



EXECUTIVE INCENTIVE COMPENSATION CLAWBACK POLICY

The Board may, in its sole discretion, to the full extent permitted by Applicable Laws and to the extent it determines that it is in the best interests of Baytex Energy Corp. ("Baytex Energy"), require: (i) reimbursement of all or part of any Incentive Compensation awarded to an Executive Officer after January 1, 2019, or effect the cancellation of unvested Incentive Compensation awards granted to the Executive Officer after January 1, 2019, and (ii) reimbursement of any profits realized from the sale of securities of Baytex Energy during the 12-month period following the first public issuance or filing with the U.S. Securities and Exchange Commission (whichever occurs first) of a financial document requiring an accounting restatement, if:

I)

- A. the amount of the Incentive Compensation was calculated based upon, or contingent on, the achievement of certain financial results or other performance goals that were subsequently the subject of or affected by a restatement of all or part of the financial statements of Baytex Energy, and
- B. the Executive Officer engaged in negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement of the financial statements, and
- C. the amount of the Incentive Compensation that would have been awarded to the Executive Officer had the financial results been properly reported would have been lower than the amount actually awarded or received; or

II)

- A. the amount of the Incentive Compensation was calculated based upon, or contingent on, the achievement of certain financial results or other performance goals that were subsequently the subject of or affected by a restatement of all or part of the financial statements of Baytex Energy, and
- B. Baytex Energy was required to prepare the restatement due to the material noncompliance of Baytex Energy with any financial reporting requirement under U.S. Securities Laws, and
- C. the noncompliance requiring the restatement was caused by misconduct.

In addition, in the event that any Executive Officer is found to have engaged in intentional misconduct, fraud, theft or embezzlement, the Board may in its discretion, to the full extent permitted by Applicable Laws and to the extent it determines that it is in best interests of Baytex Energy to do so, require the reimbursement of some or all of the after-tax amount of any Incentive Compensation already paid or awarded in the previous 12 months or forfeit any vested or unvested Incentive Compensation awards awarded in the previous 12 regardless of whether or not a restatement of the financial statements of Baytex Energy has occurred or is required.

To the extent the Executive Officer does not immediately reimburse the Incentive Compensation or profits realized from the sale of securities of Baytex Energy upon request from the Board pursuant to this policy, Baytex Energy may pursue all legal and other remedies available to Baytex Energy to recover such amounts including, without limitation, deducting such amounts from any amounts payable by Baytex Energy to such Executive Officer.

For the purposes of this Policy:

"Applicable Laws" means all laws, regulations and the rules of any stock exchange applicable to Baytex Energy;

"Board" means the board of directors of Baytex Energy or, if determined by the board of directors of Baytex Energy, one of its committees;

"Executive Officer" means any current or former employee or consultant of Baytex Energy who is serving, or who served, as a vice-president or more senior officer of Baytex Energy; and

"Incentive Compensation" means any bonus or other incentive compensation or equity based compensation awarded to an Executive Officer in relation to such Executive Officer's role as an officer of Baytex Energy and may include, without limitation, cash bonuses paid under any short term incentive plans, awards under any long-term incentive plan of Baytex Energy, any payment (or other compensation) made upon vesting or settlement of any awards under any long-term incentive plan of Baytex Energy.

"U.S. Securities Laws" means the U.S. Securities Act of 1933, as amended, the U.S. Securities Exchange Act of 1934, as amended, the Sarbanes-Oxley Act of 2002, the Trust Indenture Act of 1939, as amended, the U.S. Investment Company Act of 1940, as amended, the U.S. Investment Advisers Act of 1940, as amended, and the U.S. Securities Investor Protection Act of 1970, as amended, and the rules, regulations, and orders issued by the U.S. Securities and Exchange Commission thereunder.