



WESTERN ENERGY SERVICES CORP.

Notice of Annual and Special Meeting of Shareholders

to be held on April 26, 2023

MANAGEMENT INFORMATION CIRCULAR

AND PROXY STATEMENT

Dated March 20, 2023



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given of the 2023 annual and special meeting of shareholders (the “**Annual and Special Meeting**”) of Western Energy Services Corp. (“**Western**” or the “**Corporation**”).

Date: April 26, 2023

Time: 1:30 p.m. (Mountain Time)

Place: Western’s Head Office - 1700, 215 – 9th Avenue SW, Calgary, Alberta, T2P 1K3

As of the date of this Notice of Annual and Special Meeting of Shareholders, we intend to hold the meeting in person at Western’s corporate head office located at 1700, 215 – 9th Avenue SW, Calgary, Alberta. Shareholders will be able to listen to the meeting by way of a conference call scheduled for 1:30 p.m. (Mountain Time) on Wednesday, April 26, 2023. **The Annual and Special Meeting will be held for the sole purpose of the matters to be acted upon at the Annual and Special Meeting and no corporate update or investor presentation will be provided.** Shareholders may opt to listen to the Annual and Special Meeting via conference call. To participate in the call, you may register and enter your phone number at: <https://emportal.ink/3SZPpW5> to receive an instant automated call back. You may also dial direct to participate in the call: 1-888-664-6383 and provide Conference ID: 82354616. Shareholders will be able to ask questions of management via email to ir@wesc.ca at the conclusion of the Annual and Special Meeting. **This is not a virtual meeting and as such shareholders cannot vote as part of the conference call.** You can vote before the Annual and Special Meeting by mail, internet or telephone by following the instructions on your proxy or voting instruction form. Your instructions must be received by 1:30 p.m. (Mountain time) on April 24, 2023 for your vote to be counted.

The health and safety of our shareholders, employees, and communities is a top priority and while the COVID-19 situation has improved since our 2022 annual meeting, we reserve the right to take additional precautions given the unpredictable nature of COVID-19 and may consider a remote meeting option should any recommendations be made by public health authorities prior to the meeting date. Changes to the meeting location, meeting date or means of holding the meeting will be announced by way of press release, which will be filed under Western’s profile on SEDAR as well as on Western’s website at <https://www.wesc.ca/>. Please monitor our press releases for updated information. We do not intend to prepare or mail amended meeting materials in the event of changes to the meeting location or format.

At the Annual and 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, 2022 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 all unallocated restricted share units under the restricted share unit plan, which is required by shareholders every three years.
- c. To consider and, if thought advisable, pass an ordinary resolution, the full text of which is set forth in the accompanying Management Information Circular and Proxy Statement to approve the amendment to Western's stock option plan to modify the manner of determining the market price of Western's common shares for purposes of establishing the exercise price of options issued under such 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 Annual and Special Meeting.

You have the right to vote

The board of directors of Western has set the close of business on March 20, 2023 as the record date for determining those shareholders entitled to receive notice of, and to vote at, the Annual and 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. Please review the Management Information Circular before voting.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Alex R.N. MacAusland*"

Alex R.N. MacAusland
President & Chief Executive Officer
Calgary, Alberta
March 20, 2023

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MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

PROXIES & VOTING

Solicitation of Proxies

The 2023 annual and special meeting of shareholders of Western Energy Services Corp. will be held as follows:

Date: April 26, 2023

Time: 1:30 p.m. (Mountain Time)

Place: Western's Head Office – 1700, 215 – 9th Avenue SW, Calgary, Alberta, T2P 1K3

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 and special meeting of holders (“**Shareholders**”) of common shares (“**Common Shares**”) of the Corporation (the “**Annual and Special 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.

As of the date of this Information Circular, we intend to hold the meeting in person at Western's corporate head office located at 1700, 215 – 9th Avenue SW, Calgary, Alberta. Shareholders will be able to listen to the meeting by way of a conference call scheduled for 1:30 p.m. (Mountain Time) on Wednesday, April 26, 2023. **The Annual and Special Meeting will be held for the sole purpose of the matters to be acted upon at the Annual and Special Meeting and no corporate update or investor presentation will be provided.** Shareholders may opt to listen to the Annual and Special Meeting via conference call. To participate in the call, you may register and enter your phone number at: <https://emportal.ink/3SZPpW5> to receive an instant automated call back. You may also dial direct to participate in the call: 1-888-664-6383 and provide Conference ID: 82354616. Shareholders will be able to ask questions of management via email to ir@wesc.ca at the conclusion of the Annual and Special Meeting. **This is not a virtual meeting and as such shareholders cannot vote as part of the conference call.** You can vote before the Annual and Special Meeting by mail, internet or telephone by following the instructions on your proxy or voting instruction form. Your instructions must be received by 1:30 p.m. (Mountain time) on April 24, 2023 for your vote to be counted.

The health and safety of our shareholders, employees, and communities is a top priority and while the COVID-19 situation has improved since our 2022 annual meeting, we reserve the right to take additional precautions given the unpredictable nature of COVID-19 and may consider a remote meeting option should any recommendations be made by public health authorities prior to the meeting date. Changes to the meeting location, meeting date or means of holding the meeting will be announced by way of press release, which will be filed under Western's profile on SEDAR as well as on Western's website at <https://www.wesc.ca/>. Please monitor our press releases for updated information. We do not intend to prepare or mail amended meeting materials in the event of changes to the meeting location or format.

Delivery of Meeting Materials to Beneficial Shareholders

The materials for the Annual and Special 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 Common Shares 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, (b) the costs of preparing and distributing meeting materials to beneficial Shareholders, including reimbursing brokers or other entities for mailing meeting materials to beneficial Shareholders, and (c) 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 “**Proxy**”), delivered to Shareholders by Western with the notice of the Annual and Special Meeting and Information Circular will be voted or withheld from voting in accordance with the instructions of the Shareholder, if the Shareholder specifies a choice with respect to any matter to be acted upon. The persons appointed under the 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 knows 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;**
- 4. Approving the unallocated restricted share units under Western’s restricted share unit plan; and**
- 5. Approving an amendment to Western’s Stock Option Plan to modify the manner of determining the market price of Western’s common shares for the purpose of establishing the exercise price of options issued under the Option Plan.**

Date of Information

All information in this Information Circular is provided as of March 20, 2023 unless specified otherwise.

Methods of Voting

Registered Shareholder Voting	Beneficial Shareholder Voting
<p>You are a registered holder if your Common Shares are held in your name and you have a physical Common Share certificate in your possession or you have a book entry only statement indicating that the Common Shares are registered in your name.</p> <p><u>Voting Options</u></p> <ol style="list-style-type: none"> 1. By Proxy (see below) 2. By telephone (see enclosed Proxy) 3. By internet (see enclosed Proxy) 4. In person at the Annual and Special Meeting (see below) <p><u>Voting by Proxy</u></p> <p>Whether or not you attend the Annual and Special Meeting, <i>you can appoint someone else to attend and vote as your proxy holder.</i> Use the enclosed Proxy to do this. The people named in the enclosed Proxy are members of management. <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 appoint attends the Annual and Special Meeting and votes on your behalf. <i>If you have voted by proxy, you may not vote in person at the Annual and Special 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 Annual and Special Meeting or any adjournment thereof.</p> <p><u>Revoking your Proxy</u></p> <p><i>You may revoke your Proxy 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 Proxy with a later date) to our transfer agent, Computershare Trust Company of Canada (Computershare), in accordance with the instructions set out in the Proxy provided not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Annual and Special 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 Annual and Special Meeting, or any adjournment thereof, or with the Chair of the Annual and Special Meeting on the day of the meeting, or any adjournment thereof, and upon either of such deposits, the Proxy is revoked.</p> <p><u>Voting in Person</u></p> <p>If you plan to attend the Annual and Special 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, when you arrive at the meeting to ensure that your vote will be counted.</p>	<p>You are a beneficial holder if your Common Shares are held in the name of a nominee. That is, your Common 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. By voting instruction form (see below) 2. By telephone (see enclosed voting instruction form) 3. By internet (see enclosed voting instruction form) 4. In person at the Annual and Special Meeting (see below) <p><u>Voting by Voting Instruction Form</u></p> <p>Whether or not you attend the Annual and Special Meeting, <i>you can appoint someone else to attend and vote as your proxy holder.</i> Use the enclosed voting instruction form to do this. The people named in the enclosed voting instruction form are members of management. <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 Annual and Special 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 Annual and Special Meeting, unless you properly revoke your proxy.</i></p> <p>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 Annual and Special 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 it is 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 Annual and Special Meeting or any adjournment thereof in order for your nominee to have time to deliver your instructions to our transfer agent.</p> <p><u>Voting in Person</u></p> <p>If you plan to attend the Annual and Special 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 in that form. Your vote will be taken and counted at the Annual and Special Meeting, so do not indicate your votes on the form. Please register with our transfer agent, Computershare, when you arrive at the Annual and Special Meeting to ensure that your vote will be counted.</p>

Record Date

The board of directors of Western (the “**Board**”) has fixed the record date for the Annual and Special Meeting at the close of business on March 20, 2023. Only Shareholders of record as at that date are entitled to receive notice of the Annual and Special 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 ten days before the Annual and Special Meeting, that the transferee’s name be included in the list of shareholders entitled to vote at the Annual and Special Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Annual and Special Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF SECURITIES

Quorum

A quorum of Shareholders is present at a meeting of Shareholders if at least two persons are present holding or representing not less than 25 percent of the Common Shares entitled to be voted at the Annual and Special 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 March 20, 2023, the Corporation had 33,841,324 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 voting 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 Annual and Special 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	Percentage of Common Shares ⁽¹⁾
Alberta Investment Management Corporation (“ AIMCo ”) ⁽²⁾ Edmonton, Alberta, Canada	16,813,333	49.7%
G2S2 Capital Inc. (“ G2S2 ”) ⁽³⁾ Halifax, Nova Scotia, Canada	5,371,356	15.9%
Ronald P. Mathison ⁽⁴⁾ Calgary, Alberta, Canada	4,158,958	12.3%

Notes:

- (1) Based on 33,841,324 issued and outstanding Common Shares as at March 20, 2023.
- (2) Based on publicly available information on SEDI as at March 20, 2023 AIMCo reported 16,813,333 Common Shares held through Seibu Investments Ltd.
- (3) Based on publicly available information on SEDI as at March 20, 2023 Sime Armoyan reported 5,371,356 Common Shares held through G2S2.
- (4) Includes Common Shares held directly by Mr. Mathison (1,884,553), Matco Investments Ltd. (2,274,185) and held in trust by Mr. Mathison for his children (220).

Investor Rights Agreement

The Corporation is a party to an investor rights agreement dated May 18, 2022 (the “**Investor Rights Agreement**”) with AIMCo and certain other major shareholders of the Corporation, providing for, among other things, the right of AIMCo to nominate two directors (each an “**AIMCo Nominee**” and together, the “**AIMCo Nominees**”) for election to Western's Board for so long as AIMCo and its affiliates collectively hold at least 30% of the outstanding Common Shares of the Corporation. Pursuant to the Investor Rights Agreement, the Corporation also agreed to limit the size of its Board to eight directors, including the AIMCO Nominees, subject to written consent of AIMCo.

Each AIMCo Nominee must consent in writing to act as a director of the Corporation, meet the qualification requirements to serve as a director under the *Business Corporations Act* (Alberta) (the “**ABCA**”) and Applicable Securities Laws (as defined in the Investor Rights Agreement), not be deemed unacceptable to serve on the Board by any stock exchange on which the Common Shares are listed or a securities regulatory authority having jurisdiction over the Corporation, agree to be bound by the Investor Rights Agreement and provide written agreement to comply with the policies of the Corporation applicable to directors.

The Investor Rights Agreement also requires G2S2, Matco and Mr. Mathison (the “**Investors**”) not to vote any Common Shares such Investor beneficially owns or exercises control or direction over, against the election of any AIMCo Nominee to serve as a director of the Corporation or in favour of any proposal or resolution to remove any AIMCo Nominee as a director of the Corporation.

Pursuant to the Investor Rights Agreement, AIMCo has nominated Trent Boehm and Colleen Cebuliak to the Board. See “*Matters to be Acted Upon at the Meeting – Election of Directors*”. A full copy of the Investor Rights Agreement is available under the Corporation’s SEDAR profile at www.sedar.com.

MATTERS TO BE ACTED UPON AT THE MEETING

Financial Statements

Western will place before the Shareholders at the Annual and Special Meeting the audited consolidated financial statements of Western for the financial year ended December 31, 2022 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 ABCA 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, by mail at 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario L4B 4R5; or by hand at 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; or Fax 1 (866) 249-7775. The annual financial statements of the Corporation are available under the Corporation’s SEDAR profile at www.sedar.com and on the Corporation’s website at www.wesc.ca.

Election of Directors

The affairs of the Corporation are managed by the Board who are elected annually for a one-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 or her 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 seven and the following persons are proposed to be nominated for election as directors of Western at the Annual and Special Meeting. All of the proposed directors were duly elected as directors at the annual and special meeting of shareholders held on June 29, 2022. See “*Director Nominees*” in this Information Circular for additional information on the director nominees.

Director Nominees

Trent Boehm	Alex R.N. MacAusland
Colleen Cebuliak	Ronald P. Mathison
Tomer Cohen	John R. Rooney
Lorne A. Gartner	

It is the intention of the persons named in the Proxy, if not expressly directed otherwise in such 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 Annual and Special Meeting, the persons named in the enclosed 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 the Board. The nominees have the relevant expertise essential to ensure appropriate strategic direction and oversight. Each director nominee has confirmed their eligibility and willingness to serve as a director if elected. Each enclosed Proxy and the voting instruction form for beneficial Shareholders 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 to the Board and the Board shall determine whether or not to accept the resignation within 90 days after the meeting. The Board shall accept the resignation absent exceptional circumstances. 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. Such resignation shall be effective when accepted by the Board.

Appointment of the Auditor

The Shareholders will also be asked to approve by ordinary resolution the appointment of Deloitte LLP of 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 2022 and 2021, please see “*Audit Committee Information – Auditor Service Fees*” in Western’s annual information form for the year ended December 31, 2022 dated February 28, 2023, which can be found under the Corporation’s SEDAR profile at www.sedar.com.

It is the intention of the persons named in the Proxy, if not expressly directed otherwise in such 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, on an aggregate basis, 10% of the issued and outstanding Common Shares from time to time. As at March 20, 2023, the Corporation had Options to acquire an aggregate of 3,109,476 Common Shares outstanding under the Stock Option Plan, representing 9.2% of the issued and outstanding Common Shares as at that date. 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 security based compensation arrangements which do not have a fixed maximum number of securities reserved for issuance (commonly referred to as “rolling plans”). The unallocated options under the Stock Option Plan were last approved by Western’s Shareholders on April 28, 2020. Therefore, the Corporation is required to seek Shareholder approval of all unallocated options under the Stock Option Plan as provided for below which will, if approved, remain valid for three years following the date of the Annual and Special 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 would, in that case, be cancelled and any previously granted options that are cancelled from time to time thereafter will not be

available for regrant. 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 Annual and Special Meeting. At the Annual and Special 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 Western Energy Services Corp. (the “**Corporation**”), as amended from time to time, be and are hereby approved;
2. the Corporation shall have the ability to continue granting options under its stock option plan until April 26, 2026, 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 Proxy, if not expressly directed otherwise in such Proxy, to vote such proxies FOR the ordinary resolution approving the unallocated options under the Stock Option Plan.

Approval of Unallocated RSUs under the RSU Plan

The restricted share unit plan (“**RSU Plan**”) is also a rolling plan, which provides that the maximum number of Common Shares reserved for issuance from time to time pursuant to the 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 such as the Stock Option Plan). In accordance with the rules of the TSX, the unallocated RSUs under the RSU Plan are required to be approved every three years and were last approved by Western’s Shareholders on April 28, 2020. Accordingly, Shareholders will be asked at the Annual and Special 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 March 20, 2023, the maximum number of Common Shares issuable under the RSU Plan at any time was 5% 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 March 20, 2023, the Corporation had RSUs to acquire 1,725 Common Shares outstanding under the RSU Plan, representing less than 0.1% of the issued and outstanding Common Shares as at that date. As at March 20, 2023, the Corporation had Options to acquire an aggregate of 3,109,476 Common Shares outstanding under the Stock Option Plan, representing 9.2% of the issued and outstanding Common Shares as at that date. Combined, the aggregate RSUs and Stock Options of 3,111,201 represent 9.2% of the issued and outstanding Common Shares as at March 20, 2023, leaving up to 272,931 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 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 the Stock Option Plan.

If approval of the unallocated RSUs under the RSU Plan is obtained at the Annual and Special Meeting, the Corporation will not be required to seek further approval for the grant of unallocated RSUs until April 26, 2026. If approval is not obtained at the Annual and Special Meeting, RSUs that have not been allocated and RSUs which are outstanding as of April 28, 2023 and subsequently expire or are satisfied, terminated or cancelled will not be available for a new grant of RSUs under the RSU Plan. Previously granted and allocated RSUs will continue to be unaffected by the approval of, or the failure to approve, the proposed resolution below.

To be approved, the resolution approving the RSU Plan requires the approval of a majority of the votes cast by Shareholders present in person or by proxy at the Annual and Special Meeting. At the Annual and Special 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 restricted share units under the restricted share unit plan of Western Energy Services Corp. (the “**Corporation**”) be and are hereby approved;
2. the Corporation shall have the ability to continue granting restricted share units under its restricted share unit plan until April 26, 2026, 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 Proxy, if not expressly directed otherwise in such Proxy, to vote such proxies FOR the ordinary resolution approving the unallocated RSUs under the RSU Plan.

Amendment to the Stock Option Plan

The Stock Option Plan creates an incentive for participants who are granted stock options by increasing such participant's proprietary interest in the Corporation.

On March 15, 2023 the Board approved an amendment to the Stock Option Plan, subject to approval by Shareholders and the TSX, consisting of a revision to the definition of the term "Market Value" in the Stock Option Plan to mean the volume weighted average trading price of a Common Share of the Corporation on the TSX for the five trading days preceding the grant date (the “**Exercise Price Amendment**”).

At the Annual and Special Meeting, Shareholders will be asked to consider and approve an ordinary resolution, substantially in the form set out below, approving the amendment of the Stock Option Plan to incorporate the Exercise Price Amendment. A copy of the Stock Option Plan, marked to show the changes arising from the Exercise Price Amendment, is attached as Schedule "B" to this Information Circular. After the Annual and Special Meeting, a copy of the Stock Option Plan, as amended, will be available under the Corporation's profile on SEDAR at www.sedar.com.

The Stock Option Plan currently provides that the exercise price of Options granted under the Stock Option Plan cannot be lower than the “Market Value”, which is defined as the closing price of the Common Shares on the trading day prior to the grant date on the TSX. The effect of the Exercise Price Amendment is that the exercise price of an Option granted under the Stock Option Plan will now be the volume weighted average trading price of a Common Share of the Corporation on the TSX for the five trading days preceding the grant date instead of the closing price of the Common Shares on the trading day prior to the grant date. See "*Securities Authorized for Issuance Under Equity Compensation Plans – Summary of Stock Option Plan*" for the current terms and conditions of the Stock Option Plan.

The purpose of the Exercise Price Amendment is to set an exercise price for Options granted under the Stock Option Plan that more meaningfully reflects the value of Western's Common Shares. Measuring the market value on a

volume weighted average basis over a period of time ensures that the exercise price of an Option is more reflective of the value of the Common Shares at the time that the Option is granted, as measurement at a single point in time may result in an exercise price based on a single trade that does not reflect the market's view of the value of the Common Shares generally. The Board believes that revising the definition of "Market Value" will minimize the impact of share price volatility and reflect a more meaningful measure of the value of Western's Common Shares.

The Exercise Price Amendment does not formally require shareholder approval under the rules of the TSX or the terms of the Stock Option Plan. However, the Board has determined to submit the Exercise Price Amendment to the Shareholders in order to obtain the Shareholders' view regarding the proposed amendment. If approval of the Exercise Price Amendment is obtained at the Annual and Special Meeting, the exercise price of all future Options granted under the Stock Option Plan will be the volume weighted average trading price of a Common Share of the Corporation on the TSX for the five trading days preceding the grant date. If approval is not obtained at the Annual and Special Meeting, the Exercise Price Amendment will not become effective and the exercise price of all Options granted under the Stock Option Plan will continue to be the closing price of the Common Shares on the trading day prior to the grant date, subject to the Board determining in the future to amend the Stock Option Plan in a manner consistent with the Exercise Price Amendment without shareholder approval, as permitted under the terms of the Stock Option Plan. Previously granted and allocated Options will continue to be unaffected by the approval of, or the failure to approve, the proposed resolution below.

To be approved, the Exercise Price Amendment requires the approval of a majority of the votes cast by Shareholders present in person or by proxy at the Annual and Special Meeting. At the Annual and Special 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 amendment to the definition of the term "Market Value" in the stock option plan of Western Energy Services Corp. (the "**Corporation**"), as more particularly described under the heading "*Matters to be Acted Upon at the Meeting – Amendments to Stock Option Plan*" in the Corporation's management information circular ("**Information Circular**") dated March 20, 2023 and in the form attached as Schedule "B" to the Information Circular, be and is hereby approved, subject to acceptance by the Toronto Stock Exchange; 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."

It is the intention of the persons named in the Proxy, if not expressly directed otherwise in such Proxy, to vote such proxies FOR the ordinary resolution approving the Exercise Price Amendment to the Stock Option Plan.

Other Business

Management is not aware of any matters to come before the Annual and Special Meeting other than those set out in the Notice of Meeting. If other matters come before the Annual and Special Meeting, it is the intention of the individuals named in the Proxy to vote the same as management 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 March 20, 2023.

All of the directors listed below are elected for a one 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.

<p>Trent Boehm⁽²⁾⁽¹³⁾ Age: 53 Calgary, Alberta Canada Director since May 24, 2022 Independent⁽⁴⁾</p>	<p>Mr. Boehm is currently a corporate director and independent businessperson. Mr. Boehm has held leadership positions at Canadian investment banks over the course of the last 22 years. Most recently Mr. Boehm held the position of Vice Chairman and Head of Energy Sales and was a member of the executive committee at Stifel Nicolaus Canada which operates under the brands Stifel FirstEnergy and Stifel GMP in Canada. From 2016 to 2019, Mr. Boehm served as a Managing Director and Head of Energy Sales and member of the executive committee at Canadian public company, GMP Capital. This role commenced when GMP successfully acquired employee-owned FirstEnergy Capital in 2016. From 2002 to 2016 Mr. Boehm was a Managing Director and Head of Capital Markets at FirstEnergy Capital, where he was an integral part of the leadership team that built this privately held firm into a widely respected authority on the energy sector. Mr. Boehm holds a Chartered Financial Analyst designation in addition to a Bachelor of Commerce degree from the University of Calgary.</p>				
<p>Areas of Expertise</p> <ul style="list-style-type: none"> - Corporate Governance/ Board Member - Financial & Accounting - Capital / Financial Markets - Mergers & Acquisitions - Strategic Planning - Sales & Marketing - Compensation 	<p>2022 Board/Committee Memberships</p>	<p>Attendance at Meetings during 2022</p>			
	Board	4 of 4	100%		
	Corporate Governance and Compensation	3 of 3	100%		
	<p>Other Public Company Board Memberships</p>	<p>Public Board Interlocks</p>			
	None	None			
	<p>Securities Held</p>				
	<p>Common Shares</p>	<p>Percentage⁽⁵⁾</p>	<p>Total Market Value of Common Shares⁽⁶⁾</p>		
	135,600	0.40%	\$389,172		
	<p>Options Held</p>				
	<p>Date Granted</p>	<p>Expiry Date</p>	<p>Outstanding</p>	<p>Grant Price⁽⁷⁾</p>	<p>Value of In-the-Money Unexercised Options⁽⁸⁾</p>
	May 26/22	May 25/27	46,504	\$4.80	-
	<p>RSUs Held</p>				
	<p>Outstanding</p>		<p>Value of Outstanding RSUs⁽⁹⁾</p>		
	N/A		N/A		
	<p>Voting Results of 2022 Annual Meeting</p>	<p>Votes For</p>	<p>Votes Withheld</p>	<p>Total Votes Cast</p>	
	3,316,281,413	90.92%	331,129,470	9.08%	3,647,410,883
<p>Colleen Cebuliak⁽¹⁾⁽³⁾⁽¹³⁾ Age: 53 Edmonton, Alberta Canada Director since May 24, 2022 Independent⁽⁴⁾</p>	<p>Ms. Cebuliak is Senior Vice President, and General Counsel of OEG Inc. (formerly the Katz Group), a company specializing in entertainment, retail cannabis, and hospitality. In this capacity, among other duties, she is responsible for acquisitions across all the OEG Inc. divisions. Prior thereto, Ms. Cebuliak was a lawyer with Kingsgate Legal. Previously, Ms. Cebuliak was with AIMCo from 2016 to 2021, first managing legal aspects of acquisition and disposition transactions as Associate General Counsel and later as the Chief Compliance Officer. Prior to her time at AIMCo, Ms. Cebuliak spent more than 20 years in private practice, practising in the corporate/commercial law area with a focus on securities law and mergers and acquisition law. Ms. Cebuliak has a Bachelor of Commerce degree (with distinction) and a Bachelor of Laws from the University of Alberta as well as a Master of Laws from Osgoode Hall Law School. Ms. Cebuliak has extensive experience both in advising public company boards of directors in all aspects of corporate and securities laws, as well as in advising on legal aspects of mergers and acquisitions.</p>				
	<p>2022 Board/Committee Memberships</p>		<p>Attendance at Meetings during 2022</p>		
	Board		4 of 4	100%	
	Audit		2 of 2	100%	
	Health, Safety and Environment		3 of 3	100%	
	<p>Other Public Company Board Memberships</p>		<p>Public Board Interlocks</p>		

Areas of Expertise

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

None		None			
Securities Held					
Common Shares	Percentage⁽⁵⁾	Total Market Value of Common Shares⁽⁶⁾			
N/A	N/A	N/A			
Options Held					
Date Granted	Expiry Date	Outstanding	Grant Price⁽⁷⁾	Value of In-the-Money Unexercised Options⁽⁸⁾	
May 26/22	May 25/27	46,504	\$4.80	-	
RSUs Held					
Outstanding			Value of Outstanding RSUs⁽⁹⁾		
N/A			N/A		
Voting Results of 2022 Annual Meeting					
Votes For		Votes Withheld		Total Votes Cast	
3,314,564,113	90.87%	332,846,770	9.13%	3,647,410,883	

Tomer Cohen⁽¹⁾

Age: 38
 Stillwater Lake, Nova Scotia
 Canada
 Director since June 29, 2022
 Independent⁽⁴⁾

Mr. Cohen is Vice President of Investments at Clarke Inc., an investment company and consultant to the Armoian family office. Mr. Cohen has held his position since September 2019. In this capacity, he has managed various oil and gas investments, including corporate restructuring and special situations, with a keen focus on unlocking shareholder value. Mr. Cohen previously held various operational and financial roles in Calgary in the natural gas sector as a financial analyst at Holloway Lodging from 2018 to 2019 and business analyst at SemCAMS (now Pembina Gas Infrastructure) from 2012 to 2018, and has extensive experience in joint venture, business development, and contract negotiations. Mr. Cohen has a Bachelor of Commerce degree with distinction from the University of Calgary and is a Chartered Financial Analyst (CFA) charterholder. Mr. Cohen also serves on the board of Bonavista Energy Corporation.

Areas of Expertise

- Capital / Financial Markets
- Financial & Accounting
- Mergers & Acquisitions
- Strategic Planning
- Operational Management

2022 Board/Committee Memberships		Attendance at Meetings during 2022			
Board		4 of 4	100%		
Health, Safety and Environment		3 of 3	100%		
Other Public Company Board Memberships			Public Board Interlocks		
None			None		
Securities Held					
Common Shares	Percentage⁽⁵⁾	Total Market Value of Common Shares⁽⁶⁾			
6,200	0.00%	\$17,794			
Options Held					
Date Granted	Expiry Date	Outstanding	Grant Price⁽⁷⁾	Value of In-the-Money Unexercised Options⁽⁸⁾	
June 29/22	June 28/27	46,504	\$4.80	-	
RSUs Held					
Outstanding			Value of Outstanding RSUs⁽⁹⁾		
N/A			N/A		
Voting Results of 2022 Annual Meeting					
Votes For		Votes Withheld		Total Votes Cast	
3,510,443,840	96.24%	136,967,043	3.76%	3,647,410,883	

Lorne A. Gartner⁽¹⁾⁽²⁾⁽³⁾

Age: 73
 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.

2022 Board/Committee Memberships		Attendance at Meetings during 2022	
Board		9 of 9	100%
Audit		4 of 4	100%
Corporate Governance and Compensation		4 of 4	100%
Health, Safety and Environment		5 of 5	100%

Areas of Expertise

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

Other Public Company Board Memberships		Public Board Interlocks				
None		None				
Securities Held						
Common Shares	Percentage ⁽⁵⁾	Total Market Value of Common Shares ⁽⁶⁾				
53,250	0.16%	\$152,828				
Options Held						
Date Granted	Expiry Date	Outstanding	Grant Price ⁽⁷⁾	Value of In-the-Money Unexercised Options ⁽⁸⁾		
Aug 3/18	Aug 2/23	182	\$103.20	-		
Aug 20/19	Aug 19/24	144	\$28.80	-		
Aug 25/20	Aug 24/25	644	\$31.80	-		
May 26/22	May 25/27	46,504	\$4.80	-		
RSUs Held						
Outstanding		Value of Outstanding RSUs ⁽⁹⁾				
77		\$221				
Voting Results of 2022 Annual Meeting		Votes For	Votes Withheld	Total Votes Cast		
		3,304,793,808	90.61%	342,617,075	9.39%	3,647,410,883

Alex R.N. MacAusland⁽¹⁾

Age: 55

Calgary, Alberta Canada

Director since

December 1, 2013

Not Independent⁽¹⁰⁾

Mr. MacAusland, a founder of Western, has over 30 years of management and operational experience in the energy 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 he 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

2022 Board/Committee Memberships		Attendance at Meetings during 2022				
Board		9 of 9		100%		
Health, Safety and Environment		5 of 5		100%		
Other Public Company Board Memberships		Public Board Interlocks				
None		None				
Securities Held						
Common Shares	Percentage ⁽⁵⁾	Total Market Value of Common Shares ⁽⁶⁾				
370,390	1.09%	\$1,063,019				
Options Held ⁽¹¹⁾						
Date Granted	Expiry Date	Outstanding	Grant Price ⁽⁷⁾	Value of In-the-Money Unexercised Options ⁽⁸⁾		
Aug 3/18	Aug 2/23	3,098	\$103.20	-		
Aug 20/19	Aug 19/24	2,447	\$28.80	-		
Aug 25/20	Aug 24/25	3,333	\$31.80	-		
May 26/22	May 25/27	784,249	\$4.80	-		
RSUs Held ⁽¹¹⁾						
Outstanding		Value of Outstanding RSUs ⁽⁹⁾				
201		\$577				
Voting Results of 2022 Annual Meeting		Votes For	Votes Withheld	Total Votes Cast		
		2,678,772,414	73.44%	968,638,469	26.56%	3,647,410,883

Ronald P. Mathison
Age: 66
Calgary, Alberta Canada
Director since
December 17, 2010
Independent⁽⁴⁾
Chairman of the Board

Mr. Mathison is the President, CEO and Chairman of Matco Investments Ltd. ("MATCO"), a private investment holding company which invests in the oil and gas and oilfield services industries, in real estate and in selected other opportunities. MATCO may provide both capital and management expertise, depending on the context. Mr. Mathison has extensive experience in financing corporations and in executing business transactions, in both the public and private markets. Until October of 2000, Mr. Mathison was a director and principal of Peters & Co. Limited, an investment firm specializing in the energy industry. Prior thereto, Mr. Mathison and two other individuals formed the nucleus of Peters & Co. Capital, a private merchant banking entity that is widely associated with numerous restructurings of oil and natural gas exploration and production companies and oilfield service companies. Mr. Mathison received a B.Comm. (Honours) from the University of Manitoba in 1979. He obtained his Chartered Accountant designation in 1982 and he was granted his Fellow of the Chartered Professional Accountants in 2015. Mr. Mathison also holds the designation of Chartered Business Valuator, obtained in 1989; and is a Chartered Financial Analyst charterholder, earned in 1990.

Areas of Expertise

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

2022 Board/Committee Memberships		Attendance at Meetings during 2022				
Board		9 of 9		100%		
Other Public Company Board Memberships		Public Board Interlocks				
Calfrac Well Services Ltd.		None				
Securities Held						
Common Shares	Percentage ⁽⁵⁾	Total Market Value of Common Shares ⁽⁶⁾				
4,158,958 ⁽¹²⁾	12.29%	\$ 11,936,209				
Options Held						
Date Granted	Expiry Date	Outstanding	Grant Price ⁽⁷⁾	Value of In-the-Money Unexercised Options ⁽⁸⁾		
Aug 3/18	Aug 2/23	182	\$103.20	-		
Aug 20/19	Aug 19/24	144	\$28.80	-		
Aug 25/20	Aug 24/25	644	\$31.80	-		
May 26/22	May 25/27	46,504	\$4.80	-		
RSUs Held						
Outstanding		Value of Outstanding RSUs ⁽⁹⁾				
103		\$296				
Voting Results of 2022 Annual Meeting		Votes For	Votes Withheld	Total Votes Cast		
		3,278,398,192	89.88%	369,012,691	10.12%	3,647,410,883

John R. Rooney⁽¹⁾⁽²⁾⁽³⁾
Age: 66
Calgary, Alberta Canada
Director since
December 22, 2009
Independent⁽⁴⁾
Audit Committee Chair

Mr. Rooney is a Calgary-based entrepreneurial executive with a technical background in finance. Mr. Rooney is a Chartered Accountant and a Chartered Business Valuator. Currently, Mr. Rooney is Chairman of Tamarack Valley Energy Ltd, a public oil and gas company, and Chairman of Kara Technologies Inc., a company dedicated to developing the next generation of technology for the economic production of low emission fuels. Previously, Mr. Rooney has founded and run a number of public oil & gas companies, including as Chairman & CEO of Northern Blizzard Resources Inc. from December 2009 until June 2017, CEO of TUSK Energy Corporation from January 2007 until April of 2009, President & CEO of Zenas Energy Inc. from August 2005 to December 2007, and President & CEO of Blizzard Energy Inc. from December 2002 to July 2005.

Areas of Expertise

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

2022 Board/Committee Memberships		Attendance at Meetings during 2022			
Board		9 of 9		100%	
Audit		4 of 4		100%	
Corporate Governance and Compensation		4 of 4		100%	
Health, Safety and Environment		5 of 5		100%	
Other Public Company Board Memberships		Public Board Interlocks			
Tamarack Valley Energy Ltd.		None			
Securities Held					
Common Shares	Percentage ⁽⁵⁾	Total Market Value of Common Shares ⁽⁶⁾			
125,445	0.37%	\$360,027			
Options Held					
Date Granted	Expiry Date	Outstanding	Grant Price ⁽⁷⁾	Value of In-the-Money Unexercised Options ⁽⁸⁾	
Aug 3/18	Aug 2/23	182	\$103.20	-	
Aug 20/19	Aug 19/24	144	\$28.80	-	

Aug 25/20	Aug 24/25	644	\$31.80	-
May 26/22	May 25/27	46,504	\$4.80	-
RSUs Held				
Outstanding			Value of Outstanding RSUs⁽⁹⁾	
77			\$221	
Voting Results of 2022 Annual Meeting				
		Votes For	Votes Withheld	Total Votes Cast
		3,304,763,494	90.61%	3,647,410,883

Notes:

- (1) Member of the Health, Safety and Environment Committee. Mr. Cohen is Chair of the Health, Safety and Environment Committee.
- (2) Member of the Corporate Governance and Compensation Committee. Mr. Boehm is Chair of the Corporate Governance and Compensation Committee.
- (3) Member of the Audit Committee. Mr. Rooney is Chair 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 33,841,324 Common Shares outstanding as of March 20, 2023.
- (6) Total Market Value of Common Shares was determined by multiplying the number of Common Shares held by each director nominee as of March 20, 2023 by \$2.87, which was the closing price of the Common Shares on the TSX on that date.
- (7) The grant prices included have been adjusted to reflect the Consolidation described under the section, *Share Price Performance in Relation to Executive Compensation*.
- (8) Based on the difference between the December 31, 2022 closing price of the Common Shares on the TSX of \$3.39 per share and the grant price of the Option (as defined herein) in each instance where the closing price is greater than the grant price.
- (9) Value of the outstanding RSUs (not including Cash RSUs as defined herein) was determined by multiplying the number of RSUs held by each director nominee as of March 20, 2023 by \$2.87, which was the closing price of the Common Shares on the TSX on March 20, 2023.
- (10) Mr. Alex R.N. MacAusland is not independent as he is the President and CEO of the Corporation.
- (11) Mr. Alex R.N. MacAusland was granted Options and RSUs for serving as an officer of the Corporation.
- (12) A portion of these Common Shares are held indirectly through MATCO, and held in trust by Mr. Mathison for his children.
- (13) AIMCo Nominee.

As at March 20, 2023, the directors, proposed directors and officers of Western, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 5,099,216 Common Shares, or approximately 15.1% of the issued and outstanding Common Shares, based on 33,841,324 issued and outstanding Common Shares. As at March 20, 2023, the directors, proposed directors and officers of Western, as a group, had outstanding stock options to purchase 1,945,498 Common Shares ("**Options**") and 714 equity settled restricted Common Share units ("**RSUs**").

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set forth below, none of the proposed directors is, as at the date of this Information Circular, or has been in the last ten years before the date of this Information Circular: (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 relevant company access to any exemptions under securities legislation, for a period of more than 30 consecutive days (each, an "**Order**"), that was issued while the proposed director was acting in that capacity; or (ii) was subject to an Order 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.

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. An order for discharge of the receiver was pronounced in August 2018.

None of the proposed directors has, within the last ten years before the date of this Information Circular, 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 or her 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 Chair of the Board (the “**Board Chair**”) is paid an additional retainer of \$20,000 to be inclusive of meeting fees, a \$15,000 additional annual retainer is paid to the Chair of the Audit Committee and a \$10,000 additional annual retainer is paid to each of the Chair of the Corporate Governance and Compensation Committee and the Chair of the Health, Safety and Environment Committee.

Miscellaneous out-of-pocket expenses reasonably incurred by the directors in carrying out their duties are reimbursed by Western.

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, 2022.

Name ⁽¹⁾	Fees Earned (\$)	Share-based Awards ⁽²⁾ (\$)	Option-based Awards ⁽³⁾ (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
George S. Armoyan ⁽⁴⁾	34,521	-	-	-	-	-	34,521
Trent Boehm ⁽⁵⁾	40,960	-	100,197	-	-	-	141,157
Colleen Cebuliak ⁽⁵⁾	36,329	-	100,197	-	-	-	136,526
Tomer Cohen ⁽⁶⁾	35,042	-	108,798	-	-	-	143,840
Donald D. Copeland ⁽⁴⁾	34,521	-	-	-	-	-	34,521
Lorne A. Gartner	60,000	-	100,197	-	-	-	160,197
Ronald P. Mathison	80,000	-	100,197	-	-	-	180,197
John R. Rooney	75,000	-	100,197	-	-	-	175,197

Notes:

- (1) Information for Mr. Alex R.N. MacAusland, President and Chief Executive Officer of Western, is provided under “*Compensation of Named Executive Officers - Summary Compensation Table*”.
- (2) No share-based awards were granted during the 2022 fiscal year.
- (3) 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 2.5%; (ii) average expected life of 2.0 years; (iii) volatility of 99.1%; and (v) a forfeiture rate of 9.9%. This methodology is consistent with the method used to estimate the fair value of Options in Western’s financial statements. The estimated value of the option-based awards at the time each grant was approved was less than \$100,000, calculated using a Black-Scholes option pricing model based on the assumptions listed above.
- (4) Mr. Armoyan and Mr. Copeland did not stand for re-election in 2022 and ceased being directors effective June 29, 2022.
- (5) Mr. Boehm and Ms. Cebuliak were appointed to the Board effective May 24, 2022.
- (6) Mr. Cohen was appointed to the Board effective June 29, 2022.

Summary of Board Meeting Attendance

Board and committee meeting attendance is 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	
George S. Armoyan ⁽¹⁾	5 of 5	100%	N/A	N/A	1 of 1	100%	N/A	N/A
Trent Boehm ⁽²⁾	4 of 4	100%	N/A	N/A	3 of 3	100%	N/A	N/A
Colleen Cebuliak ⁽²⁾	4 of 4	100%	2 of 2	100%	N/A	N/A	3 of 3	100%
Tomer Cohen ⁽³⁾	4 of 4	100%	N/A	N/A	N/A	N/A	3 of 3	100%
Donald D. Copeland ⁽¹⁾	5 of 5	100%	2 of 2	100%	N/A	N/A	2 of 2	100%
Lorne A. Gartner	9 of 9	100%	4 of 4	100%	4 of 4	100%	5 of 5	100%
Alex R.N. MacAusland ⁽⁴⁾	9 of 9	100%	N/A	N/A	N/A	N/A	5 of 5	100%
Ronald P. Mathison	9 of 9	100%	N/A	N/A	N/A	N/A	N/A	N/A
John R. Rooney	9 of 9	100%	4 of 4	100%	4 of 4	100%	5 of 5	100%

Notes:

- (1) Messrs. Armoyan and Copeland did not stand for re-election in 2022 and ceased being directors effective June 29, 2022.
- (2) Mr. Boehm and Ms. Cebuliak were appointed to the Board effective May 24, 2022.
- (3) Mr. Cohen was appointed to the Board effective June 29, 2022.
- (4) 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, 2022 made to the non-management directors. Information on the share-based awards and option-based awards granted to Mr. Alex R.N MacAusland who currently serves as a director and officer of the Corporation can be found in the section “*Compensation of Named Executive Officers*” in the sub-section “*Incentive Plan Awards*” under the heading “*Outstanding Share-Based Awards and Option-Based Awards*”.

Name	Option Based Awards				Share-Based Awards ⁽¹⁾		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ⁽²⁾ (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽³⁾ (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards ⁽⁴⁾ (\$)	Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed (\$)
Trent Boehm	46,504	4.80	May 25, 2027	-	-	-	-
Colleen Cebuliak	46,504	4.80	May 25, 2027	-	-	-	-
Tomer Cohen	46,504	4.80	June 28, 2027	-	-	-	-
Lorne A. Gartner	182	103.20	Aug 2, 2023	-	77	261	-
	144	28.80	Aug 19, 2024	-			
	644	31.80	Aug 24, 2025	-			
	46,504	4.80	May 25, 2027	-			
Ronald P. Mathison	182	103.20	Aug 2, 2023	-	103	349	-
	144	28.80	Aug 19, 2024	-			
	644	31.80	Aug 24, 2025	-			
	46,504	4.80	May 25, 2027	-			

Option Based Awards					Share-Based Awards ⁽¹⁾		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ⁽²⁾ (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽³⁾ (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards ⁽⁴⁾ (\$)	Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed (\$)
John R. Rooney	182	103.20	Aug 2, 2023	-	77	261	-
	144	28.80	Aug 19, 2024	-			
	644	31.80	Aug 24, 2025	-			
	46,504	4.80	May 25, 2027	-			

Notes:

- (1) Consists of RSUs, including Cash RSUs (as defined herein), granted pursuant to the RSU Plan.
- (2) Options granted prior to August 2, 2022 have been restated to reflect the Consolidation as defined herein.
- (3) Based on the closing share price of the Common Shares on December 31, 2022 of \$3.39.
- (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 \$3.39 on December 31, 2022.

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, 2022.

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 (\$)
Trent Boehm	-	-	-
Colleen Cebuliak	-	-	-
Tomer Cohen	-	-	-
Lorne A. Gartner	-	384	-
Ronald P. Mathison	-	511	-
John R. Rooney	-	384	-

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) Includes RSUs and Cash RSUs, as applicable, the aggregate dollar value realized upon vesting of share-based awards. The value is based on the market value of the underlying Common 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*” in this Information Circular.

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 regularly reviews the compensation practices of comparable companies.

In particular, the Corporate Governance and Compensation Committee: (a) reviews and approves, as required, Western’s goals and objectives relevant to the compensation of the President and CEO and the CEO compensation is based on that review; (b) reviews and recommends 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) reviews executive compensation disclosure before Western publicly discloses such information.

The current members of the Corporate Governance and Compensation Committee are Trent Boehm (Chair), Lorne A. Gartner and John R. Rooney.

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

Trent Boehm (Chair)

Mr. Boehm has held leadership positions at Canadian investment banks over the course of the last 22 years. Most recently Mr. Boehm held the position of Vice Chairman and Head of Energy Sales and was a member of the executive committee at Stifel Nicolaus Canada which operates under the brands Stifel FirstEnergy and Stifel GMP in Canada. From 2016 to 2019, Mr. Boehm served as a Managing Director and Head of Energy Sales and member of the executive committee at Canadian public company, GMP Capital. This role commenced when GMP successfully acquired employee-owned FirstEnergy Capital in 2016. From 2002 to 2016 Mr. Boehm was a Managing Director and Head of Capital Markets at FirstEnergy Capital, where he was an integral part of the leadership team that built this privately held firm into a widely respected authority on the energy sector. Mr. Boehm holds a Chartered Financial Analyst designation in addition to a Bachelor of Commerce degree from the University of Calgary.

Lorne A. Gartner

Mr. Gartner is an independent businessman. From May of 2000 until March of 2006 he was the Managing Director of Royal Bank of Canada Capital Markets based out of Houston, Texas. In this position, Mr. Gartner was responsible for overseeing the bank's United States energy portfolio. Prior to that time, he was a Vice President of Royal Bank of Canada, Calgary Energy Group. Mr. Gartner has 40 years of banking experience in Canada and the United States with an excess of 20 years of experience in energy banking and has a Bachelor of Commerce Degree from the University of Alberta with a specialization in finance.

John R. Rooney

Mr. Rooney is an independent businessman and is the chair of the board of Tamarack Valley Energy Ltd. Mr. Rooney was the chair of the board and CEO of Northern Blizzard Resources Inc., a publicly traded crude oil and gas company, from November 2009 to June 2017 and was acting CEO from June 2017 to November 2017. 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.

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 Option Plan and the RSU Plan. The objective of the compensation program is to attract, retain and motivate employees to meet the Corporation’s short and long-term business goals, as well as create alignment between pay and the results of the Corporation. The Corporation’s program balances market competitive total compensation designed to achieve short-term profitability and growth with long-term shareholder value. 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. Options and 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 Option Plan and the 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 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 contribution.

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. See “*Risk Oversight in Relation to Compensation Policies and Practices*” below.

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. For 2022 Western looked to the following primary market competitors in comparing its Senior Executive and NEOs compensation:

Akita Drilling Inc.	Precision Drilling Corporation
CWC Energy Services Corp.	Total Energy Services Inc.
Ensign Energy Services Inc.	

Independent Compensation Consultant

In 2022, Mercer (Canada) Limited (“**Mercer**”) was retained and received fees for its annual total compensation survey for the energy sector.

Services Provided	Fees in 2022	Fees in 2021
Executive Compensation Related Fees	\$nil	\$nil
Other fees ⁽¹⁾	\$8,032	\$9,950

Notes:

(1) Fees paid to Mercer for Western’s participation in, and access to, the annual market surveys carried out by Mercer in Canada.

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, including risks that are likely to have a material adverse effect on the Corporation:

- 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 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 and Cash RSUs (as defined below) 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 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;
- the Board has adopted an Incentive Compensation Clawback Policy concerning any incentive compensation received by an executive officer or former executive officer made under Western's annual and long-term incentive plans (see "*Incentive Compensation and Clawback Policy*" below); and
- other than in the case of new hires, Western does not generally award off-cycle grants of Options or RSUs.

The Corporate Governance and Compensation Committee also ensures that the Corporation's executive compensation programs are administered according to the laws and regulations and stock exchange policies which govern the Corporation, as well as its compensation objectives. The Board has not identified any material risks in the Corporation's executive compensation programs and practices that might reasonably be expected to have a material adverse effect on the Corporation.

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; and
- 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.

Incentive Compensation Clawback Policy

Further, the Board has adopted an Incentive Compensation Clawback Policy concerning any incentive compensation received by an executive officer or former executive officer made under Western's annual and long-term incentive plans, including all equity and equity-based incentive compensation plans ("**Incentive-Based Compensation**"). The policy permits the board of directors, in instances where it determines it is in the Corporation's best interests to do so, to require reimbursement of all or a portion of Incentive-Based Compensation paid or granted to a current or former executive officer that: (a) was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of or affected by a material restatement of all or a portion of Western's financial statements; and (b) the executive officer or former executive officer of Western engaged in intentional misconduct or fraud that caused or partially caused the need for the restatement, as admitted by the executive officer or former executive officer or, in the absence of such admission, as determined by a court of competent jurisdiction in a final judgment that cannot be appealed; and (c) the incentive compensation payment received would have been lower had the financial results been properly reported.

The Incentive Compensation Clawback 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 the Corporation's short-term results. 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

Under the Corporation's compensation program, the target STIP pool is established by determining the total 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 guidelines:

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 property and equipment, 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.

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.

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.

In recent periods, giving consideration to the Corporation's financial position and industry conditions, the actual amount available for payment in respect of the STIP plan has been adjusted downward to an amount that the Board, upon recommendation of Management, determined is financially sustainable for the Corporation while also reflecting the Board's compensation philosophy.

The 2022 ROCE exceeded target and TRIF was below target. In accordance with the STIP plan, the target STIP payment amount for NEOs was \$1,309,022. However, the actual STIP payment was reduced by the Board, upon recommendation of Management, to \$1,020,000. In 2021, the ROCE payout threshold and the TRIF target were exceeded. In accordance with the STIP plan, the target STIP payment amount for NEOs was \$1,412,543. However, the actual STIP payment was reduced by the Board, upon recommendation of Management, to \$375,500.

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.

Existing or proposed directors, officers, employees and consultants are eligible to participate in the Option Plan. The 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. Subject to any limitations imposed by any relevant stock exchange or regulatory authority, the exercise price of an Option granted under the Option Plan shall be determined by the Board (at the recommendation of the Corporate Governance and Compensation Committee), but the exercise price shall not be less than the closing trading price of Western's Common Shares on the trading day immediately prior to such date of grant. Subject to approval by the TSX, if the Exercise Price Amendment is approved by Shareholders at the Annual and Special Meeting, the exercise price of Options granted under the Option Plan will be the volume weighted average trading price of Western's Common Shares on the TSX for the five trading days preceding the grant date instead of the closing price of the Common Shares on the trading day prior to the grant date. The Corporate Governance and Compensation Committee may recommend to the Board the time during which Options vest and the method of vesting, or that no such vesting restriction shall exist. In the absence of any such restriction as to vesting options granted vest at a rate of one third each on the grant date, first and second anniversaries of the date of grant, and shall have a maximum term of five years. The term and other provisions of the Options are subject to the terms of the Option Plan. Previous grants are not taken into account when considering new grants of Options. See *"Matters to be Acted Upon at the Meeting – Amendments to the Stock Option Plan"*.

RSUs

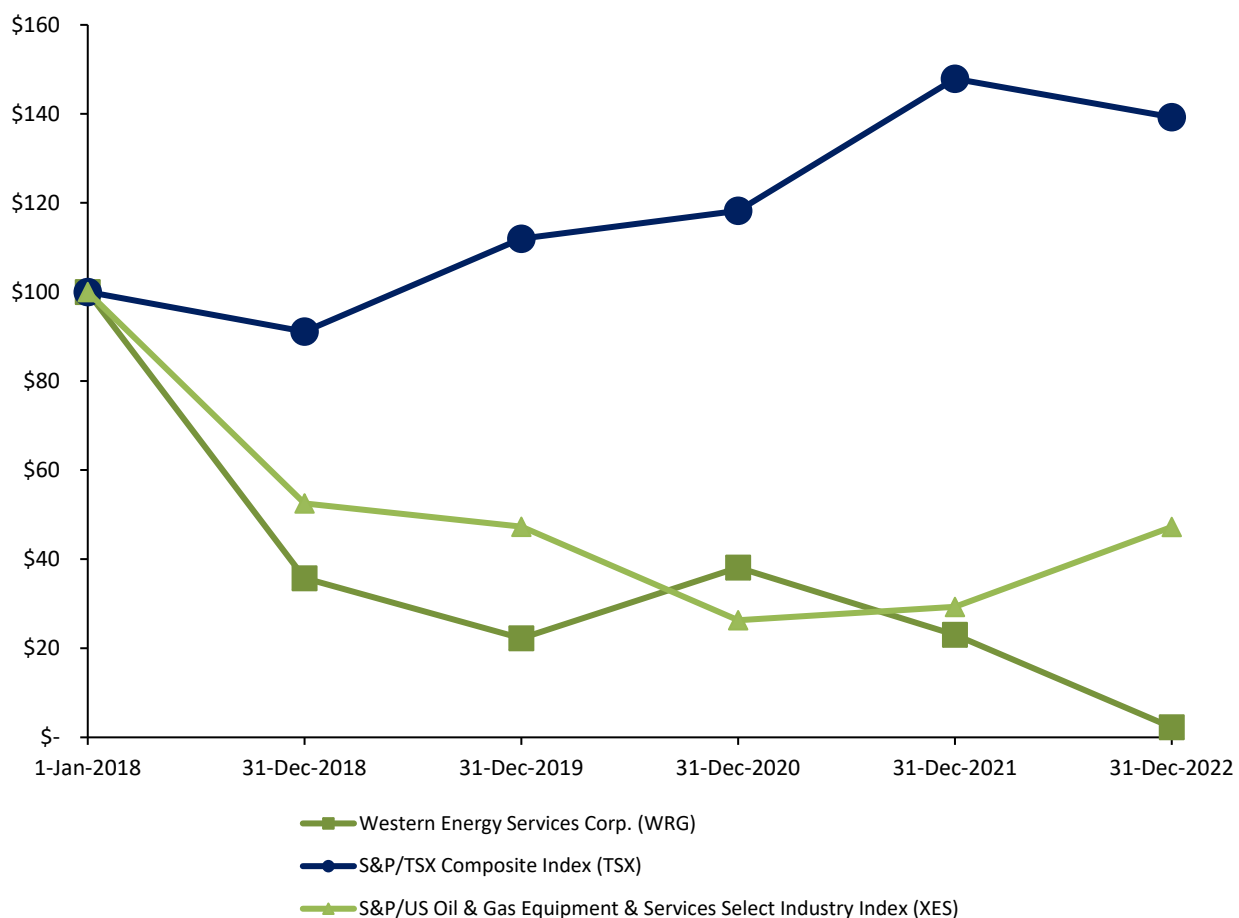
Existing or proposed directors, officers, employees and consultants are eligible to participate in the RSU Plan. The RSU Plan authorizes the Board to issue RSUs. Awards of RSUs are made from time to time to participants at varying levels consistent with the individual's position and responsibility. The 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 vest at a rate of one third each on the first, second and third anniversaries of the date of grant. Upon vesting RSUs can be settled at the sole discretion of the Board (at the recommendation of the Corporate Governance and Compensation Committee) through the issue of Common Shares from treasury or through purchase on the Toronto Stock Exchange, or settlement may be in the form of cash in which case the number of vested RSUs would be multiplied by the vesting date share price to determine the quantum of the cash settlement (for clarity, RSUs settled with Common Shares are referred to herein as **"RSUs"** while those settled in cash will be referred to as **"Cash RSUs"**, Cash RSUs are not considered dilutive).

Performance Analysis

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

Share Price Performance Graph since 2018

The following graph compares the cumulative total return on Western's Common Shares from January 1, 2018 to December 31, 2022 with the S&P/TSX composite index and the S&P/US oil & gas equipment & services select industry index for the same period. It assumes an initial investment of \$100 on January 1, 2018, with all dividends reinvested.



	SYMBOL	01-Jan-18 (\$)	31-Dec-18 (\$)	31-Dec-19 (\$)	31-Dec-20 (\$)	31-Dec-21 (\$)	31-Dec-22 (\$)
Western Common Shares	WRG	100.00	35.71	22.22	38.10	23.02	2.24
S&P/TSX Composite Index	^TSX	100.00	91.11	111.96	118.23	147.89	139.25
S&P/US oil & gas equipment & services select industry index	^XES	100.00	52.51	47.27	26.30	29.28	47.23

Share Price Performance in Relation to Executive Compensation

Each of the following four NEOs, being Alex R.N. MacAusland, Jeffrey K. Bowers, J. Aaron MacAusland and R. Ross Clancy, have been with the Corporation since before December 31, 2014. The other NEO, being Jack R. Pepper, has been with the Corporation since before April 30, 2015. Over the period of December 31, 2014 to December 31, 2022, Western's drilling rig fleet increased from 53 to 56 owned (44 marketed) drilling rigs, making Western the fourth largest drilling contractor in Canada (based on the number of rigs currently registered with the Canadian Association of Energy Contractors ("CAOEC")) and further diversified into the United States. In 2015, Western successfully completed a significant capital build program. In 2018 and 2019, Western established operations in the Permian basin in the United States, acquiring and re-furbishing one rig and re-deploying an underutilized Canadian rig. In 2022 Western initiated and implemented a program to upgrade a significant portion of its drilling rig fleet to align with operator requirements in the current drilling environment. Over this same time period, the well servicing rig fleet has remained steady to total 65 service rigs at December 31, 2022.

A significant crude oil and natural gas price decline started in June 2014. The low commodity price environment drove a significant reduction in drilling activity in Canada, continuing through the first half of 2017 and reaching bottom in 2016. Operators remained focused on shareholder returns and debt repayment, further constraining capital spending. Global crude markets received some support with OPEC intervention in 2017 and there was a modest increase in operator capital spending. However, in October 2018, continued production growth from shale oilfields in the United States and a lower than anticipated reduction in exports from Iran resulted in higher than expected global crude oil supply, which put considerable pressure on crude oil pricing. This pricing pressure was compounded in Canada as refinery maintenance and crude oil egress limitations resulted in record wide differentials for Canadian realized crude oil prices. In response to the situation facing oil producers in Alberta, the Government of Alberta mandated an oil production curtailment which was gradually relaxed. This narrowed the pricing differential however, the curtailment significantly suppressed industry drilling activity in 2019.

In March 2020, the World Health Organization declared a global pandemic in response to the COVID-19 outbreak, which led to demand destruction worldwide as countries implemented emergency measures such as lockdowns, to prevent the spread of the COVID-19 virus. The significant decrease in global demand for crude oil, coupled with an international price war, resulted in historic lows and increased volatility in crude oil prices. In 2021, crude oil and natural gas prices improved substantially as restrictions were eased and demand recovered, however, the recovery in energy services activity lagged significantly as producers remained cautious in their drilling activity, directing higher portions of free cash flow to debt reduction and shareholder returns and less to production growth. During 2022, energy services industry conditions strengthened in Canada and the US, as commodity prices remained firm, affected by the Russian invasion of Ukraine on February 24, 2022, OPEC supply management, post-COVID resurgence in demand and a lagging recovery in supply. These positive factors were tempered by labour shortages, supply chain issues and cautious producer spending as operators continued to direct a higher proportion of their free cash flows to debt repayment and returning cash to shareholders through share buybacks and dividends.

Over this period, Western continually adapted to the rapidly changing, uncertain business environment, focusing on cost management, profitability, liquidity and balance sheet preservation, navigating within the constraints of the depressed Canadian industry environment and the demand destruction caused by the COVID-19 pandemic and subsequently adjusting to the gradual recovery that started in 2022. Overhead and administrative support levels were scaled to match activity levels, maintenance capital was carefully managed and expansion capital was targeted to projects that leveraged our existing fleet and delivered compelling returns and rapid payback.

During the first quarter of 2018, the Corporation successfully re-financed its Senior Notes, by re-paying the \$265.0 million 7% Senior Notes with a combination of a single draw on a new \$215.0 million 7.25% Second Lien Facility, cash on hand and funds available under the Corporation's existing Credit Facilities. The re-financing reduced interest costs, improved total debt metrics and extended long term debt maturity to January 31, 2023. In the fourth quarter of 2018, the Corporation voluntarily decreased the borrowing limit on its Revolving Facility from \$70.0 million to \$50.0 million in Q4 2018, reducing interest costs. In conjunction with the rightsizing of the Credit Facilities, the Corporation removed the debt service coverage ratio, increasing financial flexibility.

On December 31, 2020, the Corporation amended the terms and extended the maturity of the Credit Facilities to July 1, 2022 and obtained covenant relief for the third and fourth quarters of 2021. In conjunction with the amended Credit Facilities, Western obtained a \$12.5 million committed term non-revolving facility (the "**HSBC Facility**") with the participation of Business Development Bank of Canada ("**BDC**") under BDC's Business Credit Availability Program ("**BCAP**"). The BCAP program was implemented to help small and medium sized companies directly impacted by the COVID-19 pandemic, by providing additional liquidity to cover operating costs. The Corporation used the proceeds to fund interest and principal payments under the Second Lien Facility.

On May 18, 2022, the Corporation completed a recapitalization and restructuring transaction (the "**Restructuring Transaction**"), including the issuance of 16,407,229 (1,968,867,475 pre-consolidation) Common Shares upon the exercise of rights to purchase Common Shares at an exercise of \$1.92 per share (the "**Rights Offering**"), for aggregate gross proceeds of approximately \$31.5 million, and the conversion of \$100.0 million of principal amount under the Second Lien Facility into 16,666,667 (2,000,000,000 pre-consolidation) Common Shares at an issuance price of \$6.00 per Common Share. \$10.0 million of the proceeds from the Rights Offering were paid by the Corporation to AIMCo to further reduce the principal amount outstanding under the Second Lien Facility as part of the Restructuring Transaction, with the remainder of the proceeds being applied to pay the expenses of the Restructuring Transaction and to pay for upgrades to the Company's rig fleet. Further, the Second Lien Facility was amended to provide for an extension of the maturity of the remaining principal amount of the Second Lien Facility from January 31, 2023 to May 18, 2026 and an increase in the interest rate from 7.25% to 8.5%.

In addition, the Corporation's senior secured credit facilities (the "**Senior Facilities**") were amended effective May 18, 2022. The amendments to the Senior Facilities included: (a) an extension of the maturity of the Senior Facilities from July 1, 2022 to May 18, 2025; (b) a reduction in the amount available under the syndicated revolving facility of the Senior Facilities from \$50.0 million to \$35.0 million, with no change to the amount of the \$10.0 million operating facility; and (c) revisions to certain financial covenants.

On August 2, 2022, Western completed a share consolidation of the Corporation's issued and outstanding Common Shares (the "**Consolidation**") at a ratio of one post-consolidation common share for every 120 pre-consolidation Common Shares. The Consolidation reduced the number of issued and outstanding Common Shares of the Company from 4,060,663,214 Common Shares to 33,838,886 Common Shares, and proportionate adjustments were made to the Company's outstanding restricted share units, options and the weighted average number of shares.

The issuance of a large number of Common Shares in connection with the Restructuring Transaction had a dilutive impact on the Common Shares which, when combined with the impact of the Consolidation, resulted in considerable trading price volatility during the course of the Restructuring Transaction which did not directly reflect the performance of the Corporation's business.

Western's Corporate Governance and Compensation Committee believes that the compensation paid to the NEOs in 2022 was appropriate considering the challenges associated with navigating through changing market conditions and resuming normal business practices following the disruption of the COVID-19 pandemic, while managing capital, operating and overhead expenditures to preserve the balance sheet, spending considerable time and effort overseeing the Restructuring Transaction and transactions related thereto to a successful completion, meeting objectives, combined with re-building of staffing levels during a critical labour shortage. The Share Price Performance Graph since 2018 set forth above and the Summary Compensation Table set forth below demonstrate the correlation that exists between the compensation paid to Western's NEOs and Western's total shareholder return ("**TSR**") over the three-year period, taking into account the impact of Restructuring Transaction on the trading price of the Common Shares. Senior Executives' total reported (versus realizable) compensation over the past five years has trended down in conjunction with Western's TSR, and the impact on Western's TSR from the decline in the share prices of North American energy service companies throughout the period to 2022 is reflected in the difference between the realizable and reported compensation of Western's CEO and CFO, as illustrated in the tables under the heading, *Reported vs. Realizable Compensation* later in this management information circular. 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 Board Chair of the Corporation, (ii) a vice chair of the Board 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, 2022, there were five NEOs being Alex R.N. MacAusland, President and Chief Executive Officer; Jeffrey K. Bowers, Senior Vice President, Finance, Chief Financial Officer and Corporate Secretary; Jack R. Pepper, Vice President, Operations and Business Development, Stoneham Drilling; J. Aaron MacAusland, Vice President, Operations, Horizon Drilling; and R. Ross Clancy, Vice President, Production Services.

The following table sets forth all annual and long-term compensation information concerning the total compensation paid to the NEOs for the most recent three years.

Name and Principal Position	Year	Salary (\$)	Share-based Awards ⁽²⁾ (\$)	Option-based Awards ⁽³⁾ (\$)	Non-equity incentive Plan Compensation ⁽⁴⁾ (\$)	Pension Value (\$)	All Other Compensation ⁽⁵⁾ (\$)	Total Compensation (\$)
Alex R.N. MacAusland ⁽¹⁾ President and Chief Executive Officer	2022	525,000	-	1,689,730	420,000	-	91,151	2,725,881
	2021	525,000	-	-	162,500	-	87,966	775,466
	2020	525,000	19,091	40,000	250,000	-	82,097	916,188
Jeffrey K. Bowers Senior Vice President Finance, Chief Financial Officer and Corporate Secretary	2022	375,000	-	1,226,615	300,000	-	77,846	1,979,461
	2021	375,000	-	-	130,000	-	67,327	572,327
	2020	375,000	13,637	30,000	200,000	-	72,597	691,234
Jack R. Pepper ⁽⁶⁾ Vice President, Operations and Business Development, Stoneham Drilling	2022	325,056	-	256,399	100,000	-	114,319	795,774
	2021	304,272	-	-	-	-	102,928	407,200
	2020	305,568	4,365	10,545	-	-	100,037	420,515
J. Aaron MacAusland Vice President, Operations, Horizon Drilling	2022	262,500	-	280,436	100,000	-	18,557	661,493
	2021	239,238	-	-	50,000	-	17,065	306,303
	2020	232,500	4,227	10,545	55,000	-	19,490	321,76
R. Ross Clancy ⁽⁷⁾ Vice President, Production Services	2022	250,000	-	267,082	100,000	-	25,459	642,541

Notes:

(1) Mr. Alex R.N. MacAusland is not compensated for his role as a director of the Corporation.

- (2) Includes RSUs and Cash RSUs and represents the fair value of the share-based awards granted during the applicable 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 the closing prices of the Common Shares on the date before the applicable calculation date, being \$0.265 for RSUs issued on August 25, 2020.
- (3) The grant date fair value for compensation disclosure purposes is calculated using a Black-Scholes option pricing model with the following assumptions: For 2022 - (i) average risk-free interest rate of 2.5%; (ii) average expected life of 2.0 years; (iii) volatility of 99.1%; and (iv) a forfeiture rate of 9.9%. For 2020 - (i) average risk-free interest rate of 0.2%; (ii) average expected life of 2.0 years; (iii) volatility of 72.2%; and (iv) a forfeiture rate of 12.6%. This methodology is consistent with the method used to estimate the fair value of Options in Western's financial statements.
- (4) These represent annual cash bonuses in respect of the particular fiscal year. There are no non-equity long-term incentive plans.
- (5) All Other Compensation for each of the NEOs is comprised of the following elements: Mr. Alex R.N. MacAusland: monthly car allowance, monthly parking, physical wellness allowance and RRSP contributions; Mr. Bowers: monthly car allowance, monthly parking, physical wellness allowance and RRSP contributions; Mr. Pepper: monthly car allowance, monthly living allowance and 401k contributions; Mr. J. Aaron MacAusland: vehicle, physical wellness allowance, and RRSP contributions; and Mr. Clancy: vehicle, monthly parking, physical wellness allowance, and RRSP contributions.
- (6) Mr. Pepper's compensation has been translated into Canadian dollars from US dollars based on the daily rate of exchange for US\$:C\$ published by the Bank of Canada on the following dates: December 31, 2022: 1.3544, December 31, 2021: 1.2678 and December 31, 2020: 1.2732.
- (7) Prior to 2022, Mr. Clancy was not a Named Executive Officer.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding at December 31, 2022 made to the NEOs.

Name	Option-Based Awards				Share-Based Awards ⁽⁴⁾		
	Number of Securities Underlying Unexercised Options ⁽¹⁾ (#)	Option Exercise Price ⁽²⁾ (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽³⁾ (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards that have not Vested ⁽⁵⁾ (\$)	Market or Payout Value of Value Vested Share-Based Awards not Paid out or Distributed (\$)
Alex R.N. MacAusland President and Chief Executive Officer	3,098	103.20	Aug 2, 2023	-	201	681	-
	2,447	28.80	Aug 19, 2024	-			
	3,333	31.80	Aug 24, 2025	-			
	784,249	4.80	May 25, 2027	-			
Jeffrey K. Bowers Senior Vice President Finance, Chief Financial Officer and Corporate Secretary	2,213	103.20	Aug 2, 2023	-	143	485	-
	1,748	28.80	Aug 19, 2024	-			
	2,500	31.80	Aug 24, 2025	-			
	569,305	4.80	May 25, 2027	-			
Jack Pepper, Vice President, Operations and Business Development, Stoneham Drilling	708	103.20	Aug 2, 2023	-	45	153	-
	559	28.80	Aug 19, 2024	-			
	879	31.80	Aug 24, 2025	-			
	119,002	4.80	May 25, 2027	-			
J. Aaron MacAusland Vice President, Operations, Horizon Drilling	686	103.20	Aug 2, 2023	-	44	149	-
	542	28.80	Aug 19, 2024	-			
	879	31.80	Aug 24, 2025	-			
	130,158	4.80	May 25, 2027	-			
R. Ross Clancy Vice President, Production Services	620	103.20	Aug 2, 2023	-	40	136	-
	489	28.80	Aug 19, 2024	-			
	879	31.80	Aug 24, 2025	-			
	123,960	4.80	May 25, 2027	-			

Notes:

- (1) Options to purchase Common Shares.
- (2) Options and the exercise price of such options granted prior to August 2, 2022 have been restated to reflect the Consolidation as defined herein.

- (3) Based on the closing share price of the Common Shares on December 31, 2022 of \$3.39.
(4) Consists of RSUs and Cash RSUs pursuant to the RSU Plan.
(5) 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 \$3.39 on December 31, 2022.

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, 2022.

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⁽³⁾ (\$)
Alex R.N. MacAusland President and Chief Executive Officer	-	1,003	420,000
Jeffrey K. Bowers Senior Vice President Finance, Chief Financial Officer and Corporate Secretary	-	720	300,000
Jack Pepper, Vice President, Operations and Business Development, Stoneham Drilling	-	228	100,000
J. Aaron MacAusland Vice President, Operations, Horizon Drilling	-	222	100,000
R. Ross Clancy Vice President, Production Services	-	199	100,000

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 which includes RSUs and Cash RSUs. The value is based on the market value of the underlying Common Shares on the vesting date.
(3) These represent annual cash bonuses in 2022. There are no non-equity long-term incentive plans.

Reported vs. Realizable Compensation

The tables below show Messrs. MacAusland and Bowers' long-term incentive awards compared to their actual payouts for the past five years and the point-in-time estimates of the unpaid balance (or gain in the case of options).

Alex R.N. MacAusland Long-term Incentive Compensation (RSUs and Options)	2018 (\$)	2019 (\$)	2020 (\$)	2021⁽²⁾ (\$)	2022 (\$)
Grant Value Reported	132,152	32,871	59,091	-	1,689,730
Paid in 2018	-	-	-	-	-
Paid in 2019	4,023	-	-	-	-
Paid in 2020	3,799	3,257	-	-	-
Paid in 2021	4,429	4,042	6,781	-	-
Paid in 2022	-	355	648	-	-
Total Paid	12,251	7,654	7,429	-	-
Estimated unvested/unexercised value ⁽¹⁾	-	-	681	-	-
Total paid plus unvested/unexercised value	12,251	7,654	8,110	-	-
Total paid plus unvested value as a % of grant value reported	9%	23%	14%	0%	0%
Net realizable compensation from Grant Value Reported	(119,901)	(25,217)	(50,980)	-	(1,689,730)

Jeffrey K. Bowers Long-term Incentive Compensation (RSUs and Options)	2018 (\$)	2019 (\$)	2020 (\$)	2021⁽²⁾ (\$)	2022 (\$)
Grant Value Reported	94,388	23,478	43,637	-	1,226,615
Paid in 2018	-	-	-	-	-
Paid in 2019	2,873	-	-	-	-
Paid in 2020	2,713	2,326	-	-	-
Paid in 2021	3,163	2,887	4,844	-	-
Paid in 2022	-	257	463	-	-
Total Paid	8,749	5,470	5,307	-	-
Estimated unvested/unexercised value ⁽¹⁾	-	-	485	-	-
Total paid plus unvested/unexercised value	8,749	5,470	5,792	-	-
Total paid plus unvested value as a % of grant value reported	9%	23%	13%	0%	0%
Net realizable compensation from Grant Value Reported	(85,639)	(18,008)	(37,845)	-	(1,226,615)

Notes:

- (1) The estimated unvested values represent the value of unvested RSUs and Cash RSUs and in-the-money unexercised Options calculated using the closing trading price of the Common Shares on the TSX on December 31, 2022 (\$3.39). These are point-in-time estimations and can vary significantly depending on changes in share price.
- (2) No RSUs or Options were granted in 2021.

Termination and Change of Control Benefits

Messrs. MacAusland and Bowers (hereinafter the “**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) the greater of, two 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 two most recently completed performance years or two times annual salary. 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 employees or 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 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, 2022.

Name	Annual Salary Component (\$)	Loss of Benefits and Perquisites Component (\$)	Loss of Bonus Component (\$)	Total Severance Amount (\$)
Alex R.N. MacAusland	1,050,000	210,000	1,050,000	2,310,000
Jeffrey K. Bowers	750,000	150,000	750,000	1,650,000

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, 2022, pursuant to the accelerated vesting provisions of the Option Plan and RSU Plan.

Name	Option-Based Award Payments ⁽¹⁾ (\$)	Share-Based Award Payments ⁽²⁾ (\$)
Alex R.N. MacAusland	-	681
Jeffrey K. Bowers	-	485
Jack R. Pepper	-	153
J. Aaron MacAusland	-	149
R. Ross Clancy	-	136

Notes:

- (1) Upon the occurrence of a change of control and the termination of the NEO’s employment without cause or by the employee for Good Reason (as defined in the Option Plan), in either case within 12 months of such change of control, all unvested Options as at December 31, 2022 would immediately vest and be paid to the NEO in accordance with the Option Plan. See “*Securities Authorized for Issuance under Equity Compensation Plans – Long-Term Incentive Equity Plans*”. The amount represents the total value of unexercised Options that are in-the-money based on \$3.39, the closing price of the Common Shares on the TSX on December 31, 2022.
- (2) Upon the occurrence of a change of control and the termination of the NEO’s employment without cause or by the employee for Good Reason (as defined in the RSU Plan), in either case within 12 months of such change of control, all unvested RSUs and Cash RSUs as at December 31, 2022 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 and Cash RSUs as at December 31, 2022 based on \$3.39, the closing price of the Common Shares on the TSX on December 31, 2022.

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 long-term incentive equity plans which include the Option Plan and the RSU Plan.

The 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 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 up to 5% of the Shares will be allocated to the RSU Plan for treasury settled RSUs 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 Option Plan

The following is a summary of the Option Plan.

This summary is qualified in its entirety by reference to the full text of the Option Plan, which was filed on May 1, 2017 under Western's profile at www.sedar.com.

Purpose and Eligibility

The purpose of the Option Plan is to develop the interest of existing or proposed directors, employees and consultants of Western and its subsidiaries and other persons who provide ongoing management or consulting services to Western or its subsidiaries in the growth and development of Western by providing them with the opportunity through share purchase options to acquire an increased proprietary interest in Western.

Participation Limits

The Option Plan provides that the number of Common Shares issuable pursuant to Options granted shall not exceed 10% of the aggregate number of issued and outstanding Common Shares at any given time. The number of Common Shares issuable to insiders pursuant to Options granted under the 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 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 Option Plan is 5% of the outstanding Common Shares.

The maximum number of Common Shares issuable to non-employee directors under the Option Plan shall not exceed 1% of the total number of Common Shares outstanding from time to time and the total annual grant to any one non-employee director shall not exceed an annual equity value of \$100,000 (based on a Black-Scholes calculation). Grants of Options and grants under any other security-based compensation arrangement to non-employee directors shall not exceed an annual equity value of \$150,000 to each non-employee director (based on a Black-Scholes calculation).

Number of Common Shares Issued and Issuable

As of December 31, 2022, there were 3,109,490 Options issued and outstanding, representing 9.2% of the issued and outstanding Common Shares. Accordingly, as at December 31, 2022, when combined with the total number of

Common Shares reserved for issuance under the RSU plan there were approximately 272,911 unallocated Options available for issuance under the Option Plan representing approximately 0.8% of the issued and outstanding Common Shares.

Burn Rate

The Corporation's annual burn rate, as calculated in accordance with Section 613(p) of the TSX Company Manual, under the Option Plan was as follows:

	2022 ⁽³⁾	2021	2020
Total Options Granted	3,085,135	43,620	2,484,600
Total Options Exercised	724	62,772	-
Weighted average number of Common Shares	23,581,155	91,372,740	91,253,251
Annual burn rate ⁽¹⁾	13.1%	0.0%	2.7%
Annual Option exercise rate ⁽²⁾	0.0%	0.0%	0.0%

Notes:

- (1) The burn rate is calculated based on the total number of Options granted in the year divided by the weighted average number of Common Shares issued and outstanding during the year. The 2022 burn rate as well as the weighted average number of Common Shares, were impacted by the Restructuring Transaction and Rights Offering described previously.
- (2) The exercise rate is calculated based on the total number of Options exercised divided by the weighted average number of Common Shares issued and outstanding during the year.
- (3) The 2022 Common Shares and Option values reflect the Consolidation described previously.

724 Common Shares were issued pursuant to the Option Plan during the financial year ended December 31, 2022. 62,772 Common Shares were issued pursuant to the Option Plan during the financial year ended December 31, 2021. No Common Shares were issued pursuant to the Option Plan during the financial year ended December 31, 2020.

Granting of Options

The Option Plan provides that, at the time of granting an Option under the 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 Option Plan as the closing price of a Common Share on the trading day prior to the date of grant on the TSX. Subject to approval by the TSX, if the Exercise Price Amendment is approved by Shareholders at the Annual and Special Meeting, the definition of market value will be revised to be the volume weighted average trading price of a Common Share on the TSX for the five trading days prior to the date of grant. The Board (or a committee thereof) will determine, at the time of granting an Option under the 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. See *"Matters to be Acted Upon at the Meeting – Amendments to the Stock Option Plan"*.

Vesting

The Board (or a committee thereof) may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist. In the absence of any such determination as to vesting, vesting 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.

The Board has resolved that vesting provisions for Options granted by Western shall vest 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

If an optionee ceases to be a participant of the Option Plan as a result of a Change of Control and the termination of such optionee's employment with Western either (i) by Western without Just Cause; or (ii) by the optionee for Good Reason (as such terms are defined in the Option Plan) in either case in connection with or within 12 months of such Change of Control, the vesting date for all outstanding Options held by such optionee shall be deemed to have occurred on the date notice of termination of employment by the optionee is given by Western or on the date such notice is given by the optionee to Western, as the case may be.

In the event of a Change of Control of the Corporation, a participant in the 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 therein and the Corporation may (but is not obligated to) accept such offer subject to regulatory approval. If the offer is accepted, the Options in respect of which the offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant its former holder any further rights thereunder upon payment of the amount agreed to by the participant and Western.

The 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 make provision that upon exercise of an Option following the effective date of such transaction, 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 obligation of the Corporation to the holders of Options in respect of the Common Shares subject to the Option shall terminate. Any adjustments or any determinations as to fair market value of any securities pursuant to the foregoing shall be made by the Board (or a committee thereof), and any reasonable determination made by the Board (or a committee thereof) shall be binding and conclusive.

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, or providing ongoing management or consulting services to 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 Option Plan states each Option shall provide that upon the death of an optionee, the Option shall terminate on a date determined by the Board (or a committee thereof), which shall not be more than 12 months from the date of death and, in the absence of such determination, such date shall be 6 months from the date of death. The Option Plan does not provide for any assignability of Options.

Western does not provide financial assistance to plan participants in connection with the Option Plan.

Amendments

The 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 Option Plan and may amend the terms and conditions of Options granted under the 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 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 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 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 Option Plan; (f) amend the Option Plan to remove or exceed participation limits of non-employee directors; or (g) amend the Option Plan to provide for other types of compensation through equity issuance.

Summary of RSU Plan

The following is a summary of the RSU Plan. In 2016, the Board adopted the RSU Maximum Issuance Amendment and the Administrative RSU Plan Amendments (each as defined in the Corporation's management information circular dated April 6, 2017) both of which were approved by Shareholders in 2017.

This summary is qualified in its entirety by reference to the full text of the RSU Plan, which was filed on May 1, 2017 under Western's profile at www.sedar.com.

Purpose

The purpose of the RSU Plan is to: (i) strengthen the ability of Western and its affiliates to attract and retain qualified directors, 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; or (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 volume weighted average for the five days on which the Common Shares were traded immediately preceding such date) 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.

Western does not provide financial assistance to plan participants in connection with 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 and the Eligible Participant ceasing to participate in the RSU Plan either (A) as a result of a Termination Without Cause; or (B) by the Eligible Participant for Good Reason (as such terms are defined in the RSU Plan) in either case in connection with or within 12 months of such Change of Control, 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 maximum number of Common Shares which may be reserved for issuance: (i) (A) under the RSU Plan shall not exceed 5% of the total number of Common Shares issued and outstanding from time to time; 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.

As of December 31, 2022, there were 1,731 RSUs granted and outstanding under the RSU plan, representing approximately 0.0% of the issued and outstanding Common Shares. Accordingly, as of December 31, 2022, when combined with the total number of Common Shares reserved for issuance under the Option Plan, there are approximately 272,911 unallocated RSUs available for issuance under the RSU Plan, representing approximately 0.8% of the issued and outstanding Common Shares.

Burn Rate

The Corporation's annual burn rate, as calculated in accordance with Section 613(p) of the TSX Company Manual, under the RSU Plan was as follows:

	2022 ⁽²⁾	2021	2020
Total RSUs Granted	-	11,140	924,210
Weighted average number of Common Shares	23,581,155	91,372,740	91,253,251
Annual burn rate ⁽¹⁾	0.0%	0.0%	1.0%

Notes:

- (1) The burn rate is calculated based on the total number of RSUs granted in the year divided by the weighted average number of Common Shares issued and outstanding during the year. The burn rate is subject to change, from time to time, based on changes in the components to the calculation.
- (2) The 2022 Common Shares and RSU values reflect the Consolidation described previously.

A total of 2,454 Common Shares were issued pursuant to the RSU Plan during the financial year ended December 31, 2022, representing 0.0% of the total Common Shares outstanding.

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 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.

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) 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 the death of the grantee, the grantee shall be entitled to the number of RSU's granted (whether vested or not) 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.

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 if a grantee dies, in which case Common Shares or cash shall be delivered to the grantee's legal representative or beneficiary (as set forth 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 a 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 a RSU, and if a grantee ceases to be an Eligible Participant either: (A) as a result of a Termination Without Cause; or (B) by the grantee for Good Reason (as such terms are defined in the RSU Plan) in either case, in connection with or within 12 months of such Change of Control all of a grantee's RSUs that have not yet vested as of such time shall vest on the date the notice of termination of employment, and payment shall be made to the grantee within 31 days of such date, or such other date as may be agreed to by Western and the grantee.

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 (which shall be reflected in the award agreement). 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 a 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 any Eligible Participant; (iii) any amendments to the RSU Plan to remove or to exceed the insider or non-employee director 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) any amendment that would permit unit awards to be transferable or assignable other than for normal estate settlement purposes; and (vi) any amendment to the amendment provisions of the RSU Plan.

Equity Compensation Plan Information

The following table sets forth information as at December 31, 2022 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 (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (c) (excluding securities reflected in column (a))
Equity compensation plans approved by security holders			
Option Plan	3,109,490	\$5.33	272,911 ⁽¹⁾
RSU Plan ⁽²⁾	1,731	N/A	.. ⁽³⁾
Equity compensation plans not approved by security holders	None	N/A	N/A
Total	3,111,221		272,911⁽⁴⁾

Notes:

- (1) The total number of Options available as at December 31, 2022.
- (2) The maximum number of Common Shares issuable under the RSU Plan shall not exceed 5% of the aggregate number of issued and outstanding Common Shares included in the LTIP limit of 10%.
- (3) The total number of RSUs available as at December 31, 2022.
- (4) The maximum number of Common Shares issuable under the LTIPs shall not exceed 10% of the aggregate number of issued and outstanding Common Shares.

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 – *Disclosure of Corporate Governance Practices*, 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.

Name	Audit	Corporate Governance & Compensation	Health, Safety & Environment
Trent Boehm	---	Chair	---
Colleen Cebuliak	✓	---	✓
Tomer Cohen	---	---	Chair
Lorne A. Gartner	✓	✓	✓
Alex R.N. MacAusland	---	---	✓
Ronald P. Mathison (Chair of the Board)	---	---	---
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, 2022 available under Western’s profile 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 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 A. 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 chair to provide leadership to the Board and to serve as chair at shareholders meetings. The chair also sets the agenda of all Board meetings and ensures the provision of accurate, timely and clear information to the directors. In addition, the Board Chair 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.

6 of 7 Proposed Directors are “Independent”

The Board was composed of seven members for the year ended December 31, 2022: Trent Boehm, Colleen Cebuliak, Tomer Cohen, Lorne A. Gartner, Alex R.N. MacAusland, Ronald P. Mathison 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 three 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 six out of the seven proposed 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 Chair 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
Chair of the Board	Ronald P. Mathison	✓
Chair of the Audit Committee	John R. Rooney	✓
Chair of the Corporate Governance and Compensation Committee	Trent Boehm	✓
Chair of the Health, Safety & Environment Committee	Tomer Cohen	✓

The Chair 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 separate meetings solely of independent directors were held in 2022.

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 chair of the Audit Committee and Chief Executive Officer, receives reports of all alleged wrongdoing raised through Western's anonymous incident reporting system (the "**Incident Reporting System**"), which is administered directly by an independent third-party service provider. All submissions made through the Incident Reporting System are handled confidentially by the service provider and are forwarded to Western's designates for review and investigation as follows:

- i. the Chairman of the Audit Committee, through the Incident Reporting System, will receive reports of alleged wrongdoing relating to any theft, fraud, questionable accounting (including internal accounting controls) or auditing matters or any other financial matters; and
- ii. the Chief Executive Officer of Western, through the Incident Reporting System, will receive reports of alleged wrongdoing relating to any matter other than those financial matters described in subparagraph (i) above.

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

The responsibility to nominate new directors has been assigned to the Corporate Governance and Compensation Committee which is composed entirely of independent directors. 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 Chair 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. In considering nominees to the Board, the Committee takes into account the Corporation's obligations under the Investor Rights Agreement, including the obligation to appoint two AIMCo Nominees and to not have more than eight directors on the Board without AIMCo's consent.

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*". In 2017, the Board instituted an Incentive Compensation Clawback Policy, a copy of which is available on the Corporation's website at www.wesc.ca. This policy grants the Board authority to direct and take action to prevent or rectify any unjust enrichment of an executive officer who may have received incentive compensation as the result of intentional misconduct by the executive. 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.

Assessment

The directors are asked to complete a questionnaire each year 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 lose 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 Corporate Governance and Compensation Committee is responsible for reviewing and assessing Board composition, including the identification of new candidates. The Corporate Governance and Compensation Committee will consider gender and other diversity criteria in identifying and assessing candidates to recommend for nomination or appointment to the Board. To the extent an external advisor is used to identify potential candidates, the external advisor will be instructed to use diversity in its assessment criteria and use best efforts to ensure at least one female candidate is identified.

The Board has adopted a formal diversity policy (the “**Diversity Policy**”) for identifying and assessing candidates for the Board. The purpose of the Diversity Policy is to balance the skills, experience and expertise on the Board, with diversity representation, including age, gender, ethnicity and geographic location. In particular, the Diversity Policy recognizes that gender diversity is a significant aspect of diversity and acknowledges the contribution that women with the right skills and experience can make to the diversity of perspectives in the boardroom.

In accordance with the Diversity Policy, on an annual basis, the Corporate Governance and Compensation Committee will (i) assess the effectiveness of the Board appointment and nomination processes at achieving the Corporation’s diversity objectives, and (ii) consider and determine measurable objectives for achieving diversity on the Board by considering, among other things, the number of women on the Board and considered for appointment or nomination.

In order to ensure the effective implementation of the Diversity Policy, as part of the annual review, the Corporate Governance and Compensation Committee will review (i) the number of women considered or brought forward for Board positions; (ii) the skills, knowledge, experience and other characteristics of female candidates to ensure such candidates are being fairly considered relative to other candidates; and (iii) the number of women on the Board and the proportion (in percentage terms) of persons on the Board who are women.

The Board believes that appropriate consideration will be given to diversity characteristics pursuant to the Diversity Policy. The Board is actively working toward identifying women whose skills and experience would be appropriate for nomination to the board over the next year. The Board has considered the current executive officer positions of the Corporation, as well as the makeup of other members of senior management, which includes women. Given current industry conditions and the resulting reduction in Western’s work force, including among its executive officers, the Board has determined not to adopt formal targets for women in executive officer positions or on the Board at this time.

As of the date hereof, the Board is comprised of one female director (14% of the Board members) and six male directors (86% of the Board members).

As at the date hereof, two of Western’s executive officers are female (18%).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, no current or former director, executive officer or employee of Western is indebted to Western or its subsidiaries. At no time during the financial year ended December 31, 2022 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 “*Interest of Management and Others in Material Transactions*” in Western’s Annual Information Form dated February 28, 2023 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 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 or in any proposed or ongoing transaction of Western which has or would materially affect Western or any of its subsidiaries.

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 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 or the appointment of auditors.

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, 2022 and 2021 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"

WESTERN ENERGY SERVICES CORP. (THE "CORPORATION")

MANDATE OF THE BOARD OF DIRECTORS

Stewardship of the Corporation

1. The Board of Directors (the "**Board**") of the Corporation 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 on the Board 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 and Qualifications

3. A majority of the Board will, at all times, be independent as defined in applicable securities laws and the rules or guidelines of any stock exchange upon which the shares of the Corporation are listed ("**Applicable Laws**").
4. In addition to the qualifications required by Applicable Laws, directors must have an appropriate mix of skills, knowledge and experience in business and or industry, as well as an understanding of the Corporation's principal operational and financial objectives, plans and strategies, and financial position and performance.
5. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership.

Board Meetings

6. 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;
 - (b) at each regularly scheduled meeting, hold in-camera sessions of the independent directors without management and non-independent directors present; and

7. In the discharge of its responsibilities, the Board may meet with any internal personnel or external advisors in open or closed sessions, as needed or appropriate.

Board Chair and Lead Director

8. The Board is responsible to annually select an independent director to serve as Board chair (the “**Chair**”) (or if the Chief Executive Officer (“**CEO**”) is also the Board Chair, a lead director who is an independent 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

9. 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 on an annual basis;
 - (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; and
 - (d) develop position descriptions for the Board Chair and the chair of each committee; and
 - (e) regularly receive and consider reports and recommendations of each Committee.

Supervision of Management

10. The Board is responsible to:
 - (a) select and appoint the CEO, and with the assistance of the Corporate Governance and Compensation Committee, establish the CEO's goals and objectives and evaluate CEO performance on at least an annual basis;
 - (b) together with the CEO, develop a position description for the CEO which includes a description of management's responsibilities;
 - (c) assist the CEO to select and appoint executive officers, establish executive officers' goals and objectives and monitor their performance on at least an annual basis;
 - (d) with the assistance of the Corporate Governance and Compensation Committee, maintain and review annually a succession plan for the replacement of the CEO and the Corporation's executive officers; and

- (e) generally provide advice and guidance to management.

Governance

- 11. The Board is responsible to:
 - (a) annually review 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**”) and on the advice of the Corporate Governance and Compensation Committee either approve or require revisions to 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 throughout the Corporation, and further, that business is 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 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 also understand the nature and operation of the Corporation's business; and
 - (d) provide continuing education opportunities for all directors, so that Board members 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

- 12. The Board is responsible to:
 - (a) approve and maintain a process for the Corporation's stakeholders to contact the independent directors directly with concerns and questions regarding the Corporation; and
 - (b) ensure the Corporation endeavors to keep its shareholders informed of its progress through an annual report, annual information form, quarterly interim reports and periodic press releases. Directors and management meet with shareholders at the Corporation's annual shareholder meeting and are available to respond to questions at that time.

Waivers and Conflicts

- 13. 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

14. The Board has the responsibility to:
- (a) adopt a strategic planning process and approve, 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

15. The Board has the responsibility to:
- (a) adopt a process to identify the principal business risks of the Corporation, including environmental and social risks, and to ensure the implementation of appropriate systems, policies and procedures to manage those risks including review such risk management strategies annually; 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 (such that the Board satisfies itself as to the accurate, timely and effective communication to the Corporation's shareholders and the investment community of developments material to the Corporation);
 - (ii) internal controls over financial reporting; and
 - (iii) management information systems.

Financial Management

16. 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) management's discussion and analysis of financial condition and results of operations;
 - (iii) relevant sections of the Corporation's annual report, annual information form and management information circular containing financial information;
 - (iv) forecasted financial information and forward-looking statements;
 - (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 of the Corporation's, and all material divestitures and acquisitions.

Materials

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

Advisors

18. 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

19. The Board will assess, on an annual basis, the adequacy of this Mandate of the Board.
20. The Board will assess, on at least an annual basis, the effectiveness of the Board, the committees of the Board and each individual director. An assessment will consider:
 - (a) in the case of the Board or a committee of the Board, its mandate or charter, as applicable;
 - (b) in the case of an individual director, the applicable position descriptions, as well as the competencies and skills each individual director is expected to bring to the Board; and
 - (c) the opinions and recommendations of the Corporate Governance and Compensation Committee.

Ratified by the Board of Directors, October 25, 2022.

SCHEDULE "B"

MARKED COPY OF THE STOCK OPTION PLAN

WESTERN ENERGY SERVICES CORP.

STOCK OPTION PLAN

As Amended Effective [●], 2023

1. Purpose of Plan

The purpose of this plan (the "**Plan**") is to develop the interest of existing or proposed Directors, Employees and Consultants of Western Energy Services Corp. (the "**Corporation**") and its subsidiaries and other persons who provide or are proposed to provide ongoing management or consulting services to the Corporation or its subsidiaries in the growth and development of the Corporation by providing them with the opportunity through share purchase options to acquire an increased proprietary interest in the Corporation.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation (the "**Board**"), or if appointed, by a committee of directors appointed from time to time by the Board (such committee, or if no such committee is appointed, the Board is hereinafter referred to as the "**Committee**") pursuant to rules of procedure fixed by the Board.

3. Granting of Options

The Committee may from time to time designate existing or proposed Directors, Employees and Consultants of the Corporation and its subsidiaries or any Insider of or other Service Provider to the Corporation and its subsidiaries (collectively, the "**Optionees**") to whom options ("**Options**") to purchase common shares ("**Common Shares**") of the Corporation may be granted and the number of Common Shares to be optioned to each and may grant such Options, provided that:

- (a) the number of Common Shares reserved for issuance on exercise of all Options outstanding under the Plan at any time shall not exceed 10% of the Outstanding Common Shares at the time in question (the "**Common Share Maximum**") subject to adjustment as set forth in Section 10 and as hereinafter provided;
- (b) the number of Common Shares reserved for issuance under the Plan to any one Optionee shall not exceed 5% of the Outstanding Common Shares;
- (c) the number of Common Shares issuable to Insiders, at any time, under all Share Compensation Arrangements, shall not exceed 10% of the Outstanding Common Shares;
- (d) the number of Common Shares issued to Insiders, within any one year period, under all Share Compensation Arrangements, shall not exceed 10% of the Outstanding Common Shares;
- (e) the number of Common Shares reserved for issuance to any one Consultant in a 12 month period shall not exceed 2% of the number of Outstanding Common Shares;
- (f) the number of Common Shares reserved for issuance to Optionees employed to provide Investor Relations Activities shall not exceed, in any 12 month period, in the aggregate, 2% of the number of Outstanding Common Shares;
- (g) a grant of Options pursuant to this Plan shall constitute a representation by the Corporation that the Optionee is a bona fide Director, Employee or Consultant; and

- (h) the maximum number of Common Shares reserved for issuance to Non-Employee Directors under this Plan shall be 1% of the Outstanding Common Shares, and the total annual grant to any one Non-Employee Director should not exceed an annual equity value of \$100,000 to each Non-Employee Director (based on a Black-Scholes calculation). Grants of Options and grants under all other Share Compensation Arrangement to Non-Employee Directors should not exceed an annual equity value of \$150,000 to each Non-Employee Director (based on a Black-Scholes calculation).

The Common Shares that are reserved for issuance on exercise of Options granted pursuant to this Plan that are cancelled, terminated or expire prior to the exercise of all or a portion thereof shall be available for a subsequent grant of Options pursuant to this Plan to the extent of any Common Shares issuable thereunder that are not issued under such cancelled, terminated or expired Options.

Subject to all necessary regulatory approvals, the Common Share Maximum, once in effect, may be increased by the Board with the approval of the shareholders of the Corporation and, if required, by the stock exchanges (if any) upon which the Common Shares are then listed.

Notwithstanding anything else in this Plan, all grants of Options made pursuant to this Plan shall be subject to the Corporation's Incentive Compensation Clawback Policy.

4. Vesting

- (a) The Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist. In the absence of any determination by the Committee as to vesting, vesting shall be as to 1/3rd of the number of Options granted on the date of grant, as to 1/3rd of the number of Options on the first anniversary of the date of grant and as to 1/3rd of the number of Options granted on the second anniversary of the date of grant.
- (b) Notwithstanding any other provision of this Plan or the terms of any written option agreement as described in Section 12 hereof, if an Optionee ceases to be a participant of this Plan as a result of a Change of Control (whether or not such Change of Control occurs as a result of a transaction described in Section 9 hereof) and the termination of such Optionee's employment with the Corporation either (i) by the Corporation without Just Cause, or (ii) by the Optionee for Good Reason, in either case in connection with or within 12 months of such Change of Control, the vesting date for all outstanding Options held by such Optionee shall be deemed to have occurred on the date notice of termination of employment of the Optionee is given to the Optionee by the Corporation or on the date notice of termination of employment of the Optionee is given to the Corporation by the Optionee.
- (c) Subject to Subsection 4(b), the Committee may, at its sole discretion at any time or in the option agreement in respect of any Options granted, accelerate or provide for the acceleration of, vesting of Options previously granted.
- (d) Notwithstanding anything in this Section 4, in the case of Options granted to Optionees employed to provide Investor Relations Activities, such Options shall vest in stages over yearly stages with no more than 1/4 of such Options vesting in any three month period.

5. Exercise Price

The exercise price (the "**Exercise Price**") of an Option granted under the Plan shall be as determined by the Committee 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. In the case of a reduction to the Exercise Price of Options held by Insiders, disinterested shareholder approval shall be obtained where the Optionee is an Insider of the Corporation at the time of the proposed reduction to the Exercise Price of such Options.

6. Option Terms

The period during which an Option is exercisable shall, subject to the provisions of the Plan requiring acceleration of rights of exercise, be such period as may be determined by the Committee at the time of grant provided that no Option may be exercised beyond five (5) years from the date of grant. Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee and shall not be assignable. In addition, each Option shall provide that:

- (a) upon the death of the Optionee, the Option shall terminate on the date determined by the Committee which shall not be more than twelve (12) months from the date of death and, in the absence of any determination by the Committee, will be the date that is six (6) months following the date of death;
- (b) Subject to Subsection 4(b), if the Optionee shall no longer be a director or officer of, be in the employ of or be providing ongoing management or consulting services to the Corporation, the Option shall terminate on the expiry of the period (the "**Termination Date**") not in excess of six (6) months prescribed by the Committee at the time of grant, following the date that the Optionee ceases to be a director, officer or employee of the Corporation, or ceases to provide ongoing management or consulting services to the Corporation, as the case may be and, in the absence of any determination by the Committee, the Termination Date will be 90 days following the date the Optionee shall no longer be a director or officer of, be in the employ of or be providing ongoing management or consulting services to the Corporation; and
- (c) in the case of an Option granted to an Optionee employed to provide Investor Relations Activities, such Option shall expire within 30 days after the Optionee ceases to be employed to provide Investor Relations Activities;

provided that the number of Common Shares that the Optionee (or his heirs or successors) shall be entitled to purchase until the Termination Date shall be the number of Common Shares which the Optionee was entitled to purchase on the date of death or the date the Optionee ceased to be an officer, director or employee of, or ceased providing ongoing management or consulting services to, the Corporation, as the case may be.

7. Exercise of Option

Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its head office or such other place as may be specified by the Corporation, of a written notice of exercise specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the shares then being purchased.

8. Surrender Offer

In the event of a Change of Control, an Optionee may make an offer (the "**Surrender Offer**") to the Corporation, at any time, for the disposition and surrender by the Optionee to the Corporation (and the termination thereof) of any of the Options granted hereunder for an amount (not to exceed fair market value) specified therein by the Optionee and the Corporation may, but is not obligated to, accept the Surrender Offer, subject to any regulatory approval required. If the Surrender Offer, either as made or as renegotiated, is accepted, the Options in respect of which the Surrender Offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant the Optionee any further rights thereunder upon payment of the amount of the agreed Surrender Offer by the Corporation to the Optionee.

9. Mergers, Amalgamation and Sale

If the Corporation shall become merged (whether by plan of arrangement or otherwise) or amalgamated in or with another corporation or entity or shall sell the whole or substantially the whole of its assets and undertakings for shares or securities of another corporation or other entity, the Corporation shall, subject to this Section 9, make provision that, upon exercise of an Option after the effective date of such merger, amalgamation or sale, the

Optionee shall receive such number of shares of the continuing successor corporation or other entity in such merger or amalgamation or the securities or shares of the purchasing corporation or other entity as the Optionee would have received as a result of such merger, amalgamation or sale if the Optionee had purchased the shares of the Corporation immediately prior thereto for the same consideration paid on the exercise of the Option and had held such shares on the effective date of such merger, amalgamation or sale and, upon such provision being made, the obligation of the Corporation to the Optionee in respect of the Common Shares subject to the Option shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof. Adjustments under this section or any determinations as to fair market value of any securities shall be made by the Committee, and any reasonable determination made by the Committee shall be binding and conclusive.

10. Acceleration of Vesting and Termination of Option in the Event of Approved Take-Over Bid

In the event of an Approved Take-Over Bid, Optionees shall have the right to exercise Options granted hereunder to purchase all of the Common Shares which have not been previously purchased under such Options, but any such Common Shares not otherwise vested and exercisable may only be purchased for tender pursuant to such Approved Take-Over Bid. If for any reason such Common Shares are not so tendered or, if tendered, are not for any reason taken up and paid for by the offeree pursuant to such Approved Take-Over Bid, any such Common Shares so purchased by an Optionee shall be and be deemed to be cancelled and returned to treasury of the Corporation, shall be added back to the number of Common Shares, if any, remaining unexercised under the applicable Option and, upon presentation to the Corporation of share certificates representing such shares properly endorsed for transfer back to the Corporation, the Corporation shall refund to the Optionee all consideration paid on the exercise thereof. In the event an Approved Take-Over Bid is made and Common Shares are taken up and paid for pursuant to such Approved Take-Over Bid, the Corporation shall have the right to satisfy any obligations to an Optionee in respect of any Options not exercised by paying to the Optionee, in cash, the difference between the Exercise Price of unexercised Options and the fair market value of the securities to which the Optionee would have been entitled upon exercise of the unexercised Options on such date, which determination of fair market value shall be conclusively made by the Committee. Upon payment as aforesaid, the Options shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof.

11. Alterations in Shares

In the event, at any time or from time to time, that the share capital of the Corporation shall be consolidated or subdivided prior to the exercise by the Optionee, in full, of any Option in respect of all of the Common Shares granted or the Corporation shall pay a dividend (other than in the ordinary course) upon the Common Shares by way of issuance to the holders thereof of additional Common Shares, securities or other assets, or other relevant changes in the share capital of the Corporation, Options with respect to any Common Shares which have not been purchased at the time of any such consolidation, subdivision, stock dividend or other change shall be proportionately adjusted (including as to the number of Common Shares subject to the Option and the exercise price thereof, as applicable) so that the Optionee shall from time to time, upon the exercise of an Option, be entitled to receive the number of shares, securities or other property of the Corporation he would have held following such consolidation, subdivision, stock dividend or other change if the Optionee had purchased the shares and had held such shares immediately prior to such consolidation, subdivision, stock dividend or other change. Upon any such adjustments being made, the Optionee shall be bound by such adjustments and shall accept the terms of such Options in lieu of the Options previously outstanding.

12. Option Agreements

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to Option, the Exercise Price, provisions as to vesting and expiry and any other terms approved by the Committee, all in accordance with the provisions of this Plan. The agreement will be in such form as the Committee may from time to time approve or authorize the officers of the Corporation to enter into and may contain such terms as may be considered necessary in order that the Option will comply with this Plan, any provisions respecting Options in the *Income Tax Act* (Canada) or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen and the rules of any regulatory body having jurisdiction over the Corporation.

13. Regulatory Authorities Approvals

The Plan shall be subject to the approval, if required, of any stock exchange on which the Common Shares are listed for trading. Any Options granted prior to such approval, if required, shall be conditional upon such approval being given and no such Options may be exercised unless such approval, if required, is given.

14. Amendment or Discontinuance of the Plan

The Board may at any time or from time to time, in its sole and absolute discretion, suspend, terminate or discontinue the Plan and may amend the terms and conditions of options granted pursuant to the Plan, subject to any required approval of any regulatory authority or 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 Plan without the approval of the shareholders of the Corporation if the alteration, amendment or variance does not:

- (a) increase the number of shares that can be issued under the 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 shares or a reorganization, amalgamation, consolidation, merger, takeover bid or similar transaction involving the Corporation (for this purpose, cancellation or termination of an Option of a Plan participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option);
- (c) extend the expiry date of an outstanding Option or amend the Plan to permit the grant of an Option with an expiry date of more than five years from the grant date (except where an expiry date would have fallen within a blackout period, as such period is defined in the insider trading policy of the Corporation);
- (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 Plan;
- (f) amend the Plan to remove or exceed participation limits of Non-Employee Directors set forth in Subsection 3(h) hereof; or
- (g) amend the Plan to provide for other types of compensation through equity issuance.

Without limiting the generality of the foregoing, some of the examples of the types of changes to the Plan or options granted under it that the Board could make without shareholder approval include:

- (a) housekeeping changes (such as a change to correct an immaterial inconsistency or clerical omission or a change to update a routine administrative provision such as contact information);
- (b) a change to the termination provisions for the Plan or for an Option as long as the change does not permit the Board, or any committee thereof, to grant an Option with an expiry date of more than five years or extend an outstanding Option's expiry date;
- (c) certain changes to provisions on the transferability of Options, namely, a transfer from an Option holder to an entity or trust controlled by the Option holder or a family member, a charity, or for estate planning or estate settlement purposes;
- (d) a change deemed necessary or desirable to comply with applicable law or regulatory requirements.

15. Common Shares Duly Issued

Common Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefor in accordance with the terms of the Option and the issuance of Common Shares thereunder will not require a resolution or approval of the Board.

16. Options to Companies

The provisions herein in respect of the grant of Options shall apply, with appropriate modifications, to the grant of Options to a company either: (i) wholly-owned by any person whom Options may otherwise be granted hereunder; or (ii) controlled by any person to whom Options may otherwise be granted hereunder (and the shares of which are held directly or indirectly by any such person and such person's spouse, minor children and/or minor grandchildren), subject to any requirements of any applicable regulatory authority having jurisdiction, including any stock exchange on which the Common Shares are listed for trading.

17. Definitions

In this Plan, capitalized terms not otherwise defined in this Plan have the meanings set forth below. Notwithstanding the foregoing, where defined terms used herein are also defined in the policies of the TSX and there are discrepancies between said defined terms, the defined term used in the policies of the TSX shall prevail over the defined term used in this Plan during such period of time as the Corporation's Shares are listed on the TSX.

1. A Company is an "**Affiliate**" of another company if:
 - (i) one of them is the subsidiary of the other; or
 - (ii) each of them is controlled by the same Company or individual.
2. "**Approved Take-Over Bid**" means a take-over bid (as defined in the *Securities Act* (Alberta)), which is not exempt from the take-over bid requirements of Part 14 of the *Securities Act* (Alberta) (or its replacement of successor provisions) made for the Common Shares or other Voting Shares of the Corporation with the approval or consent of the Board pursuant to which, if the Approved Take-Over Bid is successful, will result in a Holder beneficially owning, or exercising control or direction over, Voting Shares or Convertible Securities such that, assuming only the conversion of the 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 that have the right to cast more than 50% of the votes attached to all Voting Shares;
3. "**Associate**" has the meaning ascribed thereto by the *Securities Act* (Alberta) as from time to time amended, supplemented or re-enacted;
4. "**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 which results in the Holder 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, the Holder 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;
5. "**Company**", unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity, other than an individual;
6. "**Consultant**" means, in relation to the Corporation, an individual or Consultant Company, other than an Employee or a Director of the Corporation, that:
- (i) is engaged to provide on an 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;
 - (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.
7. "**Consultant Company**" means, for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.
8. "**Convertible Securities**" means any securities convertible or exchangeable into Voting Shares or carrying the right or obligation to acquire Voting Shares;
9. "**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 Options can be granted in reliance on a prospectus exemption under applicable securities laws;

10. **"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.
11. **"Good Reason"** means the occurrence of any one or more events that would constitute constructive dismissal at common law or, where applicable, would constitute "Good Reason" or other analogous term as defined in any written employment agreement between the Corporation and an Optionee;
12. **"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;
13. **"Insider"** of the Corporation means:
- (i) an insider as defined in the *Securities Act* (Alberta) as from time to time amended, supplemented or re-enacted, other than a person who falls within that definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation; and
 - (ii) an Associate of any person who is an insider by virtue of paragraph (i);
14. **"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. of any stock exchange on which the Common Shares are listed for trading, or the by-laws, rules or other regulatory instruments of any other self-regulatory body or stock 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.
15. **"Just Cause"** means any matter that would constitute just cause for termination at law or, where applicable, would constitute "Cause", "Just Cause" or other analogous term as defined in any written employment agreement between the Corporation and an Optionee;
16. **"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.
17. **"Market Value"** at any date in respect of the Common Shares means the volume weighted average trading price of such Common Shares on the TSX (or, if such Common Shares are not then listed and posted for trading on the TSX, on such stock exchange in Canada on which such~~means any date when the market value of Common Shares of the Corporation is to be determined, the closing price on the trading day prior to the date of grant on the principal stock exchange on which~~ Common Shares are listed and posted for trading as may be selected for such purpose by the Committee) for the five (5) consecutive trading days immediately preceding such date, provided that in the event that such Common Shares did not trade on any of such trading days, the Market Value shall be the average of the bid and ask prices in respect of such Common Shares at the close of trading on all of such trading days and provided that in the event that such,~~or if the~~ Common Shares ~~of the Corporation~~ are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Common Shares as determined by the Committee in its sole discretion; ~~Board, acting reasonably and in good faith;~~
18. **"Non-Employee Director"** means any Director of the Corporation who is not also an officer, Employee or Consultant of the Corporation;
19. **"Outstanding Common Shares"** at the time of any share issuance or grant of Options means the aggregate number of Common Shares and non-voting common shares that are outstanding immediately prior to the share issuance or grant of Options in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including any stock exchange on which the Common Shares are listed for trading;
20. **"Service Provider"** means a person or company engaged, or proposed to be engaged, by the Corporation to provide services for an initial, renewable or extended period of 12 months or more;
21. **"Share Compensation Arrangements"** means:
- (i) a stock option plan for the benefit of Employees, Insiders, Service Providers or any one of such groups,
 - (ii) individual stock options granted to Employees, Insiders or Service Providers if not granted pursuant to a plan previously approved by the Corporation's securityholders,

- (iii) stock purchase plans where the Corporation provides financial assistance or where the Corporation matches a whole or a portion of the securities being purchased,
 - (iv) stock appreciation rights involving issuances of securities from treasury,
 - (v) any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Corporation, and
 - (vi) security purchases from treasury by an Employee, Insider or Service Provider which is financially assisted by the Corporation by and means whatsoever. For greater certainty, agreements which do not involve the issuance from treasury of securities of the Corporation are not security based compensation arrangements;
22. "**Subsidiary**" has the meaning assigned thereto under the Securities Act (Alberta) as from time to time amended, supplemented or re-enacted;
23. "**TSX**" means the Toronto Stock Exchange; and
24. "**Voting Shares**" means any securities of the Corporation ordinarily carrying the right to vote at elections of Directors.

18. No Effect on Employment or Retainer

Participation in the Plan by an Optionee is entirely voluntary and does not affect the Optionee's employment or continued retainer by, or other engagement with, the Corporation. Neither this Plan nor the granting to an Optionee of an Option hereunder of itself gives such Optionee any right to continue to be a director, officer, employee or consultant of the Corporation. None of the terms and conditions governing an Option shall be affected by any change in the terms of the Optionee's employment or by engagement with the Corporation so long as the Optionee continues to hold Options. The terms of this Plan or any option agreement shall not affect in any manner whatsoever the terms or validity of any employment agreement to which the Corporation is a party.

19. Decisions Final and binding

All decisions and interpretations by the Committee respecting this Plan or Options granted hereunder, including decisions as to adjustments in the number of Common Shares to be received upon exercise of an Option or the exercise price thereof in accordance with Section 10 shall be final and binding on the Corporation and all Optionees and their respective successors.

20. Effective Date

This Plan is effective from June 8, 2006, as amended effective as of January 5, 2009, May 10, 2012 and [May 1, 2017 and \[●\], 2023.](#)