



**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 7, 2024**
CALFRAC WELL SERVICES

MANAGEMENT INFORMATION CIRCULAR DATED MARCH 27, 2024



For the Year Ended December 31, 2023

DO IT SAFELY • DO IT RIGHT • DO IT PROFITABLY

CALFRAC WELL SERVICES LTD.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The annual 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 7, 2024, at 1:30 p.m. for the following purposes:

- (1) to receive the financial statements for the year ended December 31, 2023, and the auditor's report thereon;
- (2) to elect directors;
- (3) to appoint the auditor and authorize the directors to fix their remuneration; and
- (4) 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. **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 Odyssey Trust Company, Attention: Proxy Department, Trader's Bank Building, 702, 67 Yonge Street, Toronto, Ontario M5E 1J8. To be valid and used, properly executed proxies must be received by Odyssey Trust Company of Canada not later than 1:30 p.m. (MDT) on Friday, May 3, 2024, or 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting.**

DATED March 27, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

Signed "Jeff Ellis"

Jeff Ellis
General Counsel and Corporate Secretary

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ABOUT THIS 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" or "Calfrac") for use at the annual 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 7, 2024, at 1:30 p.m. (the "Meeting") and at any adjournment thereof for the purposes set forth in the accompanying notice of meeting.

NOTICE AND ACCESS

The Company has elected to use the "notice-and-access" provisions under National Instrument 54-101 Communications with Beneficial Owners of Securities of a Reporting Issuer ("NI 54-101") for the Meeting in respect of the mailing of the Meeting materials to shareholders who do not hold their shares in their own name ("Non-registered Shareholders"), but not in respect of the registered shareholders. The notice-and-access provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials required to be physically mailed to shareholders by allowing a reporting issuer to post its proxy-related meeting materials online. The Company has received exemptions from the Director appointed under the Canada Business Corporations Act ("CBCA") to sections 151(1) and 156 of the CBCA, which enables the Company to rely on the "notice-and-access" system provided that, among other conditions, the Company makes this Circular accessible and sends a notice thereof in accordance with NI 54-101 and National Instrument 51-102 Continuous Disclosure Obligations ("NI 51-102").

The Company will be using stratification procedures in relation to the use of the notice-and-access provisions. In relation to the Meeting, the Company's registered shareholders will receive a paper copy of the Notice of Meeting, the Circular, a form of proxy and the annual financial statements and related management's discussion and analysis. All Non-registered Shareholders will receive a notice-and-access notification and a voting instruction form and only those Non-registered Shareholders who responded to the supplemental mail card pursuant to NI 51-102 will receive a copy of the annual financial statements and related management's discussion and analysis.

VOTING AND PROXY MATTERS

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 Odyssey Trust Company, Attention: Proxy Department, Trader's Bank Building, 702, 67 Yonge Street, Toronto, Ontario M5E 1J8, not later than 1:30 p.m. (MDT) on Friday, May 3, 2024, 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 chair 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 Odyssey Trust Company, Attention: Proxy Department, Trader's Bank Building, 702, 67 Yonge Street, Toronto, Ontario M5E 1J8, 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 chair 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 <https://login.odysseytrust.com/pxlogin> and follow the instructions on the screen. The shareholder's voting instructions are then conveyed electronically over the Internet. The shareholder will need the 12-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 Odyssey Trust Company, Attention: Proxy Department, Trader's Bank Building, 702, 67 Yonge Street, Toronto, Ontario M5E 1J8.

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 Odyssey toll free (within North America) at 1-800-517-4553.

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 Odyssey upon arrival at the Meeting.

NON-REGISTERED SHAREHOLDERS

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.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

The record date for the Meeting is March 19, 2024 (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 85,716,129 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	28,401,329	33.1%
Ronald P. Mathison ⁽³⁾ Calgary, Alberta	10,517,579	12.3%

⁽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 28,401,329 common shares held by Armco Alberta Inc., a company controlled by George and Simé Armoyan.

⁽³⁾ Includes 1,558,658 common shares held by MATCO Investments Ltd., a company controlled by Mr. Mathison.

BUSINESS OF THE MEETING

RECEIPT OF FINANCIAL STATEMENTS

The financial statements for the year ended December 31, 2023, 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 eight 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. All of the nominees were duly elected as directors at the annual and special meeting of shareholders held on May 9, 2023 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.

MAJORITY VOTING

On August 31, 2022, amendments to the CBCA came into effect that generally require "majority voting" for each candidate nominated for director in uncontested director elections of reporting issuers governed by the CBCA. Where majority voting applies, the form of proxy required by the CBCA must provide shareholders with the option to specify whether their vote is to be cast "for" or "against" each candidate nominated for director, rather than "voted" or "withheld" from voting as required by subsection 9.4(6) of NI 51-102. The CBCA amendments effectively supersede the Toronto Stock Exchange ("TSX") majority voting policy requirements, thereby precluding the need for an unsupported nominee who has not been elected by a majority of votes cast to resign and denying the board the choice of not accepting such a resignation. However, the CBCA amendments create specific exceptions to allow an unsupported nominee to be appointed as a director if that person is necessary for the corporation to meet certain board constitution obligations under the CBCA.

As a CBCA entity, in 2023 the board of directors amended its majority voting policy for the election of directors to align with these amendments to the CBCA, and it now provides as follows:

- (1) any director nominee who receives more "for" votes than "against" votes at any meeting at which shareholders vote on the uncontested election of directors is elected at the meeting.
- (2) if any nominee for election receives more "against" votes than "for" votes at any meeting at which shareholders vote on the uncontested election of directors, then such director is not elected at the meeting. An incumbent director who fails to be elected can remain in office at the request of the other directors for up to 90 days or until a successor is appointed or elected.
- (3) the board of directors cannot appoint a nominee who fails to be elected at a meeting by written resolution of the directors except in the limited circumstances where the appointment of that person is necessary for the Company to meet certain prescribed obligations under the CBCA, including (i) having at least two directors who are not officers or employees of the Company or its affiliates; or (ii) meeting Canadian residency requirements, such as at least twenty-five percent (25%) of the board members being Canadian residents; and
- (4) if the board of directors appoints a nominee that failed to receive a majority of votes "for" on account of one of the prescribed exceptions under the CBCA, it shall timely disclose by press release such fact and the reasons for its decision, and in any event no later than 90 days after the date of the meeting. Subject to the foregoing and the Company's by-laws, the board of directors may fill any vacancy created because of any failure of a nominee to be elected by a majority standard.

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 "against" for each nominee, rather than simply disclosing the results 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, the voting results with respect to each nominee at the previous meeting of shareholders at which directors were elected, the present occupations and 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.

<p>Ronald P. Mathison Calgary, Alberta, Canada Director since: March 8, 2004⁽¹⁾ Not Independent⁽²⁾</p> <p>Common shares: 10,517,579⁽³⁾</p> <p>Meets Share Ownership Policy⁽⁴⁾</p>	<p>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.</p>		
Board/Committee Memberships⁽⁵⁾			
Board of Directors (Chair).....			
2023 Meeting Attendance			
6 of 6 100%			
Other Public Company Board Memberships			
Western Energy Services Corp. (TSX: WRG)			
Voting Results from 2023 Annual and Special Meeting			
	For	Against	Total
Number of Votes	53,671,939	6,802,620	60,474,559
Percentage of Votes	88.75%	11.25%	100%

Douglas R. Ramsay 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.

Okotoks, Alberta, Canada
 Director since: March 24, 2004
 Independent⁽²⁾
 Common shares: 292,708

Meets Share Ownership Policy⁽⁴⁾

Board/Committee Memberships ⁽⁵⁾	2023 Meeting Attendance	
Board of Directors (Vice Chair)	6 of 6	100%
Health, Safety and Environment Committee (Chair).....	3 of 3	100%
Compensation, Governance and Nominating Committee	1 of 1	100%

Other Public Company Board Memberships
 None

Voting Results from 2023 Annual and Special Meeting			
	For	Against	Total
Number of Votes	54,045,992	6,428,567	60,474,559
Percentage of Votes	89.37%	10.63%	100%

George S. Armoyan Mr. Armoyan is the Executive Chairman and Secretary of G2S2 Capital Inc., President of Armco Capital Inc., and Chairman, President & CEO of Clarke Inc. Mr. Armoyan also served as Interim Chief Executive Officer of the Company from December 17, 2021 to June 3, 2022. Mr. Armoyan is an entrepreneur with extensive experience in real estate, oil and gas, 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.

Halifax, Nova Scotia, Canada
 Director since: December 18, 2020
 Independent⁽²⁾
 Common shares: 28,401,329⁽⁵⁾

Meets Share Ownership Policy⁽⁴⁾

Board/Committee Memberships ⁽⁵⁾	2023 Meeting Attendance	
Board of Directors	5 of 6	83%
Compensation, Governance and Nominating Committee.....	1 of 2	50%

Other Public Company Board Memberships
 Clarke Inc. (TSX: CKI)
 Slate Office REIT (TSX: SOT.UN)

Voting Results from 2023 Annual and Special Meeting			
	For	Against	Total
Number of Votes	52,284,784	8,189,775	60,474,559
Percentage of Votes	86.46%	13.54%	100%

Anuroop Duggal Mr. Duggal is a private investor and board member with significant institutional investing experience in 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 was also an Adjunct Professor for the MBA program at Columbia Business School for seven years where he taught value investing courses through the Heilbrunn Center for Graham & Dodd Investing. Mr. Duggal is a member of the board of PrairieSky Royalty Ltd. and Optiva Inc.

Toronto, Ontario, Canada
 Director since: December 18, 2020
 Independent⁽²⁾
 Common shares: 35,000

Meets Share Ownership Policy⁽⁴⁾

Board/Committee Memberships ⁽⁵⁾	2023 Meeting Attendance	
Board of Directors	6 of 6	100%
Audit Committee.....	4 of 4	100%
Compensation, Governance and Nominating Committee (Chair)	2 of 2	100%

Other Public Company Board Memberships
 Optiva Inc. (TSX: OPT)
 PrairieSky Royalty Ltd. (TSX: PSK)

Voting Results from 2023 Annual and Special Meeting			
	For	Against	Total
Number of Votes	52,600,469	7,874,090	60,474,559
Percentage of Votes	86.98%	13.02%	100%

<p>Charles Pellerin Victoriaville, Québec, Canada Director since: May 3, 2022 Independent⁽²⁾</p> <p>Common shares: 860,000</p> <p>Meets Share Ownership Policy⁽⁴⁾</p>	<p>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. Mr. 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's degree in accounting from Ottawa University and a post graduate diploma in accounting from the University of Trois-Rivieres, Quebec, and has been a member of the Quebec Order of the Chartered Accountants since 2000. Mr. Pellerin is also a director and member of the Audit Committee of Clarke Inc. as well as the Executive Chairman of Terravest Industries Inc.</p>		
Board/Committee Memberships⁽⁵⁾			
2023 Meeting Attendance			
Board of Directors	6 of 6 100%		
Audit Committee (Chair)	4 of 4 100%		
Compensation, Governance and Nominating Committee	2 of 2 100%		
Other Public Company Board Memberships			
Clarke Inc. (TSX: CKI)			
Terravest Industries Inc. (TSX: TVK)			
Voting Results from 2023 Annual and Special Meeting			
	For	Against	Total
Number of Votes	59,280,588	1,193,971	60,474,559
Percentage of Votes	98.03%	1.97%	100%
<p>Pat Powell Calgary, Alberta, Canada Director since: May 3, 2022 Not Independent⁽²⁾</p> <p>Common shares: Nil</p> <p>Meets Share Ownership Policy⁽⁴⁾</p>	<p>Mr. Powell has been the Company's Chief Executive Officer since June 3, 2022, and prior to that he was the Chairman and Chief Executive Officer of Command Fishing + Pipe Recovery Ltd. Mr. Powell has over 40 years of experience in the Canadian oilfield service industry. 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.</p>		
Board/Committee Memberships⁽⁵⁾			
2023 Meeting Attendance			
Board of Directors	6 of 6 100%		
Health, Safety and Environment Committee	3 of 3 100%		
Other Public Company Board Memberships			
None			
Voting Results from 2023 Annual and Special Meeting			
	For	Against	Total
Number of Votes	55,141,043	5,333,516	60,474,559
Percentage of Votes	91.18%	8.82%	100%

Chetan Mehta Bethesda, MD, United States Director since: May 3, 2022 Independent ⁽²⁾	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.		
Common shares: 25,000	Board/Committee Memberships⁽⁵⁾		2023 Meeting Attendance
	Board of Directors		6 of 6 100%
Meets Share Ownership Policy ⁽⁴⁾	Audit Committee.....		4 of 4 100%
	Health, Safety and Environment Committee		3 of 3 100%
Other Public Company Board Memberships			
None			
Voting Results from 2023 Annual and Special Meeting			
	For	Against	Total
Number of Votes	60,411,927	62,632	60,474,559
Percentage of Votes	99.90%	0.10%	100%
Holly A. Benson Calgary, Alberta, Canada Director since: May 9, 2023 Independent ⁽²⁾	Mrs. Benson is an independent businessperson with a Chartered Public Accountant designation and the former Vice President, Finance and Chief Financial Officer of Peters & Co. Limited, a registered investment dealer, from 1999 to 2020. Prior to, Mrs. Benson served as Controller of Peters & Co. Limited, and prior to that she held various audit and accounting positions at Ernst & Young LLP. Mrs. Benson has her ICD.D designation from the Institute of Corporate Directors, currently serves as a director and Chair of the Audit Committee of Rubellite Energy Inc., a public crude oil exploration and development company, and has served on various industry committees and boards, including as a director of the Investment Industry Regulatory Organization of Canada (IIROC) from 2015 to 2021.		
Common shares: 50,000	Board/Committee Memberships⁽⁵⁾		2023 Meeting Attendance
	Board of Directors		4 of 4 100%
Meets Share Ownership Policy ⁽⁴⁾	Audit Committee		2 of 2 100%
	Other Public Company Board Memberships		
Rubellite Energy Inc. (TSX: RBY)			
Voting Results from 2023 Annual and Special Meeting			
	For	Against	Total
Number of Votes	59,036,558	1,438,001	60,474,559
Percentage of Votes	97.62%	2.38%	100%

⁽¹⁾ Service prior to March 24, 2004 was as a director of the Company's predecessor, Denison Energy Inc. ("Denison"). On March 24, 2004, Denison amalgamated with a private corporation known as Calfrac Well Services Ltd. that was formed in 1999 ("CWSL"). On March 8, 2004, Denison had completed an arrangement whereby almost all of Denison's assets were transferred to two new corporations, and on March 24, 2004, Denison acquired all of the shares of CWSL, then amalgamated with CWSL and changed its name to Calfrac Well Services Ltd. References in this Circular to the Company for periods prior to March 24, 2004 refer to CWSL.

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

⁽³⁾ Includes 1,588,658 common shares held by MATCO Investments Ltd., a company controlled by Mr. Mathison.

⁽⁴⁾ Under the provisions of the Company's Director Share Ownership Policy, directors have three years from their initial election date to acquire an investment in the Company worth \$200,000. The value of a director's investment includes the market value of all common shares plus the in-the-money amount of all options, deferred share units and any other-equity related holding in the Company of the director. Once such threshold is met, further purchases are not required if the value of the investment declines solely as a result of a decrease in the trading price of the common shares, but if the value of a director's investment decreases for any other reason, such director is required to make an additional investment to the extent required to increase the value of his or her investment to at least \$200,000 within 90 days of the event that caused the decline in the value of the investment. See "Executive Compensation – Compensation Discussion Analysis – Share Ownership and Retention Policy" for the share ownership and retention requirements applicable to Mr. Powell as Chief Executive Officer.

⁽⁵⁾ Effective May 9, 2023: (i) the Audit Committee was reconstituted with Charles Pellerin (Chair), Anuroop Duggal, Chetan Mehta and Holly A. Benson; (ii) the Compensation, Governance and Nominating Committee was reconstituted with Anuroop Duggal (Chair), George S. Armoyan and Charles Pellerin; and (iii) the Health, Safety and Environment Committee was reconstituted with Douglas R. Ramsay (Chair), Pat Powell and Chetan Mehta.

⁽⁶⁾ These common shares are held by Armco Alberta Inc., a company controlled by George and Simé Armoyan.

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: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

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:

- (i) 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
- (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer 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:

- (i) 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
- (ii) 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.

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.

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 and to authorize the directors to fix their remuneration as such.

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 all matters of business set forth above.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation, Governance and Nominating Committee ("CGNC") is responsible for approving the objectives of the Company's Chief Executive Officer and evaluating performance against such goals and objectives. The CGNC is also responsible for reviewing and recommending to the board of directors the remuneration of the Company's officers as well as 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.

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 qualitative expectations and key operational and strategic metrics;
- a significant portion of each officer's compensation should be at risk to ensure alignment with the Company's shareholders; and
- the interests of executives are linked with the interests of shareholders through share ownership and equity-based incentives.

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 officers. 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 periodically by the CGNC and is amended, if necessary, to reflect any changes in the Company's compensation program. In 2024, the Total Compensation Program was amended to, among other things, reflect the Company's updated approach to long-term incentive grants, revise the share ownership policy applicable to the Company's officers and introduce a retention requirement for long-term incentives provided to the Chief Executive Officer and Chief Financial Officer.

COMPENSATION GOVERNANCE

The CGNC consists of three members – Anuroop Duggal (Chair), George S. Armoyan and Charles Pellerin, all of whom 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 such members have relevant experience in dealing with executive compensation matters as directors and/or senior leaders of other public companies. All members of the committee currently serve, or have served, on the compensation committee of the board of directors of other companies. Additionally, Messrs. Armoyan and Pellerin currently serve, or have served, in various executive leadership roles involving significant executive compensation responsibilities and experience. Mr. Duggal has studied corporate compensation structures extensively through his experience as a public market investor and for the courses he taught at Columbia Business School.

SUCCESSION PLANNING

One of the most critical responsibilities of the board of directors is to ensure that the Company has the right leadership team in place to develop and execute its business strategy and an appropriate succession plan is developed and maintained to ensure management and operational continuity. Succession planning for the Company's officers is part of the board of directors annual work plan and is reported on by management to the CGNC and the board of directors. 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 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 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. In making the recommendations to the CGNC, the Chief Executive 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 Chief Executive 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 in the same or similar geographic markets as Calfrac. 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) publicly traded; and (iii) operating within the oil and natural gas services industry. The comparator group most recently used to benchmark compensation included the companies listed below. The go-forward composition of the comparator group may be adjusted as part of the CGNC's on-going review of the Company's Total Compensation Program.

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

In addition, the CGNC periodically reviews data for each officer position against a broader set of comparator companies to ensure that the compensation targets for each officer position 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 2023, Mercer was engaged by the Company to provide research and analysis regarding long-term incentives and the use of the Black-Scholes options valuation method as part of the CGNC's review of the Company's long-term incentive plan.

For the financial years ended December 31, 2023 and 2022, the Company paid the following consulting fees to Mercer:

Fees	2023	2022
Executive Compensation Related Fees ⁽¹⁾	\$3,686	\$—
All Other Fees ⁽²⁾	\$23,192	\$—

⁽¹⁾ Includes fees for services related to determining compensation for the Company's directors and officers. In 2023, the fees relate to long-term incentive research and analysis and the use of the Black-Scholes option valuation model.

⁽²⁾ Includes fees for consulting services related to non-executive compensation matters. In 2023, the fees relate to the Company's participation in the annual market surveys carried out by Mercer in Canada and the United States.

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 vacation. 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 and PSUs
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 marketplace. To establish the appropriate pay level for each position, the Company uses third party survey data to establish an appropriate benchmark for each 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 marketplace. Base salary compensation is also dependent on other factors such as the person's previous experience and performance.

Comparator market analysis and individual performance assessments occur annually and any increase to base salary generally occurs in the first quarter of each year to remain competitive.

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 STIP applies to the Company's continuing operations in North America and Argentina, and all financial figures and entitlements discussed below exclude Calfrac's Russia operations, which is currently held for sale and presented as discontinued operations in the Company's financial reports.

2023 STIP

During 2022 and 2023, the CGNC undertook a review of the STIP and adjusted the elements of the STIP. For 2023, the STIP comprised the following elements:

- (1) a financial component of 80% based on Adjusted EBITDA¹ performance relative to budgeted targets;
- (2) a HSE component of 20% based on TRIF and LTIF targets²; and
- (3) an individual performance factor, ranging from 0-120%, based on the objectives of individual employees.

⁽¹⁾ Adjusted EBITDA for STIP is a non-GAAP measure and is defined as net income or loss for the period adjusted for interest, income taxes, depreciation and amortization, foreign exchange losses (gains), non-cash stock-based compensation, gains and losses that are extraordinary or non-recurring, and the STIP expense. See the heading "Non-GAAP Measures" for additional information.

⁽²⁾ "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. "LTIF" is a lagging indicator that determines the injury rate based on the number of lost time injuries and the total number of hours worked in a year. A lost time injury is where an employee loses time or is away from work due to a worked related injury.

ADJUSTED EBITDA PERFORMANCE FACTOR

The use of Adjusted EBITDA as a financial metric aligns the STIP with the interests of shareholders by providing a tangible financial target that must be met before employees realize any economic value under the STIP and provides visibility for employees of the linkage between profitability and compensation.

The minimum Adjusted EBITDA required for a payment under the STIP is determined by the board of directors with consideration given to market fundamentals and the Company's business cycle, recovery of capital costs required to run the business and the Company's cost of capital. If the Company's Adjusted EBITDA is below the minimum threshold, then no STIP payment will be made, except at the discretion of the board of directors.

For 2023, the Adjusted EBITDA targets for the STIP pool (calculated before any accrued STIP provision) ("Adjusted EBITDA for STIP") were as follows (the "STIP Pool"):

- (1) at the minimum threshold of \$300.0 million of Adjusted EBITDA for STIP, the STIP Pool equaled 85% of the aggregate target STIP payout for all eligible employees;
- (2) at the target threshold of \$350.0 million of Adjusted EBITDA for STIP, the STIP Pool equaled 100% of the aggregate target STIP payout for all eligible employees; and
- (3) at the maximum threshold of \$425.0 million of Adjusted EBITDA for STIP, the STIP Pool equaled 125% of the aggregate target STIP payout for all eligible employees.

Between these thresholds of Adjusted EBITDA for STIP, the STIP Pool increased proportionately as Adjusted EBITDA for STIP increased up to the maximum threshold for the STIP Pool. The STIP Pool represents the maximum funds available for distribution to STIP eligible employees, with entitlements also subject to the HSE Performance Factor and the Individual Performance Factor as discussed below.

HSE PERFORMANCE FACTOR

The use of TRIF and LTIF reinforces the Company's commitment to health and safety and helps make health and safety management a core part of the culture of the organization. If the TRIF and LTIF targets are not met, then absent exceptional circumstances the 20% HSE component of the STIP payment will not be paid. If the TRIF and LTIF targets are met, then absent exceptional circumstances, the 20% HSE component of the STIP payment will not be paid unless the minimum financial performance measure is met.

For 2023, the board of directors set a TRIF target of ≤ 1.20 and an LTIF target of ≤ 0.20 .

INDIVIDUAL PERFORMANCE FACTOR AND PAYOUT RANGES

Individual performance acts as a multiplier in the calculation of individual STIP payouts. Based on an employee's individual performance relative to his or her annual objectives, he or she will receive an individual performance factor ("IPF") in the range of 0-120%. Except for the Chief Executive Officer, each STIP eligible employee has an incentive target which is the payout, expressed as a percentage of the employee's base salary (which ranges from 75-100% for the Company's officers), which the employee would receive under the STIP if the Company's performance factors and the individual's IPF were equal to 100%. The Chief Executive Officer's incentive target is 7.5% of the aggregate dollar value of any STIP payout that is approved by the board of directors for all other eligible employees of the Company.

As an illustrative example, a Named Executive Officer with an incentive target of 100% would have a STIP payout range of 0-150% of base salary. The bottom end of the STIP payout range (0%) would occur if the minimum Adjusted EBITDA threshold is not met or if the individual performance factor was 0%. The top end of the STIP payout range would occur if the maximum Adjusted EBITDA threshold is met, the HSE targets are met and the individual performance factor rating was 120%.

2023 STIP RESULTS

For 2023, the Company achieved an Adjusted EBITDA for STIP of approximately \$343.0 million, TRIF of 1.05 and LTIF of 0.11, which equated to a payout of approximately 98.0% of the target STIP Pool to eligible employees.

In addition, the board of directors granted a separate, discretionary bonus to STIP eligible employees equal to 2.0% of the target STIP Pool to top-up the aggregate bonus amount received by STIP participants to be equal to 100% of the target STIP payout. This discretionary bonus was paid by the board of directors in recognition of the historically strong financial performance of the Company in 2023, which included achieving the Company's highest net income and the third highest Adjusted EBITDA in the last 15 years.

LONG-TERM INCENTIVES

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

- (1) align the interests of eligible employees with those of shareholders;
- (2) focus efforts on increasing shareholder value and the Company's long-term financial strength;
- (3) reward and incent high levels of performance; and
- (4) provide a retention incentive to eligible employees.

The Company has an 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 (as defined below under the heading "*Executive Compensation – Performance Graph – Narrative Discussion*").

The Company's long-term incentive awards are based on position level, responsibilities and experience. Grant recommendations are prepared by the Company's Chief Executive 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.

Long-term incentive awards may also be granted to an individual outside of the 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. In 2023, after a review of the Company's long-term incentive plan by the CGNC, the board of directors approved changes to the grant practices and the scope of employees eligible for awards under the Omnibus Incentive Plan. The changes included limiting long-term incentive awards to the Company's officers and transitioning to a significant lump-sum grant of performance-based awards that will serve as the only long-term incentives for the Company's officers for the three-year period from 2023 to 2025 as compared to the historic practice of annual LTIP grants. The board of directors believes these changes create a more effective use of the Company's available long-term incentive awards and improves their alignment with the long-term interest of shareholders by tying the vesting of such awards to the achievement of strong financial performance over the three-year period. No additional long-term incentive awards will be granted to any of the Company's officers in 2024 and 2025 outside of any promotion or hire of a new officer.

See the heading "*Omnibus Incentive Plan*" for more information on the structure of, and awards issuable under, the Omnibus Incentive Plan, including the terms of the outstanding stock options and PSUs.

SHARE OWNERSHIP AND RETENTION GUIDELINES

The board of directors approved new share ownership and retention guidelines for the Company's officers in 2024. The intent of these guidelines is to provide additional alignment between the long-term interests of shareholders and the senior officers of the organization. Officers must hold, have control of, or have direction over "Shares" of

the Company and, where applicable, retain a prescribed percentage of their long-term incentives from the date of vesting (including any common shares received from the exercise or settlement thereof prior to two years from the applicable vesting date) in accordance with the schedule below. All officers are currently compliant with these guidelines.

Employee Category	Share Ownership Requirement⁽¹⁾⁽²⁾	% of Awards Retained after Vesting⁽³⁾	Retention Period after Vesting⁽⁴⁾
Chief Executive Officer	3.0 x Base Annual Salary	50%	Two Years
Chief Financial Officer	1.5 x Base Annual Salary	50%	Two Years
All Other Officers	1.0 x Base Annual Salary	N/A	N/A

⁽¹⁾ For purposes of the policy, "Shares" includes common shares of the Company, vested and "in-the-money" stock options, PSUs and any other equity-incentive award issued by the Company under the Omnibus Incentive Plan.

⁽²⁾ Compliance with the Share ownership requirements will be determined annually on February 1st based on the following: (i) for "full-value" awards, such as PSUs, the greater of the grant value or the market value of the common shares underlying such awards on the last trading day in January; (ii) for common shares, the greater of the value on the date of acquisition or the market value on the last trading day in January; (iii) for vested and "in-the-money" stock options, the "in-the-money" amount of such stock options based on the difference between the market value of the common shares on the last trading day in January and the applicable exercise price(s); and (iv) for any other Shares, in a manner consistent with the foregoing having regard to the particulars of the incentive.

⁽³⁾ Determined on a net-basis after disposal of any common shares to satisfy the officer's tax obligations with respect to such exercise and/or award.

⁽⁴⁾ Indicates the time-period, from the date of vesting of the applicable award, that the officer must retain a prescribed percentage of (i) the incentives received under such award; and/or (ii) any common shares issued to the officer pursuant to the exercise or settlement of the relevant equity-based award following the vesting date.

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, vision 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 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. 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 and PSUs which are "at-risk". This mix is designed to encourage officers to take measured risks that are expected to have a positive impact on the Company's performance while simultaneously providing adequate compensation to discourage officers from taking excessive or inappropriate risks. In addition, STIP awards are not typically payable if the Company does not meet the minimum financial threshold approved by the board of directors. As well, in 2023 the Company introduced retention requirements for long-term incentive awards for certain officers and a financial-based performance condition applicable to the long-term incentive awards granted in 2023. These performance conditions ensure that such incentives are linked to a minimum level of financial performance that is aligned with shareholder value over the longer-term.

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 officer where such individual engaged in fraud or willful misconduct that: (i) caused or partially caused the need for an accounting restatement of all or a portion of the Company's financial statements; and (ii) resulted in a higher amount of Incentive-Based

Compensation being paid or granted to the officer than what would have been paid or granted had the financial statements materially complied with applicable securities laws.

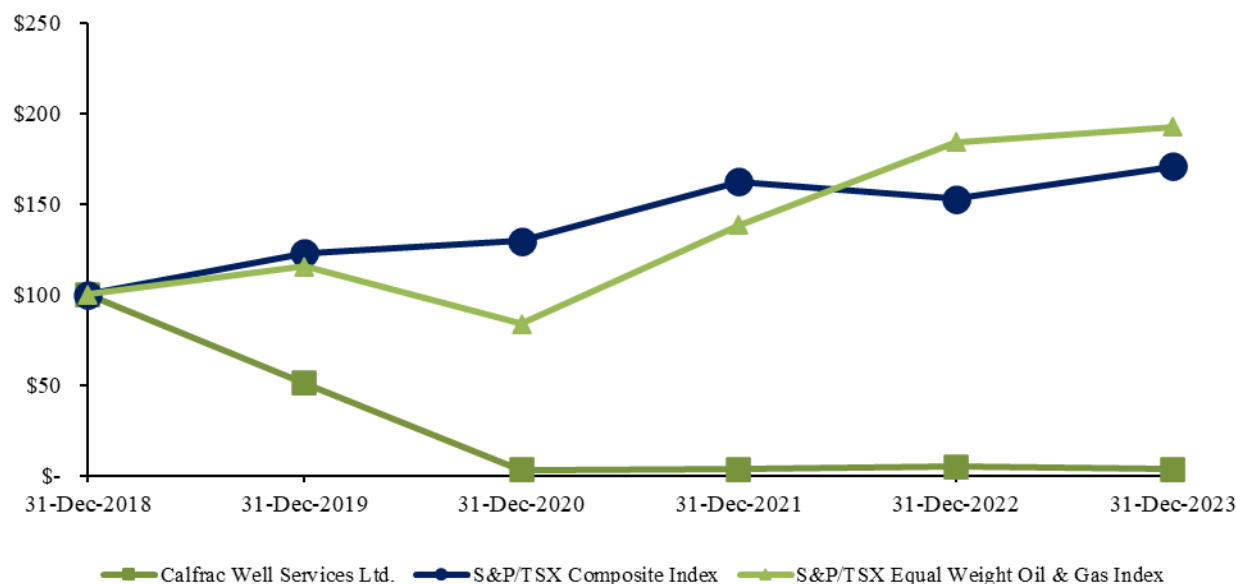
PROHIBITED SECURITIES TRANSACTIONS

Directors and 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 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, 2018 and ending December 31, 2023.

**TOTAL RETURN ON \$100 INVESTMENT
FROM DECEMBER 31, 2018 TO DECEMBER 31, 2023**



	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
S&P/TSX Composite Total Return Index	\$100.00	\$122.88	\$129.76	\$162.32	\$152.83	\$170.79
S&P/TSX Equal Weight Oil & Gas Index	\$100.00	\$115.62	\$83.88	\$138.38	\$184.35	\$192.52
Calfrac Well Services Ltd.	\$100.00	\$51.23	\$3.23	\$3.44	\$5.00	\$3.66

NARRATIVE DISCUSSION

In 2020, the market price of the Company's common shares declined to historically low levels because of the COVID-19 pandemic, the OPEC+ oil price war and the Recapitalization Transaction.³ In response to the precipitous decline in market conditions, management implemented a wide range of cost reduction initiatives to protect the

⁽³⁾On December 18, 2020, the Company filed Articles of Arrangement implementing a plan of arrangement under section 192 of the CBCA giving effect to a recapitalization transaction ("Recapitalization Transaction"), which included, among other things, a 50:1 share consolidation and 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. Additional information regarding the Recapitalization Transaction can be found in the Material Change Report dated December 24, 2020, which can be found on the Company's profile on SEDAR+ at www.sedarplus.ca.

financial viability of the Company. These cost reductions included a reduction in director compensation by 25%, a reduction of base salaries of 10% for officers and 5% for employees, the suspension of employer matching contributions for the Company's retirement savings plans, and the suspension of other compensation programs. In addition, no bonuses were paid under the STIP 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 officers and employees of the Company in correlation with the decline in the market price of the Company's common shares during this period.

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 profitability targets.

In 2022, the Company ramped up operations in North America and Argentina in the first half of the year to meet the sustained rebound in demand for completion services, which began yielding significant pricing momentum that contributed to a dramatic improvement in financial performance in the second half of the year. In this period of high activity and growth, the Company managed to maintain its operational and safety performance while further improving its balance sheet, all of which contributed to an improvement in the market price for the Company's common shares. The increases to officer and employee compensation in 2022 was associated with a cost-of-living increase to base salaries and the 2022 STIP award, which correlated to the improvement in the market price of the common shares over the year (closed 2021 at \$4.20 and exited 2022 at \$6.10).

In 2023, the Company continued this strong operational and financial performance and finished the year with its highest net income and third highest revenue and Adjusted EBITDA in the last fifteen years. The Company also completed the initial phase of a fleet modernization plan and exited 2023 with approximately two Tier IV dynamic gas blending fracturing fleets deployed while reducing net debt by more than \$100 million year-over-year. Although the trading price of the common shares was down from 2022, employee compensation paid in 2023, including the 2023 STIP award, was commensurate with the Company's historically significant operational and financial performance during the year. The reported compensation for 2023 herein includes the impact of a significant number of long-term incentive awards granted in 2023 that will serve as the officers' *only* long-term incentive entitlements for fiscal 2023 through 2025, the vesting of which is subject to the Company achieving significant Adjusted EBITDA results over this period.

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 officers during 2023 (collectively, the "Named Executive Officers").

Name and principal position	Year	Non-equity incentive plan compensation						Total compensation
		Salary	Share-based Awards ⁽¹⁾	Option-based awards ⁽²⁾	Annual incentive plans ⁽³⁾	Long-term incentive plans	All other compensation ⁽⁴⁾	
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Pat Powell ⁽⁵⁾ Chief Executive Officer	2023	500,000	1,986,924	3,161,556	1,236,993	—	57,504	6,942,977
	2022	228,187 ⁽⁶⁾	—	3,427,353	1,000,000	—	27,210	4,682,750
	2021	—	—	—	—	—	—	—
Michael D. Olinek Chief Financial Officer	2023	414,775	827,358	1,316,472	416,400	—	51,556	3,026,561
	2022	392,739	—	—	402,318	—	48,459	843,516
	2021	364,703	—	369,155	—	—	34,234	768,092
Mark D. Rosen ⁽⁷⁾ President, United States Operations	2023	470,746	695,424	1,106,544	473,911	—	46,527	2,793,152
	2022	382,487	—	—	416,831	—	42,590	841,908
	2021	338,207	—	236,088	—	—	27,990	602,285
Gordon T. Milgate President, Canadian Operations	2023	352,692	695,424	1,106,544	350,000	—	51,638	2,556,298
	2022	303,090	—	—	312,631	—	45,551	661,272
	2021	279,410	—	311,207	—	—	36,649	627,265
Marco A. Aranguren ⁽⁸⁾ Director General, Argentina	2023	365,014	537,212	854,807	405,593	—	137,390	2,300,016
	2022	343,771	—	—	365,973	—	173,638	883,382
	2021	306,923	—	289,744	—	—	162,465	759,132

⁽¹⁾ The grant date fair value of the PSUs comprising these share-based awards is a theoretical expected value calculated at the date of the grant by multiplying the number of PSUs granted to the Named Executive Officer by the five-day volume weighted average closing price of the Company's common shares on the grant date of such PSUs (August 18, 2023, \$5.74), which is consistent with the accounting treatment afforded to PSUs 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 value is determined when the incentive is paid to the Named Executive Officer, if at all.

⁽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 valuation 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 exercised by the Named Executive Officers, if at all.

⁽³⁾ Amounts earned under the STIP for services performed during the year. See "Executive Compensation – Compensation Discussion and Analysis – Short-Term Incentive Plan – 2023 STIP Results" for additional information.

⁽⁴⁾ For Messrs. Powell, Olinek, Rosen and Milgate, attributable to: (i) perquisites, including a vehicle allowance (\$19,200 in 2023, except for Mr. Rosen's which was \$24,272); and (ii) the Company's retirement savings plan contributions on behalf of the relevant officer. For Mr. Aranguren, attributable to (i) perquisites, including a vehicle allowance (\$24,291 in 2023); (ii) school fees (\$21,212 in 2023); and (iii) reimbursement of housing costs (\$72,873 in 2023), (ii) and (iii) of which are perquisites paid to Mr. Aranguren in consideration of his relocation to Argentina at the Company's request.

⁽⁵⁾ Mr. Powell was appointed as the Company's Chief Executive Officer effective June 3, 2022.

⁽⁶⁾ \$3,956 of this amount represents fees earned for acting as a director prior to Mr. Powell being appointed the Company's Chief Executive Officer.

⁽⁷⁾ Mr. Rosen is paid in U.S. dollars. Mr. Rosen's base salary, auto allowance, 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. Rosen 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.

⁽⁸⁾ Mr. Aranguren is paid in U.S. dollars. Mr. Aranguren's base salary and auto allowance have been converted into Canadian dollars at the average monthly Bank of Canada exchange rate for each applicable month and the amounts that Mr. Aranguren 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.

NARRATIVE DISCUSSION

A description of STIP is provided above under the heading "Executive Compensation - Compensation Discussion and Analysis - Short-Term Incentive Plan". A detailed description of the Omnibus Incentive Plan, including a summary of the outstanding awards thereunder, is provided below under the heading "Omnibus Incentive Plan" and additional information on the Company's approach to long-term incentives, including the rationale for the grant of performance-based incentives in 2023, is provided under the heading "Executive Compensation – Compensation Discussion and Analysis – Long-Term Incentives".

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, 2023.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾	Number of shares that have not vested	Payout value of share-based awards that have not vested ⁽²⁾	Payout value of vested share-based awards not paid out or distributed ⁽²⁾
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Pat Powell	500,000	6.78	Dec. 1, 2027	—	—	—	—
	500,000	10.00	Dec. 1, 2027	—	—	—	—
	807,692	5.74	Aug. 18, 2028	—	346,154	1,512,693	—
Michael D. Olinek	172,000	3.54	June 6, 2026	159,960	—	—	—
	336,323	5.74	Aug. 18, 2028	—	144,139	629,887	—
Mark D. Rosen	73,333	3.54	June 6, 2026	68,120	—	—	—
	282,692	5.74	Aug. 18, 2028	—	121,154	529,443	—
Gordon T. Milgate	145,000	3.54	June 6, 2026	134,850	—	—	—
	282,692	5.74	Aug. 18, 2028	—	121,154	529,443	—
Marco A. Aranguren	135,000	3.54	June 6, 2026	125,550	—	—	—
	218,380	5.74	Aug. 18, 2028	—	93,591	408,993	—

⁽¹⁾ The value of unexercised in-the-money options has been calculated by subtracting the exercise price of such options from \$4.47, being the closing price of the Company's common shares on the TSX on December 29, 2023 (the last trading day in 2023) and multiplying the difference by the number of unexercised in-the-money options.

⁽²⁾ The 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, 2023 is a theoretical expected value which was calculated by multiplying the applicable number of PSUs by \$4.37, which was the weighted average trading price on the TSX of the Company's common shares for the last five-day trading days of 2023.

INCENTIVE PLAN AWARDS - VALUE VESTED OR EARNED DURING THE YEAR

The following table sets forth, 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, 2023.

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year ⁽²⁾
	(\$)	(\$)	(\$)
Pat Powell	—	—	1,236,993
Michael D. Olinek	49,881	—	416,400
Mark D. Rosen	31,900	—	473,991
Gordon T. Milgate	42,051	—	350,000
Marco A. Aranguren	39,150	—	405,593

⁽¹⁾ The value vested during the year for option-based awards has been calculated by determining the difference between the trading price of the common shares and the exercise price of the vested options on the applicable vesting dates (or the next trading day if the options vested on a date when the TSX was closed).

⁽²⁾ Amounts earned for services rendered during the year and disclosed in the Summary Compensation Table under the heading "Non-equity incentive plan compensation – Annual incentive plans".

TERMINATION AND CHANGE OF CONTROL BENEFITS

EMPLOYMENT AGREEMENTS

Each Named Executive Officer has an executive employment agreement which extends indefinitely, unless terminated by either party in accordance with the terms of the agreement.

Messrs. Olinek, Rosen, Milgate and Aranguren's employment agreements provide that in the event of a change of control of the Company, and if either of such Named Executive Officer is terminated within one year following such change of control, other than for just cause and including a termination by such individual following the occurrence of certain specified events which are deemed to amount to constructive dismissal, 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 Officer exercises 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.

Mr. Powell's employment agreement provides that in the event of a change of control of the Company, and if Mr. Powell is terminated within one year following such change of control, other than for just cause and including a termination by Mr. Powell following the occurrence of certain specified events which are deemed to amount to constructive dismissal, he will be entitled to an amount equal to two times the sum of his base annual salary and benefits in effect at the time of termination. Mr. Powell's employment agreement also provides that he 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 he exercises this right or is terminated without cause by the Company in circumstances not relating to a change of control, as set out above, Mr. Powell is entitled to an amount equal to the minimum payment in lieu of notice as provided by the Alberta Employment Standards Code.

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 of 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 of 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 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, 2023 are as follows:

Named Executive Officer	Termination without Cause or Constructive Dismissal	Termination without Cause or Constructive Dismissal following Change of Control
	(\$)	(\$)
Pat Powell	19,231	1,546,729
Michael D. Olinek	873,419	1,996,990
Mark D. Rosen ⁽¹⁾	981,114	2,161,774
Gordon T. Milgate	740,573	1,691,541
Marco A. Aranguren ⁽¹⁾	781,845	1,733,346

⁽¹⁾Messrs. Rosen and Aranguren are paid in U.S. dollars. These amounts have been converted into Canadian dollars at the Bank of Canada exchange rate for December 29, 2023.

The employment agreements for the Named Executive Officers discussed above 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 if the Named Executive Officers breach the provisions related to non-solicitation or non-competition. If 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 Pat Powell, who was a Named Executive Officer during 2023 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⁾	Total
	(\$)	(\$)	(\$)
Ronald P. Mathison	59,400	95,040	154,440
Douglas R. Ramsay	125,000	108,000	233,000
George S. Armoyan	54,000	86,400	140,400
Holly A. Benson ⁽³⁾	40,052	86,400	126,452
Anuroop Duggal	82,000	86,400	168,400
Charles Pellerin	87,000	86,400	173,400
Chetan Mehta	68,500	86,400	154,900

⁽¹⁾A breakdown of the aggregate fees earned by directors 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 closing trading price on the TSX of the Company's common shares on the grant date, being May 10, 2023 (\$4.32). The DSUs vest on April 30, 2024.

⁽³⁾Mrs. Benson was elected to the Company's board of directors at its annual and special meeting of shareholders held on May 9, 2023.

NARRATIVE DISCUSSION

Periodically 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 to determine the compensation for the Company's non-employee directors. The elements of the directors compensation in 2023 for non-employee directors are set out in the table below. Management directors do not receive any compensation for services as a director.

Element	Position or Role	Amount
		(\$)
Retainers ⁽¹⁾	Chairman ⁽²⁾	\$49,500
	Board Member	\$45,000
	Vice Chairman (supplemental fee) ⁽³⁾	\$50,000
	Audit Committee Chair	\$20,000
	CGNC Chair	\$15,000
	HSE Committee Chair	\$15,000
Meeting fees ⁽¹⁾	Board of Directors	\$1,500
	Audit Committee	\$2,500
	CGNC Committee	\$1,500
	HSE Committee	\$1,500
		(#)
DSU grants ⁽⁴⁾	Chair of the Board	22,000
	Vice Chair of the Board	25,000
	Board Member	20,000

⁽¹⁾ Payments are made to directors on a quarterly basis and meeting fees are payable for attendance in person, by telephone or video-conference.

⁽²⁾ The Chairman is entitled to a retainer and meeting fees at the same rate as a regular director plus ten percent.

⁽³⁾ The Vice Chairman is entitled to a supplemental fee of \$50,000 per annum to compensate him for his time commitment and efforts on behalf of the Company in his role as Vice Chairman.

⁽⁴⁾ The board of directors has adopted a Schedule of DSU Terms to provide for the issuance of deferred share units ("DSUs") as "Other Share-Based Awards" pursuant to the Omnibus Incentive Plan (the "Schedule of DSU Terms"). Each DSU represents the right to receive a gross payment equal to the Fair Market Value (as defined below under the heading "Omnibus Incentive Plan") at the date of redemption, as determined by the holder subject to certain conditions. 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, when the holder ceases to be a director any unvested DSUs shall terminate and be forfeited and any vested DSUs may be redeemed until the earlier of: (i) 90 days from the date the holder 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 grant agreement. Vested DSUs can be redeemed anytime up to the expiry date, subject to certain conditions. In 2023, DSUs were granted on May 10, 2023 with a vest date of April 30, 2024 and an expiry date of May 31, 2026.

INCENTIVE PLAN AWARDS

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table sets forth for each director, other than Pat Powell, all option-based and share-based awards outstanding at December 31, 2023.

Name	Option-based Awards ⁽¹⁾				Share-based Awards ⁽²⁾		
	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
	(#)	(\$)	(\$)	(\$)	(#)	(\$)	(\$)
Ronald P. Mathison	414,000 ⁽³⁾	3.54	June 6, 2026	385,020	22,000	96,140	96,140
Douglas R. Ramsay	—	—	—	—	25,000	109,250	218,500
George S. Armoyan	—	—	—	—	20,000	87,400	174,800
Holly A. Benson	—	—	—	—	20,000	87,400	—
Anuroop Duggal	—	—	—	—	20,000	87,400	174,800
Charles Pellerin	—	—	—	—	20,000	87,400	87,400
Chetan Mehta	—	—	—	—	20,000	87,400	87,400

⁽¹⁾ The value of unexercised in-the-money options has been calculated by subtracting the exercise price of such options from \$4.47, being the closing price of the Company's common shares on the TSX on December 29, 2023 (the last trading day of 2023) and multiplying the difference by the number of unexercised in-the-money options.

⁽²⁾ 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, 2023, is a theoretical expected value which was calculated by multiplying the applicable number of DSUs at December 31, 2023 by \$4.37, which was the weighted average trading price on the TSX of the Company's common shares for the last five-day trading days of 2023.

⁽³⁾ These options were granted to Mr. Mathison as Executive Chairman on June 7, 2021.

INCENTIVE PLAN AWARDS - VALUE VESTED OR EARNED DURING THE YEAR

The following table sets forth for each director, other than Pat Powell, 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, 2023.

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards – Value vested or earned during the year ⁽²⁾⁽³⁾	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
Ronald P. Mathison	120,060	116,380	—
Douglas R. Ramsay	—	132,250	—
George S. Armoyan	—	105,800	—
Holly A. Benson	—	—	—
Anuroop Duggal	—	105,800	—
Charles Pellerin	—	105,800	—
Chetan Mehta	—	105,800	—

⁽¹⁾ The value vested during the year for these option-based awards has been calculated by determining the difference between the closing trading price of the common shares on the TSX on the vesting date (June 7, 2023, \$4.41) and the exercise price of the vested options (\$3.54).

⁽²⁾ The value vested during the year for share-based awards has been calculated by multiplying the number of DSUs vested during the year by \$5.29, which was the closing trading price on the TSX of the Company's common shares on the vesting date of October 3, 2023.

⁽³⁾ No value was realized upon vesting of these DSUs. The realized value is paid out based on the weighted average trading price of the common shares for the five-day trading period preceding the redemption date of the DSUs, which is determined at the discretion of the holder prior to the expiry date of June 7, 2025, subject to certain conditions.

OMNIBUS INCENTIVE PLAN

The Omnibus Incentive Plan is a long-term incentive plan that permits the grant of stock options, stock appreciation rights ("SARs"), restricted share units ("RSUs"), performance share units ("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. The full text of the Omnibus Incentive Plan, including the Schedule of DSU Terms, are available on the Company's SEDAR+ profile at www.sedarplus.ca.

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. 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), 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.

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, which approval was most recently obtained at the annual and special meeting of shareholders held on May 9, 2023 and is valid until May 9, 2026.

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: (i) issued to Company "insiders" (as defined by the TSX Company Manual) in any one year period; or (ii) 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: (i) the aggregate number and kind of securities reserved for issuance and delivery under the Omnibus Incentive Plan; (ii) the number and kind of securities subject to awards then outstanding; and (iii) 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: (i) the aggregate number and kind of securities reserved for issuance and delivery under the Omnibus Incentive Plan; (ii) the number and kind of securities subject to awards then outstanding; and (iii) 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 blackout period.

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: (i) 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; (ii) be subject to performance-based and/or service-based conditions; (iii) 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 (iv) be designed to comply with applicable laws of jurisdictions other than the United States or Canada. The board of directors adopted the Schedule of DSU Terms to authorize the grant of DSUs as described above under the heading "*Director Compensation – Narrative Discussion*". DSUs cannot be settled in common shares issued from treasury and therefore DSU grants do not reduce the maximum number of awards available for grant under the Omnibus Incentive Plan.

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:

- (1) 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:
 - (a) increase in the maximum number of common shares issuable pursuant to awards granted under the Omnibus Incentive Plan;
 - (b) amendment that would reduce the exercise price of an outstanding stock option or SAR;
 - (c) amendment to extend the maximum term of any award;
 - (d) amendment to permit the transfer or assignment of awards beyond what is contemplated by the Omnibus Incentive Plan;
 - (e) amendment to increase the limits on non-employee director participation contained in the Omnibus Incentive Plan;
 - (f) amendment that removes or exceeds the insider participation limit contained in the Omnibus Incentive Plan (as summarized above);
 - (g) amendment to the Omnibus Incentive Plan's amendment provisions; or
 - (h) amendment for which shareholder approval is otherwise required under the rules or policies of the TSX or any applicable law; and
- (2) 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 2023. In 2022, the board of directors approved an amendment to the stock option grant agreement of Lindsay R. Link, former President and Chief Operating Officer, that took effect on January 4, 2023 upon his retirement. The amended grant agreement provided for the continued vesting and availability for exercise of his options through to their original expiry date, subject to certain conditions. Shareholder approval for these amendments was not required as the amendments fell 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, 2023, there were 6,094,549 stock options and 1,218,384 PSUs outstanding under the Omnibus Incentive Plan representing in the aggregate 8.53% of the issued and outstanding common shares as of such date. As of December 31, 2023 and the date hereof, there were no other awards outstanding under the Omnibus Incentive Plan that involve the issuance or potential issuance from treasury of common shares. As of December 31, 2023, there were 1,258,680 common shares, available for issuance pursuant to equity-based awards granted under the Omnibus Incentive Plan, representing 1.47% of the issued and outstanding common shares as of such date.

TERMS OF OUTSTANDING STOCK OPTION AWARDS

There are two types of stock option awards outstanding under the Omnibus Incentive Plan. Outstanding stock options granted in 2021 and 2022 have a term of 5 years from the date of grant with 1/3 of the stock options

vesting on the first, second and third anniversary date of the grant. In 2023, performance-stock options were granted. The performance stock-options “cliff vest” in one tranche on April 1, 2026, subject to satisfaction of a performance vesting condition, and have a term of 5 years from the date of grant. The performance vesting condition will be satisfied based on a cumulative Adjusted EBITDA target for fiscal years 2023, 2024 and 2025 (see “Non-GAAP Measures” heading for additional information). If this Adjusted EBITDA target is not achieved, the vesting of the options (or a portion thereof) will be determined at the discretion of the board of directors.

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

- (1) 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, and the participant receives the in-the-money value.
- (2) Upon a 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 dismissal 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 expiry 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. Further provided that the grant agreements for the performance stock options provide that any options held by the participant shall terminate and expire if the participant commences work with a competitor at any time within 12 months of ceasing to be an active employee as all recipients of the 2023 awards are officers with employment agreements containing post-employment non-competition covenants. 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 dismissal 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”.

TERMS OF OUTSTANDING PSU AWARDS

The PSUs “cliff vest” in one tranche on April 1, 2026, subject to (i) satisfaction of the same performance vesting condition as described above for the stock options, and (ii) the Fair Market Value of a common share being greater than \$4.00 on the vesting date. If the Adjusted EBITDA target is not achieved, the vesting of the PSUs (or a portion thereof) will be determined at the discretion of the board. In addition, if the Fair Market Value of a common share on the vesting date is greater than \$4.00 and less than \$5.74, then the number of PSUs that vest on the vesting date will be prorated in accordance with the table below.

Fair Market Value at Vesting	\$4.00	\$5.00	\$5.74 or greater
% of PSU's Vest	—%	65%	100%

At prices between the specific prices identified above, the vesting percentage will be pro-rated on a linear basis. Vested PSUs will be settled in common shares from treasury promptly following the vesting date and, in any event, prior to the PSU expiry date of December 15, 2026, however, the board retains the discretion to settle the PSUs in cash or common shares acquired on the open market.

Upon the participant's termination of service prior to the vesting date for any reason other than due to termination by the Company without cause or by a participant for good reason in certain prescribed circumstances that are akin to constructive dismissal following a change in control all unvested PSUs will be forfeited immediately. Treatment of PSUs upon termination by the Company without cause or by a participant for good reason in certain prescribed circumstances that are akin to constructive dismissal 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*", provided further that the proration factor shall continue to apply to the PSUs in the event of accelerated vesting following a change in control.

BURN RATE

For the years ended December 31, 2023, 2022 and 2021, the annual burn rate of the Omnibus Incentive Plan, as calculated in accordance with section 613(p) of the TSX Company Manual, was 5.00%, 2.39% and 9.59%, respectively. The burn rate for 2021 reflected a significantly lower number of issued and outstanding common shares following the Recapitalization Transaction (which included a 50:1 common share consolidation) and the fact that the Company's 10% 1.5 lien senior secured convertible payment-in-kind notes due 2023 had not yet been converted to common shares. On a fully-diluted basis, the burn rate for 2021 was much lower.

EQUITY COMPENSATION PLAN INFORMATION AS AT DECEMBER 31, 2023

The following sets forth, as at December 31, 2023, information in respect of awards authorized for issuance under the Omnibus Incentive Plan, being the only equity-settled compensation plan of the Company.

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 ⁽¹⁾	Options ⁽¹⁾	6,094,549	5.36	1,258,680
	PSUs ⁽¹⁾	1,218,384	N/A	—
Total		7,312,933		1,258,680 ⁽²⁾

⁽¹⁾ See "Omnibus Incentive Plan" for additional information.

⁽²⁾ The aggregate number of common shares available for issuance pursuant to all awards under the Omnibus Incentive Plan is equal to 10% of the 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, of which there are none).

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.

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's 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 former Executive Chairman, and Pat Powell, the Company's Chief Executive Officer, are independent within the meaning of NI 58-101. Mr. Powell is not independent as he is a current executive officer 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. 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 2023 and the attendance at such meetings is provided under the heading "*Business of the Meeting – Election of Directors*" for the directors nominated for election at the Meeting.

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. Armoyan and Pellerin serve together on the board of directors of Clarke Inc.

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, the Company appointed an independent Lead Director effective June 10, 2019. Effective December 17, 2021, Mr. Mathison stepped down as Executive Chairman and was appointed Chairman of the Company, and is considered not independent under National Instrument 52-110 Audit Committees.

On December 20, 2022, the board of directors resolved to dispense with the Lead Director position that had been vacant since the retirement of the incumbent in May 2022. The board of directors determined that such position was no longer necessary to ensure an adequate level of independence among the board of directors and with management given various factors, including that Mr. Mathison was no longer Executive Chairman, there has been significant turnover within the board of directors and senior management since the Company's Recapitalization Transaction and there had been a newly appointed Chief Executive Officer from outside the organization. The board of directors provides leadership to its independent directors by promoting an atmosphere that encourages participation and independence. In addition to the use of in-camera sessions as discussed above under the heading "*Board Meetings and Attendance Record*", the Chair of the CGNC has been appointed to 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 and to communicate with the Chairman and Chief Executive Officer so that they are aware of concerns of the independent directors, shareholders and other stakeholders. The Chair of the CGNC also presides over in camera independent directors meetings.

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 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 online 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 employees held at the Company's offices. 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 2023 (i) the Audit Committee received reports on new and emerging issues in its areas of responsibility including new International Financial Reporting Standards pronouncements; and (ii) the CGNC 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 the Company's website at <https://investors.calfrac.com/corporate-governance>. 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 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 way 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 and Corporate Secretary, who has been appointed by the board to

oversee the administration of the policy and is responsible for investigating the substance of any claims and monitoring progress until the matter has been satisfactorily resolved, as well as reporting on any claims and the corresponding investigation and resolution to the board of directors. A mandatory online e-learning course has been implemented for all employees to facilitate training and knowledge regarding the anti-bribery and anti-corruption policy.

In 2023, the board of directors approved a Supplier Code of Conduct (the “Supplier Code”) that outlines the ethics and compliance standards required of Calfrac’s suppliers. The formalization of these standards is one element of the Company’s approach to addressing the requirements of Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Modern Slavery Act”). Further details of the actions Calfrac has taken in 2023 to assess and manage the risk of forced labour and child labour in its supply chains are included in the Company’s initial Modern Slavery Act report. A complete copy of the report to be filed with Public Safety Canada is attached as Appendix B.

NOMINATION OF DIRECTORS

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: (i) the competencies and skills the board, as a whole, should possess; (ii) the competencies and skills that each existing director possesses and identifies any gaps in knowledge and expertise; (iii) the size of the board and its ability to effectively facilitate decision-making; (iv) the competencies and skills each new nominee will bring to the board; and (v) whether or not each new nominee can devote sufficient time and resources to his or her duties as a board member.

The CGNC consists of three members – Anuroop Duggal (Chair), George Armoyan and Charles Pellerin. All 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:

- monitor and enhance 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 consists of three members, all of whom are 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: (i) the compensation policies and guidelines for the Company, together with the Company's corporate goals and objectives relevant to

compensation; (ii) the salaries and compensation of the Company's officers; (iii) grants of stock options or other equity-linked compensation; and (iv) the compensation arrangements for the directors of the Company;

- review annually and report to the board of directors on any risk implications associated with the Company's compensation policies and practices;
- conduct annually and report to the board of directors the results of performance appraisals of the Chief Executive Officer and other officers as appropriate;
- 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; and
- review and approve any management contracts, change of control agreements, indemnity agreements and significant consulting contracts.

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 and Environment 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 under the heading "*Audit Committee Information*" and a copy of the Audit Committee mandate is attached as Appendix A to the Company's Annual Information Form, which can be found on the Company's profile on SEDAR+ at www.sedarplus.ca.

The Health, Safety and Environment Committee is responsible for monitoring the health, safety and environment 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 and the environment. The Health, Safety and Environment Committee consists of Doug R. Ramsay (Chair), Chetan Mehta and Pat Powell, two 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 where each director assesses on a confidential basis each director, the board of directors as a whole and each board committee. The responses to such questionnaires are summarized by an outside consultant to preserve the confidentiality of the process and ensure that meaningful feedback is provided. The summarized results 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 long-term service and fresh perspectives to ensure the effectiveness of the board.

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 9 months to 20 years, with the average tenure being approximately 6.7 years. If all the proposed director nominees are elected at the Meeting, the average tenure of the board of directors will be 6.8 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. The Company maintains a merit-based approach to advancement opportunities, however, the Company supports and encourages diversity and inclusion at all levels of the organization.

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. With the election of Holly A. Benson at the annual and special meeting held on May 9, 2023, the Company achieved its previously established target of adding a woman to board and continues to have an ongoing goal to further increase the representation of women on the board.

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 goal of further expanding gender diversity on the board as 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 two directors that identify as visible minorities and one female director. 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 THE EXECUTIVE OFFICER POSITIONS

The table below sets forth the representation of each Designated Group on the board and at the executive officer level as of the date hereof.

	Aboriginal Persons	Visible Minorities	Women	Persons with Disabilities
Board of Directors	0/8 (0%)	2/8 (25%)	1/8 (12.5%)	0/8 (0%)
Executive Officers	0/5 (0%)	0/5 (0%)	0/5 (0%)	0/5 (0%)

RISK OVERSIGHT

The board of directors is responsible for understanding the principal risks of the business in which the Company 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 the Company.

The full board of directors is actively involved in overseeing risk management for the Company. It does so in part through its oversight of the Company's Risk Committee, which is comprised of a cross-section of senior management, including the Chief Executive Officer, Chief Financial Officer, General Counsel and Corporate Secretary and Vice President, Human Resources as permanent members. The Risk Committee meets at least annually to ensure that all potential material risks facing the Company are identified and that appropriate mitigation measures are implemented. The Risk Committee minutes are made available to the board of directors after each meeting and there is a presentation to the board each year regarding the Risk Committee's risk mapping and mitigation efforts for the prior year.

The board of directors is also responsible for oversight of the Company's information security risks. The Chief Financial Officer and the Director, Information Technology are responsible for reporting to the full board (previously the Audit Committee), at least annually, on the Company's information security risks and mitigation actions. The Company's information technology is audited annually by a third-party for information technology key controls and

a security architecture and vulnerability assessment is completed annually by a third-party to help identify and mitigate cyber security risks. In 2023, the Company implemented an information security training program across its continuing operations. The Company has not identified any material information security breaches to date.

While the board of directors is ultimately responsible for risk oversight, the board's committees also have been allocated responsibility for specific aspects of risk oversight. In particular, the Audit Committee assists the board in fulfilling its oversight responsibilities with respect to risk management in the areas of financial reporting, internal controls, risk assessment and risk management. The CGNC Committee assists the board in fulfilling its oversight responsibilities with respect to the risks arising from the Company's compensation policies and programs, board organization, membership and structure, ethics and compliance, succession planning for directors and executive officers and corporate governance. The Health, Safety and Environment Committee assists the board in fulfilling its oversight responsibilities with respect to the risks associated with the Company's health, safety and environmental objectives, policies and performance.

In addition, the board of directors and all board committees are focused on the importance of considering environmental, social and governance (ESG) issues as part of the Company's license to operate and, in 2021, such matters were incorporated into the board mandate, committee charters and board/committee work plans to ensure that the board is monitoring and discussing any relevant ESG developments as required. As a further step, the Company engaged outside advisors in 2023 to perform a current state assessment and benchmarking exercise to assist the Company to develop an ESG roadmap and strategy as part of its ongoing commitment to manage ESG risks. For additional information, see the Company's Annual Information Form for the year ended December 31, 2023 under the heading "*Description of the Business - Environmental Protection and Social Responsibility*" which is available on Calfrac's profile at www.sedarplus.ca.

OTHER INFORMATION

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any informed person of the Company, any proposed director of the Company or any associate or affiliate of any informed person or proposed director of the Company, in any transaction during 2023 or in any proposed transaction which has materially affected or would materially affect the Company.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, executive officer, or anyone who has been a director or executive officer of the Company at any time since January 1, 2023, or of any associate or affiliate of any of the foregoing individuals, in any matter to be acted on at the Meeting, other than the election of directors or the appointment of auditors, except as otherwise set forth in this Circular.

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.

AGGREGATE INDEBTEDNESS

Purpose	To the Company or its Subsidiaries	To Another Entity
	(\$)	(\$)
Share Purchases	2,500,000	—

SHAREHOLDER PROPOSALS

There were no proposals brought forward by shareholders of the Company for inclusion in this Circular. The Company will review shareholder proposals intended to be included in proxy materials for the 2025 annual

meeting of shareholders that are received by the Company between December 8, 2024 and February 6, 2025, at its offices at 500, 407 – 8th Avenue S.W., Calgary, Alberta, T2P 1E5, Attention: General Counsel and Corporate Secretary.

FEEDBACK FROM STAKEHOLDERS

The board of directors has assigned to the Chairman of the board, the Chief Executive 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 Pat Powell, Chief Executive Officer, at ppowell@calfrac.com, and to Anuroop Duggal, the Chair of the CGNC, at aduggal@calfrac.com.

NON-GAAP MEASURES

This Circular includes references to Adjusted EBITDA and Adjusted EBITDA for STIP, which do not have any standardized meaning under IFRS and, because IFRS have been incorporated as Canadian generally accepted accounting principles (GAAP), these supplementary measures are also non-GAAP measures. These measures are described and presented herein as they are used as performance measures for Calfrac's STIP and certain long-term incentives. These measures may not be comparable to similar measures presented by other entities, and are explained below.

Adjusted EBITDA is defined as net income or loss for the period less interest, income taxes, depreciation and amortization, foreign exchange losses (gains), non-cash stock-based compensation, and gains and losses that are extraordinary or non-recurring.

Adjusted EBITDA for STIP is defined as net income or loss for the period less interest, taxes, depreciation and amortization, foreign exchange losses (gains), non-cash stock-based compensation, gains and losses that are extraordinary or non-recurring, and the STIP expense.

Adjusted EBITDA is presented in the Company's financial reports and is used as a performance measure for certain of the Company's long-term incentives because it gives an indication of the results from the Company's principal business activities prior to consideration of how its activities are financed and the impact of foreign exchange, taxation and depreciation and amortization charges. Adjusted EBITDA and Adjusted EBITDA for STIP is used by the Company to monitor and assess operating performance as the board of directors believes they provide better comparability between periods. Additionally, Adjusted EBITDA and Adjusted EBITDA for STIP provide a tangible financial target that must be met before employees realize any economic value under the STIP or long-term incentives, as applicable, and provides visibility for employees of the linkage between profitability and compensation.

A quantitative reconciliation of Adjusted EBITDA from continuing operations to the closest IFRS financial measure, which is net income (loss), can be found under the heading "Non-GAAP Measures" in Calfrac's management discussion and analysis for the year ended December 31, 2023, which is available on SEDAR+ and is incorporated herein by reference.

A quantitative reconciliation of the non-GAAP financial measure of Adjusted EBITDA for STIP to the closest IFRS financial measure, which is net income (loss), can be found below:

Year Ended December 31,	2023
<i>(C\$000s)</i>	<i>(\$)</i>
Net income from continuing operations	197,569
Add back (deduct):	
Depreciation	116,641
Foreign exchange losses	22,378
Gain on disposal of property, plant and equipment	(4,625)
Reversal of impairment of property, plant and equipment	(41,563)
Litigation settlement	(6,805)
Restructuring charges	2,991
Stock-based compensation	5,117
Interest, net	29,694
Income taxes	4,059
Adjusted EBITDA from continuing operations	325,456
Add back:	
STIP expense (inclusive of the discretionary board of directors award)	17,555
Adjusted EBITDA for STIP	343,011

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR+ at www.sedarplus.ca.

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, 2023. 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 March 27, 2024

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 Chief Executive Officer (the "CEO") and other executive officers and ensuring that the CEO 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 considers, 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 shareholders, employees, retirees and pensioners, consumers, creditors, and 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 CEO of Calfrac, monitoring and assessing the CEO's performance, determining the CEO's compensation, and providing advice and counsel to the CEO in the execution of the CEO'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 CEO, 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 website.

7. **Monitoring and Acting**

The Board is responsible for:

- (a) verifying that Calfrac always operates within applicable laws and regulations to the highest ethical standards,
- (b) approving and monitoring compliance with the significant policies and procedures under which Calfrac operates,
- (c) verifying that Calfrac sets high environmental standards in its operations and complies 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 controls 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 13, 2024.



APPENDIX B

2023 MODERN SLAVERY REPORT

Calfrac Well Services (“Calfrac”) is an international provider of specialized oilfield services, including hydraulic fracturing, coiled tubing, cementing and other well stimulation services, which are designed to increase the production of hydrocarbons from wells. Calfrac is headquartered in Calgary, Alberta, Canada and has continuing operations focused in North America and Argentina. Calfrac Well Services Ltd. (“CWSL”) is the legal entity that conducts operations in Canada and is the parent company of the Calfrac group of companies. Calfrac’s operations in the United States and Argentina are conducted by separate, wholly owned subsidiaries of CWSL.

Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) applies to CWSL’s operations because it is a publicly traded company that imports into Canada goods produced outside of Canada and is a seller of goods within Canada. As a result, the Act requires us to report on the measures taken in the prior fiscal year by CWSL to prevent and reduce the risk that forced labour or child labour is used by us or in our supply chains.¹

As the reporting entity under the Act, CWSL is publishing this report for its financial operating year ended December 31, 2023. While Calfrac’s United States and Argentina operating entities are not reporting entities under the Act, Calfrac has completed substantially equivalent measures for these entities as is described in the enclosed report for CWSL.

Calfrac is committed to conducting its business in a manner that safeguards the health, safety, and human rights of its employees, customers, the public and other stakeholders, as well as the environment and the business integrity of Calfrac. As part of this commitment and in furtherance of the objectives of the Act, the measures Calfrac undertook in 2023 to prevent and reduce the risk that modern slavery is used by us or in our supply chains included the following:

- ✓ Conducted supply chain mapping and internal risk assessments of modern slavery in our activities and supply chains.
- ✓ Implemented a training course for all employees involved in contracting and/or purchasing decisions to raise awareness and educate our employees on common risk areas and warning signs of modern slavery.
- ✓ Published a Supplier Code of Conduct (the “Supplier Code”) that formalizes the ethics and compliance standards required of Calfrac’s suppliers.
- ✓ Implemented contractual clauses on modern slavery in our Supplier Terms and Conditions.

Additional details on these measures are set forth in Schedule “A” to this report. We are pleased with the progress Calfrac has made over the past year, and we will continue to review our approach to preventing and reducing the risk of modern slavery within our activities and supply chains in the year ahead. This report was approved by the board of directors of CWSL.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Pat Powell, Chief Executive Officer
March 27, 2024

I have the authority to bind Calfrac Well Services Ltd.

¹ Forced labour and child labour are collectively referred to herein as “modern slavery”.

1. What steps has the entity taken in the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity?

- ✓ Mapping activities;
- ✓ Mapping supply chains;
- ✓ Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains;
- ✓ Developing and implementing an action plan for addressing forced labour and/or child labour;
- ✓ Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains;
- ✓ Carrying out a prioritization exercise to focus due diligence efforts on the most severe risks of forced and child labour;
- ✓ Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains;
- ✓ Developing and implementing anti-forced labour and/or -child labour contractual clauses;
- ✓ Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists;
- ✓ Developing and implementing grievance mechanisms;
- ✓ Developing and implementing training and awareness materials on forced labour and/or child labour; and
- ✓ Engaging with supply chain partners on the issue of addressing forced labour and/or child labour.

2. Please provide additional information describing the steps taken.

- ✓ Formed a Supply Chain Working Group to identify and review risks of modern slavery in Calfrac's supply chain and its United States and Argentina subsidiaries' supply chains.
- ✓ Classified suppliers into 4 levels of risk based upon the type of goods or services supplied, the impact of the supplier to Calfrac, the materiality of spend and the location of supplier's operations or risk of sourcing raw materials from high-risk regions, as is further discussed below under question number 7.
- ✓ Prioritized engagement with risk Level 3 and 4 suppliers, representing less than 10% percent of suppliers but approximately 90% of Calfrac's managed spend and approximately 75% of total vendor spend, to focus due diligence and resources where risks may be higher and/or where Calfrac's actions can have the greatest impact.
- ✓ Engaged external legal counsel to assist Calfrac by reviewing mapping activities, due diligence processes, and the Supplier Code, as well as drafting contractual clauses.
- ✓ Reviewed the U.S. Department of Labor's *List of Goods Produced by Child Labor or Forced Labor* and *2023 Global Slavery Index* to help identify high-risk goods and countries of origin.
- ✓ Implemented a training course for all employees involved in contracting and/or purchasing decisions to raise awareness and educate employees on common risk areas and warning signs.
- ✓ Implemented contractual clauses addressing modern slavery risk in the Supplier Terms and Conditions applicable to Calfrac and its subsidiaries in the United States and Argentina.
- ✓ Initiated a plan to implement clauses in non-template supply contracts in 2024.
- ✓ Published the Supplier Code applicable to Calfrac and its subsidiaries in the United States and Argentina, and prioritized its distribution to Level 3 and 4 North American suppliers for a written compliance acknowledgement.

3. Which of the following accurately describes the entity's structure?

- ✓ Corporation.

4. Which of the following accurately describes the entity's activities?

- ✓ Selling goods in Canada and outside Canada; and
- ✓ Importing into Canada goods produced outside Canada.

5. Please provide additional information on the entity's structure, activities and supply chains.

- ✓ Calfrac is a supplier of hydraulic fracturing, coiled tubing, cementing and other well stimulation services that are designed to increase the production of hydrocarbons from wells.
- ✓ CWSL operates in Canada only. Operations in the United States and Argentina are conducted by wholly owned subsidiaries that are not reporting entities under the Act. Calfrac nonetheless completed substantially equivalent due diligence and assessment processes as outlined in question number 1 for the supply chains of its United States and Argentina subsidiaries.
- ✓ Calfrac's core business is the provision of pressure pumping services to oil and gas exploration and production companies, which often includes the sale of associated consumable goods, primarily hydraulic fracturing sand and well completion chemicals.
- ✓ Calfrac sources its raw materials, such as fracturing sand, chemicals, nitrogen, and diesel fuel, and equipment and component parts from a variety of suppliers, many of which are large, multinational organizations.
- ✓ The substantial portion of such goods are sourced from suppliers in Canada, however, CWSL does import certain goods into Canada, including (i) fracturing sand mined in the United States; (ii) fabricated oilfield equipment, such as fracturing pumps and blenders; and (iii) certain chemicals, including friction reducer, oxidizers, breakers, intermediates, and biocides.
- ✓ CWSL also procures certain chemicals and component parts from suppliers in Canada and the United States for intercompany sale to its Argentina subsidiary, Calfrac Well Services Argentina S.A.

6. Does the entity currently have policies and due diligence processes in place related to forced labour and/or child labour?

- ✓ Yes.

6.1 If yes, which of the following elements of the due diligence process has the entity implemented in relation to forced labour and/or child labour?

- ✓ Embedding responsible business conduct into policies and management systems;
- ✓ Identifying and assessing adverse impacts in operations, supply chains and business relationships; and
- ✓ Tracking implementation and results.

7. Please provide additional information on the entity's policies and due diligence processes in relation to forced labour and child labour.

- ✓ *Policies:* Calfrac's Code of Business Conduct requires Calfrac, its employees and contractors to comply with all applicable laws and regulations. In addition, in 2023 Calfrac published a Board of Director's approved Supplier Code, which formalizes the standards required of Calfrac's suppliers, including a prohibition on the direct or indirect use of forced labour and/or child labour. In 2023, Calfrac published the Supplier Code on its website and distributed it to all Level 3 and 4 Suppliers in North America for a written compliance acknowledgement.
- ✓ *Due Diligence Processes:* See response to question numbers 2 and 5 for details on the supply chain mapping (including supplier classification process) and related due diligence process.

8. Has the entity identified parts of its activities and supply chains that carry a risk of forced labour or child labour being used?

- ✓ Yes, we have started the process of identifying risks, but there are still gaps in our assessments.

8.1 If yes, has the entity identified forced labour or child labour risks related to any of the following aspects of its activities and supply chains?

- ✓ The types of products it produces, sells, distributes or imports
- ✓ The types of products it sources
- ✓ The raw materials or commodities used in its supply chains
- ✓ Tier one (direct) suppliers
- ✓ Tier two suppliers
- ✓ Tier three suppliers
- ✓ Suppliers further down the supply chain than Tier 3

9. Has the entity identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries?

- ✓ Mining, quarrying, and oil and gas extraction
- ✓ Manufacturing
- ✓ Wholesale trade

10. Please provide additional information on the parts of the entity's activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the entity has taken to assess and manage that risk.

- ✓ Calfrac's risk assessment sought to identify categories of goods sourced by Calfrac that could have modern slavery risks. This determination was made primarily based on whether a supplier provides supplies to Calfrac directly from a high-risk region or if it supplies products that include raw materials that could be sourced, directly or indirectly, from high-risk regions. This process was informed by, among other things, a review of the U.S. Department of Labor's *List of Goods Produced by Child Labor or Forced Labor* and the *2023 Global Slavery Index*. Examples of potential risk areas that have been identified include:
 - ✓ guar gum used in cross-linked chemical systems;
 - ✓ oleochemicals and palm oil potentially used in surfactants;
 - ✓ electronics, including mobile phones, computers and other IT equipment;
 - ✓ rubber incorporated into tires, seals and o-rings (mechanical gaskets); and
 - ✓ cotton, garments, footwear, gloves, and textiles incorporated into personal protective equipment.
- ✓ See question numbers 1, 2, 5 and 7 for steps Calfrac took in 2023 to manage modern slavery risks. Calfrac is continuing to review its next steps with respect to further assessing and managing any risks identified in 2023.

11. Has the entity taken any measures to remediate any forced labour or child labour in its activities and supply chains?

- ✓ Not applicable, we have not identified any forced labour or child labour in our activities and supply chains.

11.1 If yes, which remediation measures has the entity taken?

- ✓ Not applicable.

12. Please provide additional information on any measures the entity has taken to remediate any forced labour or child labour.

- ✓ Not applicable.

13. Has the entity taken any measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains?

- ✓ No, we have not taken any remediation measures.

14. Please provide additional information on any measures the entity has taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.

- ✓ Not applicable.

15. Does the entity currently provide training to employees on forced labour and/or child labour?

- ✓ Yes.

15.1 If yes, is the training mandatory?

- ✓ Yes, the training is mandatory for employees making contracting and/or purchasing decisions.

16. Please provide additional information on the training the entity provides to employees on forced labour and child labour.

- ✓ Training to employees on forced labour and/or child labour was initiated in December 2023. To determine employees who require mandatory training, a review was completed in Q4 2023 of job descriptions for all employees working for CWSL or its subsidiaries in the United States or Argentina that are involved in contracting and/or purchasing decisions. A total of 152 employees were identified to complete modern slavery training online and, as of December 31, 2023, there was an 83% completion rate. As of the date hereof, the completion rate was 100%.

17. Does the entity currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains?

- ✓ Yes.

17.1 If yes, what method does the entity use to assess its effectiveness?

- ✓ Tracking relevant performance indicators, such as levels of employee awareness, numbers of cases reported and solved through grievance mechanisms and numbers of contracts with anti-forced labour and anti-child labour clauses.

18. Please provide additional information on how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains.

- ✓ Calfrac is currently monitoring the following key performance indicators and as of the date hereof:
 - ✓ the completion rate of the employee training program launched in December 2023 is 100%;
 - ✓ the completion rate of the written compliance acknowledgements delivered to Level 3 and 4 suppliers is 88%; and
 - ✓ the number of allegations of forced labour or child labour being used in Calfrac's activities or supply chains submitted via the Whistleblower Hotline is 0.
- ✓ Calfrac is continuing to review its approach to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chain.