for the 2014 advisory say-on-pay vote and most recently after the failed 2016 advisory vote on executive pay (31% support level).”
- “While the CEO’s total compensation has remained flat during the last year, **performance-wise the company has significantly underperformed its self-selected peer median during the last year based on one-, three- and five-year annualized TSRs and on return measures.** Moreover, **the company’s SG&A expense (per boe) is elevated, and its EBITDA to F&D (per boe) remains on the low side as compared to a group of similar operating peers.**”

Vote for change. Vote for the Cation nominees – Dallas Howe, Herbert Pinder, Thomas Budd and Sandy Edmonstone – on your BLUE proxy or BLUE VIF.

Shareholders are also encouraged to visit www.FixCPG.com to learn more about how the right people with the right plan can work constructively with the full board and management to create long-term value for all Crescent Point shareholders. A copy of Cation Capital’s information circular is also available on Crescent Point Energy Corp’s SEDAR profile at www.sedar.com.

Vote your BLUE form of proxy today or no later than 5:00 p.m. (Calgary time) on May 1, 2018. Even if you have voted the White proxy, it is not too late. A later-dated BLUE proxy will replace any previously voted White proxy.

Shareholders with questions about voting their shares or for other questions or assistance, please contact Cation's strategic shareholder advisor and proxy solicitor, D.F. King, at 1-800-835-0437 toll-free in North America, or 1-201-806-7301 outside of North America (collect calls accepted), or by e-mail at inquiries@dfking.com.

About Cation Capital Inc.

Cation Capital Inc., together with its affiliates and associates, is a private investment firm headquartered in Alberta, Canada. Cation invests in situations where it is able to influence operational, financial and strategic direction. Cation seeks value in companies that are experiencing financial or operational challenges, are in out of favour sectors or are otherwise in need of change to drive significant long-term value for stakeholders.

Contacts

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