



WESTERN ENERGY SERVICES CORP.

Notice of Annual & Special Meeting of Shareholders

to be held on May 9, 2017

MANAGEMENT INFORMATION CIRCULAR

AND PROXY STATEMENT

Dated April 6, 2017



NOTICE OF ANNUAL & SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given of the 2017 Annual & Special Meeting of shareholders of Western Energy Services Corp. ("Western" or the "Corporation").

Date: May 9, 2017

Time: 10:00 a.m. (Mountain Time)

Place: The Metropolitan Conference Centre, Plaza Room, 333 – 4th Ave SW, Calgary, Alberta, T2P 0H9

At the 2017 Annual & Special Meeting, shareholders will be asked to do the following:

1. **Financial Statements:**
Receive the audited financial statements of Western for the financial year ended December 31, 2016 and the auditor's report thereon.
2. **Directors:**
Elect the board of directors of Western for the ensuing year.
3. **Auditors:**
Appoint Deloitte LLP, of Calgary, Alberta, as Western's independent auditors for the ensuing year and authorize the directors to set their compensation.
4. **Equity Compensation Plans:**
 - a. To consider and, if thought advisable, pass an ordinary resolution, the text of which is set forth in the accompanying Management Information Circular and Proxy Statement to approve all unallocated stock options under Western's stock option plan, which is required by shareholders every three years; and
 - b. To consider and, if thought advisable, pass an ordinary resolution, the text of which is set forth in the accompanying Management Information Circular and Proxy Statement to approve an amendment to Western's restricted share unit plan to increase the number of Common Shares to be reserved for issuance under the plan and to approve all unallocated restricted share units under the plan.
5. **Other Business:**
Consider any other business that may properly come before the meeting.

The accompanying Management Information Circular and Proxy Statement provides further details on the matters proposed to be put before the 2017 Annual & Special Meeting.

You have the right to vote

The Board of Directors has set the close of business on April 3, 2017 as the record date for determining those shareholders entitled to receive notice of, and to vote at, the 2017 Annual & Special Meeting.

Your vote is important

The accompanying Management Information Circular and Proxy Statement provides instructions on the various methods that a Western shareholder can use to have their Common Shares voted at the meeting including instructions regarding voting in person, by mail, by internet or by phone.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Tim Sebastian"

Tim Sebastian

VP, General Counsel & Corporate Secretary

Calgary, Alberta

April 6, 2017

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MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

PROXIES & VOTING

Solicitation of Proxies

The 2017 Annual & Special Meeting of shareholders of Western Energy Services Corp. will be held as follows:

Date: May 9, 2017

Time: 10:00 a.m. (Mountain Time)

Place: The Metropolitan Conference Centre, Plaza Room, 333 – 4th Ave SW, Calgary, Alberta, T2P 0H9

This Management Information Circular and Proxy Statement (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Western Energy Services Corp. (the "**Corporation**" or "**Western**") for use at the Annual & Special Meeting of holders ("**Shareholders**") of common shares ("**Common Shares**") of the Corporation (the "**Western Meeting**"). Solicitation of proxies will be primarily by mail, but some proxies may be solicited at a nominal cost personally or by telephone, facsimile transmission or other electronic means by directors, officers, or employees of Western who will not be specifically remunerated for such activities. The cost of solicitation will be borne by Western.

Delivery of Meeting Materials to Beneficial Shareholders

The materials for the Western Meeting are being sent to both registered Shareholders and beneficial Shareholders. If a beneficial Shareholder receives the meeting materials from Western or its agent, that beneficial Shareholder's name and address and information about his or her holdings of securities has been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the beneficial Shareholder's shares in Western on the beneficial Shareholder's behalf. By choosing to send the meeting materials to the beneficial Shareholder directly, Western (and not the intermediary holding on the beneficial Shareholder's behalf) has assumed responsibility for (a) delivering the meeting materials to the beneficial Shareholder, and (b) executing the beneficial Shareholder's proper voting instructions. Beneficial Shareholders are kindly asked to return their voting instructions as specified in the request for voting instructions.

Exercise of Discretion by Proxy

The Common Shares represented by the form of proxy or voting instruction form, as applicable (together, the "**Instrument of Proxy**"), delivered to Shareholders by Western with the notice of the Western Meeting will be voted or withheld from voting in accordance with the instructions of the Shareholder on any matter that may be called for and that, if the Shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly. The persons appointed under the Instrument 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 shareholder meeting or any adjournment thereof, in accordance with their best judgement. As of the date of this Information Circular, management of Western knew of no such amendment, variation, or other matter.

Unless otherwise specified, proxies in the accompanying form will be voted in favour of:

1. Electing the nominees proposed by Western, as hereinafter set forth, as directors of Western (provided that in the event that a vacancy among such nominees occurs because of death or for any other reason prior to the shareholder meeting, the persons named as proxies reserve the right to vote for other nominees at their discretion);
2. Re-appointing Deloitte LLP as the auditors of Western;
3. Approving the unallocated stock options under Western's stock option plan; and
4. Approving an amendment to Western's restricted share unit plan to increase the number of Common Shares to be reserved for issuance under the plan and to approve all unallocated restricted share units under the plan.

Methods of Voting

Registered Shareholder Voting	Beneficial Shareholder Voting
<p>You are a registered holder if your Common Shares are in your name and you have a physical share certificate in your possession or you have a book entry only statement indicating that the shares are registered in your name.</p> <p><u>Voting Options</u></p> <ol style="list-style-type: none"> 1. In person at the Western Meeting (see below) 2. By proxy (see below) 3. By telephone (see enclosed proxy form) 4. By internet (see enclosed proxy form) <p><u>Voting in Person</u></p> <p>If you plan to attend the Western Meeting <i>and want to vote your Common Shares in person</i>, do not complete or return the enclosed proxy. Your vote will be taken and counted at the meeting. Please register with our transfer agent, Computershare Trust Company of Canada, when you arrive at the meeting to ensure that your vote will be counted.</p> <p><u>Voting by Proxy</u></p> <p>Whether or not you attend the Western Meeting, you can appoint someone else to attend and vote as your proxy holder. Use the enclosed proxy form to do this. The people named in the enclosed proxy are members of management or the board of directors. <i>You have the right to choose another person to be your proxy holder by printing that person's name in the space provided.</i> Then complete the rest of the proxy, sign it and return it. Your votes can only be counted if the person you appointed attends the Western Meeting and votes on your behalf. <i>If you have voted by proxy, you may not vote in person at the Western Meeting, unless you properly revoke your proxy.</i></p> <p>Return your completed proxy in the envelope provided so that it arrives not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Western Meeting or any adjournment thereof.</p> <p><u>Revoking your Proxy</u></p> <p><i>You may revoke your proxy at any time before it is acted on.</i> To do so, you can deliver a written statement that you want to revoke your proxy (which includes another proper form of proxy with a later date) to our transfer agent, Computershare Trust Company of Canada, in accordance with the instructions set out in the form of proxy provided not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Western Meeting or any adjournment thereof.</p> <p>Or, you can revoke your proxy by delivering a properly executed instrument in writing at the registered office of the corporation at any time up to and including the last business day preceding the day of the Western Meeting, or any adjournment thereof, or with the Chairperson of the Western Meeting on the day of the meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.</p>	<p>You are a beneficial holder if your Common Shares are held in the name of a nominee. That is, your share certificate was deposited with, or you purchased and continue to hold your Common Shares through, a bank, trust company, securities broker, trustee or other institution.</p> <p><u>Voting Options</u></p> <ol style="list-style-type: none"> 1. In person at the Western Meeting (see below) 2. By voting instruction form (see below) 3. By telephone (see enclosed voting instruction form) 4. By internet (see enclosed voting instruction form) <p><u>Voting in Person</u></p> <p>If you plan to attend the Western Meeting <i>and wish to vote your Common Shares in person</i>, insert your own name in the space on the enclosed voting instruction form. Then follow the signing and return instructions provided by in that form. Your vote will be taken and counted at the Western Meeting, so do not indicate your votes on the form. Please register with our transfer agent, Computershare Trust Company of Canada, when you arrive at the Western Meeting to ensure that your vote will be counted.</p> <p><u>Voting by Voting Instruction Form</u></p> <p>Whether or not you attend the Western Meeting, you can appoint someone else to attend and vote as your proxy holder. Use the enclosed voting instruction form to do this. The people named in the enclosed voting instruction form are members of management or the Board (as defined herein) <i>You have the right to choose another person to be your proxy holder by printing that person's name in the space provided.</i> Then complete the rest of the form, sign it and return it. Your votes can only be counted if the person you appointed attends the Western Meeting and votes on your behalf. <i>If you have voted on the voting instruction form, neither you nor your proxy holder may vote in person at the Western Meeting, unless you properly revoke your proxy.</i></p> <p>Computershare Trust Company of Canada (Computershare), must receive your completed proxy form not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Western Meeting or any adjournment thereof. If you are a beneficial shareholder your deadline is likely sooner, in order for your nominee to have time to deliver your instructions to our transfer agent. You will need to send your voting instructions to your financial intermediary (your bank, trust company, securities broker, trustee or other institution) using the voting instruction form in your package.</p> <p><u>Revoking your Proxy</u></p> <p><i>You may revoke your proxy before is it acted on.</i> Follow the procedures provided by your nominee. Your nominee will likely need to receive your request to revoke your instructions not less than 72 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Western Meeting or any adjournment thereof in order for your nominee to have time to deliver your instructions to our transfer agent.</p>

Record Date

The board of directors of Western (the "**Board**") has fixed the record date for the Western Meeting at the close of business on April 3, 2017. Only Shareholders of record as at that date are entitled to receive notice of the Western Meeting. Shareholders of record will be entitled to vote those Common Shares owned as at the record date, unless any such Shareholder transfers such shareholder's Common Shares after the record date and the transferee of those Common Shares establishes that the transferee owns them and demands, not later than 10 days before the Western Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Western Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Western Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF SECURITIES

Quorum

A quorum of Shareholders is present at a meeting of Shareholders if at least two (2) persons are present holding or representing not less than twenty-five (25) percent of the Common Shares entitled to be voted at the Western Meeting.

Outstanding Shares

The authorized share capital of Western consists of an unlimited number of Common Shares and an unlimited number of preferred shares of Western ("**Preferred Shares**"). As at April 3, 2017, the Corporation had 73,795,944 Common Shares issued and outstanding and no Preferred Shares issued and outstanding. Each Common Share carries the right to one vote at meetings of the Shareholders of Western.

Principal Shareholders

As of the date of this Information Circular, the directors and officers of Western are not aware of anyone who beneficially owns, directly or indirectly, or exercises control or direction over, securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of Western entitled to be voted at the Western Meeting except as set forth in the following table, which is based on publicly available information:

Name of Shareholder and Municipality of Residence	Common Shares Owned, Controlled or Directed ⁽²⁾	Percentage of Common Shares ⁽¹⁾
Fidelity Management & Research Company, and certain of its affiliates (collectively, " Fidelity ") Boston, Massachusetts USA ⁽¹⁾⁽²⁾	8,872,600	12%

Notes:

(1) Based on 73,795,944 issued and outstanding Common Shares as at April 3, 2017.

(2) Based on publicly available information whereby as at September 30, 2016 Fidelity reported (pursuant to the Early Warning System – Alternative Monthly Report filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**")) that it held 8,872,600 Common Shares.

MATTERS TO BE ACTED UPON AT THE MEETING

Financial Statements

Western will place before the Shareholders at the Western Meeting the audited consolidated financial statements of Western for the financial years ended December 31, 2016 and 2015 and the auditor's report thereon. No vote by the Shareholders with respect to this matter is required. National Instrument 51-102 – *Continuous Disclosure Obligations*, (the "**Instrument**") provides that Western is no longer required to send annual or interim financial statements or the management's discussion and analysis relating thereto to its registered and beneficial Shareholders unless they request copies of same. However, the *Business Corporations Act* (Alberta) requires that annual financial statements be sent to each registered Shareholder unless waived in writing by the registered Shareholder. The Instrument also provides that Western must send annually a request form to its registered and beneficial Shareholders that may be used by such shareholders to request any or all of the annual and interim financial statements and the management's discussion and analysis relating thereto. Shareholders are encouraged

to review and, if action is desired, send the enclosed return cards to Computershare Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; Fax 1 (866) 249-7775.

Election of Directors

The affairs of the Corporation are managed by the Board who are elected annually for a one (1) year term at each annual meeting of Shareholders and who hold office until the next annual meeting, or until their successors are duly elected or appointed, or until a director vacates his office or is replaced in accordance with the articles and by-laws of the Corporation. The Board has fixed the number of directors to be elected at the meeting at five (5) and the following persons are proposed to be nominated for election as directors of Western at the Western Meeting. See "Director Nominees" in this Information Circular for additional information on the director nominees.

Director Nominees

Donald D. Copeland	Alex R.N. MacAusland
Lorne A. Gartner	Ronald P. Mathison
John R. Rooney	

It is the intention of the persons named in the Instrument of Proxy, if not expressly directed otherwise in such Instrument of Proxy, to vote such proxies FOR the election of the nominees described above as directors of Western. It is not contemplated that nominees will be unable to serve as directors, but, if that should occur for any reason prior to the Western Meeting, the persons named in the enclosed Instrument of Proxy reserve the right to vote for other nominees at their discretion.

The Board has concluded that each nominee is well qualified to serve on Western's Board. The nominees have the relevant expertise essential to ensure appropriate strategic direction and oversight. Each director nominee has confirmed his eligibility and willingness to serve as a director if elected. The enclosed form of proxy or voting instruction form provides for Shareholders to vote for each director individually. In addition, the Corporation has adopted a majority voting policy in respect of the election of directors which is described below.

Majority Voting

The Board has adopted an individual voting standard for the election of directors. Under such individual voting standard, in the event that any nominee for election receives more "withheld" votes than "for" votes at any meeting at which Shareholders vote on the uncontested election of directors, the nominee must immediately submit his or her resignation and the Board shall determine whether or not to accept the resignation within 90 days after the meeting. A director who tenders their resignation will not participate in any meeting of the Board or any committee thereof while his or her resignation is being considered. Once a decision is made, Western will promptly issue a news release outlining the Board's reasons for either accepting or rejecting the director's resignation.

Appointment of the Auditor

The Shareholders will also be asked to approve an ordinary resolution to appoint the firm of Deloitte LLP, Calgary, Alberta, to serve as auditor of Western until the next annual meeting of the Shareholders and to authorize the Board to fix their remuneration. Deloitte LLP has been the auditor of Western since January 12, 2010. Should Deloitte LLP for any reason be unwilling or unable to accept re-appointment, the Board will exercise their discretion to appoint an alternate auditor.

For a breakdown of the "audit fees", "audit-related fees", "tax fees" and "all other fees" paid to Deloitte LLP by Western in fiscal 2016 and 2015, please see "*Audit Committee Information – Auditor Service Fees*" in Western's annual information form for the year ended December 31, 2016 dated February 22, 2017.

It is the intention of the persons named in the Instrument of Proxy, if not expressly directed otherwise in such Instrument of Proxy, to vote such proxies FOR the appointment of Deloitte LLP as auditor of Western.

Approval of Unallocated Options Under the Stock Option Plan

The maximum number of Common Shares issuable under the Corporation's stock option plan (the "**Stock Option Plan**") and the Corporation's RSU Plan (as defined below), is 10% of the issued and outstanding Common Shares from time to time. Under the rules of the Toronto Stock Exchange (the "**TSX**"), the Corporation is required to seek shareholder approval every three years of all unallocated options, rights and other entitlements under a security based compensation arrangement which does not have a fixed maximum number of securities issuable (commonly referred to as a "**rolling plan**"). The Stock Option Plan was last approved by shareholders on May 6, 2014. Therefore, the Corporation is required to seek shareholder approval of all unallocated options under the Stock Option Plan at the Western Meeting. Under the current rules of the TSX, Shareholder approval of the unallocated options under the Stock Option Plan as provided for below will remain valid for three years following the date of the Western Meeting. As the resolution proposed only seeks approval for unallocated options, in the event the resolution is not passed, options currently outstanding under the Stock Option Plan will remain unaffected; however, all unallocated options will be cancelled and any previously granted options that are cancelled from time to time thereafter will not be available for re-grant. The material terms of the Stock Option Plan are described below under the heading "*Securities Authorized for Issuance under Equity Compensation Plans – Summary of Stock Option Plan*".

To be approved, the resolution approving the unallocated options under the Stock Option Plan requires the approval of a majority of the votes cast by shareholders present in person or by proxy at the Western Meeting. At the Western Meeting, the Shareholders will therefore be asked to consider and, if thought advisable, to pass the following ordinary resolution:

"BE IT RESOLVED THAT:

1. the unallocated options issuable under the stock option plan of the Corporation, as amended from time to time, be and are hereby approved;
2. the Corporation have the ability to continue granting options under its stock option plan until May 9, 2020, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought; and
3. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution."

It is the intention of the persons named in the Instrument of Proxy, if not expressly directed otherwise in such Instrument of Proxy, to vote such proxies FOR the ordinary resolution approving the unallocated options under the Stock Option Plan.

Amendments to RSU Plan and Approval of Unallocated RSUs

At the Western Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, resolutions in the form set out below, subject to such amendments, variations or additions as may be approved at the Western Meeting, approving (i) an increase in the maximum number of Common Shares which may be reserved for issuance under the RSU Plan (as defined below) from 1% of the total number of Common Shares issued and outstanding from time to time to 5% (the "**RSU Maximum Amendment Resolution**"), and (ii) the approval of all unallocated RSUs issuable pursuant to the RSU Plan (the "**RSU Authorization Resolution**" and together with the RSU Maximum Amendment Resolution, the "**RSU Plan Resolutions**"). See "*Securities Authorized for Issuance Under Equity Compensation Plans – Summary of RSU Plan*" for the current terms and conditions of the RSU Plan. A copy of the RSU Plan, marked to show the changes arising from the Administrative RSU Plan Amendments (as defined below) and the RSU Maximum Issuance Amendment (as defined below), is attached as Schedule "A" to this Information Circular. After the Western Meeting, a copy of the RSU Plan, as amended, will be available under the Corporation's profile on SEDAR at www.sedar.com.

Amendments to the RSU Plan

The Board conditionally approved the adoption of the RSU Plan on July 30, 2014, subject to the receipt of regulatory and Shareholder approval, and Shareholders subsequently approved it on May 7, 2015.

On April 6, 2017, the Board approved certain amendments to the RSU Plan (the "**Administrative RSU Plan Amendments**") to provide additional clarity and to facilitate the administration of benefits under the RSU Plan. The Administrative RSU Plan Amendments were completed without Shareholder approval in accordance with the amending provisions in the RSU Plan. The Administrative RSU Plan Amendments included: (i) the addition of a new definition of "Termination Date" to provide clarity regarding the date on which unvested RSUs are forfeited if a Grantee (as defined in the RSU Plan) ceases to be employed by, or to actively provide services to, the Corporation; (ii) inclusion of a provision providing for immediate payment of a pro rated portion of a Grantee's RSUs in the event of such Grantee's death; (iii) inclusion of a provision which permits the vesting of RSUs on December 31 of the third anniversary of the Grant Date (as defined in the RSU Plan) notwithstanding a Black-Out Period (as defined in the RSU Plan); and (iv) certain conforming amendments giving effect to the amendments above.

At the Western Meeting, Shareholders will be asked to consider approving an additional amendment to the RSU Plan (the "**RSU Maximum Issuance Amendment**") increasing the maximum number of Common Shares which may be reserved for issuance under the RSU Plan, from 1% of the total number of Common Shares issued and outstanding from time to time to 5%.

The purpose of the RSU Maximum Issuance Amendment is to provide the Corporate Governance and Compensation Committee and the Board with additional flexibility to structure compensation for key individuals. This additional flexibility will be important to the Corporation in the future, as one of the keys to the success of the Corporation will be the ability to attract, retain and incentivize key officers and employees, particularly as business activity in the Corporation's sector is expected to increase as the oil and gas industry recovers from recent downturns. Having additional RSUs available for granting will give the Board more tools to properly fashion compensation to meet these goals, in a manner which closely aligns with the interests of Shareholders. It is important to note that the RSU Maximum Issuance Amendment will not affect the overall 10% limit on all of the Corporation's security based compensation arrangements.

If approval of the RSU Maximum Issuance Amendment is obtained at the Western Meeting, the Board will be able to grant additional RSUs under the RSU Plan. If approval is not obtained at the Western Meeting, the RSU Maximum Issuance Amendment will not become effective. Previously allocated RSUs will continue to be unaffected by the approval or disapproval of the resolution.

To be approved, the RSU Maximum Issuance Amendment requires the approval of a majority of the votes cast by Shareholders present in person or by proxy at the Western Meeting. At the Western Meeting, the Shareholders will therefore be asked to consider and, if thought advisable, to pass the following ordinary resolution:

"BE IT RESOLVED THAT:

1. the RSU Maximum Issuance Amendment to the restricted share unit plan ("**RSU Plan**"), as more particularly described under the heading "*Matters to be Acted Upon at the Meeting – Amendments to RSU Plan and Approval of Unallocated RSUs – Amendments to the RSU Plan*" in the Western Energy Services Corp. (the "**Corporation**") management information circular ("**Information Circular**") dated April 6, 2017 and in the form attached as Schedule "A" to the Information Circular, be and is hereby approved; and
2. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution."

Approval of Unallocated RSUs

The RSU Plan provides that the maximum number of Common Shares reserved for issuance from time to time pursuant to outstanding RSUs is not a fixed number and instead shall not exceed a number of Common Shares equal to a percentage of the issued and outstanding Common Shares from time to time (less the number of Common Shares issuable pursuant to all other security based compensation arrangements). Section 613(a) of the TSX Company Manual provides that security holders must pass a resolution specifically approving unallocated options, rights or other entitlements under security based compensation arrangements which do not have a fixed maximum number of securities issuable (a "rolling plan"). As such, approval will be sought at the Western Meeting to approve the grant of unallocated RSUs under the RSU Plan. When RSUs have been granted pursuant to the RSU Plan, Common Shares that are reserved for issuance under outstanding RSUs are referred to as allocated Common Shares. The Corporation has additional Common Shares that may be reserved for issuance pursuant to future grants of RSUs under the RSU Plan, but as they are not subject to current RSU grants, they are referred to as unallocated RSUs.

As at April 3, 2017, the maximum number of Common Shares issuable under the RSU Plan at any time was 1% of the aggregate number of issued and outstanding Common Shares, provided that the maximum number of Common Shares issuable pursuant to outstanding RSUs and all other security based compensation arrangements, including the Stock Option Plan, may not exceed 10% of the Common Shares outstanding from time to time. As at April 3, 2017, the Corporation had RSUs to acquire 415,378 Common Shares outstanding under the RSU Plan, representing 0.6% of the issued and outstanding Common Shares as at that date, leaving up to 322,585 Common Shares available for future grants under the RSU Plan, excluding those additional RSUs, that may be granted in accordance with the RSU Maximum Issuance Amendment. In addition, as at April 3, 2017, the Corporation had RSUs and Options to acquire an aggregate of 6,614,246 Common Shares outstanding under the RSU Plan and the Stock Option Plan, representing 9.0% of the issued and outstanding Common Shares as at that date, leaving up to 765,382 Common Shares available for future grants under the RSU Plan and all other security based compensation arrangements, including the Stock Option Plan, based on the number of Common Shares outstanding as at that date. If any RSUs or Options granted under the RSU Plan or the Stock Option Plan, respectively, shall be exercised or shall expire, terminate or be cancelled for any reason without having been exercised in full, additional Common Shares shall be unallocated and be available for the purposes of future grants under the RSU Plan and all other security based compensation arrangements of the Corporation, including under the Stock Option Plan.

Approval of the grant of unallocated RSUs until May 7, 2018 was previously obtained at the meeting of shareholders on May 7, 2015. If approval of the unallocated RSUs under the RSU Plan is obtained at the Western Meeting, including those unallocated RSUs resulting from the RSU Maximum Issuance Amendment, the Corporation will not be required to seek further approval for the grant of unallocated RSUs until May 9, 2020. If approval is not obtained at the Western Meeting, those unallocated RSUs approved to be granted until May 7, 2018 (the "**Original Plan Expiry Date**") shall continue to be available for grant by Western until such time, and those unallocated RSUs issuable as a result of the RSU Maximum Share Issuance Amendment will not be available for grant. Subsequent to May 7, 2018, Common Shares which are reserved for issuance pursuant to RSUs outstanding at the Original Plan Expiry Date and which are subsequently terminated or exercised may not be available for a new grant of RSUs under the RSU Plan. In other words, if the RSU Authorization Resolution is not passed, all unallocated RSUs up to the previous maximum of 1% of the total number of Common Shares issued and outstanding will remain available for grant until May 7, 2018; however, all unallocated RSUs issuable as a result of the RSU Maximum Share Issuance Amendment will not be permitted to be granted until such time as they are approved by shareholders.

To be approved, the RSU Authorization Resolution requires the approval of a majority of the votes cast by Shareholders present in person or by proxy at the Western Meeting. At the Western Meeting, the Shareholders will therefore be asked to consider and, if thought advisable, to pass the following ordinary resolution:

"BE IT RESOLVED THAT:

1. the RSU Authorization Resolution, as more particularly described under the heading "*Matters to be Acted Upon at the Meeting – Amendments to RSU Plan and Approval of Unallocated RSUs – Approval of Unallocated RSUs*" in the Western Energy Services Corp. (the "**Corporation**") management information circular ("**Information Circular**") dated April 6, 2017 and in the form attached as Schedule "A" to the Information Circular, regarding the issuance of all unallocated restricted share units ("**RSUs**") under the restricted share unit plan ("**RSU Plan**") be and is hereby approved and the Corporation shall have the authority to grant RSUs under the RSU Plan until May 9, 2020; and
2. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution."

Other Business

Management is not aware of any other matters to come before the Western Meeting other than those set out in the Notice of Meeting. If other matters come before the Western Meeting, it is the intention of the individuals named in the Instrument of Proxy to vote the same in accordance with their best judgment in such matters.

DIRECTOR NOMINEES

The following table sets forth, for each nominee: their name, age, municipality, province or state and country of residence; their committee memberships; all positions and offices with Western now held by them; the period during which they have served as a director; other public company board memberships; their principal occupation for the last 5 years along with a brief biography; and the number and percentage of Common Shares that they have advised are beneficially owned, controlled or directed by them, directly or indirectly, as of April 3, 2017.

Each of the directors listed below were elected for a one (1) year term and will hold their office until their successors are duly elected or appointed, or until they resign or are replaced in accordance with the articles and by-laws of the Corporation.

Donald D. Copeland⁽¹⁾⁽²⁾⁽³⁾

Age: 63

Victoria, B.C. Canada

Director since June 17, 2011

Independent⁽⁴⁾

Mr. Copeland is an independent businessman. Prior to joining the Board, Mr. Copeland was the Chairman of Stoneham Drilling Trust. Previously, he founded and served as the CEO and Chairman of a number of oil and gas corporations, both in the producing sector and oilfield services sector of the industry. He has served on the boards of numerous oil and gas industry corporations. Mr. Copeland received a Bachelor of Science degree in Chemical Engineering from the University of Calgary. He is a graduate of the Director's Education Program sponsored by the Institute of Corporate Directors.

Areas of Expertise

- Operational Management
- Environment, Health & Safety
- Corporate Governance / Board Member
- Sales & Marketing
- Mergers & Acquisitions
- Engineering
- Capital/Financial Markets
- Management Information Systems / IT
- International Business Experience
- Compensation

2016 Board/Committee Membership		Attendance at Meetings during 2016				
Board		5 of 5		100%		
Audit		4 of 4		100%		
Corporate Governance and Compensation		5 of 5		100%		
Health, Safety and Environment		4 of 4		100%		
Other Public Company Board Memberships		Public Board Interlocks				
Toscana Energy Income Corporation		None				
Securities Held						
Common Shares	Percentage ⁽⁵⁾	Total Market Value of Common Shares ⁽⁶⁾				
755,226	1.0%	\$1,752,124				
Stock Options Held						
Date Granted	Expiry Date	Outstanding	Grant Price	Value of In-the-Money Unexercised Stock Options ⁽⁷⁾		
Dec 7/12	Dec 6/17	10,000	\$6.63	Nil		
Feb 11/14	Feb 10/19	10,000	\$7.76	Nil		
Aug 14/15	Aug 13/20	16,250	\$5.03	Nil		
Aug 16/16	Aug 15/21	11,500	\$3.30	Nil		
RSUs Held						
Outstanding	Value of Outstanding RSUs ⁽⁸⁾					
18,221	\$42,273					
Voting Results of 2016 Annual Meeting		Votes For	Votes Withheld	Total Votes Cast		
		58,150,744	97.4%	1,554,653	2.6%	59,705,397

Lorne A. Gartner⁽¹⁾⁽³⁾

Age: 67

Calgary, Alberta Canada

Director since June 16, 2011

Independent⁽⁴⁾

Mr. Gartner is an independent businessman. Formerly, Mr. Gartner was a Managing Director of Royal Bank of Canada Capital Markets, a position he held from 2000 to 2006. Prior to that time, Mr. Gartner was a Vice President of Royal Bank of Canada, Calgary Energy Group.

Areas of Expertise

- Commercial Banking
- Capital/Financial Markets
- Financial & Accounting
- Mergers & Acquisitions

2016 Board/Committee Membership		Attendance at Meetings during 2016		
Board		5 of 5		100%
Audit		4 of 4		100%
Health, Safety and Environment		4 of 4		100%
Other Public Company Board Memberships		Public Board Interlocks		
Calfrac Well Services Ltd.		Messrs. Gartner and Mathison are both board		

members of Calfrac Well Services Ltd.				
Securities Held				
Common Shares	Percentage ⁽⁵⁾	Total Market Value of Common Shares ⁽⁶⁾		
86,080	0.1%	\$199,706		
Stock Options Held				
Date Granted	Expiry Date	Outstanding	Grant Price	Value of In-the-Money Unexercised Stock Options ⁽⁷⁾
Dec 7/12	Dec 6/17	10,000	\$6.63	Nil
Feb 11/14	Feb 10/19	10,000	\$7.76	Nil
Aug 14/15	Aug 13/20	16,250	\$5.03	Nil
Aug 16/16	Aug 15/21	11,500	\$3.30	Nil
RSUs Held				
Outstanding		Value of Outstanding RSUs ⁽⁸⁾		
18,221		\$42,273		
Voting Results of 2016 Annual Meeting		Votes For	Votes Withheld	Total Votes Cast
		56,805,675	95.1%	2,899,722
			4.9%	59,705,397

Alex R.N. MacAusland⁽¹⁾
Age: 48
Calgary, Alberta Canada
Director since
December 1, 2013
Not Independent⁽⁹⁾

Mr. MacAusland, a founder of Western, has over 26 years of management and operational experience in the oilfield services industry in western Canada and the United States. Prior to being appointed President and Chief Executive Officer of Western on December 1, 2013, Mr. MacAusland was the President and Chief Operating Officer of Western from December 8, 2009 to December 1, 2013. Prior thereto, Mr. MacAusland was the President and CEO of Horizon Drilling Inc., a western Canadian based contract drilling provider, from 2008 until 2009. Prior to that Mr. MacAusland was the Senior Vice President of IROC Energy Services Corp., overseeing Eagle Well Servicing, Mission Drilling and Aero Rentals from 2006 until 2008. Prior to that, Mr. MacAusland was at Precision Drilling Corporation ("Precision") for 15 years in various capacities including Rig Manager and Contract Sales, followed by General Manager and then Vice President Operations responsible for Precision's well servicing rig fleet, snubbing, camp and catering divisions. Mr. MacAusland holds a Bachelors' degree in Political Science and Economics from St. Thomas University.

Areas of Expertise

- Operational Management
- Capital/Financial Markets
- Financial & Accounting
- Human Resource Management
- Environment, Health & Safety
- Legal Obligations / Requirements
- Corporate Governance / Board Member
- Sales & Marketing
- Mergers & Acquisitions

2016 Board/Committee Membership		Attendance at Meetings during 2016		
Board		5 of 5	100%	
Health, Safety and Environment		4 of 4	100%	
Other Public Company Board Memberships		Public Board Interlocks		
None		None		
Securities Held				
Common Shares	Percentage ⁽⁵⁾	Total Market Value of Common Shares ⁽⁶⁾		
932,842	1.3%	\$2,164,193		
Stock Options Held ⁽¹⁰⁾				
Date Granted	Expiry Date	Outstanding	Grant Price	Value of In-the-Money Unexercised Stock Options ⁽⁷⁾
Dec 7/12	Dec 6/17	30,000	\$6.63	Nil
Feb 11/14	Feb 10/19	200,000	\$7.76	Nil
Aug 15/14	Aug 14/19	160,000	\$10.06	Nil
Aug 14/15	Aug 13/20	278,500	\$5.03	Nil
Aug 16/16	Aug 15/21	199,500	\$3.30	Nil
RSUs Held ⁽¹⁰⁾				
Outstanding		Value of Outstanding RSUs ⁽⁸⁾		
43,445		\$100,792		
Voting Results of 2016 Annual Meeting		Votes For	Votes Withheld	Total Votes Cast
		59,078,240	98.9%	627,157
			1.1%	59,705,397

Ronald P. Mathison⁽²⁾⁽³⁾
Age: 60
Calgary, Alberta Canada
Director since
December 17, 2010
Independent⁽⁴⁾

Mr. Mathison is the President and Chief Executive Officer of Matco Investments Ltd. and Matco Capital Ltd., private investment firms which specialize in providing capital and management expertise to companies in which they have an interest. Mr. Mathison has extensive experience in restructuring and financing corporations in both the public and private markets and is founder and Chairman of Calfrac Well Services Ltd. Until 2000, Mr. Mathison was a director and principal of Peters & Co. Limited, an investment firm specializing in the oil and natural gas industry. Prior thereto, Mr. Mathison and two other individuals formed the nucleus of Peters & Co. Capital, a private merchant banking equity firm that is widely associated with numerous restructurings of oil and natural gas exploration and production companies and oilfield service companies. Mr. Mathison received a Bachelor of Commerce degree (Hons) from the University of Manitoba and has earned Chartered Accountant, Chartered Business Valuator, and Chartered Financial Analyst designations.

Areas of Expertise

- Capital/Financial Markets
- Financial & Accounting
- Commercial Banking
- Mergers & Acquisitions
- Legal Obligations / Requirements
- Corporate Governance / Board Member
- International Business Experience

2016 Board/Committee Membership		Attendance at Meetings during 2016				
Board		5 of 5	100%			
Audit		4 of 4	100%			
Corporate Governance and Compensation		5 of 5	100%			
Other Public Company Board Memberships		Public Board Interlocks				
Calfrac Well Services Ltd.		Messrs. Mathison and Gartner are both board members of Calfrac Well Services Ltd.				
Yellowhead Mining Inc.						
Securities Held						
Common Shares	Percentage ⁽⁵⁾	Total Market Value of Common Shares ⁽⁶⁾				
7,293,290	9.9%	\$16,920,433				
Stock Options Held						
Date Granted	Expiry Date	Outstanding	Grant Price	Value of In-the-Money Unexercised Stock Options ⁽⁷⁾		
Dec 7/12	Dec 6/17	10,000	\$6.63	Nil		
Feb 11/14	Feb 10/19	10,000	\$7.76	Nil		
Aug 14/15	Aug 13/20	16,250	\$5.03	Nil		
Aug 16/16	Aug 15/21	11,500	\$3.30	Nil		
RSUs Held						
Outstanding	Value of Outstanding RSUs ⁽⁸⁾					
24,017	\$55,719					
Voting Results of 2016 Annual Meeting		Votes For	Votes Withheld	Total Votes Cast		
		56,688,311	94.9%	3,017,086	5.1%	59,705,397

John R. Rooney⁽¹⁾⁽²⁾
Age: 60
Calgary, Alberta Canada
Director since
December 22, 2009
Independent⁽⁴⁾

Mr. Rooney is the Chairman and CEO of Northern Blizzard Resources Inc., a publicly traded oil and gas company, since November 2009. From December 2007 to April 2009, Mr. Rooney was the CEO of TUSK Energy Inc. From 2005 to 2007, Mr. Rooney was the President and CEO of Zenas Energy Inc. Mr. Rooney is a Chartered Accountant and a Chartered Business Valuator.

Areas of Expertise

- Operational Management
- Capital/Financial Markets
- Financial & Accounting
- Legal Obligations / Requirements
- Corporate Governance / Board Member
- Mergers & Acquisitions
- Compensation

2016 Board/Committee Memberships		Attendance at Meetings during 2016	
Board		5 of 5	100%
Corporate Governance and Compensation		5 of 5	100%
Health, Safety and Environment		4 of 4	100%
Other Public Company Board Memberships		Public Board Interlocks	
Northern Blizzard Resources Inc.		None	
Securities Held			
Common Shares	Percentage ⁽⁵⁾	Total Market Value of Common Shares ⁽⁶⁾	

508,289	0.7%	\$1,179,230				
Stock Options Held						
Date Granted	Expiry Date	Outstanding	Grant Price	Value of In-the-Money Unexercised Stock Options ⁽⁷⁾		
Dec 7/12	Dec 6/17	10,000	\$6.63	Nil		
Feb 11/14	Feb 10/19	10,000	\$7.76	Nil		
Aug 14/15	Aug 13/20	16,250	\$5.03	Nil		
Aug 16/16	Aug 15/21	11,500	\$3.30	Nil		
RSUs Held						
Outstanding		Value of Outstanding RSUs ⁽⁸⁾				
18,221		\$42,273				
Voting Results of 2016 Annual Meeting		Votes For	Votes Withheld	Total Votes Cast		
		58,749,945	98.4%	955,452	1.6%	59,507,397

Notes:

- (1) Member of the Health, Safety and Environment Committee.
- (2) Member of the Corporate Governance and Compensation Committee.
- (3) Member of the Audit Committee.
- (4) "Independent" refers to the standards of independence set forth within Section 1.4 of National Instrument 52-110 *Audit Committees* ("NI 52-110").
- (5) Percentage of Common Shares beneficially owned is calculated based on an aggregate of 73,795,944 Common Shares outstanding as of April 3, 2017.
- (6) Total Market Value of Common Shares was determined by multiplying the number of Common Shares held by each director nominee as of April 3, 2017 by \$2.32, which was the closing price of the Common Shares on the TSX on that date.
- (7) Based on the difference between the April 3, 2017 closing price of the Common Shares on the TSX of \$2.32 per share and the grant price of the Stock Option.
- (8) Value of the Outstanding RSUs was determined by multiplying the number of RSUs held by each director nominee as of April 3, 2017 by \$2.32, which was the closing price of the Common Shares on the TSX on April 3, 2017.
- (9) Mr. MacAusland is not independent as he is the President and CEO of the Corporation.
- (10) Mr. MacAusland was granted Options and RSUs for serving as an officer of the Corporation.

As at April 3, 2017, the directors and officers of Western, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 10,609,029 Common Shares, or approximately 14.4% of the issued and outstanding Common Shares, based on 73,795,944 issued and outstanding Common Shares. As at April 3, 2017, the directors and officers of Western, as a group, had outstanding stock options to purchase 3,293,250 Common Shares and 241,106 RSUs.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set forth below, none of the proposed directors is, or has been in the last 10 years: (a) a director, chief executive officer or chief financial officer of any company (including Western) that: (i) was subject to a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days, that was issued while the proposed director was acting in that capacity; or (ii) was subject to a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or (b) a director or executive officer of any company (including Western) that, while that proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Mathison indirectly holds a controlling interest in Riverside Quays Limited Partnership ("RQLP") a private Alberta limited partnership that was involved in the construction and sale of a 700-unit condominium project in Calgary, Alberta. Mr. Mathison is a director of Statesman Riverside Quays Ltd. ("SRQL"), the former general partner of RQLP. SRQL, without Mr. Mathison's authorization or approval, caused RQLP to default on its loan

obligations to its lender and, on December 15, 2010, the lender obtained a court order appointing a receiver of SRQL and RQLP. Mr. Mathison subsequently arranged for the full payout of the loan to RQLP's lender and for the appointment of a new general partner of RQLP. The receiver of SRQL and RQLP was discharged.

Messrs. Mathison and Gartner were directors of Tesla Exploration Ltd. ("**Tesla**"). On July 25, 2016, Messrs. Mathison and Gartner resigned as directors of Tesla and Tesla was placed into receivership by its Canadian credit facility lender.

None of the proposed directors has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver manager or trustee appointed to hold his assets.

No proposed director has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security-holder in deciding whether to vote for a proposed director.

DIRECTOR COMPENSATION

Each director who is not an employee of Western receives an annual retainer of \$60,000 to be inclusive of meeting fees. The independent Chairman of the Board is paid an additional retainer of \$20,000 to be inclusive of meeting fees and a \$15,000 additional annual retainer is paid to the Chairman of the Audit Committee and a \$10,000 additional annual retainer is paid to each of the Chairman of the Corporate Governance and Compensation Committee and the Chairman of the Health, Safety and Environment Committee.

Miscellaneous out-of-pocket expenses incurred by the directors in carrying out their duties are to be reimbursed by Western. Directors' fees were reduced by 10% effective February 22, 2016 as part of the Corporation's cost control measures. Effective January 1, 2017, the reduction was reversed due to improved commodity prices and market conditions.

Director Compensation Table

The following table sets forth particulars concerning all amounts of compensation provided to the non-management directors for the year ended December 31, 2016:

Name ⁽¹⁾	Fees Earned (\$)	Share-based Awards ⁽²⁾ (\$)	Option-based Awards ⁽³⁾ (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Donald D. Copeland	63,000	26,400	9,545	---	---	Nil	98,945
Lorne A. Gartner	67,500	26,400	9,545	---	---	Nil	103,445
Ronald P. Mathison	72,000	34,650	9,545	---	---	Nil	116,195
John R. Rooney	63,000	26,400	9,545	---	---	Nil	98,945

Notes:

- (1) Information for Mr. MacAusland, President and Chief Executive Officer of Western, is provided under "*Compensation of Named Executive Officers - Summary Compensation Table*".
- (2) Represents the fair value of the share-based awards granted during the year. The fair value of the share-based awards granted to directors pursuant to the RSU Plan is a theoretical expected value calculated at the date of grant by multiplying the number of RSUs granted by the closing price of Common Shares of Western on the grant date. The closing price on the date before the grant of the RSUs in 2016 was \$3.30.
- (3) The grant date fair value of option-based awards granted to each director pursuant to the Share Stock Option Plan is \$0.83 for options issued on August 16, 2016. The grant date fair value for compensation disclosure purposes is calculated using a Black-Scholes option pricing model with the following assumptions: (i) average risk-free of 1%; (ii) average expected life of 2.0 years; (iii) volatility of 46%; and (iv) expected dividend yield of 0%. This methodology is consistent with the method used to estimate the fair value of Stock Options in Western's financial statements.

Summary of Board Meeting Attendance

During 2016, Board and committee meeting attendance was 100 per cent for all Directors as outlined below. In addition, the following does not reflect the attendance by directors at meetings of committees of which they are not members. However, directors are encouraged to, and frequently do, attend various committee meetings even though they are not members of such committees.

Director	Board Meetings Attended		Audit Committee Meetings Attended		Corporate Governance and Compensation Committee Meetings Attended		Health, Safety and Environment Committee Meetings Attended	
Donald D. Copeland	5 of 5	100%	4 of 4	100%	5 of 5	100%	4 of 4	100%
Lorne A. Gartner	5 of 5	100%	4 of 4	100%	N/A	N/A	4 of 4	100%
Alex R.N. MacAusland	5 of 5	100%	N/A	N/A	N/A	N/A	4 of 4	100%
Ronald P. Mathison	5 of 5	100%	4 of 4	100%	5 of 5	100%	N/A	N/A
John R. Rooney	5 of 5	100%	N/A	N/A	5 of 5	100%	4 of 4	100%

Note:

- (1) The foregoing does not reflect the attendance by the CEO at meetings of committees. The CEO is not a member of The Audit Committee or Corporate Governance & Compensation Committee, but was invited, by the respective Chair of each committee, to attend the meetings of each such committee. Notwithstanding the attendance of the CEO at such meetings, each committee held an in camera session at each meeting without the CEO present.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding at December 31, 2016 made to the non-management directors. Information on the share-based awards and option-based awards granted to Mr. MacAusland who currently serves as a director and officer of the Corporation can be found under the heading "*Compensation of Named Executive Officer - Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards*":

Name	Option Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options ⁽¹⁾ (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽²⁾ (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards ⁽³⁾⁽⁴⁾ (\$)	Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed (\$)
Donald D. Copeland	10,000	6.63	Dec 6, 2017	Nil	18,221	56,485	---
	10,000	7.76	Feb 10, 2019	Nil			
	16,250	5.03	Aug 13, 2020	Nil			
	11,500	3.30	Aug 16, 2021	Nil			
Lorne A. Gartner	10,000	6.63	Dec 6, 2017	Nil	18,221	56,485	---
	10,000	7.76	Feb 10, 2019	Nil			
	16,250	5.03	Aug 13, 2020	Nil			
	11,500	3.30	Aug 16, 2021	Nil			
Ronald P. Mathison	10,000	6.63	Dec 6, 2017	Nil	24,017	74,453	---
	10,000	7.76	Feb 10, 2019	Nil			
	16,250	5.03	Aug 13, 2020	Nil			
	11,500	3.30	Aug 16, 2021	Nil			
John R. Rooney	10,000	6.63	Dec 6, 2017	Nil	18,221	56,485	---
	10,000	7.76	Feb 10, 2019	Nil			
	16,250	5.03	Aug 13, 2020	Nil			
	11,500	3.30	Aug 16, 2021	Nil			

Notes:

- (1) Options to purchase Common Shares.
- (2) Based on the closing share price of the Common Shares on December 31, 2016 of \$3.10.
- (3) Consists of RSUs and dividends paid pursuant to the RSU Plan.
- (4) The fair value of the share-based awards granted to directors pursuant to the RSU Plan is a theoretical expected value calculated by multiplying the number of RSUs held by the closing price of Common Shares on the calculation date of such RSUs, being \$3.10 on December 31, 2016.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth particulars concerning each incentive plan awards granted to each of the non-management directors for the year ended December 31, 2016:

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (\$)	Share-based Awards – Value Vested During the Year ⁽²⁾ (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Donald D. Copeland	Nil	19,969	---
Lorne A. Gartner	Nil	19,969	---
Ronald P. Mathison	Nil	26,430	---
John R. Rooney	Nil	19,969	---

Notes:

- (1) Represents the aggregate dollar value that would have been realized if the Options under the option-based award had been exercised on the vesting date based on the difference between the closing market price of the Common Shares on the vesting date and the exercise price of the Options.
- (2) Represents the aggregate dollar value realized upon vesting of share-based awards. The value is based on the market value of the underlying shares on the vesting date.

The significant terms of all incentive plan awards can be found in "*Securities Authorized for Issuance Under Equity Compensation Plans*".

STATEMENT OF EXECUTIVE COMPENSATION**Compensation Discussion and Analysis***Corporate Governance and Compensation Committee*

The Board established the Corporate Governance and Compensation Committee which is responsible to review and make recommendations to the Board regarding the adequacy and form of the compensation for Western's officers and directors. The Corporate Governance and Compensation Committee will regularly review the compensation practices of comparable companies.

In particular, the Corporate Governance and Compensation Committee will, as required: (a) review and approve Western's goals and objectives relevant to the compensation of the President and CEO and the CEO compensation is based on that review; (b) review and recommend to the Board compensation, incentive plans and equity-based plans for non-CEO officers and directors, and for other key employees as identified by the CEO and approved by the Corporate Governance and Compensation Committee, and in particular, reviews and recommends to the Board the annual bonus payments for the CEO and CFO; and (c) review executive compensation disclosure before Western publicly discloses such information.

The current members of the Corporate Governance and Compensation Committee are John R. Rooney (Chairman), Ronald P. Mathison and Donald P. Copeland. In addition to their experience as members of the Corporate Governance and Compensation Committee of Western, all such members have significant experience in dealing with executive compensation matters as directors and/or senior leaders of other energy-related public companies and all of such members currently serve, or have served, on the compensation committee of the board of directors of other energy related public companies. The Board believes the Corporate Governance and Compensation Committee collectively have the knowledge, experience and background required to fulfill its mandate. The Corporation's corporate governance practices require that all members of its Corporate Governance and

Compensation Committee shall be independent. None of the current members of the Corporate Governance and Compensation Committee are officers, employees or former officers of the Corporation or any of its affiliates or is eligible to participate in the Corporation's executive compensation programs. Each current member of the Corporate Governance and Compensation Committee is independent as defined under NI 52-110 and none received any compensation, directly or indirectly, from Western other than for services as a member of the Board and its committees, as applicable.

Relevant Education and Experience of Members of the Corporate Governance and Compensation Committee

John R. Rooney (Chairman)

Mr. Rooney has been the Chairman and CEO of Northern Blizzard Resources Inc., a publicly traded oil and gas company, since November 2009. From December 2007 to April 2009, Mr. Rooney was the CEO of TUSK Energy Inc. From 2005 to 2007, Mr. Rooney was the President and CEO of Zenas Energy Inc. Mr. Rooney is a Chartered Accountant and a Chartered Business Valuator.

Ronald P. Mathison

Mr. Mathison is the President and Chief Executive Officer of Matco Investments Ltd. and Matco Capital Ltd., private investment firms which specialize in providing capital and management expertise to companies in which they have an interest. Mr. Mathison has extensive experience in restructuring and financing corporations in both the public and private markets and is founder and Chairman of Calfrac Well Services Ltd. Until 2000, Mr. Mathison was a director and principal of Peters & Co. Limited, an investment firm specializing in the oil and natural gas industry. Prior thereto, Mr. Mathison and two other individuals formed the nucleus of Peters & Co. Capital, a private merchant banking equity firm that is widely associated with numerous restructurings of oil and natural gas exploration and production companies and oilfield service companies. Mr. Mathison received a Bachelor of Commerce degree (Hons) from the University of Manitoba and has earned Chartered Accountant, Chartered Business Valuator, and Chartered Financial Analyst designations.

Donald D. Copeland

Mr. Copeland is an independent businessman. Prior to joining the Board in June 2011, Mr. Copeland was the Chairman of Stoneham Drilling Trust. Previously, he founded and served as the CEO and Chairman of a number of oil and gas corporations, both in the producing sector and oilfield services sector of the industry. He has served on the boards of numerous oil and gas industry corporations. Mr. Copeland is also currently a director of Toscana Energy Income Corp. Mr. Copeland received a Bachelor of Science degree in Chemical Engineering from the University of Calgary. He is a graduate of the Director's Education Program sponsored by the Institute of Corporate Directors.

Compensation Governance

The Corporate Governance and Compensation Committee is responsible for continually monitoring and evaluating the compensation programs for Western's CEO and CFO (collectively, the "**Senior Executives**") and for making recommendations to the Board relating to Western's compensation plans for, and the compensation of, the Senior Executives and Board members as well as the aggregate short-term incentive plan ("**STIP**") pool for a particular year. The Corporation's compensation philosophy is aimed at attracting and retaining quality and experienced people which is critical to Western's success for the benefit of its Shareholders.

Compensation for employees, including Senior Executives and NEOs (as defined in "*Compensation of Named Executive Officers – Summary Compensation Table*" below), is comprised of three elements: base salary, annual performance bonus (i.e. cash bonuses) and long-term incentive compensation pursuant to the Stock Option Plan and the RSU Plan. The Corporate Governance and Compensation Committee reviews all three components in assessing the compensation of the Senior Executives. Salaries and bonuses are intended to provide current compensation and short-term incentive ("**STI**") for employees to encourage them to meet the Corporation's annual performance targets. Stock options ("**Options**") and restricted share units ("**RSUs**") are granted as a long-term incentive ("**LTI**") and are designed to align with the benefit associated with the long-term appreciation in Western's share price performance.

The Corporate Governance and Compensation Committee considers and makes recommendations to the Board with respect to the Senior Executives' STI and LTI granted pursuant to the Stock Option Plan and RSU Plan (collectively, the "LTIPs"); and, if applicable, any provisions within their employment contracts with respect to the same. When making such recommendations, the Corporate Governance and Compensation Committee analyzes a number of factors, including, but not limited to: compensation data compiled from Western's peer group; corporate performance; and individual performance. In assessing corporate performance, Western has established certain financial and health and safety targets discussed below. In assessing the performance of the individuals, consideration will be given to objective factors such as the level of responsibility, experience and expertise, as well as subjective factors such as leadership and individual performance.

The Corporate Governance and Compensation Committee along with the Board continues to review and refine the Corporation's compensation policies and practices to ensure that they are competitive within the oilfield service industry and consistent with the goal of maximizing the performance of the Corporation while not incentivizing excessive risk taking.

Comparable Companies

Western compares the compensation of its Senior Executives and NEOs to the compensation provided to executives in comparable positions of a comparable group of Canadian oilfield service companies. The comparable group is selected based on the nature of the organization's business taking into consideration size, complexity and style of operation. The companies in this comparison group compete with Western for executive personnel and therefore provide a useful benchmark for the Corporate Governance and Compensation Committee in its evaluation of the compensation programs for the Senior Executives and NEOs. Western looks to the following primary market competitors in comparing its Senior Executive and NEOs compensation:

Akita Drilling Inc.	Precision Drilling Corporation
CWC Well Services Corp.	Savanna Energy Services Corp.
Ensign Energy Services Inc.	Trinidad Drilling Ltd.

Independent Compensation Consultant

Western initially retained Mercer (Canada) Limited ("**Mercer**") for executive compensation design and support in February 2014. In 2014 and 2015, Mercer's mandate was to review and provide commentary on proposed STI and LTI plan designs within the context of Western's approach to total compensation, including determining STI targets and payout levels and LTI eligibility and targets. Mercer's fees for executive compensation design and/or support in fiscal 2016 and 2015 were as follows:

Services Provided	Fees in 2016	Fees in 2015
Executive Compensation Related Fees ⁽¹⁾	\$Nil	\$4,091
Other fees ⁽²⁾	\$37,000	\$15,540

Notes:

- (1) Includes fees for services related to determining compensation levels for the Senior Executives, NEOs and the Board and review of peer companies in fiscal 2015. In 2016, Western performed these services internally.
- (2) Includes fees for market trends and Western's participation in, and access to, the annual market surveys carried out by Mercer in Canada, as well as 2016 market trend and commentary on LTI practices.

Executive Compensation Program

General

Western's executive compensation program is designed to reward Senior Executives and NEOs based on Western's overall performance and growth. The program balances annual rewards for achieving individual and corporate success on a short-term basis with equity-based LTIs (Options and RSUs) that are intended to reward the individual based on the long-term share price performance of Western.

Risk Oversight in Relation to Compensation Policies and Practices

As part of its annual review of the Corporation's executive compensation programs, the Corporate Governance and Compensation Committee takes into consideration a number of factors including an analysis to ensure that the compensation programs provide the Senior Executives incentive to achieve both short and long-term objectives without motivating them to take unnecessary risk. In particular, the Corporation notes the following factors which it believes should mitigate the likelihood that its Senior Executives will take unnecessary or excessive risk for the sake of enhanced rewards:

- the aggregate annual performance STIP pool is calculated by management based upon the achievement of certain company-wide financial metrics and safety targets (See "*Components of Compensation – Annual Performance Short-Term Incentive Plan*" below). However the final aggregate STIP pool and the individual allocations are subject to Board discretion based on management recommendations;
- the Stock Option Plan is designed so that Options vest over at least a three year period and therefore encourages share price appreciation over the longer term. In doing so, the Corporate Governance and Compensation Committee believes this reduces the risk of actions which may have short-term advantages over long-term sustainable share price appreciation;
- the RSU Plan is designed so that RSUs vest over a three year period and, with respect to RSUs which are treasury settled, encourages share appreciation over the longer term. As with the Stock Option Plan, the Corporate Governance and Compensation Committee believes this reduces the risk of actions which may have short-term advantages over long-term sustainable share price appreciation; and
- Other than in the case of new hires, Western does not generally award off-cycle grants of Options or RSUs.

Anti-Hedging/Speculation Policies

In addition, the Corporation discourages short-term speculation on its shares. The Insider Trading Policy of the Corporation provides that no director, officer, employee or consultant of the Corporation shall engage in any of the following activities with respect to the securities of the Corporation:

- trading in securities of the Corporation on a short-term basis. Any Common Shares purchased on the open market must be held for a minimum of four months and ideally longer;
- purchase of Corporation securities on margin for the purpose of short-term speculation;
- short sales;
- buying or selling "put" or "call" options;
- purchasing financial instruments which are designed to hedge or offset a decrease in market value of equity securities granted by the Corporation as compensation or held, directly or indirectly, which financial instruments include but are not limited to, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly.

The Insider Trading Policy is available on the Corporation's website at www.wesc.ca.

Components of Compensation

The overall compensation program for employees, including the Senior Executives and NEOs, is comprised of three primary components:

Base Salaries and Benefits

Salary amounts are set giving consideration to the skills required to carry out the Corporation's business plan and how well the expertise and experience of these individuals fit with those requirements and the competitive marketplace. In addition, employees are provided benefits which include health and dental, short and long term disability and life insurance. As part of the benefits for employees in general, the Corporation has a matching plan ("**Matching Plan**") whereby employees are given the option to contribute from 2% to 5% of their base salary to the plan which will, at the option of the employee, allocate such amount to a Registered Retirement Savings Plan ("**RRSP**") or a Non-registered Savings Plan ("**NRSP**"). Contributions can be directed to purchase Common Shares or

other designated securities available within the RRSP or NRSP and the Corporation will match RRSP or NRSP amounts and those matched funds will also be used for a RRSP or NRSP contribution. The foregoing is administered by a third party and such acquisitions of Common Shares can occur within the Matching Plan at any time.

Annual Performance Short-Term Incentive Plan

Employees are eligible to receive an annual cash bonus based upon a combination of corporate and individual performance. The Corporation's STIP is designed to reward eligible employees for performance against goals and objectives established at the beginning of the performance period. The STIP is structured to encourage and reward employees to maximize short-term results at Western. Performance measures are established by management at the corporate level for all eligible employees annually and are then reviewed and approved by the Board. However, the actual STIP pool amount and the individual bonus are subject to the discretion of the Board.

The STIP Pool

The target STIP pool is established by determining the total of STIP target amounts for all the employees as recommended by management for the year. The total STIP amount is a multiple of the target STIP pool determined and recommended to the Board based on the following performance targets:

1. Return on capital employed ("**ROCE**"). ROCE is calculated by dividing the pre-bonus earnings of the Corporation before interest and taxes by the average capital employed which is calculated as the average current assets (excluding cash) plus average PP&E and goodwill, less average current liabilities (excluding interest, tax and bonus payable amounts); and
2. Total recordable incident frequency ("**TRIF**"). TRIF is a lagging indicator that determines the injury rate based on the number of recordable injuries and the total number of hours worked in a year. The foundation of the formula for calculating TRIF is defined by the Occupational Health & Safety Administration, a federal agency of the United States that regulates workplace safety and health. TRIF is calculated by multiplying the number of recordable injuries and illnesses incurred during the year by 200,000 and dividing that product by the total number of hours that were actually worked by employees. The "200,000" used in this calculation is the equivalent number of hours for 100 employees working 40 hours per week for 50 weeks. The overall annual TRIF which is determined at the end of the relevant year is based on the total number of recordable injuries for all divisions and the total hours worked for all divisions in the year.

Management believes the use of ROCE as a financial performance measure provides direct alignment with the interests of shareholders by providing a tangible financial target that must be met in order for employees to realize economic value under the STIP. Management also believes that the use of ROCE provides a balanced management approach that encourages prudent entrepreneurial risks and efficient capital deployment. ROCE accounts for 85% of the total STIP pool amount.

In addition to the financial performance measure, the Corporation also uses TRIF as a health and safety performance measure. The use of TRIF reinforces the Corporation's commitment to protect the health and safety of its employees, contractors, clients and other third party personnel in the communities in which the Corporation operates. The use of TRIF as a performance target also ingrains health and safety as a core part of the culture of the Corporation. TRIF accounts for 15% of the total STIP pool amount.

Upon final determination of the stated metrics compared to the established targets, the STIP pool and individual amounts to be paid to the Senior Executives as recommended by the Compensation Committee are provided to the Board for its review and approval.

The minimum ROCE target was not achieved in either 2015 or 2016, however, TRIF targets were partially met in each year. The aggregate STIP payout to NEOs in 2015 was \$395,000 compared to a target of \$1,612,000. In 2016, the aggregate STIP payout to NEOs was \$184,928 compared to a target of \$1,475,601.

Long-Term Incentive Compensation

Options

Options are viewed as an effective incentive to balance directors, officers, employees and consultants' focus between short-term operating performance and profitable long-term growth, which should translate into share price appreciation for the benefit of shareholders. With Option grants vesting over time, they also should serve as an effective employee retention tool. Despite the dilutive aspect of Options, they directly align the interests of management and shareholders as the benefits derived from Options parallel the benefits realized by shareholders through share price appreciation. Options provide the potential for long-term rewards and above-average total compensation for superior, longer-term performance.

Directors, officers, employees and consultants are eligible to participate in the Stock Option Plan. The Stock Option Plan authorizes the Board to issue Options. Awards of Options are made from time to time to participants at varying levels consistent with the individual's position and responsibility. The Board approves Option grants as recommended by the Corporate Governance and Compensation Committee. Options are priced at the closing trading price of Western's Common Shares on the business day immediately preceding the date of grant. Previous grants are not taken into account when considering new grants of Options. Options granted vest at a rate of one third each on the first, second and third anniversaries of the date of grant and have a 5 year term. The term and other provisions of the Options are subject to the terms of the Stock Option Plan.

RSUs

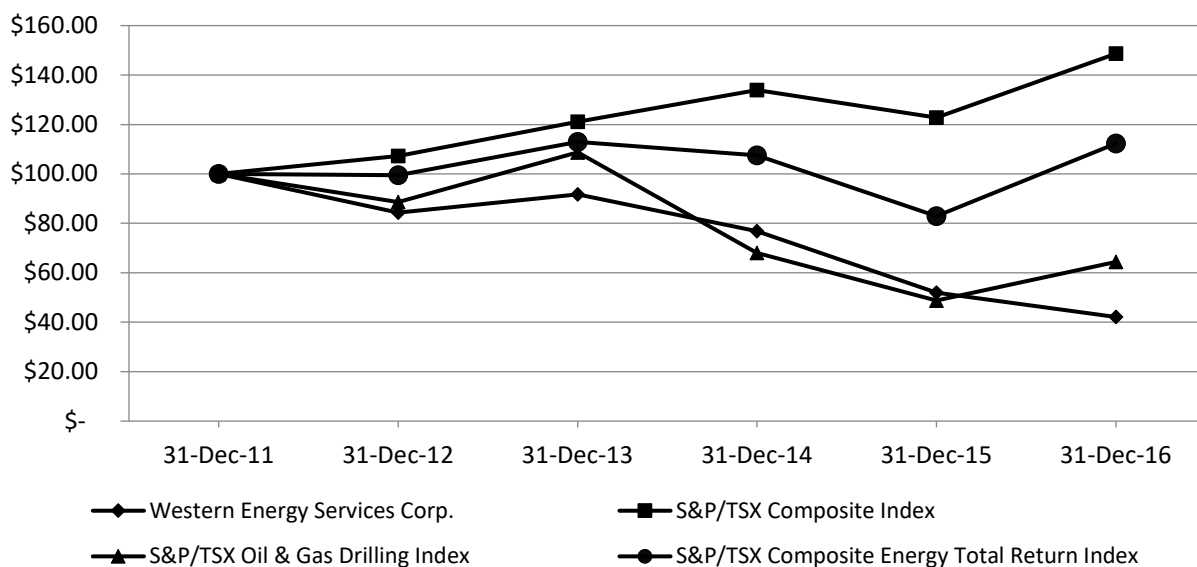
Directors, officers, employees and consultants are eligible to participate in the RSU Plan. The RSU Plan authorizes the Board to issue RSUs. Awards of RSUs are made from time to time to participants at varying levels consistent with the individual's position and responsibility. The Board approves grants as recommended by the Corporate Governance and Compensation Committee. Previous grants are not taken into account when considering new grants of RSUs. The term and other provisions of the RSU are subject to the terms of the RSU Plan. RSUs granted vest at a rate of one third each on the first, second and third anniversaries of the date of grant.

Performance Analysis

The graph below illustrates Western's share performance over the last five years.

Share Price Performance Graph since 2011

The following graph compares the cumulative total return on Western's Common Shares from December 31, 2011 to December 31, 2016 with the S&P/TSX composite total return index, the S&P/TSX composite energy total return index, and the S&P/TSX composite oil & gas drilling total return index for the same period. It assumes an initial investment of \$100 on December 31, 2011, with all dividends reinvested:



	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016
Western Common Shares	\$100.00	\$84.39	\$91.66	\$76.86	\$51.97	\$42.11
S&P/TSX Composite Total Return Index	\$100.00	\$107.19	\$121.11	\$133.90	\$122.76	\$148.64
S&P/TSX Composite Energy Total Return Index	\$100.00	\$99.42	\$112.95	\$107.51	\$82.92	\$112.31
S&P/TSX Composite Oil & Gas Drilling Total Return Index	\$100.00	\$88.58	\$108.73	\$67.96	\$48.78	\$64.34

Share Price Performance in Relation to Executive Compensation

Among the five NEOs for fiscal 2016, being Alex R.N. MacAusland, Jeffrey K. Bowers, Rick M. Harrison, Darcy D. Reinboldt and Tim J. Sebastian, Messrs. MacAusland, Bowers, and Harrison have been employees of the Corporation since before December 31, 2011. Mr. Sebastian has been an employee since May of 2013, and Mr. Reinboldt has been an employee of the Corporation since December 2013. Since December 31, 2011, Western has completed four transactions including: one acquisition, the disposition of Stimsol Canada Inc. and two high yield debt financings. During this time period, Western's drilling rig fleet has grown from 43 to 56 drilling rigs on December 31, 2016, making Western the fifth largest contract drilling contractor in Canada (based on the number of rigs registered with the Canadian Association of Oilwell Drilling Contractors ("CAODC")), while the well servicing rig fleet has grown from zero to 66 service rigs at December 31, 2016, making Western the third largest well servicing contractor in Canada (based on CAODC registered rigs). During this period, Western also commenced operations of its production services segment in Canada and successfully completed a significant capital build program. All of these factors taken together resulted in strong revenue and EBITDA growth until the significant crude oil and natural gas price decline which started in June 2014 and continued throughout 2015 and 2016. Compensation paid to the NEOs until December 31, 2014, and 2015 base salaries set at the end of fiscal 2014 reflect the significant increase in the scope and size of Western's business operations from December 31, 2011 to such time, as well as Western's strong financial and operating results during such time.

2016 was a very challenging year for Western and North American oilfield service companies generally. The sharp decline in crude oil and natural gas prices that started in June 2014, resulted in historically low commodity prices and depressed industry conditions which prevailed throughout 2015 and 2016. The average monthly spot price for West Texas Intermediate ("**WTI**") crude plummeted from approximately US\$108 per barrel in June 2014 to its low in February of 2016 of approximately US\$26 per barrel. The low commodity price environment in 2015 and 2016 resulted in significantly reduced activity levels by oil and gas exploration & production companies in both Canada and the United States. These reduced activity levels caused a severe decline in the demand for oilfield services, including the Corporation's equipment and services, and a reduction in the prices being paid for such services. As a result, the Corporation's utilization rates and revenues were adversely affected in 2015 and 2016 by these market conditions.

In order to mitigate the adverse financial effects on the Corporation of the severely low crude oil and natural gas price environment throughout 2015 and 2016, the Corporation significantly reduced its capital and other expenditures and implemented a number of external (suppliers) and internal (personnel) cost cutting measures as well as focusing on improved operational efficiencies and savings.

Personnel cost cutting measures and cost reductions in 2016 included, among other things:

- a reduction of Western's non-field workforce by approximately 30% since December 31, 2014
- a 10% salary roll back effective February 22, 2016 for non-field employees
- a 10% reduction in directors' fees effective February 22, 2016
- decreases to employee activities/spending
- 86% decrease in capital spending from 2015

During the last half of 2016, the price of WTI improved from its February low of approximately US\$26 per barrel to end the year at approximately US\$54/bbl. This price improvement positively impacted the Corporation's business; however, crude prices remain approximately 50% below the price of approximately US\$108 per barrel achieved in June 2014. In response to improved demand and utilization in the fourth quarter of 2016, the aforementioned 10% roll back of salary for non-field employees and 10% reduction in directors' fees were reversed effective January 1, 2017.

Western's Corporate Governance and Compensation Committee believes that the compensation paid to the NEOs in 2016 was appropriate considering, on one hand, Western's operations and management of the difficult market during 2016 and, on the other hand, the sharp drop in Western's share price throughout 2016 predominantly due to the commensurate sharp drop in commodity prices and the resultant significant adverse effect on Western's utilization rates and revenues. The Share Price Performance Graph since 2011 set forth above demonstrates the correlation that exists between the compensation paid to Western's NEOs and Western's total shareholder return ("**TSR**") over the five year period. The NEOs total reported (versus realizable) compensation over the past five years has trended up and down in conjunction with Western's TSR, and the impact on Western's TSR from the sharp drop in the share prices of North American oilfield service companies from mid-2014 and throughout 2015 and 2016 is reflected in the difference between the realizable and reported compensation of Western's NEOs illustrated in the table below. Compensation for the NEOs also reflects the high level of variable pay, both short and long term, which forms part of the total compensation program for the Corporation's executives.

COMPENSATION OF NAMED EXECUTIVE OFFICERS

Summary Compensation Table

Securities legislation requires the disclosure of the compensation received by the NEOs of the Corporation for the three most recently completed financial years. "**NEO**" or "**Named Executive Officer**" is defined by the legislation to mean (i) each of the Chief Executive Officer and Chief Financial Officer of the Corporation, regardless of the amount of compensation of that individual, (ii) each of the Corporation's three most highly compensated executive officers or individuals acting or in a similar capacity, other than the Chief Executive Officer and Chief Financial

Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation and bonus exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year end of the Corporation.

An "executive officer" is defined by the legislation to mean (i) the Chair of the Corporation, (ii) a Vice-chair of the Corporation, (iii) the President of the Corporation, (iv) a Vice president of the Corporation in charge of a principal business unit, division or function, such as sales, finance or production, or (v) an officer of the Corporation or any of its subsidiaries or any other person who performed a policy-making function in respect of the Corporation.

During the financial year ended December 31, 2016, there were five (5) NEOs of Western being Alex R.N. MacAusland, President and Chief Executive Officer; Jeffrey K. Bowers, Senior Vice President, Finance and Chief Financial Officer; Rick M. Harrison, Senior Vice President Operations; Darcy D. Reinboldt, Senior Vice President Operations; and Tim J. Sebastian, Vice President, General Counsel and Corporate Secretary.

The following table sets forth all annual and long-term compensation information concerning the total compensation paid to the NEOs:

Name and Principal Position	Year	Salary (\$)	Share-based Awards ⁽¹⁾ (\$)	Option-based Awards ⁽²⁾ (\$)	Non-equity incentive Plan Compensation ⁽³⁾ (\$)	All Other Compensation ⁽⁴⁾ (\$)	Total Compensation (\$)
Alex R.N. MacAusland President and Chief Executive Officer	2016	480,577	59,400	165,585	60,228	68,282	834,072
	2015	525,000	153,670	353,695	132,000	76,271	1,240,636
	2014	400,000	128,180	896,000	650,000	70,589	2,144,769
Jeffrey K. Bowers Senior Vice President Finance and Chief Financial Officer	2016	343,269	42,900	124,500	43,020	54,248	607,937
	2015	375,000	110,490	252,730	95,000	65,494	898,714
	2014	350,000	113,390	852,500	550,000	67,534	1,933,424
Rick M. Harrison Senior Vice President, Operations	2016	292,923	29,700	70,965	29,368	53,502	476,458
	2015	320,000	74,930	172,720	60,000	61,398	689,048
	2014	300,000	64,090	246,500	400,000	61,790	1,072,380
Darcy D. Reinboldt ⁽⁵⁾ Senior Vice President, Operations	2016	292,923	29,700	70,965	29,368	32,746	455,702
	2015	320,000	74,930	172,720	60,000	35,587	663,237
	2014	285,192	64,090	246,500	325,000	40,322	961,104
Tim J. Sebastian Vice President, General Counsel and Corporate Secretary	2016	228,846	21,450	50,215	22,944	41,760	365,215
	2015	227,277	52,070	118,110	48,000	41,946	487,403
	2014	206,000	52,258	194,300	175,000	39,883	667,441

Notes:

- (1) Represents the fair value of the share-based awards granted during the year. The fair value of the share-based awards granted to NEOs pursuant to the RSU Plan is a theoretical expected value calculated at the date of grant by multiplying the number of RSUs granted by each of the following values: \$3.30 for RSUs issued on August 16, 2016, \$5.08 for RSUs issued on August 14, 2015, and \$9.86 for RSUs issued on August 15, 2014.
- (2) The grant date fair value of option-based awards granted to NEOs pursuant to the Stock Option Plan is \$0.83 for Options issued on August 16, 2016, \$1.27 for Options issued on August 14, 2015, \$2.90 for Options issued on August 15, 2014, and \$2.16 for Options issued on February 11, 2014. The grant date fair value of Options issued in 2016 for compensation disclosure purposes is calculated using a Black-Scholes option pricing model with the following assumptions: (i) average risk-free of 1%; (ii) average expected life of 2.0 years; (iii) volatility of 46%; and (iv) expected dividend yield of 0%. This methodology is consistent with the method used to estimate the fair value of Stock Options in Western's financial statements.
- (3) These represent annual cash bonuses in respect of the particular fiscal year.
- (4) All Other Compensation for each of the NEOs is comprised of the following elements: Mr. MacAusland: monthly car allowance, monthly parking, physical wellness allowance, and RRSP contributions; Mr. Bowers: monthly car allowance, monthly parking, physical wellness allowance, club memberships and RRSP contributions; Mr. Harrison: monthly car allowance, monthly parking, physical wellness allowance and RRSP contributions; Mr. Reinboldt: vehicle, monthly parking, physical wellness allowance and RRSP contributions; and Mr. Sebastian, monthly car allowance, monthly parking, physical wellness allowance and RRSP contributions.
- (5) Mr. Reinboldt was appointed Vice President, Drilling Operations on December 19, 2013 and appointed Senior Vice President, Operations on December 4, 2014.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding at December 31, 2016 made to the NEOs:

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options ⁽¹⁾ (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽²⁾ (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards that have not Vested ⁽³⁾⁽⁴⁾ (\$)	Market or Payout Value of Values Vested Share-Based Awards not Paid out or Distributed (\$)
Alex R.N. MacAusland President and Chief Executive Officer	30,000 200,000 160,000 278,500 199,500	6.63 7.76 10.06 5.03 3.30	Dec 6, 2017 Feb 10, 2019 Aug 14, 2019 Aug 13, 2020 Aug 15, 2021	Nil Nil Nil Nil Nil	43,445	134,680	---
Jeffrey K. Bowers Senior Vice President Finance and Chief Financial Officer	30,000 200,000 145,000 199,000 150,000	6.63 7.76 10.06 5.03 3.30	Dec 6, 2017 Feb 10, 2019 Aug 14, 2019 Aug 13, 2020 Aug 15, 2021	Nil Nil Nil Nil Nil	32,065	99,402	---
Rick M. Harrison Senior Vice President, Operations	10,000 70,000 85,000 136,000 85,500	7.60 6.76 10.06 5.03 3.30	Aug 9, 2017 May 6, 2018 Aug 14, 2019 Aug 13, 2020 Aug 15, 2021	Nil Nil Nil Nil Nil	21,460	66,526	---
Darcy D. Reinboldt Senior Vice President, Operations	100,000 85,000 136,000 85,500	7.15 10.06 5.03 3.30	Dec 17, 2018 Aug 14, 2019 Aug 13, 2020 Aug 15, 2021	Nil Nil Nil Nil	21,460	66,526	---
Tim J. Sebastian Vice President, General Counsel and Corporate Secretary	53,333 67,000 93,000 60,500	6.99 10.06 5.03 3.30	May 20, 2018 Aug 14, 2019 Aug 13, 2020 Aug 15, 2021	Nil Nil Nil Nil	15,440	47,864	---

Notes:

- (1) Options to purchase Common Shares.
- (2) Based on the closing share price of the Common Shares on December 31, 2016 of \$3.10.
- (3) Consists of RSUs and dividends paid pursuant to the RSU Plan.
- (4) The fair value of the share-based awards granted to NEOs pursuant to the RSU Plan is a theoretical expected value calculated by multiplying the number of RSUs held by the closing price of the Common Shares on the calculation date, being \$3.10 on December 31, 2016.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth particulars concerning each incentive plan award granted to each of the NEOs for the year ended December 31, 2016:

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (\$)	Share-based Awards – Value Vested During the Year ⁽²⁾ (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Alex R.N. MacAusland President and Chief Executive Officer	Nil	48,566	---

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (\$)	Share-based Awards – Value Vested During the Year ⁽²⁾ (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Jeffrey K. Bowers Senior Vice President Finance and Chief Financial Officer	Nil	37,417	---
Rick M. Harrison Senior Vice President, Operations	Nil	23,870	---
Darcy D. Reinboldt Senior Vice President, Operations	Nil	23,870	---
Tim J. Sebastian Vice President, General Counsel and Corporate Secretary	Nil	17,490	---

Notes:

- (1) Represents the aggregate dollar value that would have been realized if the Options under the option-based award had been exercised on the vesting date based on the difference between the closing market price of the Western's Common Shares on the vesting date and the exercise price of the Options.
- (2) Represents the aggregate dollar value realized upon vesting of share-based awards. The value is based on the market value of the underlying shares on the vesting date.

Reported vs. Realizable Compensation

The following table provides further information and context with respect to Western's NEO compensation versus its TSR by comparing the reported compensation of the NEOs in the Summary Compensation Table ("SCT") for 2016, presented earlier in this Information Circular, with the NEOs' realizable compensation as at December 31, 2016. The NEOs' "realizable" compensation differs from their reported compensation in that it uses the December 31, 2016 "in the money" value of the Options granted to them in 2016 (as set out elsewhere in this Information Circular) as opposed to the grant date value of those Options (which was calculated using a Black-Scholes model), and the December 31, 2016 value of the RSUs (the number of Common Shares underlying the RSUs multiplied by the closing price of the of the Common Shares on the TSX on December 31, 2016) as opposed to the grant date of the RSUs. The major drop in the share prices of North American oil and gas exploration and production and service companies that started in mid-2014 and that has persisted throughout fiscal 2015 and 2016 is reflected in the realizable versus reported values of the NEOs' Stock Options and RSUs in the SCT. The aggregate total compensation provided to the NEOs in 2016, as reported in the SCT, was \$2,739,384 compared to the aggregate realizable compensation of \$2,246,054.

Name and Principal Position		Salary (\$)	Share-Based Awards ⁽¹⁾⁽²⁾ (\$)	Option-Based Awards ⁽³⁾⁽⁴⁾ (\$)	Annual Incentive Plans ⁽⁵⁾ (\$)	All Other Compensation ⁽⁶⁾ (\$)	Total Compensation (\$)
Alex R.N. MacAusland President and Chief Executive Officer	SCT	480,577	59,400	165,585	60,228	68,282	834,072
	Realizable	480,577	55,800	Nil	60,228	68,282	664,887
Jeffrey K. Bowers Senior Vice President, Finance and Chief Financial Officer	SCT	343,269	42,900	124,500	43,020	54,248	607,937
	Realizable	343,269	40,300	Nil	43,020	54,248	480,837
Rick M. Harrison Senior Vice President, Operations	SCT	292,923	29,700	70,965	29,368	53,502	476,458
	Realizable	292,923	27,900	Nil	29,368	53,502	403,693
Darcy D. Reinboldt Senior Vice President, Operations	SCT	292,923	29,700	70,965	29,368	32,746	455,702
	Realizable	292,923	27,900	Nil	29,368	32,746	382,937

Name and Principal Position		Salary (\$)	Share-Based Awards ⁽¹⁾⁽²⁾ (\$)	Option-Based Awards ⁽³⁾⁽⁴⁾ (\$)	Annual Incentive Plans ⁽⁵⁾ (\$)	All Other Compensation ⁽⁶⁾ (\$)	Total Compensation (\$)
Tim J. Sebastian Vice President, General Counsel and Corporate Secretary	SCT	228,846	21,450	50,215	22,944	41,760	365,215
	Realizable	228,846	20,150	Nil	22,944	41,760	313,700

Notes:

- (1) The SCT value is based on the grant date fair value of the RSUs granted during 2016 pursuant to the RSU Plan (as set out elsewhere in this Information Circular).
- (2) The realizable value of the RSUs granted during 2016 is based on the fair value using the closing price of Common Shares on December 31, 2016 being \$3.10 per Common Share.
- (3) The SCT value is based on the grant date fair value of Stock Options granted in 2016 pursuant to the Stock Option Plan (as set out elsewhere in this Information Circular).
- (4) The realizable value of the Stock Options as at December 31, 2016 was nil as the grant price exceeded the closing price of Common Shares of Western on December 31, 2016.
- (5) These represent annual cash bonuses.
- (6) As set out elsewhere in this Information Circular.

Termination and Change of Control Benefits

Messrs. MacAusland and Bowers (hereinafter "**Subject Employee**" or "**Subject Employees**") are subject to terms of employment which continue indefinitely and provide for payment of the Subject Employee's annual base salary and participation in certain benefits provided by the Corporation until the employment agreement is terminated. The employment agreements contain provisions providing for the payment by the Corporation to the Subject Employees of certain amounts and benefits in the event of termination and in the event of a "change of control", as described below.

The Corporation is entitled to terminate the employment agreement with either Subject Employee at any time for just cause and is then obligated to pay such Subject Employee's gross salary through to the termination date, any bonus declared but not yet paid, accrued and unused vacation and outstanding expense reimbursements. Either of the Subject Employees may terminate his employment by giving 30 days' written notice.

The Corporation has a right to terminate either of the Subject Employees' employment agreement by paying to the Subject Employee a severance amount (the "**Severance Amount**") equal to (i) 24 months' annual salary, (ii) 20% of amount referenced in (i) as compensation for lost benefits and perquisites, and (iii) 2 times the average of the amount awarded to the Subject Employee as a bonus pursuant to the Corporation's bonus plan in respect of the 2 most recently completed performance years. Either of the Subject Employees will be entitled to treat his employment as being "terminated without cause", and be entitled to the Severance Amount, if the Corporation unilaterally makes material changes the Subject Employee's position or duties, title or office, which includes any removal from or failure to re-elect or re-appoint the Subject Employee to any positions or offices, or if the Corporation reduces the Subject Employee's annual salary or the Subject Employee's other remuneration or responsibilities taken as a whole ("**Good Reason**"), unless such changes are made with the consent of the Subject Employee. The executive employment agreements contain standard non-solicitation provisions that prohibit the Subject Employees from soliciting Western's customers for one year following the cessation of employment. Furthermore, for one year following the cessation of employment, the Subject Employee is prohibited from (i) making an offer for shares or assets of Western; (ii) soliciting proxies to complete an offer for shares or the assets of Western; and (iii) instituting any type of shareholder proposal.

In the event of a change of control (as defined below), each of Subject Employees is entitled to the Severance Amount if (i) his employment is terminated by the Corporation without cause within 60 days of the date of a Change of Control; or (ii) Good Reason exists, then the Subject Employee may provide 30 days written notice of his intent to terminate his employment within 60 days of the date of the Change of Control and the existence of Good Reason.

The executive employment agreements define a "**Change of Control**" as follows: (i) the purchase or acquisition of Common Shares and/or securities convertible into common shares of the Corporation or carrying the right to acquire common shares ("**Convertible Securities**") as a result of which a person, group of persons or persons acting jointly or in concert, or any affiliates or associates of any such person, group of persons or any of such persons acting jointly or in concert (collectively the "**Holders**") beneficially own or exercise control or direction over Common Shares and/or Convertible Securities such that, assuming after the conversion of the Convertible Securities beneficially owned by the Holders thereof, would have the right to cast more than 30% of the votes attached to all Common Shares; (ii) an amalgamation, arrangement, merger or other consolidation or combination of the Corporation with another entity pursuant to which the shareholders of the Corporation immediately thereafter do not own securities of the successor or continuing entity which would entitle them to cast more than 50% of the votes attaching to all of the Common Shares; (iii) a liquidation, dissolution or winding up of the Corporation; (iv) the sale, lease or exchange of all or substantially all of the assets of the Corporation; (v) the election at a meeting of the Corporation's shareholders of a number of directors, who were not included in the slate for election as directors approved by the prior Board, and would represent a majority of the Board; (vi) the appointment of a number of directors which would represent a majority of the Board and which were nominated by any holder of voting shares of the Corporation or by any group of holders of voting shares of the Corporation acting jointly or in concert and not approved by the Corporation's prior Board; or (vii) a determination by the Board that there has been a change, whether by way of a change in the holding of Common Shares, or otherwise in the ownership of the Corporation's assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Corporation.

The table below sets out an estimated aggregate amount that each of Messrs. MacAusland and Bowers would have been entitled to receive if he had been terminated without cause, or if Good Reason exists following the occurrence of a Change of Control, on December 31, 2016.

	Annual Salary Component (\$)	Loss of Benefits and Perquisites Component (\$)	Loss of Bonus Component (\$)	Total Severance Amount (\$)
Alex R.N. MacAusland	945,000	189,000	192,228	1,326,228
Jeffrey K. Bowers	675,000	135,000	138,020	948,020

The table below sets out an estimated aggregate amount that each NEO would have been entitled to receive upon the occurrence of a Change of Control on December 31, 2016, pursuant to the accelerated vesting provisions of the Option Plan and RSU Plan.

	Option-Based Award Payments (\$)⁽¹⁾	Share-Based Award Payments (\$)⁽²⁾
Alex R.N. MacAusland	Nil	134,680
Jeffrey K. Bowers	Nil	99,402
Rick M. Harrison	Nil	66,526
Darcy D. Reinboldt	Nil	66,526
Tim J. Sebastian	Nil	47,864

Notes:

- (1) Upon the occurrence of a change of control, all unvested Options as at December 31, 2016 would immediately vest and be paid to the NEO in accordance with the Stock Option Plan. See "*Securities Authorized for Issuance under Equity Compensation Plans – Long-Term Incentive Equity Plans*". The amount represents the total value of unexercised stock options that are in-the-money based on \$3.10, the closing price of the Common Shares on the TSX on December 31, 2016.
- (2) Upon the occurrence of a change of control, all unvested RSUs as at December 31, 2016 would immediately vest and be paid to the NEO in accordance with the RSU Plan. See "*Securities Authorized for Issuance under Equity Compensation Plans – Long-Term Incentive Equity Plans*". The amount represents the estimated market value of the outstanding RSUs as at December 31, 2016 based on \$3.10, the closing price of the Common Shares on the TSX on December 31, 2016.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Long-Term Incentive Equity Plans

In order to attract and retain qualified personnel and provide incentives and rewards to the directors, officers, employees and consultants of Western, the Board has adopted a long-term incentive equity plan which includes the Stock Option Plan and the RSU Plan.

The Stock Option Plan authorizes the Board to grant Options to purchase Common Shares to directors, officers, employees and consultants of Western.

The RSU Plan authorizes the Board to issue RSUs which entitle the holder to either receive, at the Board's discretion, one Common Share or the cash equivalent of the fair market value of one Common Share to directors, officers, employees and consultants of Western.

Under the Stock Option Plan and the RSU Plan, the aggregate number of Common Shares issuable upon exercise of Options granted thereunder may not exceed 10% of the issued and outstanding Common Shares from time to time and 1% of the Shares will be allocated to the RSU Plan for treasury settled RSUs (subject to approval of the RSU Plan Resolution) and the Common Shares reserved for issuance to any one person shall not exceed 5% of the outstanding Common Shares from time to time.

Summary of Stock Option Plan

Participation Limits

The Stock Option Plan provides that the maximum number of Common Shares issuable pursuant to Options granted shall not exceed 10% of the aggregate number of issued and outstanding Common Shares. The number of Common Shares issuable to insiders pursuant to Options granted under the Stock Option Plan and any other security based compensation arrangement at any time may not exceed 10% of the outstanding Common Shares, and the number of Common Shares issued to insiders, within any one year period, under the Stock Option Plan and any security based compensation arrangement may not exceed 10% of the outstanding Common Shares. The maximum number of Common Shares that may be issued to any one participant under the Stock Option Plan is 5% of the outstanding Common Shares.

As of December 31, 2016, there were 6,153,886 Options issued and outstanding, representing 8.34% of the issued and outstanding Common Shares.

Granting of Options

The Stock Option Plan provides that, at the time of granting an Option under the Stock Option Plan, the Board (or a committee thereof) will determine the exercise price when such Option is granted subject to any limitations imposed by any relevant stock exchange or regulatory authority and the exercise price shall not be less than an amount equal to the market value of the Common Shares. The market value is defined in the Stock Option Plan as the closing price on the trading day prior to the date of grant on the TSX. As well, the Board (or a committee thereof) will determine, at the time of granting an Option under the Stock Option Plan, the expiry date of each Option (not to exceed 5 years after the date of grant) and the extent to which each Option vests.

Vesting

The Board has resolved that vesting provisions for Options granted by Western shall be as to 1/3 on the first anniversary of the date of grant, 1/3 on the second anniversary of the date of grant and 1/3 on the third anniversary of the date of grant.

Change of Control, Amalgamation or Sale

The Stock Option Plan provides that vesting of Options shall accelerate and Options shall be exercisable immediately prior to the time that a change of control takes place as defined by the Stock Option Plan. In the event of a change of control of the Corporation, a participant in the Stock Option Plan shall be entitled to make an offer

to the Corporation for the disposition and surrender of their Options for an amount (not to exceed the fair market value) specified in the agreement evidencing the Options and the Corporation may accept such offer subject to regulatory approval.

The Stock Option Plan also states that if Western amalgamates with another entity or sells all or substantially all of its assets in exchange for shares of another entity, Western shall ensure that the holders of Options shall receive shares in the successor entity on the same basis the Option holder would have received if the Option holder had purchased shares of Western immediately prior to the amalgamation or sale and that upon making such provision the Options shall terminate.

Take-over Bid

If the Board approves a take-over bid of Western by another entity, unvested Options held shall accelerate to allow holders to exercise their Options to tender shares issuable pursuant thereto to the bid but shall be deemed not to have been issued if the bid is not successful. If such an approved take-over bid occurs, an Option holder has the right to exercise all of their Options; however, any Options not yet vested and exercisable may only be purchased for tender pursuant to the take-over bid. If an Option holder does not exercise and tender to the bid, the Options outstanding after the bid may be cancelled by paying the holder the difference between the exercise price and the fair market value of the securities the Option holder would have received if their Options had been exercised.

Additional Terms

If an Option holder ceases to be an employee or a director of Western, as the case may be, the Option shall terminate on a date set forth in the Option agreement, such date not to be in excess of six months from the date of such termination. The Stock Option Plan states that Option agreements shall provide that upon the death of an optionee, the Option shall terminate on a date set forth in the agreement which shall not be more than 12 months from the date of death. The Stock Option Plan does not provide for any assignability of Options.

Amendments

The Stock Option Plan also provides that the Board may, in its sole discretion and without further approval of the shareholders of Western, amend, suspend, terminate or discontinue the Stock Option Plan and may amend the terms and conditions of Options granted under the Stock Option Plan, subject to any required approval of any regulatory authority or applicable stock exchange. Subject to any required regulatory approval of any regulatory authority or stock exchange, the Board may at any time alter, amend or vary the Stock Option Plan without the approval of the shareholders of Western if the alteration, amendment or variance does not: (a) increase the number of shares that can be issued under the Stock Option Plan; (b) reduce the exercise price of an outstanding Option except for the normal anti-dilution provisions whereby option values are maintained in connection with a subdivision, consolidation, conversion, reclassification, re-division or re-designation of Common Shares or a reorganization, amalgamation, consolidation, merger, takeover bid or similar transaction involving Western; (c) extend the expiry date of an outstanding option or amend the Stock Option Plan to permit the grant of an option with an expiry date of more than five years from the grant date; (d) allow for the transfer of Options, except if the transfer is to an entity controlled by the Option holder, a charity or for estate planning or estate settlement purposes; (e) expand the categories of individuals eligible to participate in the Stock Option Plan; or (f) amend the Stock Option Plan to provide for other types of compensation through equity issuance.

No Options were exercised under the Stock Option Plan during the financial year ended December 31, 2016.

Summary of RSU Plan

The following is a summary of the RSU Plan for the year ended December 31, 2016. Subsequent to the year end, the Board adopted the RSU Maximum Issuance Amendment, subject to receipt of regulatory and Shareholder approval, and the Administrative RSU Plan Amendments. At the Western Meeting, the Shareholders will be asked to consider and, if thought advisable, to approve the RSU Plan Resolutions approving the RSU Maximum Issuance Amendment and the approval of all unallocated RSUs issuable pursuant to the RSU Plan. See "*Matters to be Acted Upon at the Meeting – Amendments to RSU Plan and Approval of Unallocated RSUs*" for a description of the proposed amendments to the RSU Plan.

Purpose

The purpose of the RSU Plan is to: (i) strengthen the ability of Western and its affiliates to attract and retain qualified directors, officers, employees and consultants of Western ("**Eligible Participants**"); (ii) align the interests of Eligible Participants with the interests of the Shareholders; and (iii) focus management of Western on operating and financial performance and total long-term Shareholder return by providing an increased incentive to contribute to Western's growth and profitability.

Compensation under the RSU Plan

The RSU Plan provides for the issuance of RSUs. An RSU award entitles the grantee thereof to receive, on each applicable vesting date, either: (i) at the election of the Board or any committee of the Board delegated responsibility for the RSU Plan (either the Board or such committee of the Board referred to as the "**RSU Plan Committee**") (A) the number of Common Shares deliverable on such vesting date pursuant to the terms of the RSU grant or (B) such lesser number of Common Shares as the RSU Plan Committee may determine in partial satisfaction of the number of Common Shares deliverable on such vesting date pursuant to the terms of the RSU grant; and (ii) unless the RSU Plan Committee determines to issue, in full settlement therefore, Common Shares on such vesting date in respect of an RSU award, a cash payment equal to the Fair Market Value (as such term is defined in the RSU Plan, determined on the basis of a five day volume weighted average) of a Common Share on such vesting date multiplied by the number of RSUs that vest to the grantee on such vesting date.

The RSU Plan Committee may consider the following factors in making RSU awards: (i) compensation data for comparable benchmark positions among the Corporation's competitors; (ii) the duties and seniority of the Eligible Participant; (iii) the performance of the Eligible Participant in the prior year relevant to the Performance Measures (as defined in the RSU Plan) of the Corporation for the relevant performance period; (iv) individual and/or departmental contributions and potential contributions to the success of the Corporation; and (v) such other factors as deemed relevant in connection with accomplishing the purposes of the RSU Plan.

Vesting

An award under the RSU Plan shall vest as to one third on each anniversary date following the date such RSU is granted, subject to accelerated vesting in the event of a Change of Control (as such term is defined in the RSU Plan), provided that the vesting date for all RSUs granted under a particular award shall not be later than November 30 of the third year following the year the particular award was made.

Common Shares Subject to the RSU Plan

The number of Common Shares which may be reserved for issuance: (i)(A) under the RSU Plan shall not exceed 1% of the total number of Common Shares issued and outstanding from time to time subject to the RSU Maximum Issuance Amendment; and (B) when combined with the maximum number of Common Shares which may be reserved for issuance under all other security based compensation arrangements of the Corporation shall not exceed 10% of the total number of Common Shares issued and outstanding from time to time; and (ii) to "insiders" and their "associates" and "affiliates", as such terms are defined by the *Securities Act* (Alberta), under the RSU Plan and all other security based compensation arrangements of Western cannot exceed 10% of the Common Shares issued and outstanding from time to time. In addition, the number of Common Shares which may be issued to insiders within any one year period under the RSU Plan and all other security based compensation arrangements of Western cannot exceed 10% of the total number of Common Shares issued and outstanding from time to time.

The number of Common Shares issuable in any 12 month period under the RSU Plan: (i) to any one Eligible Participant shall not exceed 2% of the total number of Common Shares issued and outstanding from time to time; and (ii) to employees whose primary function is conducting Investor Relations Activities (as such term is defined in the RSU Plan) shall not exceed in the aggregate 2% of the total number of Common Shares issued and outstanding from time to time.

The maximum number of Common Shares issuable to non-employee directors under the RSU Plan shall not exceed 1% of the total number of Common Shares outstanding from time to time and the aggregate Fair Market Value (as

such term is defined in the RSU Plan) of Common Shares, at the time of grant, granted to any one individual non-employee director, in any 12-month period under the RSU Plan, shall not exceed \$150,000.

Where RSUs are satisfied, terminated or expire in accordance with the RSU Plan, the Common Shares in respect of such RSUs shall thereafter revert to the RSU Plan and shall be included in the total number of RSUs available for issuance under the RSU Plan.

Blackout Periods

If an RSU would vest within a Black-Out Period (as such term is defined in the RSU Plan) imposed by the Corporation, or which vest within five business days after a Black-Out Period ends (other than a Black-Out Period imposed due to a cease trade order), the vesting date of the RSUs shall be ten business days from the date any Black-Out Period ends.

Termination of RSUs

Upon a grantee ceasing to be an Eligible Participant by reason of the retirement of the grantee or due to Disability (as such term is defined in the RSU Plan) or death of the grantee, all outstanding RSUs previously granted to such grantee shall continue in full force and effect, and vesting and payment in respect of such RSUs shall continue to be made in accordance with the terms thereof, subject to the provisions of the RSU Plan, as if such grantee continued to be an Eligible Participant, provided however that the grantee shall only be entitled to receive on each vesting date, the number of Common Shares equal to the number of RSUs granted multiplied by a fraction (A) the numerator of which is the number of days the grantee was an Eligible Participant of the Corporation during the applicable vesting period and (B) the denominator of which is the total number of days comprising the applicable vesting period.

Upon the grantee ceasing to be an Eligible Participant due to termination not for cause, effective as of the date of the termination without cause, all unvested RSUs held by such grantee shall be terminated and all rights to receive any payment thereunder shall be forfeited by the grantee and the grantee shall not be entitled to receive any compensation in lieu thereof, provided that the RSU Plan Committee may determine in its sole discretion, prior to the date such RSUs would otherwise terminate, to extend the date upon which such securities terminate.

Upon the grantee ceasing to be an Eligible Participant due to voluntary resignation by the grantee, all RSUs previously credited to such grantee which did not vest on or prior to the last day of any notice period applicable in respect of such grantee's voluntary termination date, shall be terminated and forfeited as of the grantee's termination date (or such longer period as determined by the RSU Plan Committee in its sole discretion).

In the event of the grantee ceasing to be an Eligible Participant due to involuntary termination for cause, effective as of the date notice is given to the grantee of such termination, all unvested RSUs held by such grantee shall be terminated and forfeited.

Assignability

Except as specifically provided in the RSU Plan, RSUs may not be transferred or assigned.

Adjustments

If the number of outstanding Common Shares changes as a result of (i) any change in the Common Shares through subdivision, consolidation, reclassification, or amalgamation or merger that is not a Change of Control or otherwise; (ii) rights being granted to Shareholders to purchase Common Shares at prices substantially below Fair Market Value; or (iii) Common Shares being converted into or exchangeable for other securities as a result of any reorganization, recapitalization, merger, consolidation or other transaction that is not a Change of Control, the RSU Plan Committee may make appropriate adjustments to the number of the RSUs outstanding which the RSU Plan Committee may, in its sole discretion (subject only to TSX approval if required), consider appropriate in the circumstances to prevent substantial dilution or enlargement of the rights thereunder.

In the event the Corporation pays a dividend on the Common Shares subsequent to the granting of a RSU, the number of Common Shares issuable pursuant to such grant of RSUs (or a cash payment in lieu of the issuance of Common Shares) shall be increased to account for the payment of such dividend.

Change of Control

If, before the vesting of an RSU in accordance with the terms thereof, a Change of Control (as defined in the RSU Plan) occurs prior to any of the vesting dates respecting an RSU, all of a grantee's RSUs that have not yet vested as of such time shall vest immediately prior to the effective time of the Change of Control, or such other time as determined advisable by the RSU Plan Committee, provided that such other time is not later than the date that the vesting would have otherwise occurred and is no earlier than 30 days before the date the vesting would otherwise have occurred.

Foreign Grantees

The Corporation may, without amending the RSU Plan, modify the terms of RSUs granted to Eligible Participants who provide services to the Corporation from outside of Canada in order to comply with the applicable laws of such jurisdictions. In addition, the terms of the RSUs granted to grantees subject to taxation in the United States will be subject to and will be determined by taking into consideration the terms stated in Appendix A to the RSU Plan.

Amendments

The RSU Plan provides the RSU Plan Committee with the discretion to make certain amendments to the RSU Plan without the approval of Shareholders, provided that no such amendment to the RSU Plan shall cause the RSU Plan to cease to be subject to paragraph (k) of the definition of "salary deferral arrangement" as contained in the *Income Tax Act* (Canada).

In particular, the RSU Plan Committee may make amendments: (i) resulting in an addition to, deletion from or alteration of the RSU Plan or an RSU award that is necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange; (ii) to correct or rectify any ambiguity, defective provision, error or omission in the RSU Plan or a RSU award; and (iii) any other amendment that does not require shareholder approval under paragraph 7(d) of the RSU Plan.

Shareholder approval will be required for: (i) any increase in the maximum number of Common Shares reserved for issuance under the RSU Plan; (ii) any extension of the term of an RSU award benefiting an insider; (iii) any amendments to the RSU Plan to remove or to exceed the insider participation limits set forth in the RSU Plan; (iv) any change to the categories of individuals eligible to be selected for grants of RSU awards, where such change may broaden or increase the participation of insiders under the RSU Plan; (v) an amendment that would permit unit awards to be transferable or assignable other than for normal estate settlement purposes; and (iv) any amendment to the amendment provisions of the RSU Plan.

As of December 31, 2016, the RSUs granted and outstanding under the RSU plan, represented approximately 0.6% of the issued and outstanding Common Shares. Under the RSU Plan, the maximum number of Common Shares issuable under the RSU Plan shall not exceed 1% of the issued and outstanding Common Shares from time to time. Accordingly, as of December 31, 2016, there are approximately 327,648 unallocated RSUs available for issuance under the RSU Plan, representing approximately 0.4% of the issued and outstanding Common Shares.

A total of 149,652 Common shares were issued pursuant to the RSU Plan during the financial year ended December 31, 2016, representing 0.2% of the total Common Shares outstanding.

Equity Compensation Plan Information

The following table sets forth information as at December 31, 2016 with respect to the Corporation's compensation plans under which equity securities of the Corporation are authorized for issuance:

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans ⁽¹⁾
Equity compensation plans approved by security holders			
Stock Option Plan	6,153,886	\$6.23	815,397 ⁽²⁾
RSU Plan	410,311	N/A	327,648 ⁽³⁾
Equity compensation plans not approved by security holders	None	N/A	N/A
Total	6,564,197		815,397⁽¹⁾⁽²⁾

Notes:

- (1) The maximum number of Common Shares issuable under the LTIPs shall not exceed 10% of the aggregate number of issued and outstanding Common Shares.
- (2) The total number of Options available as at December 31, 2016 (assuming no additional RSUs are issued).
- (3) The maximum number of Common Shares issuable under the RSU Plan shall not exceed 1% of the aggregate number of issued and outstanding Common Shares included in the LTIP limit of 10%.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 - *Corporate Governance Guidelines* ("**NP 58-201**") establishes corporate governance guidelines which apply to all reporting issuers. Corporate Governance is the process and structure used to direct and manage the business and affairs of Western to achieve the Shareholders objectives. The Shareholders elect the directors who in turn are responsible for overseeing all aspects of the operations of Western, appointing management and ensuring that the business is managed properly, taking into account the interests of the Shareholders and other stakeholders such as employees, customers, suppliers, and the community at large. Western is required to disclose certain specified corporate governance information with reference to NP 58-201 and National Instrument 58-101, addressing such items as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness of education of boards. The Board of Western, through the Corporate Governance and Compensation Committee, monitors changes with respect to corporate governance practices and regulatory requirements. The following disclosure describes the corporate governance policies and initiatives developed by Western.

Committees of the Board

The Board delegates specific responsibilities to committees of the Board. The responsibilities of the committees empower the committees to advise and formulate recommendations to the Board; but, generally, do not allow the committees the authority to approve matters on behalf of the Board.

There are currently three Board committees. The table below indicates the composition of each committee.

	Audit	Corporate Governance & Compensation	Health, Safety & Environment
Ronald P. Mathison (Chair of the Board)	✓	✓	---
Alex R.N. MacAusland	---	---	✓
Donald D. Copeland	✓	✓	Chair
Lorne A. Gartner	Chair	---	✓
John R. Rooney	---	Chair	✓

For further details on the Audit Committee, please refer to the section entitled "Audit Committee" in Western's annual information form for the financial year ended December 31, 2016 available on SEDAR at www.sedar.com.

The Corporate Governance and Compensation Committee has the general responsibility for developing and monitoring Western's approach to corporate governance matters and is responsible for recommending to the Board its size, composition and membership, succession planning for directors and Board committee structure. The Corporate Governance and Compensation Committee is also responsible for certain compensation matters,

including compensation policy, reviewing succession planning, evaluating the CEO, reviewing and recommending to the Board the CEO's, executive officers' and directors' compensation, and monitoring incentive arrangements. For further details on the Corporate Governance and Compensation Committee, please refer to the section of this Information Circular entitled "*Statement of Executive Compensation – Compensation Discussion and Analysis – Corporate Governance and Compensation Committee*".

The Corporation's Health, Safety and Environment Committee assists the Board in its oversight of the health, safety and environmental issues, including the evaluation of Western's programs, controls and reporting systems, and compliance with applicable laws, rules and regulations.

Mandates & Position Descriptions

The Board has adopted a written Board mandate that sets out the key roles and responsibilities of the Board. That mandate is attached hereto as Schedule B. The Board has also adopted a written mandate for each committee of the Board that sets out the scope of operations and key roles and responsibilities of that committee. Copies of the written mandates for each of Corporation's committees are available on the Corporation's website at www.wesc.ca, or a copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation.

Further, the Board has developed written position descriptions for the Board Chair and the chair of each Board committee. The position descriptions of the Board Chair and the chair of each Board committee are available on the Corporation's website at www.wesc.ca. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation.

The position description of the Chair of the Board provides for the Chairman to provide leadership to the Board and to serve as chair at shareholders meetings. The Chairman also sets the agenda of all Board meetings and ensures the provision of accurate, timely and clear information to the directors. In addition, the Chairman supervises the committee Chairs. The position description of the committee Chairs provides for their participation in the development of committee meeting calendars and agendas. Committee Chairs preside over all committee meetings and ensure the orderly and efficient use of time in committee meetings. Committee Chairs provide reports to the Board on a regular basis.

The Board has also developed a position description for the CEO, which is available on the Corporation's website at www.wesc.ca. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation. The position description of the CEO includes the following duties and responsibilities: strategy, leadership, relationships, operations, finance, reporting to the Board and relations with Shareholders, employees and the public. In general, the management of the Corporation is empowered to operate the business on a day-to-day basis. However any responsibility which is not delegated to either management or a committee of the Board remains with the Board. In general, all matters of policy and all actions proposed to be taken which are not in the ordinary course of business require the prior approval of the Board or of a Board committee to which approval authority has been delegated. The corporate objectives are developed by management and approved by the Board.

Independence

The Board believes that it operates in an "independent" and objective manner.

4 of 5 Directors are "Independent"

The Board is currently composed of 5 members: Ronald P. Mathison, Alex R.N. MacAusland, Donald D. Copeland, Lorne A. Gartner and John R. Rooney. Generally speaking, a director is "independent" if such director has no direct or indirect material relationship with Western and a "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. Notwithstanding the foregoing, Canadian securities legislation prescribes that certain relationships are material relationships (i.e. any director that has been an executive officer of the company within the past 3 years will be

deemed to have a material relationship with the company and therefore not be independent). After reviewing the roles and relationships of each of the directors, the Board has determined that 4 out of the 5 directors are independent. The only non-independent director is Alex R.N. MacAusland who also serves as President and CEO of Western.

Independent Chairs

The Chairman of the Board and the Chairs of each committee of the Board are all independent directors. The following table sets out the directors that are currently in those roles.

Role	Director	Independent
Chairman of the Board	Ronald P. Mathison	✓
Chair of the Audit Committee	Lorne A. Gartner	✓
Chair of the Corporate Governance and Compensation Committee	John R. Rooney	✓
Chair of the Health, Safety & Environment Committee	Donald D. Copeland	✓

The Chairman of the Board and the chair of each Board committee manage the affairs of the Board and each committee of the Board, respectively, with a view to ensuring that the Board and each Board committee functions effectively and meets its obligations and responsibilities, and lead the Board and each Board committee, respectively, in the execution of their responsibilities to security holders.

Meetings of Independent Directors

An *in camera* session excluding management and non-independent directors is held at every Board and committee meeting. No meetings of independent directors were held in 2016.

Stakeholder Outreach

Reaching out to stakeholders and listening to their opinions is a core value of Western. The Board encourages stakeholders to engage with appropriate company representatives on relevant matters and actively monitors stakeholder feedback.

Letters addressed to the Board, or any individual independent director, are reviewed as a group to determine if a response from the Board is appropriate. While the Board oversees management, it does not participate in the day-to-day functions and operations of Western and is not normally in the best position to respond to inquiries on those matters. Inquiries on operations or day-to-day management of Western will be directed to the appropriate personnel within Western for a response. The Board has instructed the Corporate Secretary to review all correspondence and, in his discretion, not to forward any items if they are not relevant to Western's operations, policies and philosophies; or are not appropriate for consideration by the Board.

All inquiries will receive a written response from either the Board or management, if appropriate. The Corporate Secretary maintains a log of all correspondence addressed to members of the Board. Directors may review the log at any time and request copies of any correspondence received.

Orientation and Continuing Education

New directors are provided with information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board meetings and discussions with senior management and other directors. Each director receives a director's manual, which is updated as required. The directors meet regularly with management and are given periodic presentations on the business. Directors are expected to attend all scheduled Board and committee meetings in person, although attendance by telephone is permissible in appropriate circumstances. Directors are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognizes the importance of on-going director education and the need for each director to take personal responsibility for this process. Each director is expected to participate in continuing education programs to maintain any professional designation that they may have and which would be considered in their nomination as a director. In addition, each director is expected to participate in programs that would be necessary to maintain

a level of expertise in order to perform his or her responsibilities as a director and to provide on-going guidance and direction to management. To facilitate ongoing education of the Corporation's directors, the Corporate Governance and Compensation Committee may: (a) periodically canvas the directors to determine their training and education needs and interests; (b) arrange ongoing visitation by directors to the Corporation's facilities and operations; (c) arrange the funding for the attendance of directors at seminars or conferences of interest and relevance to their position as a director of the Corporation; and (d) encourage and facilitate presentations by outside experts to the Board or committees on matters of particular importance or emerging significance.

Ethical Business Conduct

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

Code of Conduct, Communications Policy & Insider Trading Policy

The Board has adopted a Code of Business Conduct and Ethics ("**Code of Ethics**"), a copy of which is available on the Corporation's website at www.wesc.ca. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation. The Corporate Governance and Compensation Committee has the responsibility for monitoring compliance with the Code of Ethics and also ensures that management encourages and promotes a culture of ethical business conduct. The Board has not granted any waiver of the Code of Ethics in favour of a Director or executive officer. Accordingly, no material change report has been required or filed. The Board also has a Communications Policy which regulates the manner in which material information is determined and disseminated, and an Insider Trading Policy which restricts certain trading in shares to ensure ethical conduct.

Whistleblower Policy

The Board, through the Audit Committee Chair, also receives reports of all financial or accounting and other appropriate issues raised through Western's anonymous toll-free whistleblower hotline.

Conflicts of Interest

The Corporate Governance and Compensation Committee monitors the disclosure of conflicts of interest by directors and ensures that no director will vote or participate in a discussion on a matter, in respect of which, such director has a material interest.

Nomination of Directors

This responsibility has been assigned to the Corporate Governance and Compensation Committee. If vacancies occur on the Board, the Corporate Governance and Compensation Committee may recommend nominees to the Board. To assist the Corporate Governance and Compensation Committee with reviewing the skill set of director candidates, a skill matrix was developed that sets forth the current make-up of the Board, allowing the Corporate Governance and Compensation Committee to identify criteria that a new candidate for the Board should possess. Criteria in the skills matrix included management, board and industry experience and areas of expertise. Before making a recommendation on a new director candidate, the Chairman of the Corporate Governance and Compensation Committee will meet with the candidate to discuss the candidate's interest and ability to devote the time and commitment required to serve on the Board.

Compensation

For information on the process by which the Board determines compensation for executive officers and directors, see the sections of this Information Circular entitled "*Director Compensation*" and "*Statement of Executive Compensation*".

Assessment

The Corporate Governance and Compensation Committee has the mandate and responsibility to ensure that a process is in place for the annual review of the performance of individual directors, the Board as a whole and the

Board committees. The directors are asked to complete a questionnaire which rates items such as structure and size of the Board and each committee, the knowledge and diversity of membership as well as the quality and timeliness of information received for discussion and the overall effectiveness in decision making. The anonymity of any particular submitter is maintained with the aggregate results presented to the Chair of the Corporate Governance and Compensation Committee for discussion and action if required. The results are then communicated to the full Board for discussion and recommendations as necessary.

Director Term Limits and Other Mechanisms of Board Renewal

The Board believes that issues relating to board effectiveness, board renewal and board succession planning are best addressed by a strong chair, a thoughtful governance committee and independent-thinking board members. The Board is responsible for recommending to shareholders from time to time candidates for election to the Board that together contribute the right mix of skills and expertise to the Board. To assist in making those recommendations, the Board periodically conducts both formal and informal reviews of the effectiveness of the Board and individual Board members.

The Board is concerned that imposing arbitrary and inflexible director term limits may result in Western losing valued directors at a time when Western most needs their skills, qualities and contributions, as well as their knowledge of the history and culture of the organization. Mandatory retirement ages pose the same risk and the Board does not want to risk the loss of key directors to retirement policies that seem unnecessarily arbitrary and inflexible when they force a high performing director off the Board. As a result the Board does not feel that it would be appropriate to set term limits for its directors but rather relies on the experience of its members to determine when Board renewals, Board removals and Board additions are appropriate.

Gender Diversity

The Board has not adopted any written policy relating to the identification and nomination of women directors. The Board evaluates potential nominees to the Board by reviewing the individual qualifications of prospective Board members and determining if the candidates' qualifications will meaningfully contribute to the effective functioning of the Board taking into consideration current Board composition and the anticipated skills required to round out the capabilities of the Board, including knowledge and diversity of membership. The Board feels that having written policies governing the selection of Board nominees could unduly restrict the Board's ability to select the most capable nominees.

The Board is made up of a diverse set of individuals with a broad range of skill sets however, at this time, none of the members of the Board of Western are women (0%). The Board recognizes the potential benefits from different perspectives which could be realized through gender diversity within its ranks. While the Board has not set a target for the number or percentage of female members that it wishes to include, the matter of gender diversity will be reviewed by the Corporate Governance and Compensation Committee going forward.

The Board does not specifically consider the level of representation of women in executive officer positions when making executive officer appointments. Rather, board members' overall qualifications, experience and skill sets are considered. Western is committed to the fundamental principles of equal employment opportunities which are prescribed in its employment policies. These policies affirm Western's commitment to treating people fairly, with respect and dignity, and to offering equal employment opportunities based upon an individual's qualifications and performance. Furthermore, Western's employment policies and procedures prohibit discrimination, including discrimination based on gender, and provides that candidates are selected based on the primary considerations of experience, skill and ability.

Western has not adopted a specific target regarding women in executive officer positions as it is an equal employment opportunity employer whereby candidates are selected based on the primary considerations of experience, skill and ability. As at the date hereof, none of the executive officers of Western are women (0%).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, no current or former director, executive officer or employee of Western was indebted to Western or its subsidiaries. Further, at no time since the beginning of the financial year ended December 31, 2016 did any director, executive officer or proposed director, or any associate of any such director or executive officer or proposed director of Western, owe any indebtedness to Western or owe any indebtedness to any other entity which is, or at any time has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Western.

MANAGEMENT CONTRACTS

Western has no management contracts or other arrangements in place where management functions are performed by a person or company other than the directors or Senior Executives of Western.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed under "*Interests of Management and Others in Material Transactions*" in Western's Annual Information Form dated February 22, 2017 and filed under Western's profile on the SEDAR website located at www.sedar.com, Western is not aware of any material interest, direct or indirect, of any informed person of Western, any proposed nominee for election as a director of Western or any associate or affiliate of any of the foregoing in any transaction that took place since the beginning of the most recently completed financial year in any proposed or ongoing transaction of Western which has or will materially affect Western.

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON

No person who has been a director or executive officer of Western at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of Western, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors and the approval of the RSU Plan. All of the directors and officers of the Corporation hold RSUs.

ADDITIONAL INFORMATION

Financial information is provided in Western's consolidated financial statements and management's discussion and analysis as at and for the years ended December 31, 2016 and 2015 and the auditors' report thereon (the "**Annual Report**"), which has been mailed to those Shareholders of Western who have so requested, along with this Information Circular. The Corporation will provide to any person upon request the Annual Report. These documents can be obtained free of charge by contacting the Corporate Secretary of Western at 1700, 215 – 9th Avenue SW, Calgary, Alberta T2P 1K3 or by accessing Western's website at www.wesc.ca. Information relating to Western can also be obtained on SEDAR under Western's profile at www.sedar.com.

SCHEDULE "A"

MARKED COPY OF THE AMENDED AND RESTATED RESTRICTED SHARE UNIT PLAN

WESTERN ENERGY SERVICES CORP. – RESTRICTED SHARE UNIT PLAN

The Board of Directors of Western Energy Services Corp. (the "**Corporation**") has established this Restricted Share Unit Plan (the "**Plan**") for the Corporation to govern the issuance of Restricted Share Units (as defined herein) of the Corporation to Eligible Participants (as defined herein).

1. Purposes

The principal purposes of the Plan are as follows:

- (a) to strengthen the ability of the Corporation and its Affiliates to attract and retain qualified Eligible Participants;
- (b) to align the interests of Eligible Participants with the interests of the Shareholders; and
- (c) to focus management of the Corporation and its Affiliates on operating and financial performance and total long-term Shareholder return by providing an increased incentive to contribute to the Corporation's growth and profitability.

2. Administration

The Plan shall be administered by the Board or by such committee as the Board delegates such authority to from time to time (either the Board or such committee of the Board shall be referred to herein as the "**Committee**" and any reference to the Board herein shall include a reference to the Committee, as the context may require). The Committee shall have the authority, in its discretion and subject to and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, the authority:

- (a) to make Unit Awards and, subject to Section 7 hereof, amend previously granted Unit Awards;
- (b) to determine the Fair Market Value of the Shares on any date;
- (c) to determine the Eligible Participants to whom, and the time or times at which, Unit Awards shall be granted;
- (d) to determine the number of Restricted Share Units to be awarded pursuant to each Unit Award;
- (e) to determine the Vesting Dates of the Restricted Share Units provided that the Vesting Date for all Restricted Share Units granted under a particular Unit Award shall not be later than November 30 of the third year following the year in which the particular Unit Award was made;
- (f) subject to Section 7 hereof, to prescribe, amend and rescind rules and regulations relating to the Plan;
- (g) to interpret the Plan;

- (h) subject to Section 7 hereof, to determine the terms and provisions of Unit Award Agreements (which, for greater certainty, may not be identical) entered into in connection with Unit Awards; and
- (i) to make all other determinations deemed necessary or advisable for the administration of the Plan.

The Committee may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, including without limitation, to a third-party agent or trustee, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan.

For greater certainty and without limiting the discretion conferred on the Committee pursuant to this Section, the Committee's decision to approve the grant of a Unit Award in any year shall not require the Committee to approve the grant of a Unit Award to any Eligible Participant in any other year. The Committee's decision with respect to the size or terms and conditions of a Unit Award in any year shall not require it to approve the grant of a Unit Award of the same size or with the same terms and conditions to any Eligible Participant in any other year. The Committee shall not be precluded from approving the grant of a Unit Award to any Eligible Participant solely because such Eligible Participant may previously have been granted a Unit Award under this Plan or any other similar compensation arrangement of the Corporation or an Affiliate. No Eligible Participant has any claim or right to be granted a Unit Award.

3. Eligibility and Award Determination

Unit Awards may only be granted to existing or proposed directors, employees and consultants of the Corporation and its subsidiaries or any Insider of the Corporation and its subsidiaries (collectively, "**Eligible Participants**"); provided, however, that the participation of an Eligible Participant in the Plan is voluntary; and provided further, that with respect to any grants to U.S. Persons, Eligible Participants shall exclude any Consultant Company. In determining the Eligible Participants to whom Unit Awards may be granted ("**Grantees**") and the number of Restricted Share Units to be awarded pursuant to each Unit Award, the Committee may consider the following factors:

- (a) compensation data for comparable benchmark positions among the Corporation's competitors;
- (b) the duties and seniority of the Eligible Participant;
- (c) the performance of the Eligible Participant in the prior year relevant to the Performance Measures of the Corporation for the relevant performance period;
- (d) individual and/or departmental contributions and potential contributions to the success of the Corporation; and
- (e) such other factors as the Committee shall deem relevant in connection with accomplishing the purposes of the Plan.

4. Terms and Conditions of Unit Awards

Each Unit Award granted under the Plan shall be subject to the terms and conditions of the Plan and evidenced by an agreement between the Corporation and the Grantee (a "**Unit Award Agreement**"), which agreement shall comply with, and be subject to, any applicable requirements of the Exchange and the following terms and conditions (and with such other terms and conditions not inconsistent with the terms of this Plan as the Committee, in its discretion, shall establish):

- (a) Number of Restricted Share Units – The Committee shall determine the number of Restricted Share Units to be awarded to a Grantee pursuant to the Unit Award in accordance with the provisions set forth in Section 3 of the Plan and in accordance with the following restrictions:
- (i) The maximum number of Shares which may be reserved for issuance: (A) under the Plan shall not exceed ~~15~~5% of the total number of Shares issued and outstanding from time to time; and (B) when combined with the maximum number of Shares which may be reserved for issuance under all other security based compensation arrangements of the Corporation, shall not exceed 10% of the total number of Shares issued and outstanding from time to time.
 - (ii) The maximum number of Shares which may be reserved for issuance to "insiders" and their "associates" and "affiliates", as such terms are defined by the *Securities Act* (Alberta), (collectively, the "**Insiders**") under the Plan, and all other security based compensation arrangements of the Corporation, shall be 10% of the total number of Shares issued and outstanding from time to time.
 - (iii) The number of Shares issued to Insiders, within any one year period under the Plan, and all other security based compensation arrangements of the Corporation, shall not exceed 10% of the total number of Shares issued and outstanding from time to time.
 - (iv) The number of Shares issuable in any 12-month period under the Plan:
 - A. to any one Eligible Participant shall not exceed 2% of the total number of Shares outstanding from time to time; and
 - B. to employees whose primary function is conducting Investor Relations Activities shall not exceed in the aggregate 2% of the total number of Shares outstanding from time to time.
 - (v) The maximum number of Shares issuable to non-employee directors under the Plan shall not exceed 1% of the total number of Shares outstanding from time to time.
 - (vi) The aggregate Fair Market Value of Shares, at the time of grant, granted to any one individual non-employee director, in any 12-month period under the Plan, shall not exceed \$150,000.

The aforementioned limits on the number of Shares reserved for issuance may be formulated on a diluted basis with the consent of the Exchange if such consent is required pursuant to the rules of such Exchange.

- (b) Vesting Date – Subject to Section 2(e) and the remaining provisions of this Section 4, with respect to any Unit Award, the Restricted Share Units thereunder shall vest as follows:
- (i) as to one third of the Restricted Share Units with respect to such Unit Award on the first anniversary of the Grant Date;
 - (ii) as to one third of the Restricted Share Units with respect to such Unit Award on the second anniversary of the Grant Date; and
 - (iii) as to the remaining third of the Restricted Share Units with respect to such Unit Award on the third anniversary of the Grant Date,

provided, however, that if an Accelerated Vesting Event occurs prior to any of the Vesting Dates determined in accordance with the above provisions, all of the Grantee's Restricted Share Units that have not yet vested as of such time shall vest immediately prior to the effective time of the Accelerated Vesting Event, or such other time as determined advisable by the Committee, provided that such other time is not later than the date that the vesting would have otherwise occurred and is no earlier than 30 days before the date the vesting would otherwise have occurred.

(c) Satisfaction of Restricted Share Units

- (i) Subject to Section 4(c)(ii) the Committee may at any time decide in its sole discretion that the Corporation will issue from treasury or purchase, through an independent trustee and in accordance with applicable securities laws, on the Exchange for delivery, to a Grantee, on a Vesting Date: (A) the number of Shares deliverable on such Vesting Date under a Unit Award; or (B) such lesser number of Shares as the Committee may determine in partial satisfaction of the number of Shares deliverable on such Vesting Date under a Unit Award (a "**Partial Share Settlement**").
- (ii) Subject to Section 4(c)(iii) unless the Committee determines to issue, in full settlement therefor, Shares to a Grantee on a Vesting Date in respect of a Unit Award, the Corporation shall deliver a cash payment equal to the Fair Market Value of a Share on such Vesting Date multiplied by the number of Restricted Share Units that vest in the Grantee on such Vesting Date, less the number of Shares issued in respect of a Partial Share Settlement, if any, in consideration for the surrender by the Grantee of any rights to receive that number of Shares which are deliverable under such Unit Award.
- (iii) The Corporation or the Affiliate, as the case may be, shall be entitled to withhold from any cash payments or Shares delivered to the Grantee all amounts as may be required by law and in the manner contemplated by Section 5 hereof.

(d) Termination of Relationship as Eligible Participant – Unless otherwise provided in a Unit Award Agreement pertaining to a particular Unit Award or any written employment agreement governing a Grantee's role as an Eligible Participant, or unless otherwise determined by the Committee, the following provisions shall apply in the event that a Grantee ceases to be an Eligible Participant:

- (i) Termination for cause – If a Grantee ceases to be an Eligible Participant as a result of termination for cause, effective as of the ~~date notice is given to the Grantee of such termination~~Termination Date, all unvested Restricted Share Units held by such Grantee shall be terminated and all rights to receive any payment thereunder shall be forfeited by the Grantee following the date on which such Grantee ceases to be an Eligible Participant.
- (ii) Termination not for cause – If a Grantee ceases to be an Eligible Participant as a result of being terminated other than a termination for cause (a "**Termination Without Cause**"), effective as of the ~~date of the~~ Termination Without Cause Date and notwithstanding any other severance entitlements or entitlement to notice or compensation in lieu thereof, all unvested Restricted Share Units held by such Grantee shall be terminated and all rights to receive any payment thereunder shall be forfeited by the Grantee, and the Grantee shall not be entitled to receive any compensation in lieu thereof; provided that the Committee may determine in its sole discretion, prior to the date such Restricted Share Units would otherwise terminate,

to extend the date upon which such securities terminate subject to the restrictions regarding Vesting Dates set forth in Section 2(e).

- (iii) Retirement, or Disability, or Death – If a Grantee ceases to be an Eligible Participant as a result of such Grantee's Retirement or due to Disability ~~or death~~, all outstanding Restricted Share Units and related Unit Award Agreements shall continue in full force and effect, and vesting and payment in respect of such Restricted ~~Shares~~ Share Units shall continue to be made in accordance with the terms thereof, subject to the provisions of this Plan, as if such Grantee continued to be an Eligible Participant, provided however that the Grantee shall only be entitled to receive on each Vesting Date, the number of Shares equal to the number of Restricted Share Units granted multiplied by a fraction (A) the numerator of which is the number of days the Grantee was an Eligible Participant of the Corporation during the applicable vesting period and (B) the denominator of which is the total number of days comprising the applicable vesting period.
 - (iv) Ceasing to be an Eligible Participant to an Affiliate – If a Grantee ceases to be an Eligible Participant as a result of the Affiliate in whose service such Grantee may be, ceasing to be an Affiliate of the Corporation, effective as of the date upon which the Affiliate ceases to be an Affiliate of the Corporation, all unvested Restricted Share Units held by such Grantee shall be terminated and all rights to receive any payment thereunder shall be forfeited by the Grantee, and the Grantee shall not be entitled to receive any compensation in lieu thereof; provided that the Committee may determine in its sole discretion, prior to the date such Restricted Share Units would otherwise terminate, to extend the date upon which such securities terminate subject to the restrictions regarding Vesting Dates set forth in Section 2(e).
 - (v) Death – If a Grantee ceases to be an Eligible Participant as a result of such Grantee's death, the Grantee shall be entitled to the number of Restricted Share Units granted multiplied by a fraction (A) the numerator of which is the number of days the Grantee was an Eligible Participant during the applicable vesting period and (B) the denominator of which is the total number of days comprising the applicable vesting period. The Corporation shall make a settlement with the Grantee's legal representative in respect of such pro-rated number of Restricted Share Units as soon as practicable after the date of death of the Grantee, in accordance with Section 4(c).
 - (vi) ~~(v)~~ Voluntary Termination – If a Grantee ceases to be an Eligible Participant for any other reason, effective as of the last day of any notice period applicable in respect of such voluntary resignation, all unvested Restricted Share Units held by such Grantee shall be terminated; provided that the Committee may determine in its sole discretion, prior to the date such Restricted Share Units would otherwise terminate, to extend the date upon which such securities terminate subject to the restrictions regarding Vesting Dates set forth in Section 2(e); Notwithstanding the foregoing, unvested Restricted Share Units held by such Grantee shall not be affected by a change of employment or term of office or appointment within or among the Corporation or an Affiliate so long as the Grantee continues to be an Eligible Participant.
- (e) Rights as a Shareholder – Under no circumstances shall Restricted Share Units be considered Shares of the Corporation, nor shall they entitle any Grantee to exercise voting rights or any other rights attaching to the ownership of Shares of the Corporation, nor shall any Grantee be considered the owner of Shares by virtue of the fact that Shares will be acquired by such Grantee in satisfaction of Restricted Share Units.

- (f) Effect of Certain Changes – In the event:
- (i) of any change in the Shares through subdivision, consolidation, reclassification or amalgamation or merger that is not a Change of Control or otherwise;
 - (ii) that any rights are granted to Shareholders to purchase Shares at prices substantially below Fair Market Value; or
 - (iii) that, as a result of any reorganization, recapitalization, merger, consolidation or other transaction that is not a Change of Control, the Shares are converted into or exchangeable for any other securities;

then, in any such case, the Committee may make such adjustments to the Plan and to any Unit Awards outstanding under the Plan as the Committee may, in its sole discretion (subject only to obtaining any required regulatory or stock exchange approvals), consider appropriate in the circumstances to prevent substantial dilution or enlargement of the rights granted to Grantees hereunder.

- (g) Dividends – In the event the Corporation pays a dividend on the Shares subsequent to the granting of a Unit Award, the number of Restricted Share Units relating to such Unit Award (the "**Original RSUs**") shall be increased by an amount equal to: (a) the product of the aggregate number of Original RSUs held by the Grantee on the record date for such dividend multiplied by the per Share amount of such dividend (or, in the case of any dividend payable in property other than cash, the per Share fair market value of such property, as determined by the Board), divided by (b) the Fair Market Value of a Share calculated as of the date on which the dividend is paid. In the event that the Corporation pays any dividends on the Shares in additional Shares, the number of Original RSUs shall be increased by a number equal to the product of (x) the aggregate number of Original RSUs held by the Grantee on the record date of such dividend, multiplied by (y) the number of Shares (including any fraction thereof) payable as a dividend on one Share. For greater certainty, despite any change to the amount of a Unit Award pursuant to this paragraph, the Vesting Dates for such Unit Award shall remain unchanged.
- (h) Fractions - Notwithstanding any other provision of this Plan, where the determination of the number of Restricted Share Units which have vested on any particular Vesting Date would result in a fractional Restricted Share Unit, the number of Restricted Share Units credited to the Grantee shall be rounded down to the next whole number of Restricted Share Units. No fractional Shares shall be delivered pursuant to this Plan nor shall cash be paid at any time in lieu of any such fractional Share.
- (i) (i) Black-Out Periods - In the event the Vesting Date determined in accordance with the terms of this Plan occurs within a period of time imposed by the Corporation, pursuant to the Corporation's policies, upon certain designated persons during which those persons may not trade in any securities of the Corporation (a "**Black-Out Period**") or which vest within five business days after a Black-Out Period ends (not including a Black-Out Period imposed due to a cease trade order), the Vesting Date of the Restricted Share Units shall be [the earlier of the date which is \(i\) ten business days from the date any Black-Out Period ends or \(ii\) December 31 of the calendar year in which the third anniversary of the Grant Date falls.](#)
- (j) Reversion to Plan - All Restricted Share Units that are satisfied, terminated or expire in accordance with Section 4 shall thereafter revert to the Plan and shall be included in the total number of Restricted Share Units available for issuance under the Plan.

5. Withholding

When a Grantee or other person becomes entitled to receive cash or Shares under a Unit Award, the Grantee (or his or her heirs or administrators) shall follow the Corporation's procedures and policies relating to the payment or funding of any withholding taxes applicable to the receipt of such cash or Shares, including, where required by the Corporation, the remittance to the Corporation by the Grantee (or his or her heirs or administrators) of an amount of cash sufficient to satisfy any withholding requirements relating to the receipt of such cash or Shares.

6. Non-Transferability

Shares or cash deliverable upon vesting of a Restricted Share Unit shall only be delivered to or to the order of a Grantee by the Corporation, except that if a Grantee dies, Shares or cash may be delivered to the Grantee's legal representative or designated beneficiary to whom the Restricted Share Units transfer by will or by the laws of descent and distribution. Except for the foregoing and as otherwise provided in this Plan, no assignment, sale, transfer, pledge or charge of a Restricted Share Unit, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Restricted Share Unit whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Restricted Share Unit shall terminate and be of no further force or effect.

7. Amendment and Termination of the Plan

- (a) To the extent the rules of the Exchange so require, all unallocated awards under the Plan will be subject to renewal approval by the Shareholders at a meeting of such Shareholders not less frequently than every three years.
- (b) The Committee may amend, suspend or terminate the Plan at any time, provided that no such amendment, suspension or termination may:
 - (i) be made without obtaining any required regulatory or shareholder approvals; or
 - (ii) adversely affect the rights of any Grantee with respect to a Unit Award which has neither expired nor been terminated at the time of any such amendment without the consent of the Grantee.
- (c) Subject to paragraph 7(d) of the Plan and provided that no amendment to the Plan shall cause the Plan to cease to be subject to paragraph (k) of the definition of "salary deferral arrangement" as contained in the *Income Tax Act (Canada)*, the Committee may from time to time, by resolution and without approval of the Shareholders, make amendments to the Plan or any Unit Award, including but not limited to, the following:
 - (i) an addition to, deletion from or alteration of the Plan or a Unit Award that is necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange;
 - (ii) an amendment to correct or rectify any ambiguity, defective provision, error or omission in the Plan or a Unit Award; and
 - (iii) any other amendment that does not require shareholder approval.
- (d) Approval of the Shareholders will be required for the following amendments to the Plan or any Unit Award:

- (i) any increase in the maximum number of Shares reserved for issuance under the Plan;
- (ii) an extension of the term of a Unit Award benefiting an Insider;
- (iii) any amendments to the Plan to remove or to exceed the Insider participation limits set forth in Section 4(a) hereof;
- (iv) any change to the categories of individuals eligible to be selected for grants of Unit Awards, where such change may broaden or increase the participation of Insiders under the Plan;
- (v) an amendment that would permit Unit Awards to be transferable or assignable other than for normal estate settlement purposes; and
- (vi) any amendment to this Section 7 of the Plan.

8. Foreign Grantees

The Corporation may, without amending the Plan, modify the terms of Restricted Share Units granted to participants who provide services to the Corporation or an Affiliate from outside of Canada in order to comply with the applicable laws of such foreign jurisdictions. Any such modification to the Plan with respect to a particular participant shall be reflected in the Unit Award Agreement for such Grantee. In addition, the terms of the Plan and Unit Awards granted to Grantees subject to taxation under the United States Internal Revenue Code of 1986, as amended, will be subject to and will be determined by taking into consideration the terms stated in the attached Appendix A.

9. Miscellaneous

- (a) Effect of Headings – The section and subsection heading contained herein are for convenience only and shall not affect the construction hereof.
- (b) Compliance with Legal Requirements – the Corporation shall not be obliged to deliver any Shares if such delivery would violate any law or regulation or any rule of any government authority or stock exchange. The Corporation may postpone the delivery of Shares under any Unit Award as the Board may consider appropriate, and may require any Grantee to make such representations and furnish such information as it may consider appropriate in connection with the delivery of Shares in compliance with applicable laws, rules and regulations. The Corporation shall not be required to qualify for resale pursuant to a prospectus or similar document any Shares delivered under the Plan, provided that the Corporation shall notify any stock exchange and any other appropriate regulatory bodies of the existence of the Plan and the granting of Unit Awards hereunder in accordance with any such requirements.
- (c) No Right to Continued Employment – Nothing in the Plan or in any Unit Award Agreement entered into pursuant hereto shall confer upon any Grantee the right to continue in the employ or service of the Corporation or an Affiliate, to be entitled to any remuneration or benefits not set forth in the Plan or a Unit Award Agreement or to interfere with or limit in any way the right of the Corporation or an Affiliate to terminate any Grantee's employment or service.
- (d) Ceasing to be an Affiliate – Except as otherwise provided in this Plan, Unit Awards granted under this Plan shall not be affected by any change in the relationship between or ownership of the Corporation and an Affiliate.
- (e) Expenses – All expenses in connection with the Plan shall be borne by the Corporation.

10. Definitions

As used in this Plan, the following words and phrases shall have the meanings indicated:

- (a) **"Accelerated Vesting Event"** means the effective time of a Change of Control;
- (b) **"Associated Entity"** or **"Associated Entities"** mean any corporation, partnership or other entity which directly or indirectly:
 - (i) controls, or is controlled by, the Corporation; or
 - (ii) is controlled by the same corporation that directly or indirectly controls the Corporation;
- (c) **"Affiliate"** has the meaning set forth in MI 62-104 and, for the purposes of this Plan, unless otherwise stipulated herein a reference to an Affiliate shall mean an Affiliate of the Corporation within such meaning;
- (d) **"Board"** means the board of directors of the Corporation as it may be constituted from time to time;
- (e) **"Change of Control"** means and it shall be deemed to have taken place if any of the following shall have occurred:
 - (i) the purchase or acquisition, without the approval or consent of the Board, of any Voting Shares or Convertible Securities by a Holder (or group of Holders acting jointly or in concert) which results in the Holder (or group of Holders acting jointly or in concert) beneficially owning, or exercising control or direction over, Voting Shares or Convertible Securities such that, assuming only the conversion of Convertible Securities beneficially owned or over which control or direction is exercised by the Holder, the Holder would beneficially own, or exercise control or direction over, Voting Shares carrying the right to cast more than 30% of the votes attaching to all Voting Shares; or
 - (ii) the Corporation completes an amalgamation, arrangement, merger or other consolidation or combination of the Corporation with another corporation or entity which requires approval of the shareholders of the Corporation pursuant to its statute of incorporation, such that assuming only the conversion of Convertible Securities beneficially owned or over which control or direction is exercised by the Holder (or group of Holders acting jointly or in concert), the Holder (or group of Holders acting jointly or in concert) would beneficially own, or exercise control or direction over, Voting Shares carrying the right to cast more than 50% of the votes attaching to all Voting Shares, and immediately following the event described in this paragraph, the directors of the Corporation immediately prior to such event do not constitute a majority of the Board (or equivalent) of the successor or continuing corporation or entity immediately following such event; or
 - (iii) the election at a meeting of the Corporation's shareholders of that number of persons which would represent a majority of the Board, as directors of the Corporation who are not included in the slate for election as directors proposed to the Corporation's shareholders by the Corporation; or
 - (iv) the liquidation, dissolution or winding-up of the Corporation; or

- (v) the sale, lease or other disposition of all or substantially all of the assets of the Corporation (other than pursuant to an internal reorganization); or
- (vi) a determination by the Board that there has been a change, whether by way of a change in the holding of the Voting Shares of the Corporation or otherwise, in the ownership of the Corporation's assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Corporation;

but shall not include an acquisition of the Company's securities or assets by, or any consolidation, merger or exchange of securities or assets with, any entity that, immediately prior to such acquisition, consolidation, merger or exchange of securities was an Affiliate of the Company;

- (f) "**Committee**" has the meaning set forth in Section 2 hereof;
- (g) "**Company**", unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity, other than an individual;
- (h) "**Consultant**" means, in relation to the Corporation, an individual or Consultant Company, other than an employee, officer or director of the Corporation, that:
 - (i) is engaged to provide on a ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a distribution of securities of the Corporation;
 - (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and
 - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- (i) "**Consultant Company**" means, for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (j) "**Control**" has the meaning set forth in Section 1.4 of MI 62-104;
- (k) "**Convertible Securities**" means any securities convertible or exchangeable into Voting Shares or carrying the right or obligation to acquire Voting Shares;
- (l) "**Directors**" means directors, senior officers and Management Company Employees of the Corporation, or directors, senior officers and Management Company Employees of the Corporation's subsidiaries to whom Unit Awards can be granted in reliance on a prospectus exemption under applicable securities laws;
- (m) "**Disability**" means a physical or mental incapacity of the Grantee that has prevented the Grantee from performing the duties customarily assigned to the Grantee for a period of six consecutive months, out of any twelve (12) consecutive months;

- (n) **"Eligible Participant"** has the meaning set forth in Section 3 hereof;
- (o) **"Employee"** means:
- (i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Corporation or its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Corporation or its subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;
- (p) **"Exchange"** means the principal stock exchange upon which the Shares are listed or upon which the Shares have been approved for listing;
- (q) **"Fair Market Value"** means, with respect to a Share on any date, the volume weighted average price of the Shares on the Exchange for the five days on which Shares were traded immediately preceding that date; provided that if the Shares are not listed for trading on a stock exchange on such date, the Fair Market Value shall be the price per Share as the Board, acting in good faith, may determine;
- (r) **"Grant Date"** means the effective date of the granting of a Unit Award as is specified in the applicable Unit Award Agreement between the Corporation and the Grantee;
- (s) **"Grantee"** has the meaning set forth in Section 3 hereof;
- (t) **"Holder"** means a person, a group of persons or persons acting jointly or in concert, or persons associated or affiliated, within the meaning of the *Securities Act* (Alberta), with any such person, group of persons or any of such persons acting jointly or in concert;
- (u) **"Insiders"** has the meaning set forth in Section 4 hereof;
- (v) **"Investor Relations Activities"** means any activities, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
- (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - A. to promote the sale of products or services of the Corporation; or
 - B. to raise public awareness of the Corporation;that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;

- (ii) activities or communications necessary to comply with the requirements of:
 - A. applicable securities laws; or
 - B. Exchange Requirements (as defined in the policies of the TSX) or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
- (iii) communications by a publisher of; or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - A. the communication is only through the newspaper, magazine or publication; and
 - B. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the TSX;
- (w) **"Management Company Employee"** means an individual employed by a Company or individual providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Company or individual engaged in Investor Relations Activities;
- (x) **"MI 62-104"** means Multilateral Instrument 62-104 - *Take-Over Bids and Issuer Bids*;
- (y) **"Partial Share Settlement"** has the meaning set forth in Section 4 hereof;
- (z) **"Performance Measures"** for any fiscal year or other period that the Board in its sole discretion shall determine, means the performance measures to be taken into consideration in awarding Restricted Share Units under the Plan;
- (aa) **"Person"** has the meaning set forth in Section 1.1 of MI 62-104;
- (bb) **"Restricted Share Unit"** means the right of a Grantee to receive a Share or a cash payment on the Vesting Date of such Restricted Share Unit, subject to adjustment pursuant to the provisions of Section 4, in the manner and subject to the terms and provisions set forth in the Plan and the applicable Unit Award Agreement;
- (cc) **"Retirement"** shall have such meaning as the Committee or the Board shall determine from time to time;
- (dd) **"security based compensation arrangement"** has the meaning ascribed thereto in the rules and policies of the Exchange;
- (ee) **"Shareholder"** means a holder of Shares;
- (ff) **"Shares"** means common shares in the capital of the Corporation;
- (gg) **"Subsidiary"** has the meaning set forth in Section 1.1 of MI 62-104;

- (hh) "Termination Date" means, in respect of a Grantee, the date that the Grantee ceases to be actively employed or actively provide services to the Corporation for any reason which, for purposes of the Plan, specifically does not mean the date on which any statutory or common law severance period or any period of reasonable notice that the Corporation may be required under applicable law to provide to the Grantee would expire. The Committee will have sole discretion to determine whether a Grantee has ceased active employment or service and the effective date on which the Grantee ceased active employment or service.
- (ii) ~~(hh)~~ **"Termination Without Cause"** has the meaning set forth in Section 4 hereof;
- (jj) ~~(ii)~~ **"Unit Award"** means an award of Restricted Share Units under the Plan;
- (kk) ~~(jj)~~ **"Unit Award Agreement"** has the meaning set forth in Section 4 hereof;
- (ll) ~~(kk)~~ **"U.S. Person"** means any natural person resident in the United States, any corporation, partnership, limited liability company, or other entity organized or incorporated in the United States, or any estate or trust the trustee, executor, or administrator of which is a U.S. Person;
- (mm) ~~(ll)~~ **"Vesting Date"** means, with respect to any Restricted Share Unit, the date, determined in accordance with Section 4 (b), upon which the Shares or cash to be received thereunder shall become deliverable to the Grantee of such Restricted Share Unit; and
- (nn) ~~(mm)~~ **"Voting Shares"** means any securities of the Corporation ordinarily carrying the right to vote at elections of directors.

11. Effective Date

The Plan shall take effect on July 30, 2014, the date of its adoption by the Board.

SCHEDULE "B"

MANDATE OF THE BOARD OF DIRECTORS OF WESTERN ENERGY SERVICES CORP. (THE "CORPORATION")

Stewardship of the Corporation

1. The Board of Directors of the Corporation (the "Board") is responsible for the stewardship of the Corporation and for overseeing the conduct of the business of the Corporation and the activities of management, who are responsible for the day-to-day conduct of the business.

Director Obligations

2. Each director has the responsibility to:
 - (a) attend all regularly scheduled meetings of the Board and all of the Committees on which they serve and to be prepared for such meetings by reviewing materials provided in advance of meetings;
 - (b) act honestly and in good faith with a view to the best interests of the Corporation; and
 - (c) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Board Composition

3. A majority of the Board will, at all times, be independent directors as defined in the current laws applicable to the corporation.

Board Meetings

4. The Board is responsible to:
 - (a) meet in person or by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Board; and
 - (b) hold meetings of the independent directors without management and non-independent directors present.

Board Chair and Lead Director

5. The Board is responsible to annually select an independent member of the Board to serve as Board Chair, (or if the CEO is also the Board Chair, a Lead Director) to:
 - (a) provide leadership to all directors;
 - (b) manage the affairs of the Board; and
 - (c) ensure that the Board functions effectively in fulfillment of its duties to the Corporation.

Committees of the Board

6. The Board discharges its responsibilities directly and through its committees. As such the Board shall:
- (a) establish such Committees of the Board as are required by applicable law and as are necessary to effectively discharge the duties of the Board;
 - (b) appoint directors to serve as members of each Committee;
 - (c) appoint a chair of each Committee to:
 - (i) provide leadership to the Committee;
 - (ii) manage the affairs of the Committee;
 - (iii) ensure that the Committee functions effectively in fulfilling its duties to the Board and the Corporation.
 - (d) regularly receive and consider reports and recommendations of each Committee.

Supervision of Management

7. The Board is responsible to:
- (a) select and appoint the CEO, and with the assistance of the Corporate Governance and Compensation Committee, establish CEO goals and objectives and evaluate CEO performance and develop a position description for the CEO which includes delineating management's responsibilities;
 - (b) assist the CEO to select and appoint executive officers, establish executive officers' goals and objectives and monitor their performance; and
 - (c) with the assistance of the Corporate Governance and Compensation Committee, maintain a succession plan for the replacement of the CEO and executive officers.

Governance

8. The Board is responsible to:
- (a) annually review and on the advice of the Corporate Governance and Compensation Committee either approve or require revisions to the mandates of the Board and each Committee, position descriptions, the code of business conduct and ethics (the "**Code**") and all other policies of the Corporation (collectively the "**Governance Documents**");
 - (b) together with the Corporate Governance and Compensation Committee, to the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers, and that the CEO and other executive officers create a culture of integrity through the organization; and that business is to be conducted on behalf of the Corporation in accordance with the requirements and the spirit of the Governance Documents;
 - (c) ensure that all new directors receive a comprehensive orientation and that all new directors should fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and

resources that the Corporation expects from its directors) and that all new directors should also understand the nature and operation of the Corporation's business; and

- (d) provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Corporation's business remains current.

Communications

- 9. The Board is responsible to approve and maintain a process for the Corporation's stakeholders to contact the independent directors directly with concerns and questions regarding the Corporation.

Waivers and Conflicts

- 10. The Board is responsible, with the assistance of the Corporate Governance and Compensation Committee, for:
 - (a) monitoring compliance with the Code;
 - (b) providing or denying waivers from the Code; and
 - (c) disclosing departures from the Code including filing required material change reports for material departures from the Code containing:
 - (i) the date of the departure(s);
 - (ii) the parties involved in the departure(s);
 - (iii) the reason why the Board has or has not sanctioned the departure(s); and
 - (iv) any measures taken to address or remedy the departure(s).

Strategic Planning

- 11. The Board has the responsibility to:
 - (a) adopt a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risk of the businesses of the Corporation; and
 - (b) approve capital and operating budgets to implement the strategic plan.

Risk Management

- 12. The Board has the responsibility to:
 - (a) adopt a process to identify the principal business risks of the Corporation and to ensure the implementation of appropriate systems to manage those risks; and
 - (b) together with the Audit Committee, ensure policies and procedures are in place that are effective to maintain the integrity of the Corporation's:
 - (i) disclosure controls and procedures;

- (ii) internal controls over financial reporting; and
- (iii) management information systems.

Financial Management

13. The Board has the responsibility to:
- (a) review and on the advice of the Audit Committee, approve, prior to their public dissemination:
 - (i) interim and annual consolidated financial statements and notes thereto;
 - (ii) managements' discussion and analysis of financial condition and results of operations;
 - (iii) relevant sections of the annual report, annual information form and management information circular containing financial information;
 - (iv) forecasted financial information and forward looking statements; and
 - (v) all press releases and other documents in which financial statements, earnings forecasts, results of operations or other financial information is disclosed; and
 - (b) approve dividends and distributions, material financings, transactions affecting authorized capital or the issue and repurchase of shares and debt securities, and all material divestitures and acquisitions.

Materials

14. The Board shall have access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.

Advisors

15. The Board has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Board in the discharge of its duties.

Annual Review

16. Assess, on an annual basis, the adequacy of this Mandate of the Board.