CALFRAC WELL SERVICES LTD.
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

The annual and special meeting (the "Meeting") of shareholders of Calfrac Well Services Ltd. (the "Company") will be held in the Devonian Room at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta, on Tuesday, May 3, 2022, at 3:30 p.m. for the following purposes:

1. to receive the financial statements for the year ended December 31, 2021, and the auditor's report thereon;

2. to elect directors;

3. to consider a special resolution approving termination of the Shareholder Rights Plan dated as of December 18, 2020 between the Company and Computershare Trust Company of Canada, as rights agent;

4. to appoint the auditor; and

5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

A shareholder may attend the Meeting in person or may be represented by proxy. **However, due to the ongoing and evolving COVID-19 pandemic, the Company asks that shareholders consider the advice and instructions of the Public Health Agency of Canada (www.canada.ca/en/public-health.html) and Alberta Health Services (www.albertahealthservices.ca) when deciding whether to attend the Meeting in person. Depending upon the status of the pandemic at the time, access to the Meeting may be limited to essential personnel and registered shareholders and duly appointed proxyholders entitled to attend and vote at the Meeting. The Company encourages registered shareholders and duly appointed proxyholders to not attend the Meeting in person if they are experiencing any of the described COVID-19 symptoms**. As always, the Company encourages shareholders to vote their common shares prior to the Meeting by following the instructions set out in the form of proxy or voting instruction form received by such shareholders.

Shareholders not attending the Meeting in person are requested to complete, date and sign the accompanying form of proxy and return it in the envelope provided to Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1. To be valid and used, properly executed proxies must be received by Computershare Trust Company of Canada at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment thereof.

DATED April 6, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) Jeff Ellis

Jeff Ellis
General Counsel and Corporate Secretary

MANAGEMENT INFORMATION CIRCULAR

This management information circular ("Circular") is furnished in connection with the solicitation of proxies by the management of Calfrac Well Services Ltd. (the "Company") for use at the annual and special meeting of shareholders of the Company to be held in the Devonian Room at the Calgary Petroleum Club, 319 - 5th Avenue S.W., Calgary, Alberta, on Tuesday, May 3, 2022, at 3:30 p.m. (the "Meeting") and at any adjournment thereof for the purposes set forth in the accompanying notice of meeting.

ATTENDANCE AT MEETING

Due to the ongoing and evolving COVID-19 pandemic, the Company asks that shareholders consider the advice and instructions of the Public Health Agency of Canada (www.canada.ca/en/public-health.html) and Alberta Health Services (www.albertahealthservices.ca) when deciding whether to attend the Meeting in person. Depending upon the status of the pandemic at the time, access to the Meeting may, subject to the Company's by-laws, be limited to essential personnel and registered shareholders and duly appointed proxyholders entitled to attend and vote at the Meeting. The Company encourages registered shareholders and duly appointed proxyholders to not attend the Meeting in person if they are experiencing any of the described COVID-19 symptoms. As always, the Company encourages shareholders to vote their common shares prior to the Meeting by following the instructions set out in the form of proxy or voting instruction form received by such shareholders.

The Company may take additional precautionary measures in relation to the Meeting in response to further developments related to the COVID-19 pandemic. In the event it is not possible or advisable to hold the Meeting in person, the Company will announce alternative arrangements for the Meeting as promptly as practicable, which may include holding the Meeting entirely by electronic means, telephone or other communication facilities. Please monitor our website at www.calfrac.com for updated information.

APPOINTMENT OF PROXYHOLDER AND DISCRETIONARY AUTHORITY

The persons designated in the accompanying form of proxy are officers of the Company. **A shareholder has the right to appoint a person or company to represent the shareholder at the Meeting other than the persons designated in the accompanying form of proxy.** A shareholder may exercise this right by inserting in the blank space provided in the accompanying form of proxy the name of the person to be appointed and deleting the names of the persons designated in the form of proxy, or by completing another proper form of proxy. In order for a proxy to be valid, it must be dated and signed by the shareholder or by the shareholder's attorney authorized in writing and received by Computershare Trust Company of Canada, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, not later than 3:30 p.m. (MDT) on Friday, April 29, 2022, or 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting. The time limit for deposit of proxies may be waived or extended by the chairman of the Meeting at his or her discretion without notice.

All shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for, and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **The shares to which a proxy relates will be voted FOR each matter as to which a choice is not specified.**

The accompanying form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the accompanying notice of meeting and other matters which may properly come before the Meeting. At the date of this Circular, management of the Company is not aware that any amendments, variations or other matters are to be presented for action at the Meeting. If any amendments, variations or other matters do properly come before the Meeting, the persons named in the accompanying form of proxy will vote according to their best judgment.

REVOCABILITY OF PROXY

A shareholder may revoke a proxy by depositing an instrument in writing executed by the shareholder or the shareholder's attorney authorized in writing at the office of Computershare Trust Company of Canada, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

VOTING OF PROXIES

Registered Shareholders

A registered shareholder may vote in any of the ways set out below.

On the Internet: A registered shareholder can go to the website at www.investorvote.com and follow the instructions on the screen. The shareholder's voting instructions are then conveyed electronically over the Internet. The shareholder will need the 15-digit Control Number found on his or her proxy.

By Telephone: A registered shareholder can call the number located on such shareholder's proxy. The shareholder will need the 15-digit Control Number found on his or her proxy.

By Mail: A registered shareholder can complete the proxy as directed and return it in the business reply envelope provided to Computershare Trust Company of Canada, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1.

By Fax: A registered shareholder may submit his or her proxy by facsimile by completing, dating and signing the enclosed form of proxy and returning it by facsimile to Computershare Investor Services Inc. toll free (within North America) at (866) 249-7775.

At the Meeting: If a registered shareholder plans to vote in person, such shareholder does not need to do anything except attend the Meeting. The shareholder should register with the representatives of Computershare upon arrival at the Meeting. **However, registered shareholders who plan to vote in person should review and consider the disclosure under the heading "Attendance at Meeting".**

Non-Registered Shareholders

Shareholders who do not hold their shares in their own name ("Non-registered Shareholders") may have their shares voted at the Meeting by providing voting instructions to their "nominee", which is usually a trust company, broker or other financial institution. Nominees will typically seek voting instructions by sending with this Circular a voting instruction form instead of a form of proxy. A voting instruction form can be used only to provide voting instructions to a Non-registered Shareholder's nominee. Every nominee has its own signing and return instructions, which Non-registered Shareholders must follow to ensure that their shares are voted at the Meeting.

A Non-registered Shareholder may vote in any of the ways set out below.

On the Internet: A Non-registered Shareholder can go to the website at www.proxyvote.com and follow the instructions on the screen. The shareholder's voting instructions are then conveyed electronically over the Internet. The shareholder will need the 16-digit Control Number found on his or her voting instruction form.

By Telephone: A Non-registered Shareholder can call the number located on such shareholder's voting instruction form. The shareholder will need the 16-digit Control Number found on his or her voting instruction form.

By Mail: A Non-registered Shareholder can complete the voting instruction form as directed and return it in the business reply envelope provided by the shareholder's nominee's cut-off date and time.

Alternatively, Non-registered Shareholders may attend the Meeting and vote their shares as proxyholder by entering their own name in the space provided on the voting instruction form supplied by their nominee and following the signing and return instructions. Non-registered Shareholders who follow this procedure will be recognized at the Meeting as proxyholders and will be permitted to vote their shares in that capacity. **However, Non-registered Shareholders who plan to attend the Meeting should review and consider the disclosure under the heading "Attendance at Meeting ".**

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

The record date for the Meeting is March 16, 2022 (the "Record Date"). A person whose name was entered on the register of common shares at the close of business on that date is entitled to vote at the Meeting the shares shown opposite that person's name in the register of common shares, except to the extent that the person has transferred the ownership of any of the person's shares after the record date and the transferee of those shares establishes that the transferee owns the shares and demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case the transferee is entitled to vote the transferee's shares at the Meeting. As at the Record Date, there were 38,297,813 common shares outstanding, with each share carrying the right to one vote.

To the knowledge of the directors and officers of the Company, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company other than as set forth below.

Name	Number of Common Shares	Percent of Outstanding(1)
George Armoyan(2) Halifax, Nova Scotia	11,516,496	30.07%

Notes:

(1) Calculated based on the number of issued and outstanding common shares of the Company as of the Record Date.

(2) Mr. Armoyan exercises control or direction over 11,516,496 common shares through Armco Alberta Inc., a company controlled by George and Simé Armoyan. The foregoing information is based upon SEDI filings as at the Record Date.

BUSINESS OF THE MEETING

Receipt of Financial Statements

The financial statements for the year ended December 31, 2021, and the report of the auditor will be placed before the shareholders at the Meeting. The financial statements are being mailed to registered shareholders with this Circular, and copies will be available at the Meeting.

Election of Directors

The Articles of the Company provide that the minimum number of directors shall be three and the maximum number shall be 15. There are currently seven directors. The board of directors of the Company has set the number of directors to be elected at the Meeting at eight. At the Meeting, shareholders will be asked to elect as directors the eight nominees listed in the following table to serve until the close of the next annual meeting of shareholders. Messrs. Armoyan, Mathison, Ramsay, Duggal and Link were duly elected as directors at the annual meeting of shareholders held on May 4, 2021 to hold office until the next annual meeting of shareholders or until their successor is elected or appointed, unless their office is earlier vacated in accordance with the Company's by-laws. Messrs. Pellerin, Powell and Mehta are new director nominees and have not previously served as directors of the Company. Pursuant to the indenture governing the Company's 10% 1.5 lien convertible PIK notes due 2023 (the "1.5 Lien Notes"), increasing the number of directors on the board from seven to eight requires the approval by extraordinary resolution of holders of at least 66⅔% of the 1.5 Lien Notes, which the Company has secured by written resolution.

Investor Rights Agreement

In connection with the completion of the Recapitalization Transaction (as defined below), the Company and certain investors in the 1.5 Lien Notes entered into an investor rights agreement (the "Investor Rights Agreement") pursuant to which the Company, among other things, granted board nomination rights to G2S2 Capital Inc. ("G2S2"), MATCO Investments Ltd. ("MATCO") and Glendon Capital Management L.P. ("Glendon Capital"), subject to certain conditions. Mr. Armoyan is G2S2's director nominee, Mr. Duggal is Glendon Capital's investor nominee and Mr. Mathison is MATCO's investor nominee (the "Investor Nominees"). The Investor Rights Agreement confirms that it expressly does not constitute a voting agreement or otherwise require any party thereto to vote its common shares in any fashion or manner, including with respect to the election of Investor Nominees or other directors of the Company or in respect of any other resolution of shareholders of the Company. A copy of the Investor Rights Agreement is filed on the Company's profile on SEDAR at www.sedar.com.

Majority Voting

The Company's majority voting policy for the election of directors provides that 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, such nominee shall immediately tender his or her resignation to the board of directors, to be effective on acceptance by the board. A nominee who tenders a resignation shall not participate in a meeting of the board or any sub-committee of the board at which the resignation is considered. The board of directors shall consider the resignation and disclose by press release its decision whether to accept that resignation and the reason for its decision no later than 90 days after the date of the Meeting, and the board of directors may fill any vacancy created thereby. The board shall accept the resignation absent exceptional circumstances. The Report of Voting Results filed on SEDAR following the Meeting will include a breakdown of the percentage of votes for and the percentage of votes withheld for each nominee, rather than simply disclosing the result of the vote.

Nominees for Election

The following table provides, among other things and as applicable, the names and cities of residence of all persons proposed to be nominated for election as directors of the Company, the date on which each became a director of the Company (or its predecessor, Denison Energy Inc.), the voting results with respect to each nominee at the previous meeting of shareholders at which directors were elected, the present occupations and brief biographies of such persons, the committee memberships and other public company board memberships of each nominee, and the number of common shares of the Company beneficially owned, or controlled or directed, directly or indirectly by each nominee as at the Record Date.

Ronald P. Mathison
Calgary, Alberta, Canada
Director since: March 8, 2004[(1)]
Not Independent[(2)]

Common shares: 926,685

Mr. Mathison is one of the Company's founders and served as a member of the board of directors and as Chairman of the Company since its formation in 1999, and as its Executive Chairman from June 10, 2019 to December 17, 2021. Effective December 17, 2021, Mr. Mathison stepped down as Executive Chairman and was appointed Chairman of the Company. Mr. Mathison is the Chairman of MATCO Investments Ltd., a private investment firm which invests in the oil and gas and oilfield services industries, in real estate and in selected other opportunities. Until October 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.

Board/Committee Memberships[(3)]	Attendance at Meetings during 2021	
Board of Directors	11 of 11	100%

Other Public Company Board Memberships
Western Energy Services Corp.

Voting Results from 2021 Annual Meeting	For	Withheld	Total
Number of Votes	26,783,651	2,036,417	28,820,068
Percentage of Votes	92.93%	7.07%	100%

Douglas R. Ramsay
Okotoks, Alberta, Canada
Director since: March 24, 2004
Independent(2)

Common shares: 60,302

Mr. Ramsay is a founder and the Vice Chairman of the Company, and he has served as a member of the board of directors of the Company since its formation in 1999. Mr. Ramsay also served as President and Chief Executive Officer of the Company from its inception to November 1, 2010, and as Chief Executive Officer from November 1, 2010 until December 31, 2013. Mr. Ramsay has an extensive background in the oil and natural gas industry. Prior to 1994, Mr. Ramsay was the President of Canadian Fracmaster Ltd., where he spent 12 years enhancing the overall presence of such company in Canada and worldwide. Previous industry experiences as a Project Manager for Delta Consultants, Drilling and Completions Foreman for Dome Petroleum Corp., and Service Operator for BJ Well Services Company have contributed to Mr. Ramsay's overall knowledge of the industry.

Board/Committee Memberships(3)	**Attendance at Meetings during 2021**	
Board of Directors	11 of 11	100%
Health, Safety, Environment and Quality Committee (Chair)	4 of 4	100%
Compensation Committee(4)	2 of 2	100%
Other Public Company Board Memberships		
None		

Voting Results from 2021 Annual Meeting			
	For	**Withheld**	**Total**
Number of Votes	23,861,571	4,958,497	28,820,068
Percentage of Votes	82.79%	17.21%	100%

George S. Armoyan
Halifax, Nova Scotia, Canada
Director since: December 18, 2020
Not Independent(2)

Common shares: 11,516,496(5)

Interim Chief Executive Officer since December 17, 2021. Mr. Armoyan is also Executive Chairman and Secretary of G2S2 Capital Inc., President of Armco Capital Inc., and Chairman, President & CEO of Clarke Inc. Mr. Armoyan is an entrepreneur with extensive experience in real estate and various industries. Since 1982, Mr. Armoyan has successfully founded and grown numerous businesses, and created shareholder value at several public companies through restructuring operations by applying a common-sense approach to business.

Board/Committee Memberships(3)	**Attendance at Meetings during 2021**	
Board of Directors	10 of 11	91%
Compensation Committee (Chair)(4)	4 of 4	100%
Corporate Governance and Nominating Committee	3 of 3	100%
Other Public Company Board Memberships		
Clarke Inc.		
Western Energy Service Corp.		

Voting Results from 2021 Annual Meeting			
	For	**Withheld**	**Total**
Number of Votes	26,783,215	2,036,853	28,820,068
Percentage of Votes	92.93%	7.07%	100%

Lindsay R. Link
Calgary, Alberta, Canada
Director since: June 10, 2019
Not Independent(2)

Common shares: 3,309

Mr. Link has been the President and Chief Operating Officer of the Company since June 2019. Mr. Link joined the Company as President, U.S. Division in February 2013 and, in January 2015, was appointed the Chief Operating Officer of the Company. Before joining the Company, Mr. Link held senior management positions at Baker Hughes Incorporated including Managing Director, Continental Europe and President, Pressure Pumping. Prior thereto, he was the Vice President, Process & Pipelines Division of BJ Services Company from 2004 to 2010.

Board/Committee Memberships(3)	**Attendance at Meetings during 2021**	
Board of Directors	11 of 11	100%
Other Public Company Board Memberships		
None		

Voting Results from 2021 Annual Meeting			
	For	**Withheld**	**Total**
Number of Votes	26,783,325	2,036,743	28,820,068
Percentage of Votes	92.93%	7.07%	100%

Anuroop Duggal
Toronto, Ontario, Canada
Director since: December 18, 2020[(1)]
Independent[(2)]

Common shares: Nil

Mr. Duggal is a private investor since 2018 with significant institutional investing experience within the global energy sector. He was a partner at 3G Capital, a global multi-billion dollar asset manager, where he helped launch, manage, and grow a natural resource focused equity and credit fund. Prior to that, he was an investor with Goldman Sachs Investment Partners. Mr. Duggal is also an Adjunct Professor for the MBA program at Columbia Business School, where he teaches value investing courses through the Heilbrunn Center for Graham & Dodd Investing.

Board/Committee Memberships[(3)]	**Attendance at Meetings during 2021**	
Board of Directors	11 of 11	100%
Audit Committee	4 of 4	100%
Compensation Committee	4 of 4	100%
Corporate Governance and Nominating Committee (Chair)	3 of 3	100%

Other Public Company Board Memberships
Optiva Inc.

Voting Results from 2021 Annual Meeting	**For**	**Withheld**	**Total**
Number of Votes	23,935,771	4,884,297	28,820,068
Percentage of Votes	83.05%	16.95%	100%

Charles Pellerin
Victoriaville, Québec, Canada
Director since: N/A
Independent[(2)]

Common shares: Nil

Mr. Pellerin is a Chartered Public Accountant and is the Principal Partner and President of one of the largest independent accounting firms in Quebec, Pellerin Potvin Gagnon S.E.N.C.R.L., which he joined in 1998, became Partner in 2003 and was promoted to President in 2006. M. Pellerin specializes in many areas including: mandates of assurance, counseling, management, financing, acquisition and sale of business and audit engagements for several manufacturing companies and distributors. Mr. Pellerin is also the owner of several privately owned manufacturing businesses and owns residential, commercial and industrial properties throughout Quebec. Mr. Pellerin holds a Bachelor degree in accounting from Ottawa University and a post graduate diploma in accounting from University of Trois-Rivieres, Quebec, and has been a member of the Quebec Order of the Chartered Accountants since 2000.

Board/Committee Memberships[(3)]	**Attendance at Meetings during 2021**
Not applicable	

Other Public Company Board Memberships
Clarke Inc.
Terravest Industries Inc.

Voting Results from 2021 Annual Meeting	**For**	**Withheld**	**Total**
Not applicable			

Pat Powell
Calgary, Alberta, Canada
Director since: N/A
Independent[(2)]

Common shares: Nil

Mr. Powell has over 40 years of experience in the Canadian oilfield service industry, and is currently the Chairman and Chief Executive Officer of Command Fishing + Pipe Recovery Ltd. Mr. Powell's business acumen is backed by first-hand knowledge of all aspects of the industry after working his way up from driving trucks to growing his family's company, H.L. Powell Ltd., into a large and diversified oilfield services company that was sold to Producers Oilfield Services Inc. in 2005. Mr. Powell served as Chairman of the Board and President of Producers Oilfield Inc. from 2005 to 2006 when it was merged with Mullen Transportation Inc. (a predecessor entity of Mullen Group Ltd.) where he served as Co-Chief Executive Officer until 2007 and as a director until 2011. Mr. Powell also served as Chairman and Chief Executive Officer of Bonnett's Energy Corporation from 2008 to 2013, and has served as director on a number of other private and public-company boards, including Canyon Technical Services Ltd. and Clarke Inc.

Board/Committee Memberships[(3)]	**Attendance at Meetings during 2021**
Not applicable	

Other Public Company Board Memberships
None

Voting Results from 2021 Annual Meeting	**For**	**Withheld**	**Total**
Not applicable			

Chetan Mehta
New York, NY, United States
Director since: N/A
Independent[(2)]

Common shares: Nil

Mr. Mehta is a private investor with over fifteen years of institutional investing experience in the global oil and gas industry. He remains an active investor in the North American energy sector through his multi-strategy investment firm, KD Energy Holdings. Mr. Mehta previously held senior energy research positions at several large investment firms, including Samlyn Capital, MSD Capital and TPG-Axon Capital. Mr. Mehta began his investing career in private equity at the Texas Pacific Group in London. Mr. Mehta graduated Magna Cum Laude from the Wharton School at the University of Pennsylvania with a Bachelor of Science in Economics.

Board/Committee Memberships[(3)]	**Attendance at Meetings during 2021**
Not applicable	

Other Public Company Board Memberships			
None			
Voting Results from 2021 Annual Meeting			
	For	**Withheld**	**Total**
Not applicable			

Notes:

(1) Service prior to March 24, 2004 was as a director of the Company's predecessor, Denison Energy Inc.

(2) "Independent" refers to the standards of independence set forth within Section 1.4 of National Instrument 52-110 *Audit Committees*. Four of seven of the nominees are considered Independent under this standard.

(3) On February 7, 2022, the Compensation Committee and Corporate Governance and Nominating Committee were combined to form the Compensation, Governance and Nominating Committee. The Compensation, Governance and Nominating Committee consists of four members, Anuroop Duggal (Chair), Gregory S. Fletcher, Lorne A. Gartner and Douglas R. Ramsay, each of whom is independent. Messrs. Fletcher and Gartner are retiring from the board of directors at the expiry of the Meeting. The constitution of the board committees will be determined by the re-constituted board of directors following the Meeting.

(4) Effective May 4, 2021, Mr. Armoyan was appointed Chair of the Compensation Committee, Mr. Ramsay was appointed a member of the Compensation Committee and Mr. Gartner ceased being a member of the Compensation Committee.

(5) The common shares are held by Armco Alberta Inc., an entity controlled by George and Simé Armoyan.

Cease Trade Orders or Bankruptcies

To the knowledge of the Company, none of the proposed directors of the Company is, as at the date of this Circular, or has been, within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "Order") and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of the company being the subject of such an Order 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.

To the knowledge of the Company, other than as described below, none of the proposed directors of the Company:

(a) is, at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company that, while that person 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; or

(b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

On December 18, 2020, the Company filed Articles of Arrangement implementing a plan of arrangement under Section 192 of the CBCA (the "Plan of Arrangement") giving effect to a recapitalization transaction (the "Recapitalization Transaction"), as described in the Company's management information circular dated August 17, 2020, as supplemented by the Material Change Report dated September 25, 2020 (the "Special Meeting Materials"). The Plan of Arrangement, included, among other things, the surrender and cancellation of approximately US$432 million principal amount of the Company's 8.50% senior unsecured notes due 2026, plus all accrued and unpaid interest, in exchange for an aggregate of 31,307,618 common shares of the Company. Messrs. Mathison, Ramsay and Link served as directors of the Company throughout the Recapitalization Transaction and Plan of Arrangement. Additional information regarding the Recapitalization Transaction and Plan of Arrangement can be found in the Company's comparative financial statements and management's discussion and analysis for the year ended December 31, 2020, the Material Change Report dated December 24, 2020 and the Special Meeting Materials, all of which can be found on the Company's profile on SEDAR at www.sedar.com.

Mr. Mathison was a director of Tesla Exploration Ltd. ("Tesla"). On July 25, 2016, Mr. Mathison resigned as a director of Tesla and Tesla was placed into receivership by its Canadian credit facility lender.

Mr. Powell was a director of ATK Oilfield Transportation Inc., a private company that was placed into receivership by its lender and filed for creditor protection under Chapter 15 of the United States Bankruptcy Code in April 2016.

Penalties or Sanctions

To the knowledge of the Company, no proposed director of the Company (nor any personal holding company of any of such persons) has been subject to: (a) 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 (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Approval of Termination of the Rights Plan

The board of directors has determined that it is appropriate at this time to terminate the Shareholder Rights Plan dated as of December 18, 2020 between the Company and Computershare Trust Company of Canada (the "Rights Plan"). The Rights Plan provides that, subject to certain exceptions set out in the Rights Plan, a person who becomes a beneficial owner of 20% or more of the outstanding voting shares of the Company is an "Acquiring Person" for the purpose of the Rights Plan. The existence of an "Acquiring Person" triggers certain provisions of the Rights Plan. For more information please refer to the summary of the Rights Plan in Appendix "K" of the Company's management information dated August 17, 2020 and the full text of the Rights Plan, copies of which are available under the Company's SEDAR profile at www.sedar.com.

The board of directors believes that it is in the best interests of the Company and its shareholders to terminate the Rights Plan, effective at the close of the Meeting.

Objective of the Rights Plan

The Rights Plan was established to (a) ensure, to the extent possible, the fair treatment of all holders of common shares in connection with any take-over bid for the securities of the Company; and (b) in the event of an unsolicited take-over bid, provide the board of directors with sufficient time to evaluate the bid and to explore and develop alternatives to maximize shareholder value.

The Rights Plan encourages a potential offeror who makes a take-over bid to proceed either by way of a "Permitted Bid", which generally requires a take-over bid to satisfy certain minimum standards designed to promote fairness, or with the concurrence of the board. If a take-over bid fails to meet these minimum standards and the Rights Plan is not waived by the board, the Rights Plan provides that holders of common shares, other than the offeror, will be able to purchase additional common shares at a significant discount to market, thus exposing the offeror to substantial dilution of its holdings. The Company is not aware of any specific take-over bid that has been made or is currently being contemplated for the Company.

Certain Reasons for Terminating the Rights Plan

The board of directors has determined that the Rights Plan unduly restricts the ability of the larger shareholders of the Company to continue to support the Company through additional equity investments and is otherwise unnecessary given the current market climate and the existing rules governing take-over bids applicable to all reporting issuers in Canada and thus believes that it is in the best interests of the Company and its shareholders to terminate the Rights Plan, effective at the close of the Meeting.

The board continues to be committed to achieving the objectives for which the Rights Plan was initially adopted but believes that the objectives of the Rights Plan could be achieved otherwise. The proposed termination of the Rights Plan does not restrict the Company's ability to adopt a shareholder rights plan in the future.

Shareholders' Resolution Approving the Termination of the Rights Plan

In order to effect the termination of the Rights Plan, it is proposed to amend the terms of the Rights Plan so as to provide that the Rights Plan would expire as of the close of business on the day following the Company's 2022 annual meeting of shareholders. The Rights Plan currently provides that it would expire follow the 2023 annual meeting of shareholders, unless extended by approval of the Company's shareholders.

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution in the form set out below (the "Rights Plan Resolution") subject to such amendments, variations or additions as may be approved at the Meeting.

The board of directors recommends that shareholders vote **FOR** the Rights Plan Resolution. In order to be effective the Rights Plan Resolution must be approved by not less than a majority of the votes cast by all holders of common shares other than any holder excluded by the provisions of Section 5.4(b) of the Rights Plan, present in person, or represented by proxy, at the Meeting. Management is not aware as at the date of this Circular of any shareholder who would be so excluded. **In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the common shares represented thereby FOR the Rights Plan Resolution**.

"NOW THEREFORE BE IT RESOLVED THAT:

1. The Rights Plan be amended by deleting the definition of "Expiration Time" in section 1.1(ee) of the Rights Plan and replacing it with the following:

    "Expiration Time" means the earlier of (i) the Termination Time and (ii) the close of business on the day immediately following the date of the Company's annual meeting of shareholders to be held in 2022."

2. Any one officer or director of the Company be and is hereby authorized and directed to execute all such documents, instruments and agreements and take all necessary steps to effect the amendment to the Rights Plan and terminate the Right Plan."

Appointment of Auditor

Shareholders will be asked at the Meeting to pass a resolution reappointing PricewaterhouseCoopers LLP as the auditor of the Company to hold office until the close of the next annual meeting of shareholders.

In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the common shares represented thereby in favour of an ordinary resolution to appoint the firm of PricewaterhouseCoopers LLP, to serve as auditors of the Company until the next annual meeting of the shareholders and to authorize the directors to fix their remuneration as such.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Form of Compensation Disclosure

The Compensation, Governance and Nominating Committee ("CGNC") is responsible for approving the objectives of the Company's Chief Executive Officer and President and Chief Operating Officer and evaluating performance against such goals and objectives, reviewing and recommending to the board of directors the remuneration of the Company's executive officers, and approving the remuneration of all employees on an aggregate basis. The following discussion of the Company's executive compensation is intended to provide a clear understanding of the Company's philosophy, objectives and practices.

Compensation Philosophy and Strategy

The Company's executive compensation strategy is designed to provide a clear alignment between compensation and the Company's business strategy. The objective of the executive compensation program is to attract, retain and motivate top executive talent to achieve the Company's short and long-term business objectives and to create a direct link between pay and performance. The Company's executive compensation elements leverage market-competitive total compensation to drive profitable growth and long-term shareholder value, consistent with the Company's values.

In meeting this philosophy, the following principles provide a framework for the executive compensation program:

- total target compensation for executives should be market competitive relative to the Company's compensation comparator group;
- compensation should be linked to both qualitative and behavioral expectations, and key operational and strategic metrics;
- a significant portion of each executive's compensation should be at risk to ensure alignment with the Company's shareholders. The degree of at risk compensation will positively correlate to the level of the executive's responsibility; and
- the interests of executives are linked with shareholders through share ownership.

In 2013, the board of directors approved the adoption of a Total Compensation Program that applies to all staff level positions of the Company, including the Company's executives. This program clearly defines the roles and responsibilities and the policies and procedures related to the Company's compensation programs to ensure that such programs are applied on a consistent basis and in a manner that is reflective of the principles established therein. The Total Compensation Program is reviewed at least annually by the Compensation Committee (now the CGNC) and is amended, if necessary, to reflect any changes in the Company's compensation program.

Compensation Governance

On February 7, 2022, the Compensation Committee and Corporate Governance and Nominating Committees were combined to form the CGNC. As at the date hereof, the CGNC consists of four members – Anuroop Duggal (Chair), Gregory S. Fletcher, Lorne A. Gartner and Douglas R. Ramsay. All four CGNC members are independent. The board of directors recognizes the importance of appointing knowledgeable and experienced individuals to the CGNC who have the required background in executive compensation to fulfill the Committee's compensation related obligations. In addition to their experience as members of the CGNC of the Company, all of such members have relevant experience in dealing with executive compensation matters as directors and/or senior leaders of other public companies. Messrs. Fletcher and Gartner currently serve, or have served, on the compensation committee of the board of directors of other companies. Mr. Ramsay has served in various executive leadership positions with public and private companies, including as the Company's Chief Executive Officer, which involved significant executive compensation responsibilities and experience. Mr. Duggal has studied corporate compensation structures extensively through his experience as a public market investor and conducts lectures at Columbia Business School on how to assess the effectiveness of compensation structures at public companies.

Succession Planning

One of the most critical responsibilities of the board of directors is to ensure that the Company has the right management team in place to develop and execute its business strategy and that an appropriate management succession plan is developed and maintained to ensure management and operational continuity. Succession planning for the executive officers and all other senior management is reported by management to the CGNC and the board of directors on a periodic basis. Each succession report includes an identification and skills assessment of candidates, with specific reference to anticipated timelines associated with any potential development or transition and where external candidates may be required.

Compensation Approval Process

Compensation for the Chief Executive Officer and the President and Chief Operating Officer is the responsibility of the CGNC, which reviews such compensation and makes recommendations to the board of directors for review and approval. The performance and contribution of the Chief Executive Officer and the President and Chief Operating Officer is reviewed annually taking into consideration the individual's performance against established objectives, management of the organization and its human resources, interaction and communication with the board of directors, attainment of financial results and the general financial and operational management of the organization.

The CGNC also recommends to the board of directors the compensation for the Company's other officers following receipt of the President and Chief Operating Officer's annual performance reviews and compensation recommendations. In making his recommendations to the CGNC, the President and Chief Operating Officer, with the support of the Vice President, Human Resources, reviews an analysis of the compensation levels for the officers of the Company against the compensation comparator groups and considers the performance of each of these officers relative to their individual objectives. The CGNC reviews the recommendations of the President and Chief Operating Officer and then provides recommendations to the board of directors for approval. The board of directors ultimately has authority for all compensation matters, including the approval of base salary compensation, short-term incentive awards and long-term incentive awards for each of the Company's officers. The CGNC has the authority to engage the services of an independent compensation consultant to provide external analysis and recommendations as required.

Market Comparators

Target total compensation, which includes all six elements of total compensation listed in the table appearing under the heading "Compensation Elements" below, is benchmarked against a comparator group that includes selected companies that provide services to the oil and natural gas industry. These companies are selected to ensure similarity of scope, size and complexity, and represent the market within which the Company competes for leadership talent. Companies included in the comparator group generally have attributes similar to the Company as follows: (i) North American-based; (ii) widely held; (iii) operating within the oil and natural gas services industry; and (iv) having an international scope of operations. The comparator group used to benchmark compensation for 2021 included the companies listed below. The go-forward composition of the comparator group is expected to be adjusted as part of the CGNC's on-going review of the Total Compensation Program referenced above.

Trican Well Service Ltd.	Ensign Energy Services Inc.
Precision Drilling Corporation	Patterson-UTI Energy Inc.
RPC Inc.	Tetra Technologies Inc.
NexTier Oilfield Solutions Inc.	Propetro Holdings Corp.
STEP Energy Services Ltd.	Liberty Oilfield Services Inc.

In addition, the CGNC periodically reviews data for each of the officer positions against a broader set of comparator companies to ensure that the compensation targets for each of the officer positions continues to be market competitive and aligned with the Company's business strategy. This broader comparator group generally includes companies in the energy industry with comparable annual revenue and/or enterprise value.

Independent Compensation Consultant

Mercer (Canada) Limited and its affiliates ("Mercer") has assisted the Company with respect to compensation matters since 2007. In 2021, Mercer was engaged by the Company to provide research and analysis in connection with director and executive compensation reviews undertaken by the former Compensation Committee.

For the financial years ended December 31, 2020 and 2021, the Company paid the following consulting fees to Mercer:

Fees	2021	2020
Executive Compensation Related Fees(1)	$45,000	$1,641
All Other Fees(2)	$0	$1,641

Notes:

(1) Includes fees for services related to determining compensation for the Company's directors and officers. In 2021, the fees relate to research and analysis with respect to director and executive compensation. In 2020, the fees relate to long-term incentive award analysis and research, which fees were equally apportioned between executive and non-executive employees in the table above.

(2) Includes fees for consulting services related to non-executive compensation matters. In 2020, the fees relate to the long-term incentive award analysis and research, which fees were equally apportioned between executive and non-executive employees in the table above.

In accordance with its charter, the CGNC is required to pre-approve any services to be provided at the request of management by a compensation consultant related to executive or board compensation matters.

Compensation Elements

Executive compensation is built on the principle of total rewards which takes into account base salary, short and long-term incentives, perquisites, health and dental benefits, retirement plans and paid time off. Each component is intended to align with the Company's compensation philosophy and objectives.

Element	Component	Type	Performance Period	Form
Base Salary	Fixed	Annual	One year	Cash
Short-Term Incentives	Variable	Annual	One year	Cash
Long-Term Incentives	Variable	Long-Term	Up to 5 years	Stock options
Rewards & Recognition	Variable	Short-Term	Less than 1 year	Cash
Benefits	Fixed	Annual	N/A	Perquisites, Life, Health, Dental, Disability
Retirement Plan (Group RRSP/401K)	Fixed	Annual	N/A	Capital Accumulation Plan

Base Salary

Base salary provides guaranteed cash income that is reflective of the competitive market place and is representative of one year of performance. To establish the appropriate pay level for each position, the Company uses third party survey data to establish an appropriate benchmark for pay level based on the scope, complexity and responsibility of each role. By benchmarking to a survey peer group, the Company ensures that its salary levels align to similar positions within the market place. Base salary compensation is also dependent on other factors such as the executive's previous experience and performance.

Comparator market analysis and individual performance assessments occur annually and any increase to base salary generally occurs effective January 1st of each year to remain competitive. Throughout the year, base salary increases may occur as a result of a promotion or a significant change in role and responsibilities. The annual salary review and performance assessment are key to ensuring the Company remains competitive and meets its business objectives.

In April 2020, the rapid and unforeseen deterioration in business conditions resulting from the COVID-19 global pandemic and the oil price war among OPEC+ members significantly reduced demand for the Company's services. As a result the Company (a) reduced director compensation by 25%; (b) reduced base salaries for executive officers by 10%; (c) eliminated retirement savings matching contributions, which previously represented up to 6% of base salary; (d) reduced base salaries for staff employees by 5 - 10%; (e) and reduced or eliminated several other compensation programs or bonuses, among other cost savings initiatives.

In late March and early April 2021, the base salaries of executive and staff employees, the hourly wage and field job revenue bonuses and director retainers and fees were reinstated as market conditions improved. In September 2021, the Company reinstated its employer matching contributions for its group retirement saving plan in Canada and 401K savings plan in the United States at a rate of 5% of eligible earnings up to the applicable regulatory and plan maximums.

Short-Term Incentive Plan

The Company's Short-Term Incentive Plan ("STIP") is designed to reward officers and other eligible employees for performance against objectives established at the beginning of the performance period. Performance measures are established at the corporate level for all officers and other eligible employees and such measures are reviewed and approved by the board of directors.

The financial performance measure utilized for the purposes of the STIP is operating income ("OI"). OI is calculated as net income (loss) before depreciation, foreign exchange gains or losses, gains or losses on disposal of property, plant and equipment, expenses and gains related to business combinations, impairment of property, plant and equipment, impairment of inventory, impairment of goodwill, interest and income taxes.

The use of OI as a financial performance measure provides direct alignment with the interests of shareholders by providing a tangible financial target that, absent exceptional circumstances, must be met in order for employees and officers to realize any economic value under the STIP. The use of OI also provides visibility for employees of the direct link between cost management initiatives at all levels of the Company and overall profitability, and it also drives cost-effective behavior and innovation, which results in more efficient operations.

The minimum consolidated OI threshold is determined on an annual basis taking into account planned fixed costs such as interest expense, minimum STIP payout, maintenance capital expenditures and the cash portion of stock-based compensation expenses. The use of a minimum consolidated OI threshold supports the philosophy that absent exceptional circumstances the Company must generate a minimum level of OI to meet its basic operating needs before there is any payout under the STIP. If the minimum consolidated OI threshold is achieved, a payout under the STIP will occur based on actual OI and Total Recordable Injury Frequency ("TRIF") results on the basis discussed below.

In addition to using OI as a financial performance measure, the Company also uses TRIF as a health and safety performance measure. The use of TRIF reinforces the Company's commitment to protect the health and safety of its employees, contractors, clients and other third-party personnel in the communities in which the Company operates. The use of TRIF also helps make health and safety management a core part of the culture of the organization.

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 method 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 on December 31st of the relevant year, is based on the total number of recordable injuries and illnesses for all divisions and the total hours worked for all divisions for the year.

For the 2021 plan year, the board of directors approved a series of consolidated STIP targets with OI accounting for 80% of any bonus to be paid and TRIF accounting for 20% of any bonus to be paid. The board of directors established a minimum OI threshold of $100 million before any payment would be made under the STIP plan. Between the minimum OI threshold of $100 million and the maximum target of $159.2 million, the amount of STIP to be paid for the 80% OI component would be interpolated based on the actual OI results. Assuming the OI threshold was met, the 20% TRIF component would also be paid if the minimum TRIF target of 1.0 was met.

2021 STIP Results

No STIP payment was made for the 2021 plan year as the Company's consolidated OI for the year ended December 31, 2021 was below the minimum OI threshold established by the board of directors.

2022 STIP Plan

The STIP plan is currently under review by the CGNC in conjunction with several other elements of the Total Compensation Program.

Long-Term Incentives

The Company's long-term incentive are designed to:

(i) align the interests of eligible employees with those of shareholders;

(ii) focus efforts on increasing shareholder value and the Company's long-term financial strength;

(iii) reward and incent high levels of performance; and

(iv) provide a retention incentive to eligible employees.

The Company has an omnibus incentive plan (the "Omnibus Incentive Plan") that was approved at the special meeting of shareholders held on October 16, 2020, and implemented effective December 18, 2020, in conjunction with the closing of the Recapitalization Transaction. Pursuant to the Plan of Arrangement,

(i) all of the Company's stock options and cash-based performance share units ("PSUs") outstanding immediately prior to the effective time of the Plan of Arrangement were terminated and cancelled for no consideration;

(ii) all of the Company's outstanding equity-based PSUs vested immediately prior to the effective time of the Plan of Arrangement and aggregate consideration of $175,000 was paid to the holders thereof on a pro rata basis;

(iii) the Company's stock option plan ("Old Option Plan") and performance share unit plan ("Old PSU Plan") were cancelled; and

(iv) the Omnibus Incentive Plan was deemed to be approved by all existing shareholders and those receiving common shares under the Plan of Arrangement.

Generally, the Omnibus Incentive Plan provides for the granting of various types of equity awards, including stock options, share appreciation rights, restricted shares, restricted share units ("RSUs"), PSUs, DSUs and other share-based awards as determined by the board (or the CGNC), provided that outstanding grants under the Omnibus Incentive Plan providing for the issuance of common shares shall not exceed 10% of the aggregate number of issued and outstanding common shares of the Company from time to time (less any common shares reserved for issuance under other security-based compensation arrangements), as determined from time to time by the board in accordance with the Omnibus Incentive Plan.

The Company's annual long-term incentive awards are based on position level, responsibilities and experience. Grant recommendations are prepared by the Company's Chief Executive Officer and President and Chief Operating Officer, with the support of the Vice President, Human Resources, which are then vetted by the CGNC for approval. On the recommendation of the CGNC, the Company's board of directors is responsible for approving an aggregate number of long-term incentives to be awarded to eligible participants under the Omnibus Incentive Plan. Previous long-term incentive grants, as well as the dilutive and financial impact on shareholders of the Company, are taken into account when considering new grants.

In the spring of 2021, the Board approved management's recommendation to reduce the number of employees who are eligible for long-term incentive awards under the Total Compensation Program in order to focus long-term incentives awards for a smaller group of key employees. Employees who were removed from the long-term incentive plan were provided with off-setting salary increases and/or one-time cash awards to compensate for the change to their compensation structure. In June 2021, the Company approved an aggregate award of 3,600,000 stock options to the remaining eligible employees under the terms of the Omnibus Incentive Plan. The option award has a five year term and vests over a three-year period commencing on the first anniversary of the date of grant. See "Omnibus Incentive Plan – Outstanding Equity-Based Awards" for more information on the outstanding stock option awards as at December 31, 2021.

Long-term incentive awards may also be granted outside of the annual grant program in recognition of a promotion or a significant change in duties and responsibilities. As with other programs, the eligibility for long-term incentives is dependent on employee performance and potential long-term contribution to the organization.

Recognition Programs

The Company has an employee recognition program that selectively recognizes and rewards employees within the organization who have contributed to the Company's success. The program consists of a multi-level recognition program, ranging from non-monetary peer-to-peer recognition to spot awards of up to $5,000. The Company also has a President's award program which is designed to reward employees for outstanding achievements resulting in significant cost savings or contributions to the Company's financial and operational performance. There were no President's awards issued in 2021.

Perquisites and Benefits

The Company provides officers with perquisites, including vehicle allowances and parking. Relevant club memberships are provided to a very select number of executives to assist in the performance of their duties and responsibilities. The Company has also established a retirement savings plan (RRSP or 401K) for its Canadian and U.S. employees which provides a matching contribution for participating employees equal to 5% of the individual's base salary up to specific maximums (subject to an over-riding discretion to temporarily cease matching contributions in response to weakened industry conditions). All of the Company's Canadian and U.S. employees are entitled to participate in the applicable retirement savings plan.

The Company provides an employee benefits plan, including extended health coverage, life insurance, short and long-term disability insurance, and dental coverage, to eligible employees. Such plan is benchmarked against other benefit plans in the industry on a market-by-market basis to ensure its competitiveness.

Risks Associated with Compensation Policies

The CGNC is responsible, on an annual basis, for reviewing and recommending for approval the Company's compensation policies and practices, as well as its corporate goals and objectives relevant to compensation. As part of this annual review, the CGNC considers the risks associated with the Company's compensation policies and practices to ensure that the Company's approach to risk management is accurately reflected in its overall approach to compensation.

In its analysis of the risks associated with the Company's compensation policies, the CGNC is mindful of any practices that may motivate behaviors among decision-makers that individually or collectively may have a negative impact on the Company. The Company's Total Compensation Program is designed to reward short-term performance against stated objectives and long-term value creation. The most significant components of the Company's compensation framework include base salary, a form of compensation that is not "at risk", and STIP awards and long-term incentive awards, such as stock options which are considered to be "at risk". This mix is designed to encourage officers to take measured risks that may have a positive impact on the Company's performance while simultaneously providing adequate compensation to officers to discourage them from taking excessive or inappropriate risks. In addition, it is important to note that STIP awards, which are a significant component of short-term compensation are linked to a minimum level of consolidated OI, which is predicated on achieving financial performance that is identifiably aligned with shareholder value. Awards under the STIP are not typically payable in the event that the Company does not meet the minimum consolidated OI threshold approved by the board of directors.

In 2020 and 2021, the former Compensation Committee and the board of directors also had to consider the risks associated with the reduction of employee compensation in response to the COVID-19 pandemic and OPEC+ oil price war, as well as the loss of long-term incentives resulting from the Recapitalization Transaction. The CGNC and the board of directors acknowledge that these measures could have a material impact on employee retention in the face of improving market conditions in 2022 and beyond, and is working with management to address these risk factors.

Clawback Policy

The board of directors has adopted a Clawback Policy concerning stock options, PSUs, RSUs or other equity or equity-based awards made under any security-based compensation arrangement of the Company, including the Omnibus Incentive Plan ("Incentive-Based Compensation"). The policy permits the board of directors, in instances where it determines it is in the Company'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 where such individual engaged in fraud or willful misconduct that: (a) caused or partially caused the need for an accounting restatement of all or a portion of the Company's financial statements; and (b) resulted in a higher amount of Incentive-Based Compensation being paid or granted to the executive than what would have been paid or granted had the financial statements materially complied with applicable securities laws.

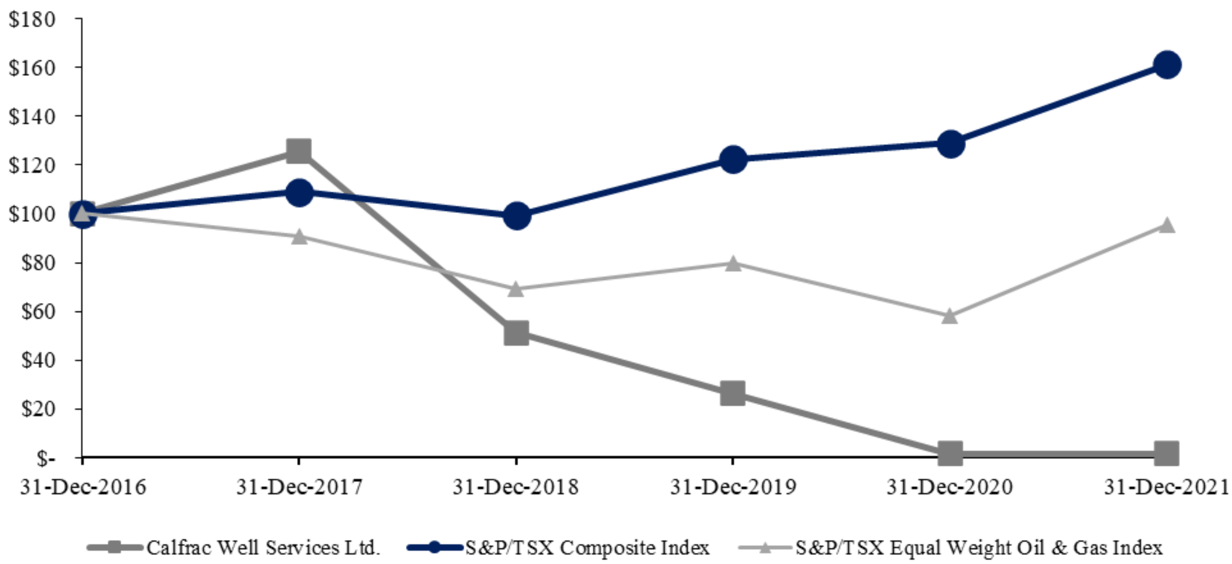
Prohibited Securities Transactions

Directors and executive officers of the Company are prohibited from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, which are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by an executive officer or a director.

Performance Graph

The graph below compares the cumulative return on the common shares of the Company with the cumulative total return of the S&P/TSX Composite Total Return Index and S&P/TSX Equal Weight Oil & Gas Index for the period commencing December 31, 2016 and ending December 31, 2021.

TOTAL RETURN ON $100 INVESTMENT
FROM DECEMBER 31, 2016 TO DECEMBER 31, 2021



		December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
●	S&P/TSX Composite Total Return Index	$100.00	109.10	99.40	122.50	128.98	161.34
Δ	S&P/TSX Equal Weight Oil & Gas Index	$100.00	90.72	69.17	79.98	58.02	95.72
■	Calfrac Well Services Ltd.	$100.00	125.63	51.26	26.26	1.66	1.76

Narrative Discussion

The Company's STIP has been based primarily upon the principle of achieving a minimum level of consolidated OI in any plan year before employees become eligible for short term incentive compensation. This association ensures that, absent exceptional circumstances, employees are rewarded with short term cash compensation only when the financial performance of the Company warrants such remuneration. The relationship between the financial performance of the Company and the trading price for its common shares also creates a similar structural correlation between long-term incentive compensation and share price. In 2020, the market price of the Company's common shares declined to historically low levels as a result of the COVID-19 pandemic, the OPEC+ oil price war and the Recapitalization Transaction. In response to this precipitous decline in market conditions, management implemented a wide range of cost reduction initiatives to protect the financial viability of the Company. These cost reductions included a reduction in base salary compensation for all employees, the suspension of employer matching contributions for the Company's retirement savings plans, and the suspension of other compensation elements as outlined above. In addition, no bonuses were paid under the STIP plan and all outstanding long-term incentives were cancelled or paid-out for nominal consideration as a result of the Recapitalization Transaction. Combined these measures had the effect of reducing total compensation for the executives and employees of the Company in correlation with the decline in the market price of the Company's common shares**.** In 2021, the market price of the Company's common shares began to improve as the market for well completion services rebounded from historic lows and commodity prices improved. Through the year, the Company reinstated the various compensation reductions that were implemented in 2020 in tandem with improving market conditions and in response to changing conditions in the labour market. No STIP award was paid for 2021 as the Company did not meet its minimum level of consolidated operating income. As a result, employee compensation slowly began to return to levels that were in place before the COVID-19 pandemic and in correlation to the improvement in the market price for the Company's common shares.

Summary Compensation Table

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, in Canadian dollars, to the individuals that acted as the Company's Chief Executive Officer, the Company's Chief Financial Officer and the next three most highly compensated executive officers during 2021 (collectively, the "Named Executive Officers").

Name and principal position	Year	Salary ($)	Share-based awards ($)[1]	Option-based awards ($)[1][2]	Non-equity incentive plan compensation ($)		All other compensation ($)[3]	Total compensation ($)
					Annual incentive plans[4]	Long-term incentive plans		
Ronald P. Mathison[5]	2021	423,346[6]	-	888,548	-	-	-	1,311,894
Chairman	2020	434,423	-	-	-	-	-	434,423
	2019	459,462[7]	142,000[8]	741,378	-	-	-	1,342,840
George S. Armoyan[9]	2021	75,703[10]	73,800[11]	-	-	-	-	149,503
Interim Chief Executive	2020	-	-	-	-	-	-	-
Officer	2019	-	-	-	-	-	-	-
Lindsay R. Link[12][13]	2021	553,429	-	888,548	-	-	-	1,441,977
President and Chief	2020	581,616	29,138[14]	-	125,278	-	11,195[15]	747,227
Operating Officer	2019	551,181	203,456[16]	214,357	-	-	11,487[15]	980,481
Michael D. Olinek	2021	364,703	-	369,155	-	-	5,787[15]	739,780
Chief Financial Officer	2020	359,123	12,488[17]	-	74,592	-	6,868[15]	453,071
	2019	351,338	92,531[18]	89,323	-	-	15,620[15]	548,812
Fred L. Toney[19]	2021	381,251	-	311,207	-	-	5,106[15]	697,563
President, United States	2020	400,669	10,406[20]	-	86,355	-	7,712[15]	505,142
Division	2019	411,445	92,531[21]	93,865	-	-	19,021[15]	616,862
J. Michael Brown[22]	2021	356,654	-	257,550	-	-	5,634[15]	619,839
Vice President, Technical	2020	374,819	8,325[23]	-	80,794	-	7,215[15]	471,153
Services	2019	384,900	74,025[24]	57,763	-	-	21,675[15]	538,363

Notes:

(1) **All references to the PSU and option grants in 2019 and 2020, and the valuations thereof, in the table are prior to giving effect to the 50:1 common share consolidation that occurred on December 18, 2020. Effective December 18, 2020, pursuant to the Plan of Arrangement (a) all outstanding stock options under the Old Option Plan and all outstanding cash-based PSUs under of the Old PSU Plan were cancelled for no consideration, and (b) all outstanding equity-based PSUs under the Old PSU Plan vested and holders thereof were paid out on a pro rata basis from total aggregate consideration of $175,000 (approximately $0.2057 per equity-based PSU).**

(2) The grant date fair values of stock options are theoretical expected values calculated at the date of grant in accordance with the Black-Scholes option pricing model, which is consistent with the accounting treatment afforded to options in the Company's financial statements and is considered by the board of directors to be a reasonable estimate of fair market value. The realized values are determined when the incentives are paid to the executive officers. Note that the amounts listed for 2019 reflect the grant date fair values of both the 2019 annual option grant, which took place on January 1, 2019, and the 2020 annual option grant, which took place on December 31, 2019.

(3) Unless otherwise specifically stated the reported compensation excludes perquisites the Named Executive Officers received and other personal benefits not generally available to all employees that were in aggregate the lesser of $50,000 and 10% of total annual salary.

(4) Amounts earned under the STIP for services performed during the year, and in the case of 2020 where no STIP payment was earned, the amount reflects a discretionary award paid on March 13, 2020, in light of the significant efforts of the executive officers of the Company with respect to the implementation of the enterprise resource planning project in Q1 2020 and completion of the exchange offer in respect of its 8.50% senior unsecured notes due 2026, which closed in February 2020.

(5) Mr. Mathison is one of the Company's founders and served as a member of the board of directors and as Chairman of the Company since its formation in 1999, and as its Executive Chairman from June 10, 2019 to December 17, 2021. Effective December 17, 2021, Mr. Mathison stepped down as Executive Chairman and was appointed Chairman of the Company.

(6) During his tenure as Executive Chairman, Mr. Mathison was not compensated for serving as a director. Represents Mr Mathison's base salary earned in 2021 in relation to Mr. Mathison's position as Executive Chairman. As Executive Chairman, Mr. Mathison was not eligible to receive retirement savings plan contributions from the Company.

(7) $208,500 represents fees earned for acting as a director of the Company and $250,962 represents base salary earned in relation to Mr. Mathison's position as Executive Chairman.

(8) The grant date fair value of the DSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of DSUs held by Mr. Mathison by the closing price of the Company's common shares on the grant date of such DSUs, being February 27, 2019 ($3.55).

(9) Mr. Armoyan was appointed Interim Chief Executive Officer effective December 17, 2021.

(10) Amount represents fees earned for acting as a director. At his request Mr. Armoyan is not compensated for his duties as Interim Chief Executive Officer but continues to be compensated for his service as a director.

(11) The grant date fair value of the DSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of DSUs held by Mr. Armoyan by the closing price of the Company's common shares on the grant date of such DSUs, being June 7, 2021 ($3.69).

(12) Mr. Link is paid in U.S. dollars. Mr. Link's base salary and retirement savings plan contributions have been converted into Canadian dollars at the average monthly Bank of Canada exchange rate for each applicable month and the amounts that Mr. Link earned under the annual incentive plans column have been converted into Canadian dollars at the Bank of Canada noon exchange rate on the applicable dates of payment.

(13) Mr. Link was appointed as the Company's President and Chief Operating Officer effective June 10, 2019. For fiscal 2019 and 2020 Mr. Link certified the certification of annual filings (Form 52-109F1) and for fiscal 2019, 2020 and 2021 Mr. Link certified the certification of interim filings (Form 51-102F2) on behalf of the Company, acting in the capacity of Chief Executive Officer. Effective December 17, 2021, Mr. Armoyan was appointed the Company's Interim Chief Executive Officer.

(14) The grant date fair value of the PSU's comprising this share-based award is a theoretical expected value calculated at the date of the grant by multiplying the number of PSU's granted to Mr. Link by the closing price of the Company's common shares on the grant date of such PSUs being March 16, 2020 ($0.37). The realized value is determined when the incentive is paid to Mr. Link, if at all.

(15) Represents the Company's retirement savings plan contributions on behalf of the Named Executive Officer, which benefit is made available to all eligible employees of the Company.

(16) The grant date fair value of 50,625 of the PSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of PSUs granted to Mr. Link by the closing price of the Company's common shares on the grant date of such PSUs, being March 11, 2019 ($3.29). The grant date fair value of 30,000 of the PSUs comprising this share-based aware is a theoretical expected value calculated at the date of the grant by multiplying the number of PSUs granted to Mr. Link by the closing price of the Company's common shares on the grant date of such PSUs, being November 11, 2019 ($1.23). The realized value is determined when the incentive is paid to Mr. Link, if at all.

(17) The grant date fair value of the PSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of PSUs granted to Mr. Olinek by the closing price of the Company's common shares on the grant date of such PSUs, being March 16, 2020 ($0.37). The realized value is determined when the incentive is paid to Mr. Olinek, if at all.

(18) The grant date fair value of the PSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of PSUs granted to Mr. Olinek by the closing price of the Company's common shares on the grant date of such PSUs, being March 11, 2019 ($3.29). The realized value is determined when the incentive is paid to Mr. Olinek, if at all.

(19) Mr. Toney is paid in U.S. dollars. Mr. Toney's base salary and retirement savings plan contributions have been converted into Canadian dollars at the average monthly Bank of Canada exchange rate for each applicable month and the amounts that Mr. Toney earned under the annual incentive plans column have been converted into Canadian dollars at the Bank of Canada noon exchange rate on the applicable dates of payment.

(20) The grant date fair value of the PSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of PSUs granted to Mr. Toney by the closing price of the Company's common shares on the grant date of such PSUs, being March 16, 2020 ($0.37). The realized value is determined when the incentive is paid to Mr. Toney, if at all.

(21) The grant date fair value of the PSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of PSUs granted to Mr. Toney by the closing price of the Company's common shares on

the grant date of such PSUs, being March 11, 2019 ($3.29). The realized value is determined when the incentive is paid to Mr. Toney, if at all.

(22) Mr. Brown is paid in U.S. dollars. Mr. Brown's base salary and retirement savings plan contributions have been converted into Canadian dollars at the average monthly Bank of Canada exchange rate for each applicable month and the amounts that Mr. Brown earned under the annual incentive plan column have been converted into Canadian Dollars at the Bank of Canada noon exchange rate on the applicable dates of payment.

(23) The grant date fair value of the PSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of PSUs granted to Mr. Brown by the closing price of the Company's common shares on the grant date of such PSUs, being March 16, 2020 ($0.37). The realized value is determined when the incentive is paid to Mr. Brown, if at all.

(24) The grant date fair value of the PSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of PSUs granted to Mr. Brown by the closing price of the Company's common shares on the grant date of such PSUs, being March 11, 2019 ($3.29). The realized value is determined when the incentive is paid to Mr. Brown, if at all.

Narrative Discussion

A description of the STIP is provided above under the heading "Short-Term Incentive Plan", a description of the Omnibus Incentive Plan is provided below under the heading "Omnibus Incentive Plan" and, with respect to historical grants, a description of the Old PSU Plan and a description of the Old Option Plan is provided in the management information circular of the Company dated March 25, 2020, under the headings "Performance Share Unit Plan" and "Stock Option Plan", a copy of which is available on the Company's SEDAR profile at www.sedar.com.

Incentive Plan Awards

Outstanding Share-based Awards and Option-based Awards

The following table sets forth, for each Named Executive Officer, all option-based and share-based awards outstanding at December 31, 2021.

	Option-based Awards				Share-based Awards		
Name[1]	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options[2] ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested[3] ($)**	**Market or payout value of vested share-based awards not paid out or distributed[3] ($)**
Ronald P. Mathison	414,000	3.54	June 6, 2026	273,240	-	-	3,360
George S. Armoyan	-	-	-	-	20,000	84,000	-
Lindsay R. Link	414,000	3.54	June 6, 2026	273,240	-	-	-
Michael D. Olinek	172,000	3.54	June 6, 2026	113,520	-	-	-
Fred L. Toney	145,000	3.54	June 6, 2026	95,700	-	-	-
J. Michael Brown	120,000	3.54	June 6, 2026	79,200	-	-	

Notes:

(1) None of the Named Executive Officers realized any value from exercising stock options during 2021.

(2) The value of unexercised in-the-money options has been calculated by subtracting the exercise price of such options from $4.20, being the closing price of the Company's common shares on the TSX on December 31, 2021 and multiplying the difference by the number of unexercised in-the-money options.

(3) The market or payout value of share-based awards that have not vested or that have vested and have not been paid out or distributed at December 31, 2021 is a theoretical expected value which was calculated by multiplying the applicable number of DSUs by $4.20, which was the closing price of the Company's common shares on the TSX on December 31, 2021.

Incentive Plan Awards - Value Vested or Earned During the Year

For each Named Executive Officer, the value vested or earned on all option-based awards, share-based awards, and non-equity incentive plan compensation during the financial year ended December 31, 2021, was zero as no options or share-based awards vested during 2021.

Termination and Change of Control Benefits

Employment Agreements

Lindsay R. Link and Michael D. Olinek each have an executive employment agreement which extends indefinitely, unless terminated by either party in accordance with the terms of the agreement. These employment agreements provide that in the event of a change of control of the Company, and if any of such Named Executive Officers are terminated within one year following such change of control, other than for just cause, such individual will be entitled to an amount equal to two times the sum of: (i) the individual's annual current base salary; (ii) an amount equal to their target incentive bonus; (iii) the costs of health and welfare benefit plans for the 12-month period preceding termination; (iv) an amount equal to the last annual taxable benefit for such individual's vehicle allowance; and (v) 6% of the individual's base salary up to the maximum contribution permitted in lieu of any pension, registered retirement savings plan or 401K contribution which the individual would have earned during a 12-month period. These employment agreements also provide that each of such Named Executive Officers shall have the right, but shall not be obligated, to terminate his employment and the employment agreement within 90 days following the occurrence of certain specified events which are deemed to amount to constructive dismissal. If any of such Named Executive Officers exercise this right or are terminated without cause by the Company in circumstances not relating to a change of control, as set out above, such officer is entitled to an amount equal to the sum of items (i) through (v) noted above.

J. Michael Brown had an employment agreement consistent with the above terms but voluntarily retired from the Company effective March 31, 2022, in exchange for a retirement allowance equal to one year of base salary and benefits.

Fred L. Toney has an executive employment agreement which was amended effective February 1, 2022, in connection with a graduated retirement agreement and transition from his position of President, United States Division to Vice President, Executive Sales to provide for, among other things: (i) a retirement allowance equal to the sum of his former base salary, costs of health and welfare benefit plans for 12-months, the annual taxable benefit for his vehicle allowance and the employer portion of his 401K contribution for 12-months; (ii) payment of two times his aggregate unpaid adjusted monthly salary through to December 31, 2022, in the case of (x) a change of control prior to his retirement date and his employment is not continued to the retirement date, or (y) a termination prior to his retirement date for any reason other than cause; and (iii) his stock options shall continue to vest in accordance with the original vesting schedule and be eligible for exercise through to the termination date, provided that in the event of a change of control of control or his termination for any reason other than cause, in each case prior to the retirement date, his outstanding options shall immediately vest and be available for exercise until December 31, 2022.

On December 17, 2021, Ronald P. Mathison stepped down as Executive Chairman and voluntarily terminated his executive employment agreement in accordance with its terms and without any associated severance payment.

George Armoyan was appointed to the role of Interim Chief Executive Officer on December 17, 2021. At Mr. Armoyan's request, he is not compensated for his executive officer duties and has not been provided with an executive employment agreement. Mr. Armoyan continues to earn fees for his services as a director of the Company.

The Company's Omnibus Incentive Plan provides that, following a change of control, all awards thereunder credited to a participant shall vest immediately prior to the time of the change in control and shall be exercisable or payable in accordance with the terms of the Omnibus Incentive Plan and the applicable grant agreement. The foregoing accelerated vesting upon a change in control shall not apply, however, if a participant is provided with a replacement award that meets certain prescribed requirements set forth in the Omnibus Incentive Plan ("Replacement Awards"). Unless otherwise stated in the applicable grant agreement, the Omnibus Incentive Plan does not provide for accelerated vesting of awards on termination of employment except in the case of Replacement Awards upon a participant's termination by the Company without cause or by a participant for good reason in certain prescribed circumstances that are akin to constructive dismissal, in either case within (i) 24 months following a change of control in the case of executive officers, or (ii) 12 months in the case of other participants. In such cases all Replacement Awards held by the applicable participant(s) shall vest in full and be paid or, become exercisable (if applicable), in full as soon as practicable, and in any event within 30 days, following such termination of service.

The estimated incremental payment obligations of the Company related to the termination entitlements set forth above, assuming that the triggering event took place on December 31, 2021 for Messrs. Link and Olinek and on April 1, 2022 for Mr. Toney, are as follows:

Named Executive Officer	Termination without Cause or Constructive Dismissal ($)	Termination without Cause or Constructive Dismissal following Change of Control ($)
Lindsay R. Link	1,206,798	2,686,836
Michael D. Olinek	802,712	1,718,944
Fred L. Toney	964,789	1,003,939

The employment agreements for the Named Executive Officers contain restrictions on the use or disclosure of confidential information by the Named Executive Officers, as well as provisions related to non-solicitation and non-competition by the Named Executive Officers for a period of 12 months, unless the termination of employment of any such individual is attributable to a termination on change of control, in which case the non-solicitation and non-competition period will be 24 months. The employment agreements specifically provide for immediate injunctive or equitable relief in the event that the Named Executive Officers breach the provisions related to non-solicitation or non-competition. In the event that any of the Named Executive Officers are terminated for cause, such individuals will not be entitled to receive any of the payments outlined above. In the event that any of the Named Executive Officers voluntarily terminate his or her employment for any reason other than following an event which is deemed to amount to constructive dismissal, such individual is obligated to provide 90 days prior written notice to the Company, upon receipt of which the Company may require such Named Executive Officer to continue to perform his or her duties for the remainder of the notice period, or advise such Named Executive Officer that his or her services are no longer required and pay such individual the salary, benefits and any other amounts earned under any bonus or incentive plan to the date of termination specified in the notice, or for the minimum period of payment in lieu of notice under applicable law, whichever is shorter.

Directors' Compensation

Summary Compensation Table

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, in Canadian dollars, to the following individuals who were directors of the Company during the most recently completed financial year, excluding Ronald P. Mathison, George S. Armoyan and Lindsay R. Link, who were Named Executive Officers of the Company during 2021 and whose compensation is disclosed under the headings "Summary Compensation Table", "Outstanding Share-based Awards and Option-based Awards" and "Incentive Plan Awards – Value Vested or Earned During the Year".

Name	Fees Earned[1] ($)	Share-based awards[2][3] ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Douglas R. Ramsay	127,500	92,250	-	-	-	-	219,750
Gregory S. Fletcher	124,500	73,800	-	-	-	-	198,300
Lorne A. Gartner	83,485	73,800	-	-	-	-	157,285
Anuroop Duggal	90,750	73,800	-	-	-	-	164,550

Notes:

(1) A breakdown of the aggregate fees earned by each director is presented in the narrative discussion and table appearing below.

(2) The grant date fair value of the DSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of DSUs granted to the applicable director by the closing price of the Company's common shares on the grant date of such DSUs, being June 7, 2021 ($3.69).

(3) None of the DSUs granted on June 7, 2021, have vested.

Narrative Discussion

On an annual basis, management of the Company provides the board of directors with information regarding director compensation from a select peer group, which the board of directors utilizes in order to determine the compensation for the Company's directors. Effective April 1, 2020, the board of directors reduced all directors' fees by twenty-five percent (25%) in response to the COVID-19 pandemic and OPEC+ oil price war, which was reinstated effective April 1, 2021. In 2021, each director other than Ronald P. Mathison, the Company's Executive Chairman and Lindsay R. Link, the Company's President and Chief Operating Officer, was paid an annual retainer of $45,000 per annum ($36,563 post-reduction). For each meeting of the board, a fee of $1,500 ($1,125 post-reduction) was paid to each director who attended in person, by telephone or by video-conference. For each meeting of a committee of the board (other than the Audit Committee), a fee of $1,500 ($1,125 post-reduction) was paid to each committee member who attended in person, by telephone or by video conference. For each meeting of the Audit Committee, a fee of $2,500 ($1,875 post-reduction) was paid to each committee member who attended in person, by telephone or by video-conference. The chair of the Audit Committee received an additional annual retainer of $20,000 ($16,250 post-reduction), the chairs of the former Compensation Committee, former Corporate Governance and Nominating Committee and the Health, Safety, Environment and Quality Committee each received an annual retainer of $15,000 ($12,187 post-reduction). The Vice-Chairman is entitled to a supplemental fee of $50,000 per annum ($40,625 post-reduction) to compensate him for his time commitment and efforts on behalf of the Company in his role as Vice-Chairman. The Lead Director is entitled to a supplemental fee of $25,000 per annum ($20,312 post-reduction) to compensate him for his time commitment and efforts on behalf of the Company in his role as Lead Director. All such payments are made to directors on a quarterly basis. Ronald P. Mathison and Lindsay R. Link did not receive any compensation for serving as a director. Mr. Mathison stepped down as Executive Chairman and was appointed Chairman of Calfrac effective December 17, 2021.

Effective October 15, 2004, the board of directors established a deferred share unit plan (the "Old DSU Plan") for directors. The Old DSU Plan provided that the board may grant DSUs to designated directors. Pursuant to the Plan of Arrangement, the outstanding DSUs under the Old DSU Plan were unaffected by the Recapitalization Transaction; however, the Company subsequently adjusted the number of outstanding DSUs held by each director to reflect the 50:1 share consolidation in accordance with the terms of the DSU Plan. The remaining outstanding DSUs granted under the Old DSU continue to be governed by the terms of the Old DSU Plan but no new DSUs will be granted under the Old DSU Plan. In its place, the board of directors has adopted a Schedule of DSU Terms to provide for the issuance of DSUs as "Other Share-Based Awards" pursuant of the Omnibus Incentive Plan (the "Omnibus Schedule of DSU Terms"). The Omnibus Schedule of DSU Terms is subject to the terms of the Omnibus Incentive Plan and provides the board of directors with the right to grant non-employee directors with DSUs and the discretionary right to grant DSUs to executive directors in exceptional circumstances, such as in the case of Mr. Armoyan who is not being compensated for his executive officer duties.

The Omnibus Schedule of DSU Terms is generally consistent with the terms of the Old DSU Plan. Each DSU represents the right to receive a gross payment equal to the Fair Market Value at the date of exercise, which date will be determined by the holder of the DSUs, subject to certain conditions. For the purposes of the Omnibus Schedule of DSU Terms, "Fair Market Value" means, on any date, the weighted average trading price of a common share of the Company on the TSX during the last five trading days prior to that date. The Company has the option of instructing an independent broker to acquire common shares on the open market on behalf of a participant equal to the number obtained by dividing the amount of cash otherwise payable, after deducting statutory withholdings, by the Fair Market Value. The DSUs expire at a date determined by the board (which shall not be later than three years following the end of the year in which the grant occurred). Unless otherwise determined by the Company, if a participant ceases to be a director of the Company or a designated affiliate for any reason, that participant's unvested DSUs shall terminate and be forfeited and the participant may redeem any vested DSUs until the earlier of: (i) 90 days from the date the participant ceased to be a director (180 days in the case of cessation by reason of death or permanent disability); or (ii) the expiry date set forth in the document granting the DSUs. Typically, DSUs vest on the first anniversary date of the grant and vested DSUs can be exercised anytime up to January 31st of the third year following the year of grant. The initial grant of DSUs under the Omnibus Schedule of DSU Terms was made in June 2021 and such DSUs vest on the first anniversary date of the grant, have an expiry date of three years from the date of grant and will be settled in cash by the Company.

The following table further itemizes the compensation paid to each non-employee director during 2021.

Name	Board Retainer $	Committee Chair Fee $	Board Meeting Fee $	Committee Meeting Fee $	Total Fees Paid $	DSUs Granted #	Stock Options Granted #
Douglas R. Ramsay	42,188	60,938(1)	15,750	8,625	127,500	25,000	-
Gregory S. Fletcher	42,188	42,188(2)	15,750	24,375	124,500	20,000	-
Lorne A. Gartner	42,188	4,172(3)	15,750	21,375	83,485	20,000	-
Anuroop Duggal	42,188	14,063(4)	15,750	18,750	90,750	20,000	-

Notes:

(1) This amount represents Mr. Ramsay's fee for acting as chair of the Health, Safety, Environment and Quality Committee, and his supplemental fee for acting as Vice-Chairman as described above.

(2) This amount represents Mr. Fletcher's fee for acting as chair of the Audit Committee, and his supplemental fee for acting as Lead Director, as described above.

(3) This amount represents Mr. Gartner's fee for acting as chair of the Compensation Committee until May 4, 2021.

(4) This amount represents Mr. Duggal's fee for acting as chair of the Corporate Governance and Nominating Committee.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth for each director, other than Ronald P. Mathison, George S. Armoyan and Lindsay R. Link, all option-based and share-based awards outstanding at December 31, 2021.

	Option-based Awards				**Share-based Awards(1)**		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Douglas R. Ramsay	-	-	-	-	25,000	105,000	-
Gregory S. Fletcher	-	-	-	-	20,000	84,000	1,680

Name	Option-based Awards Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)	Share-based Awards[(1)] Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Lorne A. Gartner	-	-	-	-	20,000	84,000	1,680
Anuroop Duggal	-	-	-	-	20,000	84,000	-

Note:

(1) The market or payout value of share-based awards that have vested and not been paid out or distributed and those that have been granted and have not vested, each as at December 31, 2021, is a theoretical expected value which was calculated by multiplying the applicable number of DSUs at December 31, 2021 by $4.20, which was the closing price of the Company's common shares on the TSX on December 31, 2021.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth for each director, other than Ronald P. Mathison, George S. Armoyan and Lindsay R. Link the value vested or earned on all option-based awards, share-based awards, and non-equity incentive plan compensation during the year ended December 31, 2021.

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested or earned during the year ($)[(1)]	Non-equity incentive plan compensation – Value earned during the year ($)
Douglas R. Ramsay	-	-	-
Gregory S. Fletcher	-	1,620	-
Lorne A. Gartner	-	1,620	-
Anuroop Duggal	-	-	-

Note:

(1) The value vested during the year for share-based awards for Messrs. Fletcher and Gartner has been calculated by multiplying the number of DSUs vested during the year by $4.05, which was the weighted average trading price on the TSX of the Company's common shares, for the five-day trading period preceding the vesting date of March 3, 2021.

Omnibus Incentive Plan

The Omnibus Incentive Plan is a long-term incentive plan that permits the grant of stock options, stock appreciation rights ("SARs"), RSUs, PSUs and other share-based awards ("Other Share-Based Awards") to directors, officers, employees and consultants of the Company and its affiliates, as well as prospective directors, officers and employees who have accepted offers of employment or directorship from the Company or its affiliates (collectively, the "Eligible Individuals").

The purpose and principal terms of the Omnibus Incentive Plan are summarized below. This summary does not purport to be a complete description of the Omnibus Incentive Plan.

Purpose

The Omnibus Incentive Plan is designed to, among other things, promote a proprietary interest in the Company among Eligible Individuals and to align the interests of such individuals with the interests of shareholders through the issuance of long-term incentive awards, including stock options, SARs, PSUs, RSUs and Other Share-Based Awards (each, an "award" and collectively the "awards").

Eligibility

Awards may be granted under the Omnibus Incentive Plan to Eligible Individuals. A stock option which has been designated as an "incentive stock option" under the applicable grant agreement may be granted only to employees of the Company and its subsidiaries (within the meaning of section 424(f) of the United States Internal Revenue Code of 1986 (the "Code")).

The effect of an Eligible Individual's period of absence or termination of service on such Eligible Individual's awards will be as set forth in the applicable grant agreement.

Administration

The Omnibus Incentive Plan is administered by the CGNC on behalf of the board of directors (referred to in this section as the "Committee"). The plan provides the Committee with authority to determine the Eligible Individuals to whom awards may be granted, and to establish the terms, conditions and limitations of each award (subject to the terms of the Omnibus Incentive Plan and the applicable provisions of the Code), including without limitation, the type and amount of an award, the number of common shares subject to an award, the exercise price, any vesting conditions, restrictions or limitations attaching to an award (including any applicable performance criteria to be achieved during any performance period and the length of such performance period) and any vesting acceleration or forfeiture waiver (including on termination of service) regarding any award and common shares relating thereto. The plan also provides the Committee with the power and authority to interpret the terms and provisions of the Omnibus Incentive Plan as well as any award issued under the Omnibus Incentive Plan (and any grant agreement relating thereto). The Committee carries out these powers in consultation with the full board of directors in accordance with the process described above under the heading "Executive Compensation – Compensation Discussion and Analysis – Long-Term Incentives".

Number of Authorized Shares

The Omnibus Incentive Plan is a "rolling plan" which provides that the maximum number of common shares issuable pursuant to the Omnibus Incentive Plan, and all other security-based compensation arrangements of the Company, may not exceed 10% of the aggregate number of issued and outstanding common shares from time to time. Common shares issued pursuant to awards granted under the Omnibus Incentive Plan may, subject to the terms of the grant agreement in respect of an award, be issued from treasury or purchased in the open market or otherwise, at the sole discretion of the Committee.

Common shares issued pursuant to awards granted under the Omnibus Incentive Plan that expire, or are terminated, forfeited or cancelled, will again be available for issuance pursuant to awards subsequently granted under the Omnibus Incentive Plan. The number of common shares available for issuance pursuant to awards granted under the Omnibus Incentive Plan is subject to adjustment in the event of a share split, share dividend, reverse share split, reorganization, consolidation, share combination, recapitalization or similar event affecting the capital structure of the Company.

If any award is forfeited, terminates, expires or lapses instead of being exercised, or any award is settled for cash, the common shares subject to such award will not be counted as common shares issued pursuant to awards granted under the Omnibus Incentive Plan. Common shares subject to an award intended to qualify for the employment inducement award exception under section 613(c) of the TSX Company Manual will not reduce the number of common shares available for issuance under the Omnibus Incentive Plan.

At the special meeting of shareholders of the Company held on October 16, 2020, shareholders approved a resolution authorizing that a maximum of 10% of the aggregate number of issued and outstanding common shares from time to time be made available for issuance pursuant to awards granted under the Omnibus Incentive Plan. The rules of the TSX require that every three (3) years after institution, all unallocated options, rights or other entitlements under a security-based compensation arrangement that does not have a fixed maximum number of securities issuable must be approved by shareholders. The Omnibus Incentive Plan does not have a fixed number of securities issuable and as such shareholder approval will be required every three (3) years.

An Eligible Individual will have no rights as a shareholder with respect to the common shares represented by any awards issued under the Omnibus Incentive Plan until common shares are actually delivered to the Eligible Individual in settlement thereof.

Insider Participation Limits

No awards will be granted to any Eligible Individual if, at the time of such grant, such grant could result in the number of common shares: (a) issued to Company "insiders" (as defined by the TSX Company Manual) in any one year period; or (b) issuable to Company "insiders" (as defined in the TSX Company Manual) at any time, in each case, pursuant to the exercise or settlement of awards issued under the Omnibus Incentive Plan, or when combined with all other securities-based compensation arrangements, exceeding 10% of the outstanding common shares. A non-employee director of the Company will not be granted awards covering common shares with an aggregate grant date Fair Market Value (as defined below) in excess of $150,000 during any one-year period, and no more than $100,000 of such allocated grant date Fair Market Value may be comprised of stock options or SARs. In addition, a non-employee director will not be granted any awards under the Omnibus Incentive Plan if, at the time of such grant, such grant could result in the aggregate number of common shares issued to all non-employee directors exceeding 1% of the Company's then issued and outstanding common shares. No stock option that is intended to qualify as an "incentive stock option" may be granted to any Eligible Individual who, at the time of such grant, owns common shares possessing more than 10% of the total combined voting power of all common shares, unless at the time such stock option is granted, the exercise price is at least 110% of the Fair Market Value of a common share and such stock option expires before the fifth anniversary of the date on which it was granted. Subject to the terms of the Omnibus Incentive Plan, "Fair Market Value" means, with respect to any particular date, the volume weighted average trading price per common share on the stock exchange designated in the applicable grant agreement during the five trading days immediately preceding such date.

Adjustments

In the event of a merger, arrangement, consolidation, acquisition of property or shares, share rights offering, liquidation, disposition of an affiliate (including by reason of a disaffiliation) or similar transaction affecting the Company or any of its affiliates, the Committee may make such adjustments as it deems equitable and appropriate to: (a) the aggregate number and kind of securities reserved for issuance and delivery under the Omnibus Incentive Plan; (b) the number and kind of securities subject to awards then outstanding; and (c) the exercise price of outstanding awards.

In the event of a share split, reverse share split, share dividend, share combination, reorganization, recapitalization or similar event affecting the capital structure of the Company, or a disaffiliation, separation or spinoff, in each case without consideration, or other extraordinary dividend of cash or other property to the shareholders, the Committee may make adjustments as it deems equitable and appropriate to: (a) the aggregate number and kind of securities reserved for issuance and delivery under the Omnibus Incentive Plan; (b) the number and kind of securities subject to awards then outstanding; and (c) the exercise price of outstanding awards.

Types of awards

Stock Options and SARs

Each stock option granted under the Omnibus Incentive Plan will entitle an Eligible Individual to purchase one or more common shares upon payment of an exercise price, subject to the terms and conditions of the Omnibus Incentive Plan and the applicable grant agreement. SARs may be granted as a separate award or in conjunction with a stock option. Upon the exercise of a SAR, the Eligible Individual will be entitled to receive an amount equal to the product of: (a) the excess of the closing price of one common share on the last trading day preceding the date of exercise of the SAR, over the exercise price of the applicable SAR, multiplied by: (b) the number of common shares in respect of which the SAR has been exercised. Stock options granted with a tandem SAR will allow the Eligible Individual to surrender the stock option and exercise the related SAR or to exercise the stock option, in which case the related SAR will immediately terminate, and no payment will be made, or common shares issued in respect thereof. The applicable grant agreement for SARs grants not in conjunction with a stock option will specify whether such payment is to be made in cash or common shares or will reserve to the Committee or the Eligible Individual the right to make that determination prior to or upon the exercise of the SAR.

The exercise price per common share subject to a stock option or SAR will be determined by the Committee and set forth in the applicable grant agreement and will not be less than the Fair Market Value of a common share on the applicable grant date.

The term of each stock option and each SAR will be fixed by the Committee, however in no event will any stock option or SAR be exercisable more than 10 years following the grant date of such award, subject to the terms of the Omnibus Incentive Plan. Notwithstanding the foregoing, if the date on which a stock option or SAR is meant to terminate, expire or lapse (the "Termination Date") occurs during a trading blackout period imposed by the Company and applicable to the relevant participant, or within 10 business days of the expiry thereof, then the Termination Date will be extended to the date that is 10 business days following the expiry date of such trading blackoutperiod.

RSUs

RSUs are awards denominated in common shares that will be settled in a specified number of common shares or a cash amount equal to the Fair Market Value of a specified number of common shares, as determined in the sole discretion of the Committee. The vesting of RSUs is conditioned upon the continued service of the applicable Eligible Individual. RSUs will vest in accordance with the terms and conditions of the Omnibus Incentive Plan and the applicable grant agreement.

PSUs

PSUs are awards denominated in common shares that will be settled in common shares or a cash amount equal to the Fair Market Value of common shares, as determined in the sole discretion of the Committee. The number of PSUs settled will vary depending on the Company's achievement over a designated performance period of performance criteria determined by the Committee and set forth in the applicable grant agreement. The vesting of PSUs is conditioned upon the continued service of the applicable Eligible Individual. PSUs will vest in accordance with the terms and conditions of the Omnibus Incentive Plan and the applicable grant agreement.

Other Share-Based Awards

Subject to the terms of the Omnibus Incentive Plan, the Committee may grant equity-based or equity-related awards not otherwise described in the Omnibus Incentive Plan in such amounts and subject to such terms and conditions consistent with the terms of the Omnibus Incentive Plan as the Committee may determine, which may: (a) involve the transfer of actual common shares to Eligible Individuals, either at the time of grant or thereafter, or payment in cash or otherwise of amounts based on the value of common shares; (b) be subject to performance-based and/or service- based conditions; (c) be in the form of phantom stock, DSUs or other awards denominated in, or with a value determined by reference to, a number of common shares that is specified at the time of the grant of such award; and (d) be designed to comply with applicable laws of jurisdictions other than the United States or Canada. The board of directors adopted the Omnibus Schedule of DSU Terms to authorize the grant of DSUs as described above under the heading "Director Compensation – Narrative Discussion".

No Repricing

Without shareholder approval and except as described above under the heading "Adjustments", the Committee is not authorized to reduce the exercise price of an outstanding stock option or SAR, including by way of a cancellation in exchange for cash or other awards or in conjunction with the grant of any new stock option or SAR with a lower exercise price.

Transferability

Except as set forth below, awards under the Omnibus Incentive Plan are not transferable except by will or by laws of descent and distribution (or otherwise for estate settlement purposes). A stock option that is not designated as an "incentive stock option" under the applicable grant agreement or a SAR may be transferred by a participant, for no value or consideration, to such participant's family members, whether directly or indirectly or by means of a trust or partnership or otherwise, if such transfer is expressly permitted by the Committee.

Term and Amendments

The Committee may amend, alter or discontinue the Omnibus Incentive Plan or amend the terms of any award granted thereunder from time to time without shareholder approval; provided however that:

(a) approval of the holders of a majority of common shares present in person or by proxy at a meeting of shareholders is necessary for any:

(i) increase in the maximum number of common shares issuable pursuant to awards granted under the Omnibus Incentive Plan;

(ii) amendment that would reduce the exercise price of an outstanding stock option or SAR;

(iii) amendment to extend the maximum term of any award;

(iv) amendment to permit the transfer or assignment of awards beyond what is contemplated by the Omnibus Incentive Plan;

(v) amendment to increase the limits on non-employee director participation contained in the Omnibus Incentive Plan;

(vi) amendment that removes or exceeds the insider participation limit contained in the Omnibus Incentive Plan (as summarized above);

(vii) amendment to the Omnibus Incentive Plan's amendment provisions; or

(viii) amendment for which shareholder approval is otherwise required under the rules or policies of the TSX or any applicable law; and

(b) the consent of the award holder is required for any amendment, alteration or discontinuation which adversely alters or impairs the rights of the holder in respect of a previously granted award.

There were no amendments to the Omnibus Incentive Plan in 2021. In connection with Mr. Mathison stepping down as Executive Chairman, the board of directors approved an amendment to the grant agreement for Mr. Mathison's outstanding options to clarify that a "Termination of Service" had not occurred and such stock options continue to remain outstanding in accordance with the terms of the Omnibus Plan and the grant agreement, as amended, so long as Mr. Mathison remains a director of the Company, and provided that such options shall immediately vest and become exercisable in whole or in part if Mr. Mathison ceases to be the Chairman of the Board of the Company for any reason. In addition, the board of directors approved an amendment to the grant agreement for Mr. Toney's outstanding options to provide for the continued vesting and accelerated vesting of such options as discussed under the heading "Executive Compensation – Compensation Discussion and Analysis – Termination and Change of Control Benefits". Shareholder approval for the foregoing amendments to the respective award agreements was not required as the amendments fall within the board of directors' authority under Sections 2.1(b)(iv) and (v) of the Omnibus Plan and are not amendments that require shareholder approval as outlined above.

Outstanding Equity-Based Awards

As of December 31, 2021, there were 3,300,000 stock options outstanding under the Omnibus Incentive Plan representing, in the aggregate, 8.8% of the issued and outstanding common shares as of such date. As of December 31, 2021, there were no other awards outstanding under the Omnibus Incentive Plan that involve the issuance or potential issuance from treasury of common shares and 449,309 common shares remained available for issuance pursuant to equity-based awards granted under the Omnibus Incentive Plan, representing 1.2% of the issued and outstanding common shares as of such date.

The outstanding stock options include the following additional terms in the grant agreements:

(a) A five year term with 1/3 of the stock options vesting on the first, second and third anniversary date of the grant.

(b) A "cashless" exercise feature, if so permitted by the Company, whereby all or a portion of the common shares issuable on exercise of the stock options being exercised are to be immediately sold, in which case the participant shall follow the necessary procedures for such exercise as indicated by the Company.

(c) Upon an Eligible Participant ceasing to be an employee or director of the Company or an affiliate prior to the applicable vesting date for any reason other than due to the participant's death, retirement, termination for cause or termination by the Company without cause or by a participant for good reason in certain prescribed circumstances that are akin to constructive following a change in control (each of which has the treatment specified below), all unvested stock options will be forfeited immediately, provided that any vested stock options may continue to be exercised by a participant within the earlier of the Termination Date of the stock option or the 60th day after a participant ceases to be an officer, employee or director, as applicable ("Termination Exercise Period"). Any vested stock options that are not exercised by a participant during the Termination Exercise Period shall be forfeited and cancelled on the last day of the Termination Exercise Period. In the event of termination for cause all stock options granted to the participant immediately expire and terminate on the date of termination. In the event of the death or retirement granted stock options shall be exercisable until the earlier of their Termination Date or 12 months after the date of death or retirement. Notwithstanding the foregoing, if a participant retires but then joins a competitor of the Company within 12 months of such retirement, such participant's stock options will terminate on the earlier of their Termination Date or 90 days after the participant joined the competitor, but only to the extent that such participant would have been entitled to exercise such stock options as at the day prior to the day that the participant commenced work with the competitor. Treatment of stock options upon termination by the Company without cause or by a participant for good reason in certain prescribed circumstances that are akin to constructive following a change in control is as set forth above under the heading "Executive Compensation – Compensation Discussion and Analysis – Termination and Change of Control Benefits".

Burn Rate

For the year ended December 31, 2021, the annual burn rate of the Omnibus Incentive Plan, as calculated in accordance with Section 613(p) of the TSX Company Manual, was 9.55%.

Prior to the adoption of the Omnibus Incentive Plan, the Company issued equity-based incentive awards pursuant to the Old Option Plan and Old PSU Plan. For the years ended December 31, 2019 and 2020, the combined annual burn rate of the Old Option Plan and Old PSU Plan, as calculated in accordance with Section 613(p) of the TSX Company Manual, was 3.51% and 0.42%, respectively. Effective December 18, 2020, pursuant to the Plan of Arrangement: (i) all outstanding stock options under the Old Option Plan were cancelled for no consideration; and (ii) all outstanding equity-based PSUs under the Old PSU Plan vested, and holders thereof were paid out on a pro rata basis from total aggregate consideration of $175,000 (approximately $0.2057 per equity-based PSU).

Equity Compensation Plan Information as at December 31, 2021

Plan Category	Number of common shares to be issued upon exercise of outstanding options and other equity-based awards	Weighted-average exercise price of outstanding options and other equity-based awards	Number of shares remaining available for future issuance under equity compensation plans (excluding outstanding options and other equity-based awards)
Equity compensation plans approved by shareholders			
Omnibus Incentive Plan	3,300,000	3.54	449,309
Equity compensation plans not approved by shareholders	-	-	-
Total	3,300,000	3.54	449,309

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

On November 12, 2010, the Company loaned Fernando Aguilar, the Company's President and Chief Operating Officer at that time, $2,500,000 for the purpose of facilitating the purchase of common shares of the Company on the TSX. The loan is on a non-recourse basis and is secured by the common shares acquired with the loan proceeds.

Purpose	AGGREGATE INDEBTEDNESS To the Company or its Subsidiaries	To Another Entity
Share Purchases	$2,500,000	-

CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Company's board of directors, the members of which are elected by and are accountable to the Company's shareholders. The Company's board of directors' views effective corporate governance as an essential element for the ongoing well-being of the Company, its shareholders and other stakeholders. With that in mind, the board of directors reviews the Company's corporate governance practices on an ongoing basis to ensure that they provide for effective stewardship of the Company.

The following disclosure of the Company's corporate governance practices is presented pursuant to the requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") and reflects the composition and practices of the board of directors as of the date hereof, except where otherwise noted. As Messrs. Fletcher and Gartner are retiring from the board of directors at the expiry of the Meeting and three new director nominees are proposed to be elected, changes to the constitution of the board committees and any other corporate governance practices will be assessed by the re-constituted board of directors following the Meeting.

Board of Directors

Independence

The board of directors has reviewed the status of each director nominee to determine whether such individuals are "independent" as defined in NI 58-101. This review included the completion of self-assessment questionnaires by each of such individuals and a detailed review of such questionnaires by the Company and its legal counsel. As a result of such review, and after consideration of all business, charitable, family and other relationships among the director nominees and the Company, the board has determined that each director nominee other than Ronald P. Mathison, the Company's Executive Chairman until December 17, 2021, Lindsay R. Link, the Company's President and Chief Operating Officer and George S. Armoyan, the Company's Interim Chief Executive

Officer, are independent within the meaning of NI 58-101. Messrs. Link and Armoyan are not independent as they are current executive officers of the Company. Mr. Mathison is not independent as he is an individual who has been, within the last three years, an executive officer of the Company.

Board Meetings and Attendance Record

The board of directors generally meets a minimum of four times a year and additionally during the year as the need arises. The frequency and length of meetings and the nature of agenda items depend upon the circumstances. Meetings are detailed and well attended and are conducted in an atmosphere that encourages participation and independence. In order to promote candid discussion among the independent directors, in-camera sessions are generally held at every board and committee meeting, from which non-independent directors and any management invitees in attendance are excused. Information regarding the number of board and committee meetings held in 2021 and the attendance at such meetings is provided under the heading "Business of the Meeting – Election of Directors" for the current directors nominated for election at the Meeting. In addition, Messrs. Fletcher and Gartner attended 100% of the board and applicable committee meetings for which they were members during 2021.

Other Directorships

Information in respect of other directorships of reporting issuers held by director nominees is provided under the heading "Business of the Meeting – Election of Directors". Messrs. Mathison, Gartner and Armoyan serve together on the board of directors of Western Energy Services Corp., and Mr. Armoyan serves on the board of Clarke Inc. with Mr. Pellerin, a proposed director nominee.

Chairman

Ronald P. Mathison has been Chairman of the Company since its formation in 1999 and he was appointed Executive Chairman effective June 10, 2019. As Executive Chairman, Mr. Mathison was not considered an independent director. As such, Mr. Fletcher was appointed as the independent Lead Director of the Company effective June 10, 2019. Effective December 17, 2021, Mr. Mathison stepped down as Executive Chairman and was appointed Chairman of the Company.

Lead Director

The primary duties and responsibilities of the Lead Director are as follows: (a) act as a leader for the independent directors; (b) serve as an independent contact for directors on matters deemed to be inappropriate to be discussed initially with the Chairman or other situations where the Chairman is not available; (c) hold one-on-one discussions with the directors when the CGNC or the board of directors requests; (d) communicate with the Chairman, Chief Executive Officer and President of the Company so that they are aware of concerns of the independent directors, shareholders and other stakeholders; (e) be available to counsel the Chairman on matters appropriate for review in advance of discussion with the full board; (f) organize and present the agenda for *in camera* independent director meetings based on input from directors and management; (g) preside over *in camera* independent director meetings and conduct meetings in an efficient, effective and focused manner; (h) oversee the distribution of information to independent directors for purposes of *in camera* independent directors' meetings in manageable form, sufficiently in advance of the meetings; and (i) perform such other duties and responsibilities as may be requested by the board from time to time.

Board Mandate

The mandate of the board of directors sets out the board's purpose, organization, duties and responsibilities. A copy of the mandate is attached to this Circular as Appendix A. The board mandate and the charters for each of the Company's three standing committees discussed below are reviewed annually and approved with any changes deemed appropriate at the time of review and approval.

Position Descriptions

The board of directors has developed written position descriptions for the Chairman, Vice Chairman, Lead Director and the chair of each board committee. The board has also developed a written position description for the Chief Executive Officer and Chief Financial Officer.

Orientation and Continuing Education

All directors are provided with access to an on-line director's resource center, which includes a copy of all board and committee mandates and policies, the Company's by-laws, pertinent corporate policies and information and other reference materials, and are introduced to senior management and the other directors. New directors are given a presentation on the Company and its position in the oilfield services sector by the Company's senior management team. Although the Company does not have a formal continuing education program for its directors, all directors are afforded opportunities to supplement their knowledge of the technical and operating aspects of the Company's business through trips to the field and operating districts to witness the Company's operations firsthand and are provided direct exposure to the Company's management and operations personnel at technical presentations for the Company's clients and employee base held at the Company's head office and Technology and Training Center in Calgary. In addition, the Company's board of directors and its committees attend presentations and receive educational information and/or materials on a variety of topics. For example, during 2021:

- the Audit Committee received reports on new and emerging issues in its areas of responsibility including new International Financial Reporting Standards pronouncements; and

- the Corporate Governance and Nominating Committee received updates with respect to corporate governance trends and current governance issues from the Company's internal and external legal advisors.

Ethical Business Conduct

The Company has a written Code of Business Conduct for its directors, officers and employees. A copy of the Code of Business Conduct may be found on SEDAR at www.sedar.com. The board has delegated to senior management the responsibility for monitoring compliance with the Code of Business Conduct. To the knowledge of the board, there have been no departures from the code that would necessitate the filing of a material change report.

The board of directors is of the view that a culture of strong corporate governance and ethical business conduct must be endorsed by the board and the Company's executive officers. The Company's Code of Business Conduct addresses many areas of business conduct and provides a procedure for employees to raise concerns or questions regarding the conduct of the Company's directors, officers and employees.

The Code of Business Conduct also obligates directors, officers, employees and consultants to promote high standards of ethical conduct that prohibit and eliminate the occurrence and appearance of conflicts between the best interests of the Company and the private or personal interests of any director, officer, employee or consultant. Any potential conflict of interest must be immediately disclosed to the Chief Executive Officer and the chair of the CGNC, who are charged with the authority to make any required determinations in respect of such potential conflict of interest.

In addition, the board of directors has established a whistleblower policy which permits any officer or employee to submit, on a confidential, anonymous basis, any complaints or concerns regarding the manner in which the Company conducts its business, including violations of law, rules, regulations or the Code of Business Conduct, and concerns regarding accounting, internal accounting controls or auditing matters. Reports may be filed anonymously via the telephone or internet, through an ethics hotline hosted by an external service provider. The board believes that providing a forum to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct within the Company's organization.

The board of directors has also adopted an anti-bribery and anti-corruption policy which is intended to ensure that the Company does not receive an improper advantage in its business dealings and to ensure that all payments and expenses are lawful and properly recorded in the Company's financial books and records. The policy provides guidance on dealing with agents, contractors and public officials, acceptance of gifts, making political and charitable contributions and dealing with certain types of payments. Employees are obligated to report any violations of the policy to the General Counsel, who has been appointed by the board to oversee the administration of the policy and is responsible for determining the most appropriate method to investigate the substance of the claims and ensure that there is appropriate monitoring of progress until the matter has been satisfactorily resolved. A mandatory online e-learning course has been implemented for all employees to facilitate in-depth instruction regarding the anti-bribery and anti-corruption policy. The General Counsel periodically reports on the policy and its effectiveness to the board of directors.

Nomination of Directors

On February 7, 2022, the Compensation Committee and Corporate Governance and Nominating Committees were combined to form the CGNC. The CGNC is responsible for proposing director nominees to the board of directors and annually reviews both the size and the composition of the board to ensure that the board is populated with an appropriate number of directors who collectively possess the competencies identified by the Committee as being critical to the effectiveness of the board as a whole. As part of this process, the CGNC takes into account the following considerations: (a) the competencies and skills the board, as a whole, should possess; (b) the competencies and skills that each existing director possesses and identifies any gaps in knowledge and expertise; (c) the size of the board and its ability to effectively facilitate decision making; (d) the competencies and skills each new nominee will bring to the board; and (e) whether or not each new nominee can devote sufficient time and resources to his or her duties as a board member.

As at the date hereof, the CGNC consists of four members – Anuroop Duggal (Chair), Gregory S. Fletcher, Lorne A. Gartner and Douglas R. Ramsay. All four CGNC members are independent. The charter of the CGNC sets out, among other things, the following duties and responsibilities relating to its corporate governance and nomination mandate:

- monitoring and enhancing the Company's approach to corporate governance, including ESG matters;
- consider the membership needs of the board and its committees and make recommendations with a view to fulfilling such needs;
- review the composition of the board and its committees and make recommendations to the board designed to ensure that appropriate numbers of directors sit on the board and its committees and that the directors collectively have the competencies and skills that the board considers to be necessary for the board as a whole to possess;
- following consultation with the Chairman of the board, identify, evaluate and make recommendations to the board regarding appropriate committees of the board to be established, the charter for each committee, and the chair of each committee; and
- review and assist, where appropriate, in management succession planning and professional development planning for the officers of the Company.

Compensation

The CGNC, and the board of directors upon receiving the recommendations of the CGNC, is responsible for reviewing the overall compensation strategy of the Company. The CGNC currently consists of four members, each of whom is independent. The charter of the CGNC sets out, among other things, the following duties and responsibilities relating to its compensation mandate:

- review annually and recommend for approval to the board of directors the compensation policies and guidelines for the Company, together with the Company's corporate goals and objectives relevant to compensation;

- review annually and report to the board of directors on any risk implications associated with the Company's compensation policies and practices;

- review annually and recommend for approval to the board of directors the salaries and compensation of the Company's officers;

- conduct annually and report to the board of directors the results of performance appraisals of the Chief Executive Officer, President and Chief Operating Officer and other officers as appropriate;

- review and recommend for approval to the board of directors grants of stock options or other equity-linked compensation;

- review annually the Company's employee incentive plans, retirement and benefit plans, and bonus plans, and recommend for approval to the board of directors any amendments thereto;

- review management's reports to the CGNC on human resource issues;

- review annually and recommend for approval to the board of directors the executive compensation disclosure of the Company in its management information circular;

- review annually and recommend for approval to the board of directors the compensation arrangements for the directors of the Company, the Chairman of the board of directors and the chair and members of each committee of the board of directors;

- review and approve any management contracts, change of control agreements, indemnity agreements and significant consulting contracts;

- consider opportunities to reflect Calfrac's ESG priorities and initiatives in fulfilling the Committee's compensation mandate and responsibilities; and

- review and approve any requests by management to engage a compensation consultant to provide services related to executive or board compensation matters.

The CGNC has the authority to retain consultants, including compensation consultants or advisors, as the Committee may determine necessary or advisable to carry out its responsibilities.

Board Committees

As at the date hereof, the Company's board of directors has three standing committees: the Audit Committee, the CGNC and the Health, Safety, Environment and Quality Committee. Details in respect of the CGNC are provided above. The information about the Audit Committee required by National Instrument 52-110 *Audit Committees* is disclosed in the Company's Annual Information Form in the "Audit Committee Information" section and a copy of the Audit Committee mandate is attached as Appendix A to the Company's Annual Information Form filed on SEDAR at www.sedar.com.

The Health, Safety, Environment and Quality Committee is responsible for monitoring the health, safety, environment and quality practices, procedures and performance of the Company and its subsidiaries and for monitoring compliance with applicable legislation and conformity with industry standards. The Committee is also responsible for reviewing management reports and, when appropriate, making recommendations to the board of directors on the Company's policies and procedures related to health, safety, the environment and quality. The Health, Safety, Environment and Quality Committee consists of three members, each of whom are independent.

Assessments

The board of directors, its committees and individual directors are formally assessed at least annually with respect to effectiveness and overall contribution. The objective of the process is to increase the effectiveness of the board of directors and its committees, maximize each director's contribution and fully consider the full roles the directors are playing. The assessment is conducted by the CGNC through the completion of a detailed questionnaire that assesses each director and board committee and facilitates a comprehensive peer review. The responses to such questionnaires are summarized by an outside consultant in order to preserve the confidentiality of the process and ensure that meaningful feedback is provided and are reviewed and assessed by the CGNC which in turn presents the results, together with recommendations for improving the board's composition and practices, to the board of directors. In addition, the chair of the CGNC meets with each director individually to discuss any concerns or suggestions with respect to governance matters and overall board functioning.

Director Term Limits and Board Renewal

The Company has not adopted a director term or age limit because it does not believe that such limits are in the best interests of shareholders as they can restrict experienced and valuable directors from service through arbitrary means. While the Company recognizes the importance of adding new perspectives to the board from time to time, there are benefits to having continuity and directors having in-depth knowledge of each facet of the Company's business, which necessarily takes time to develop. The Company believes that it is important to achieve an appropriate balance of both to ensure the effectiveness of the board.

As an alternative to term limits, the board of directors, in conjunction with the CGNC, assesses the need for board renewal annually by reviewing each director's effectiveness and contributions to the board of directors as described under the headings "Corporate Governance Practices – Nomination of Directors" and "Corporate Governance Practices – Assessments". These assessments reflect the Company's focus on assembling a board of directors with the right mix of skills and experience to navigate the complex and critical issues faced by the Company.

The current directors have served on the board for between 15 months to 18 years, with the average tenure being approximately 10.2 years. If all of the proposed director nominees are elected at the Meeting, the average tenure of the board of directors will be reduced to 5.2 years immediately after the Meeting.

Board Diversity

The board of directors believes that the Company's directors should possess backgrounds, qualifications and attributes that, when taken together, provide the Company with a broad range of skills and experience. The Company has adopted a Diversity Policy (the "Board Diversity Policy") to accommodate and encourage the respect for, and appreciation of, the aspects of diversity in a broad sense, including in gender, age, ethnic origin, religion, education, sexual orientation and disability. Pursuant to the Board Diversity Policy, the Company will seek to balance the need to secure board members that are best qualified, based upon merit, to meet the Company's needs with the benefits of diversity in leadership roles. As a result, in seeking nominees to fill any future vacancies on the board of directors, the Board Diversity Policy provides that the CGNC will:

- include diversity, including women, Aboriginal peoples, persons with disabilities and members of visible minorities as such terms are defined in the *Employment Equity Act*, S.C. 1995, c.44 (collectively, "Designated Groups"), as one of the criteria in assessing potential candidates;

- make best efforts to ensure at least one or more female candidates are included in the list of candidates presented for the CGNC's consideration; and

- will consider engaging a third-party search firm to assist with the search if no suitable female candidate is identified by the Company.

The CGNC is responsible for recommending candidates to the board of directors for nomination. When considering new potential director nominees, the CGNC will review available information regarding each potential candidate that has been identified by the Company or the third-party search firm, if applicable, including qualifications, experience, integrity, judgment and communication skills, as well as representation of a particular Designated Group. The potential director nominees that the CGNC considers to be the best qualified, based on merit, to meet the Company's needs will be recommended to the board of directors for nomination. Additional information on the director nomination process is discussed under the heading "Corporate Governance Practices – Nomination of Directors".

The Board Diversity Policy has been approved by the Company's board of directors and is overseen by the CGNC. On a periodic basis, the CGNC reviews the Board Diversity Policy and recommends any amendments deemed appropriate.

Consideration of the Representation of Designated Groups in the Director Identification and Selection Process

The Board Diversity Policy governs the selection of director nominees and requires the board of directors to consider diversity factors, including representation of Designated Groups, when evaluating board composition and identifying director nominees. The Board Diversity Policy requires that the Company consider nominees and new candidates on merit, using objective criteria, while recognizing the benefits of diversity and the needs of the board of directors. To meet the objectives of the Board Diversity Policy, the CGNC will ensure that the nomination criteria and identification procedures outlined above under the heading "Board Diversity" are followed in the director identification and selection process.

Consideration Given to the Representation of Designated Groups on the Board and in Executive Officer Appointments

The CGNC considers diversity when evaluating board composition and identifying new candidates for director and executive positions. However, at this time the board has not adopted a written policy relating to the identification and nomination of executive officers, nor set any set specific minimum targets for executive officer composition, from any specific Designated Group, including women. The board does not believe that it is in the Company's best interest to implement arbitrary targets with respect to executive officer composition, however, the Company supports and encourages diversity at all levels of the organization and maintains an inclusive and merit-based approach to advancement opportunities.

Targets Regarding the Representation of Designated Groups on the Board and in Executive Officer Positions

The board of directors and management are committed to developing a diverse and inclusive work environment. Specifically, the Board Diversity Policy was revised in 2021 to reflect a target to appoint a female director to the board by the Company's 2023 annual meeting of shareholders, with an eventual goal of having two female directors.

The Company does not otherwise have any specific targets regarding the representation of Designated Groups on the board or in executive officer positions. The Company does not believe that it is in the Company's best interest to implement any other targets with respect to board or executive officer composition at this time. However, consistent with the principles of the Board Diversity Policy and in addition to the female director targets noted above, the Company will seek to balance the need to secure the best qualified candidates, based upon merit, while also factoring in the importance and benefits of diversity when seeking to fill board or executive officer vacancies.

The board measures the effectiveness of the Board Diversity Policy by monitoring the representation of Designated Groups on the board, in executive officer positions and in non-executive senior leadership roles. The

Company is making progress toward enhancing diversity since the adoption of the Board Diversity Policy. The Company had no representation of any Designated Group at the board or executive officer level prior to the adoption of the Board Diversity Policy. The Company now has one director, one director nominee and one executive officer that are members of a visible minority, and has a commitment to appoint a female board member by the 2023 annual meeting of shareholders, as noted above. In addition, the Company's non-executive senior leadership team includes several members of Designated Groups, positioning the Company for continued diversity in senior positions.

Designated Groups on the Board and in Executive Officer Positions

As of the date hereof, none of the Company's seven directors (0%) and none of the Company's fifteen executive officers (0%) are women, Aboriginal peoples or persons with disabilities, and one of the Company's seven directors (14%) and one of the Company's fourteen executive officers (7%) are members of visible minorities.

FEEDBACK FROM STAKEHOLDERS

The board of directors has assigned to the Chairman of the board, the President and Chief Operating Officer, and the chair of the CGNC the responsibility for bringing to the attention of the board any feedback received by them from shareholders and other stakeholders of the Company. Shareholders and other stakeholders are encouraged to provide such feedback by email to Ronald P. Mathison, the Chairman of the board, at rmathison@matcocap.com, to Lindsay R. Link, the President and Chief Operating Officer, at llink@calfrac.com, and to Anuroop Duggal, the chair of the CGNC, at aduggal@calfrac.com.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com.

Information regarding the business of the Company is provided in the Company's current Annual Information Form. Financial information is provided in the Company's comparative financial statements and management's discussion and analysis for the year ended December 31, 2021. Shareholders may obtain copies of these documents and the Company's interim financial statements and additional copies of this Circular without charge by contacting the Corporate Secretary of the Company at 500, 407 – 8th Avenue S.W., Calgary, Alberta, T2P 1E5 (phone: 403-266-6000; fax: 403-266-7381).

DATED April 6, 2022.

APPENDIX A

BOARD OF DIRECTORS MANDATE

The board of directors (the "Board") of Calfrac Well Services Ltd. ("Calfrac") is responsible for the stewardship of Calfrac and for overseeing the conduct of the business of Calfrac and the activities of management, who are responsible for the day-to-day conduct of the business.

Composition and Operation

The Board operates by reserving certain powers to itself and delegating certain of its authorities. The Board retains responsibility for managing its own affairs, including selecting its chair, nominating candidates for election to the Board, constituting committees of the Board, appointing the chairs of committees of the Board, and determining director compensation. Subject to the articles and by-laws of Calfrac and the *Canada Business Corporations Act*, the Board may constitute committees of the Board and seek the advice of, and delegate powers, duties and responsibilities to, its committees and management.

Responsibilities

The Board's primary responsibilities are to preserve and enhance long-term shareholder value and to ensure that Calfrac meets its obligations on an on-going basis and operates in a reliable and safe manner. In performing its duties, the Board should also consider the legitimate interests of other stakeholders, such as employees, customers and communities, may have in Calfrac. In broad terms, the Board's stewardship of Calfrac involves strategic planning, risk management and mitigation, executive management appointment and assessment, communication planning, and internal control integrity. More specifically, the Board is responsible for

(a) satisfying itself as to the integrity of the president (the "President") and other executive officers and ensuring that the President and other executive officers create a culture of integrity throughout the organization,

(b) adopting a business planning process and approving, on an annual basis, a business plan for Calfrac which takes into account, among other things, the opportunities and risks of the business,

(c) identifying the principal risks of Calfrac's business and ensuring the implementation of appropriate systems to manage these risks,

(d) succession planning, including appointing, training and monitoring senior management,

(e) adopting a communication policy for Calfrac that includes measures for receiving feedback from stakeholders,

(f) monitoring the integrity of Calfrac's internal control and management information systems,

(g) developing Calfrac's approach to corporate governance and ESG matters, including developing a set of corporate governance principles and guidelines that are specifically applicable to Calfrac, and

(h) on an individual basis, attending Board meetings, reviewing meeting materials in advance of meetings, and complying with the other expectations and responsibilities of directors of Calfrac established by the Board.

In discharging these responsibilities and the specific duties set out below, the Board will utilize and direct management of Calfrac to the extent the Board considers to be appropriate.

Specific Duties

The Board's specific duties, obligations and responsibilities fall into the following categories.

1. Legal Requirements

(a) The Board has oversight responsibility for Calfrac's satisfaction of its legal obligations and for the preparation and maintenance of Calfrac's documents and records.

(b) The Board has the statutory obligation to

(i) manage the business and affairs of Calfrac, and

(ii) act in accordance with its obligations under the *Canada Business Corporations Act* and the regulations thereunder, Calfrac's articles and by-laws, and other relevant legislation and regulations,

and each director of Calfrac in exercising the director's powers and discharging the director's duties has the statutory obligation to

(iii) act honestly and in good faith with a view to the best interests of Calfrac, and

(iv) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(c) When acting with a view to the best interests of Calfrac, the directors may consider, but are not limited to, the following factors:

(i) the interests of:

(A) shareholders;

(B) employees;

(C) retirees and pensioners;

(D) consumers;

(E) creditors; and

(F) governments;

(ii) the environment; and

(iii) the long-term interests of the corporation.

(d) The Board has the statutory obligation to consider the following matters as a board of directors and may not delegate to management or to a committee of the Board any authority with respect to these matters:

(i) submit to the shareholders any question or matter requiring the approval of the shareholders,

(ii) fill a vacancy among the directors or in the office of auditor,

(iii) issue securities except in the manner and on the terms authorized by the Board,

(iv) declare dividends,

(v) purchase, redeem or otherwise acquire shares issued by Calfrac, except in the manner and on the terms authorized by the Board,

(vi) pay a commission to any person in consideration of the person's purchasing or agreeing to purchase shares of Calfrac from Calfrac or from any other person, or procuring or agreeing to procure purchasers for shares of Calfrac, except in the manner and on the terms authorized by the Board,

(vii) approve any management proxy circular relating to a solicitation of proxies by or on behalf of the management of Calfrac,

(viii) approve any take-over bid circular or directors' circular,

(ix) approve any annual financial statements of Calfrac, or

(x) adopt, amend or repeal by-laws.

2. Independence

The Board is responsible for implementing appropriate structures and procedures to permit the Board to function independently of management.

3. Strategic Planning

The Board is responsible for ensuring that there are long-term goals and a strategic planning process in place for Calfrac and participating with management directly or through its committees in approving the strategic plans by which Calfrac proposes to achieve its goals.

4. Risk Management

The Board is responsible for understanding the principal risks of the business in which Calfrac is engaged, achieving a proper balance between risks incurred and the potential return to shareholders, and confirming that there are systems in place that effectively monitor and manage those risks with a view to the long-term viability of Calfrac.

5. Appointment, Training and Monitoring of Senior Management

The Board is responsible for

(a) appointing the President of Calfrac, monitoring and assessing the President's performance, determining the President's compensation, and providing advice and counsel to the President in the execution of the President's duties,

(b) approving the appointment and remuneration of all other officers of Calfrac, and

(c) confirming that adequate provision has been made for the training and development of management and for the orderly succession of management.

6. *Reporting and Communication*

The Board is responsible for

(a) verifying that Calfrac has in place policies and programs to enable Calfrac to communicate effectively with its shareholders, other stakeholders and the public generally,

(b) verifying that the financial performance of Calfrac is adequately reported to shareholders, other security holders, regulators and the public on a timely and regular basis,

(c) verifying that Calfrac's financial results are prepared and reported fairly and in accordance with generally accepted accounting principles,

(d) verifying the timely reporting of any other developments that have a material effect on Calfrac, and

(e) reporting annually to shareholders on the Board's stewardship of the affairs of Calfrac for the preceding year.

The Board has assigned to the chair of the Board, the President, and the chair of the Compensation, Governance and Nominating Committee responsibility for bringing to the attention of the Board feedback received by them from shareholders and other stakeholders of Calfrac. To encourage and facilitate such feedback, instructions for contacting these individuals will be disclosed annually in Calfrac's management information circular and will be posted on Calfrac's web site.

7. *Monitoring and Acting*

The Board is responsible for

(a) verifying that Calfrac operates at all times within applicable laws and regulations to the highest ethical standards,

(b) approving and monitoring compliance with the significant policies and procedures by which Calfrac is operated,

(c) verifying that Calfrac sets high environmental standards in its operations and is in compliance with environmental laws and regulations,

(d) verifying that Calfrac has in place appropriate programs and policies for the health and safety of its employees in the workplace,

(e) monitoring Calfrac's progress toward its goals and objectives and revising and altering its direction through management in response to changing circumstances,

(f) taking action when Calfrac's performance falls short of its goals and objectives or when other special circumstances warrant,

(g) verifying that Calfrac has implemented adequate information systems, disclosure controls and procedures, and internal control over financial reporting,

(h) ensuring that the Board receives from senior management on a timely basis the information and input required to enable the Board to effectively perform its duties,

(i) adopting a written code of business conduct and ethics and monitoring compliance with the code, and

(j) conducting and acting upon annual assessments and evaluations of the Board, committees of the Board and individual directors.

8. Other

The Board may exercise or delegate any other powers consistent with this mandate, Calfrac's articles and by-laws, and any governing laws, as the Board deems necessary or appropriate. The powers of the Board may be exercised by a resolution passed at a meeting of the Board at which a quorum is present or by a resolution in writing signed by all of the directors entitled to vote on that resolution at a meeting of the Board. If there is a vacancy in the Board, the remaining directors may exercise all the powers of the Board so long as a quorum remains in office.

Reviewed and approved on March 3, 2021.