CALFRAC WELL SERVICES LTD.
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The annual meeting (the "Meeting") of shareholders of Calfrac Well Services Ltd. (the "Corporation") will be held in the McMurray Room at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta, on Tuesday, May 4, 2021, at 3:30 p.m. for the following purposes:

1. to receive the financial statements for the year ended December 31, 2020, and the auditor's report thereon;

2. to elect directors;

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

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

DATED March 23, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

B. Mark Paslawski
Vice President, Corporate Development and Corporate Secretary

MANAGEMENT INFORMATION CIRCULAR

This management information circular ("Circular") is furnished in connection with the solicitation of proxies by the management of Calfrac Well Services Ltd. (the "Corporation") for use at the annual meeting of shareholders of the Corporation to be held in the McMurray Room at the Calgary Petroleum Club, 319 - 5th Avenue S.W., Calgary, Alberta, on Tuesday, May 4, 2021, at 3:30 p.m. (the "Meeting") and at any adjournment thereof for the purposes set forth in the accompanying notice of meeting.

ATTENDANCE AT MEETING DISCOURAGED DUE TO COVID-19 PANDEMIC

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

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

The Corporation will be providing a live webcast of the Meeting. Shareholders not attending the Meeting in person are encouraged to listen to the webcast. However, shareholders will not be able to vote through the webcast or otherwise participate in the Meeting. A link to the webcast will be available on the Corporation's website at www.calfrac.com.

APPOINTMENT OF PROXYHOLDER AND DISCRETIONARY AUTHORITY

The persons designated in the accompanying form of proxy are officers of the Corporation. **A shareholder has the right to appoint a person or company to represent the shareholder at the Meeting other than the persons designated in the accompanying form of proxy.** A shareholder may exercise this right by inserting in the blank space provided in the accompanying form of proxy the name of the person to be appointed and deleting the names of the persons designated in the form of proxy, or by completing another proper form of proxy. In order for a proxy to be valid, it must be dated and signed by the shareholder or by the shareholder's attorney authorized in writing and received by Computershare Trust Company of Canada, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, not later than 3:30 p.m. (MDT) on Friday, April 30, 2021, or 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting. The time limit for deposit of proxies may be waived or extended by the chairman of the Meeting at his or her discretion without notice.

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

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

REVOCABILITY OF PROXY

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

VOTING OF PROXIES

Registered Shareholders

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

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

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

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

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

At the Meeting: If a registered shareholder plans to vote in person, such shareholder does not need to do anything except attend the Meeting. The shareholder should register with the representatives of Computershare upon arrival at the Meeting. **However, registered shareholders who plan to vote in person should review and consider the disclosure under the heading "Attendance at Meeting Discouraged Due to COVID-19 Pandemic".**

Non-Registered Shareholders

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

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

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

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

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

Alternatively, Non-registered Shareholders may attend the Meeting and vote their shares as proxyholder by entering their own name in the space provided on the voting instruction form supplied by their nominee and following the signing and return instructions. Non-registered Shareholders who follow this procedure will be recognized at the Meeting as proxyholders and will be permitted to vote their shares in that capacity. **However, Non-registered Shareholders who plan to attend the Meeting should review and consider the disclosure under the heading "Attendance at Meeting Discouraged Due to COVID-19 Pandemic".**

NOTICE AND ACCESS

The Corporation 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 the 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 Corporation 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 Corporation to rely on the "notice-and-access" system provided that, among other conditions, the Corporation 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 Corporation will be using stratification procedures in relation to the use of the notice-and-access provisions. In relation to the Meeting, the Corporation'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 proxy or 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 SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

The record date for the Meeting is March 16, 2021 (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 March 16, 2021, there were 37,430,570 common shares outstanding, with each share carrying the right to one vote.

To the knowledge of the directors and officers of the Corporation, 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 Corporation other than as set forth below.

Name	Number of Common Shares	Percent of Outstanding[(1)]
George Armoyan[(2)] Halifax, Nova Scotia	11,516,498	30.76%

Notes:

(1) Calculated based on the number of issued and outstanding common shares of the Corporation on March 16, 2021.

(2) Mr. Armoyan exercises control or direction over 11,516,498 common shares through G2S2 Capital Inc. ("G2S2"), a company controlled by George and Simé Armoyan. The foregoing information is based upon SEDI filings as at March 16, 2021.

BUSINESS OF THE MEETING

Receipt of Financial Statements

The financial statements for the year ended December 31, 2020, 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 Corporation provide that the minimum number of directors shall be three and the maximum number shall be 15. There are currently seven directors. The board of directors of the Corporation has set the number of directors to be elected at the Meeting at seven. At the Meeting, shareholders will be asked to elect as directors the seven nominees listed in the following table to serve until the close of the next annual meeting of shareholders. All of the proposed nominees, with the exception of Messrs. George S. Armoyan and Anuroop Duggal, were duly elected as directors at the annual and special meeting of shareholders held on May 5, 2020, and Messrs. Armoyan and Duggal were appointed by resolution of the board of directors as of December 18, 2020.

Investor Rights Agreement

In connection with the completion of the Recapitalization Transaction (as defined below), the Corporation and certain investors (the "Investors") in the Corporation’s 10% 1.5 lien convertible PIK notes due 2023 ("1.5 Lien Notes") entered into an investor rights agreement (the "Investor Rights Agreement") pursuant to which the Corporation, among other things, agreed to grant board nomination rights to certain of such Investors. Pursuant to the Investor Rights Agreement, so long as the applicable Investor continues to own at least 50% of their respective initial 1.5 Lien Notes, each of G2S2, MATCO Investments Ltd. ("MATCO") and Glendon Capital Management L.P. ("Glendon Capital") are entitled to (i) nominate one director to the board of directors of the Corporation (the "Investor Nominees"), and (ii) have their respective board nominees serve on the Compensation Committee and Corporate Governance and Nominating Committee. Immediately subsequent to the closing of the Recapitalization Transaction, Mr. Armoyan was appointed as G2S2's Investor Nominee, Mr. Duggal was appointed as Glendon Capital's Investor Nominee and Mr. Mathison was designated as MATCO's Investor Nominee. MATCO has subsequently waived its participation rights with respect to its Investor Nominee serving on the Compensation Committee and Corporation Governance and Nominating Committee.

The Investor Rights Agreement confirms that it expressly does not constitute a voting agreement or otherwise require any Investor to vote its common shares in any fashion or manner, including with respect to the election of Investor Nominees or other directors of the Corporation or in respect of any other resolution of shareholders of the Corporation.

A copy of the Investor Rights Agreement is filed on the Corporation's profile on SEDAR at www.sedar.com.

Majority Voting

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

Nominees for Election

The following table provides, among other things, the names, ages and cities of residence of all persons proposed to be nominated for election as directors of the Corporation, the date on which each became a director of the Corporation (or its predecessor, Denison Energy Inc.), the voting results with respect to each nominee at the previous meeting of shareholders at which directors were elected (if applicable), the present occupations and brief biographies of such persons, the committee memberships and other public company board memberships of each nominee, the number (and total market value) of common shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, and the number (and total market value) of deferred share units ("DSUs"), as applicable, held by each nominee as at March 16, 2021.

Ronald P. Mathison
Age: 64
Calgary, Alberta, Canada
Director since March 8, 2004[(1)]
Not Independent

Skills and Experience[(3)]:
Business
Board
International
Financial
Compensation
Strategic Growth

Mr. Mathison is one of the Corporation's founders and served as a member of the board of directors and as Chairman of the Corporation since its formation in 1999, and as its Executive Chairman since June 10, 2019. Mr. Mathison is the Chairman of MATCO Investments Ltd., a private investment firm which invests in the oil and gas and oilfield services industries, in real estate and in selected other opportunities. Until October 2000, Mr. Mathison was a director and principal of Peters & Co. Limited, an investment firm specializing in the energy industry. Prior thereto, Mr. Mathison and two other individuals formed the nucleus of Peters & Co. Capital, a private merchant banking entity that is widely associated with numerous restructurings of oil and natural gas exploration and production companies and oilfield service companies.

Board/Committee Memberships	Attendance at Meetings during 2020	
Board of Directors	26 of 26	100%

Other Public Company Board Memberships
Western Energy Services Corp.

Voting Results from 2020 Annual and Special Meeting	For	Withheld	Total
Number of Votes	95,964,474	314,825	96,279,299
Percentage of Votes	99.67%	0.33%	100%

Securities Held

Common Shares[(4)]	DSUs[(4)]	Total Market Value of Common Shares[(4)]	Total Market Value of DSUs[(4)]	Meets Minimum Share Ownership Requirement[(5)]
576,685	800	$2,318,274	$3,216	Yes

Douglas R. Ramsay
Age: 65
Okotoks, Alberta, Canada
Director since March 24, 2004
Independent[2]

Skills and Experience[3]:
Business
Board
International
Operational
Financial
Compensation
Strategic Growth
Health, Safety and Environment

Mr. Ramsay is a founder and the Vice Chairman of the Corporation, and he has served as a member of the board of directors of the Corporation since its formation in 1999. Mr. Ramsay also served as President and Chief Executive Officer of the Corporation 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 experience as a Project Manager for Delta Consultants, Drilling and Completions Foreman for Dome Petroleum Corp., and Service Operator for BJ Well Services Company has contributed to Mr. Ramsay's overall knowledge of the industry.

Board/Committee Memberships	Attendance at Meetings during 2020	
Board of Directors	26 of 26	100%
Health, Safety, Environment and Quality Committee	4 of 4	100%

Other Public Company Board Memberships
Tervita Corporation

Voting Results from 2020 Annual and Special Meeting	For	Withheld	Total
Number of Votes	95,973,029	306,270	96,279,299
Percentage of Votes	99.68%	0.32%	100%

Securities Held				
Common Shares[4]	**DSUs[4]**	**Total Market Value of Common Shares[4]**	**Total Market Value of DSUs[4]**	**Meets Minimum Share Ownership Requirement[5]**
60,302	-[6]	$242,414	-	Yes

Lindsay R. Link
Age: 60
Calgary, Alberta, Canada
Director since June 10, 2019
Not Independent

Skills and Experience[3]:
Business
International
Operational
Financial
Compensation
Strategic Growth
Health, Safety and Environment

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

Board/Committee Memberships	Attendance at Meetings during 2020	
Board of Directors	26 of 26	100%

Other Public Company Board Memberships
None

Voting Results from 2020 Annual and Special Meeting	For	Withheld	Total
Number of Votes	95,950,196	329,103	96,279,299
Percentage of Votes	99.66%	0.34%	100%

Securities Held				
Common Shares[4]	**DSUs[4]**	**Total Market Value of Common Shares[4]**	**Total Market Value of DSUs[4]**	**Meets Minimum Share Ownership Requirement[5]**
2,309	-	$9,282	-	Yes

George S. Armoyan
Age: 61
Halifax, Nova Scotia, Canada
Director since December 18, 2020[1]
Independent[2]

Skills and Experience[3]:
Business
Board
International
Financial
Compensation
Strategic Growth

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

Board/Committee Memberships[7]	Attendance at Meetings during 2020	
Board of Directors	-	-

Other Public Company Board Memberships
Clarke Inc.

Voting Results from 2020 Annual and Special Meeting
N/A

Securities Held				
Common Shares[4]	**DSUs[4]**	**Total Market Value of Common Shares[4]**	**Total Market Value of DSUs[4]**	**Meets Minimum Share Ownership Requirement[5]**
11,516,498[8]	-	$46,296,322	-	Yes

Anuroop Duggal
Age: 36
Toronto, Ontario, Canada
Director since December 18, 2020[1]
Independent[2]

Skills and Experience[3]:
Business
Board
International
Financial
Compensation
Strategic Growth

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

Board/Committee Memberships[9]	**Attendance at Meetings during 2020**	
Board of Directors	-	-
Other Public Company Board Memberships		
Optiva Inc.		
Voting Results from 2020 Annual and Special Meeting		
N/A		

Securities Held

Common Shares[4]	DSUs[4]	Total Market Value of Common Shares[4]	Total Market Value of DSUs[4]	Meets Minimum Share Ownership Requirement[5]
-	-	-	-	No

Gregory S. Fletcher
Age: 72
Calgary, Alberta, Canada
Director since May 8, 2002[1]
Independent[2]

Skills and Experience[3]:
Business
Board
International
Operational
Financial
Compensation
Strategic Growth
Health, Safety and Environment

Mr. Fletcher was appointed as the Corporation's Lead Director effective June 10, 2019. Mr. Fletcher is an independent businessman involved in the oil and natural gas industry in western Canada. He is currently the President of Sierra Energy Inc., a private oil and natural gas company that he founded in 1997. Mr. Fletcher is also a director of Peyto Exploration & Development Corp. and Whitecap Resources Inc., public oil and natural gas companies. During 2009, Mr. Fletcher completed the Director Education Program developed by the Institute of Corporate Directors and the Rotman School of Management in conjunction with the Haskayne School of Business.

Board/Committee Memberships[10]	**Attendance at Meetings during 2020**	
Board of Directors	26 of 26	100%
Audit Committee (Chair)	4 of 4	100%
Compensation Committee	3 of 3	100%
Corporate Governance and Nominating Committee	3 of 3	100%
Special Committee (Chair)	14 of 14	100%
Other Public Company Board Memberships		
Peyto Exploration & Development Corp.		
Whitecap Resources Inc.		

Voting Results from 2020 Annual and Special Meeting

	For	Withheld	Total
Number of Votes	95,814,109	465,190	96,279,299
Percentage of Votes	99.52%	0.48%	100%

Securities Held

Common Shares[4]	DSUs[4]	Total Market Value of Common Shares[4]	Total Market Value of DSUs[4]	Meets Minimum Share Ownership Requirement[5]
1,775	800	$7,136	$3,216	Yes

Lorne A. Gartner Age: 71 Calgary, Alberta, Canada Director since May 11, 2010 Independent(2) **Skills and Experience(3):** Business Board International Financial Compensation Strategic Growth Health, Safety and Environment	Mr. Gartner is an independent businessman. Formerly he was the Managing Director of Royal Bank of Canada Capital Markets, a position he held from 2000 to 2006. Prior to that time, he was a Vice President of Royal Bank of Canada, Calgary Energy Group.

Board/Committee Memberships	**Attendance at Meetings during 2020**	
Board of Directors	26 of 26	100%
Audit Committee	4 of 4	100%
Compensation Committee (Chair)	3 of 3	100%
Corporate Governance and Nominating Committee	3 of 3	100%
Health, Safety, Environment and Quality Committee	4 of 4	100%
Other Public Company Board Memberships		
Western Energy Services Corp.		

Voting Results from 2020 Annual and Special Meeting			
	For	**Withheld**	**Total**
Number of Votes	95,834,033	445,266	96,279,299
Percentage of Votes	99.54%	0.46%	100%

Securities Held

Common Shares(4)	**DSUs(4)**	**Total Market Value of Common Shares(4)**	**Total Market Value of DSUs(4)**	**Meets Minimum Share Ownership Requirement(5)**
326	800	$1,311	$3,216	Yes

Notes:

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

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

(3) See "Corporate Governance Practices – Nomination of Directors" for a description of the skills and experience set forth in the director's biography.

(4) The information as to the director nominees' common shares and DSUs, as applicable, is as of March 16, 2021. For more detailed information relating to the DSUs held by certain directors, see "Executive Compensation – Directors' Compensation" and "Executive Compensation – Incentive Plan Awards".

(5) Under the provisions of the Corporation's Director Share Ownership Policy, directors have three years from their initial election date to acquire common shares of the Corporation worth $200,000. 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 Corporation's common shares, but if the value of a director's holdings 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.

(6) On September 21, 2020, Mr. Ramsay surrendered 50,000 DSUs (the equivalent of 1,000 DSUs on a post-share consolidation basis) for no consideration.

(7) Mr. Armoyan was appointed as a director of the Corporation effective December 18, 2020, and as a member of the Compensation Committee and Corporate Governance and Nominating Committee on January 22, 2021.

(8) The common shares are held by G2S2 Capital Inc., an entity controlled by George and Simé Armoyan.

(9) Mr. Duggal was appointed as a director of the Corporation effective December 18, 2020, and as a member of the Compensation Committee, Audit Committee, and Corporate Governance and Nominating Committee on January 22, 2021.

(10) On January 22, 2021, Mr. Fletcher was appointed as a member of the Health, Safety, Environment and Quality Committee.

Cease Trade Orders or Bankruptcies

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

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

(b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of the company being the subject of such an Order and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

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

(a) is, at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

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

On December 18, 2020, the Corporation filed Articles of Arrangement implementing a plan of arrangement under Section 192 of the CBCA (the "Plan of Arrangement") giving effect to a recapitalization transaction (the "Recapitalization Transaction"), as described in the Corporation's management information circular dated August 17, 2020, as supplemented by the Material Change Report dated September 25, 2020 (the "Special Meeting Materials"). The Plan of Arrangement, included, among other things, the surrender and cancellation of approximately US$432 million principal amount of the Corporation'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 Corporation. All of the proposed directors of the Corporation listed in the above table, except for Messrs. Armoyan and Duggal, served as directors of the Corporation throughout the Recapitalization Transaction and Plan of Arrangement. Additional information regarding the Recapitalization Transaction and Plan of Arrangement can be found in the Corporation's comparative financial statements and management's discussion and analysis for the year ended December 31, 2020, the Material Change Report dated December 24, 2020 and the Special Meeting Materials, all of which can be found on the Corporation's profile on SEDAR at www.sedar.com.

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

Penalties or Sanctions

To the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such persons) has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Appointment of Auditor

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

In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the common shares represented thereby in favour of an ordinary resolution to appoint the firm

of PricewaterhouseCoopers LLP, to serve as auditors of the Corporation until the next annual meeting of the shareholders and to authorize the directors to fix their remuneration as such.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Form of Compensation Disclosure

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

Compensation Philosophy and Strategy

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

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

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

In 2013, the board of directors approved the adoption of a Total Compensation Program that applies to all staff level positions of the Corporation, including the Corporation's executives. This program clearly defines the roles and responsibilities and the policies and procedures related to the Corporation's compensation programs to ensure that such programs are applied on a consistent basis and in a manner that is reflective of the principles established therein. The Total Compensation Program is reviewed at least annually by the Compensation Committee and is amended, if necessary, to reflect any changes in the Corporation's compensation program. Following the completion of the Recapitalization Transaction, the Compensation Committee commenced a review of a number of elements of the Total Compensation Program and it is possible that changes to the program may be approved and implemented in the second quarter of 2021.

Compensation Governance

The Compensation Committee consists of four members – Lorne A. Gartner, George S. Armoyan, Anuroop Duggal and Gregory S. Fletcher. Each member of the Compensation Committee is independent. The board of directors recognizes the importance of appointing knowledgeable and experienced individuals to the Compensation Committee who have the required background in executive compensation to fulfill the Compensation Committee's obligations. In addition to their experience as members of the Compensation Committee of the Corporation, all of such members have relevant experience in dealing with executive compensation matters as directors and/or senior leaders of other public companies. All committee members other than Mr. Duggal currently serve, or have served, on the compensation committee of the board of directors of other companies, and Mr. Duggal has studied corporate compensation structures extensively through his experience as a public market investor and conducts lectures at Columbia Business School on how to assess the effectiveness of compensation structures at public companies.

Succession Planning

One of the most critical responsibilities of the board of directors is to ensure that the Corporation has the right management team in place to develop and execute its business strategy and that an appropriate management succession plan is developed and maintained to ensure management and operational continuity. The Corporation's compensation practices are therefore focused on hiring and retaining executives who have an innate drive to achieve their best and, in so doing, position the Corporation to create long-term shareholder value. Succession planning for the President and all other officers is formally reviewed by the Corporate Governance and Nominating Committee and the board of directors on an ongoing basis and an updated report on succession planning is typically provided by management for the board's consideration at Corporate Governance and Nominating Committee meetings. 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. The objectives of the succession planning process are as follows:

(i) to ensure that management is focused on developing an appropriate flow of qualified candidates for key management and technical positions within the Corporation;

(ii) to identify gaps between current position requirements and the capabilities and requisite skills of succession candidates;

(iii) to focus management on leadership development and the need for business continuity planning; and

(iv) to foster a comprehensive and planned approach to the assessment and development of leadership talent against established goals and corporate values.

Compensation Approval Process

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

The Compensation Committee also recommends to the board of directors the compensation for the Corporation's officers following receipt of the President's annual performance reviews and compensation recommendations. In making his recommendations to the Compensation Committee, the President, with the support of the Vice President, Human Resources, reviews an analysis of the compensation levels for the officers of the Corporation against the compensation comparator groups and considers the performance of each of these officers relative to their individual objectives. The Compensation Committee has the authority to engage the services of an independent compensation consultant to provide external analysis and recommendations as required. The Compensation Committee reviews the recommendations of the President 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 Corporation's officers.

Market Comparators

Target total compensation, which includes all six elements of total compensation listed in the table appearing under the heading "Compensation Elements" below, is benchmarked against a comparator group that includes selected companies that provide services to the oil and natural gas industry. These companies are selected to ensure similarity of scope, size and complexity, and represent the market within which the Corporation competes for leadership talent. Companies included in the comparator group generally have attributes similar to the Corporation as follows: (i) North American-based; (ii) widely held; (iii) operating within the oil and natural gas services industry; and (iv) having an international scope of operations. The comparator group used to benchmark compensation for 2020 included the companies listed below. The go-forward composition of the comparator group is expected to be adjusted as part of the Compensation Committee's on-going review of the Total Compensation Program referenced above.

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

In addition, the Compensation Committee periodically reviews data for each of the officer positions against a broader set of comparator companies to ensure that the compensation targets for each of the officer positions continues to be market competitive and aligned with the Corporation'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 Corporation with respect to compensation matters since 2007. In 2020, Mercer was engaged by the Corporation to provide research and analysis with respect to annual long-term incentive grant practices in the context of the COVID-19 business environment and with respect to special emergence grants following a significant corporate restructuring in order to assist the board with its assessment of 2021 long-term incentive awards.

For the financial years ended December 31, 2019 and 2020, the Corporation paid the following consulting fees to Mercer:

Fees	2020	2019
Executive Compensation Related Fees(1)	$1,641	$1,000
All Other Fees(2)	$1,641	$33,033

Notes:

(1) Includes fees for services related to determining compensation for the Corporation's directors and officers. In 2020, the fees relate to the long-term incentive award analysis and research referred to above, which fees were equally apportioned between executive and non-executive employees in the table above. In 2019, the fees related to the use of the Black-Scholes option valuation model and the calculation of total shareholder return for use in connection with the Corporation's long-term incentive plan grants.

(2) Includes fees for consulting services related to non-executive compensation matters. In 2020, the fees relate to the long-term incentive award analysis and research referred to above, which fees were equally apportioned between executive and non-executive employees in the table above. In 2019, the fees included the Corporation's participation in the annual market surveys carried out by Mercer in Canada, the United States and Argentina in 2019.

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

Compensation Elements

Executive compensation is built on the principle of total rewards which takes into account base salary, short and long-term incentives, perquisites, health and dental benefits, retirement plans and paid time off. Each component is intended to align with the Corporation'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	PSUs, stock options
Rewards & Recognition	Variable	Short-Term	Less than 1 year	Cash
Benefits	Fixed	Annual	N/A	Perquisites, Life, Health, Dental, Disability
Retirement Plan (Group RRSP/401K)	Fixed	Annual	N/A	Capital Accumulation Plan

Base Salary

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

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

In exceptional circumstances, the Corporation may make temporary adjustments to its compensation program to appropriately align compensation with market conditions. Effective April 1, 2015, annual base salaries for executives were reduced by 10% in light of the challenging market conditions at that time. Effective July 1, 2017, 50% of the annual base salary reductions were reinstated and effective January 20, 2018, the remaining 50% of such reductions were reinstated. There were no significant changes to executive base salaries since the reinstatement of such salary reductions until the rapid and unforeseen deterioration in business conditions resulting from the COVID-19 global pandemic and the oil price war among OPEC+ members. In response to the associated demand reduction for the Corporation's services, in April 2020, the Corporation (a) reduced director compensation by 25%; (b) reduced base salaries for executive officers by 10%; (c) eliminated retirement savings matching contributions, which previously represented up to 6% of base salary; (d) reduced base salaries for staff employees by 5 - 10%; (e) and reduced or eliminated several other compensation programs or bonuses, among other cost savings initiatives.

In late March 2021, the base salaries of executive and staff employees and the hourly wage and field job revenue bonuses of field employees were reinstated, however, the directors' compensation reductions, the elimination of retirement savings matching contributions and other costs savings initiatives currently remain in effect. Management continues to monitor market conditions and competitor actions in regards to compensation and will make a recommendation to the Compensation Committee to reinstate these remaining reductions at an appropriate time.

Short-Term Incentive Plan

The Corporation'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.

Metrics have varied in the past but the financial performance measure utilized for the purposes of the STIP in recent years has been consolidated operating income ("OI"), which accounted for 80% of the aggregate award entitlement under the STIP in 2019 and the STIP proposal submitted to the board of directors for 2020.

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

The minimum consolidated OI threshold is determined on an annual basis taking into account planned fixed costs such as interest expense, minimum STIP payout, maintenance capital expenditures and the cash portion of stock-based compensation expenses. The use of a minimum consolidated OI threshold supports the philosophy that absent exceptional circumstances the Corporation must generate a minimum level of OI to meet its basic operating needs before there is any payout under the STIP. If the minimum consolidated OI threshold is achieved, a payout under the STIP will occur based on actual OI and TRIF results on the basis discussed below. For the purposes of the STIP, OI is calculated (on a consolidated and divisional basis) as net income (loss) before depreciation, foreign exchange gains or losses, gains or losses on disposal of property, plant and equipment, expenses and gains related to business combinations, impairment of property, plant and equipment, impairment of inventory, impairment of goodwill, interest and income taxes.

In addition to using OI as a financial performance measure, the Corporation also uses Total Recordable Injury Frequency ("TRIF") as a health and safety performance measure. This performance measure accounts for 20% of the aggregate award entitlement under the STIP. The use of TRIF reinforces the Corporation's commitment to protect the health and safety of its employees, contractors, clients and other third party personnel in the communities in which the Corporation operates. The use of TRIF also helps make health and safety management a core part of the culture of the organization.

TRIF is a lagging indicator that determines the injury rate based on the number of recordable injuries and the total number of hours worked in a year. The foundation of the formula for calculating TRIF is defined by the Occupational Health & Safety Administration, a federal agency of the United States that regulates workplace safety and health. TRIF is calculated by multiplying the number of recordable injuries and illnesses incurred during the year by 200,000 and dividing that product by the total number of hours that were actually worked by employees. The "200,000" used in this calculation is the equivalent number of hours for 100 employees working 40 hours per week for 50 weeks. The overall annual TRIF which is determined at December 31st of the relevant year is based on the total number of recordable injuries and illnesses for all divisions and the total hours worked for all divisions for the year.

If an employee reports into an operating division, 80% of the STIP payout for such employee is related in equal proportions to divisional OI and consolidated OI performance. For all other employees, 80% of the STIP payout is related to consolidated OI performance. In addition, for all corporate employees and divisional employees, the 20% portion of the STIP related to TRIF is linked to consolidated TRIF performance.

In general however, and for 2019: at the minimum consolidated OI threshold, the STIP payout amount was equal to 25%; at the target level of consolidated OI, the STIP payout amount was equal to 100%; and at the maximum consolidated OI target, the STIP payout amount was equal to 150%. In general, the STIP payout amount increases proportionately from the minimum consolidated OI threshold to the maximum consolidated OI target.

In general, a minimum TRIF threshold of 2.0 is required before any portion of the remaining 20% of the STIP amount is payable. The STIP payout amount related to TRIF increases proportionally until the maximum TRIF target of 1.0 is achieved. At a TRIF of 2.0, the STIP payout amount related to TRIF is equal to 20% and at a TRIF of 1.0, the STIP payout amount related to TRIF is equal to 150%. Given the fact that health and safety performance is a core value of the Corporation, the ultimate TRIF goal, which is communicated to the Corporation's employees, third-party service providers and clients, is "Goal Zero".

The calculations referred to above based on consolidated OI and TRIF performance will result in a business factor ("BF") that will range from 0-150%. The BF acts as a multiplier in the calculation of the STIP payouts. Individual performance also acts as a multiplier in the calculation of the STIP payouts. Based on an employee's individual performance relative to his or her objectives, which is evaluated annually, he or she will receive an individual performance factor ("IPF") in the range of 0-120%. Finally, each employee has an incentive target which is the payout, expressed as a percentage of the employee's base salary, which the employee would receive under the STIP if both the BF and the individual's IPF were equal to 100%. An individual's STIP award, therefore, is equal to the BF multiplied by (a) the individual's IPF, (b) the individual's incentive target and (c) the individual's salary for the relevant year.

The table below provides a summary of the participation eligibility for officers within the organization:

Participant	Incentive Target	Payout Range	OI Performance	Safety Performance (TRIF)	Divisional Performance	Corporate Performance	Individual Performance
President & COO, CFO	100%	0 – 180%	Yes	Yes	N/A	Yes	Yes
Corporate Executives	100%	0 – 180%	Yes	Yes	N/A	Yes	Yes
Divisional Executives	100%	0 – 180%	Yes	Yes	Yes	Yes	Yes

The financial results of companies in the oil and gas services sector are very closely linked to commodity prices, which are volatile and cyclical. The Corporation believes that the annual cash STIP should represent a significant portion of the total compensation for eligible employees to ensure that STIP awards are being paid out only in periods where the Corporation's financial performance warrants and supports such awards and, absent exceptional circumstances, pre-established performance thresholds have been met or exceeded. The volatility of the commodity price cycle may result in higher payments in strong economic years and substantially lower or no payments in weaker economic years.

2020 STIP Results

For 2020, the board of directors did not approve a set of STIP plan metrics. A proposal was submitted by management to the Compensation Committee and board of directors for approval as part of the annual compensation process; however, additional information was requested by the Compensation Committee and approval of the STIP plan was subsequently delayed pending further analysis from management. In the intervening period, the on-set of the COVID-19 pandemic and OPEC+ price war made it apparent that the Corporation's results would not justify a STIP award for 2020, so no STIP plan was ultimately adopted and the board refocused its efforts on the Recapitalization Transaction. In light of the foregoing and the performance of the Corporation in the difficult market conditions, no STIP payment was payable under the terms and conditions of the STIP for 2020.

2021 STIP Plan

Following the Recapitalization Transaction, management proposed a set of STIP plan metrics for 2021 which is currently under review by the Compensation Committee in conjunction with several other elements of the Total Compensation Program. Approval of the 2021 STIP plan metrics and other changes to the Total Compensation Program are expected early in the second quarter of 2021.

Long-Term Incentives

The Corporation's long-term incentive plans are designed to:

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

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

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

(iv) provide a retention incentive to eligible employees.

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

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

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

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

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

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

Prior to the Recapitalization Transaction, the Company employed two long-term incentive plans as part of its Total Compensation Program: the Old Option Plan, which was a conventional stock option plan that provided a focus on long-term share price growth; and the Old PSU Plan, which provided a long-term focus related to defined performance criteria. Prior to 2018, the Corporation also used an RSU plan, which provided a long-term focus related to share price growth.

The Corporation's annual long-term incentive awards are predicated on the recommendations of the Corporation's various Divisional or Departmental leaders using a classification system which outlines appropriate long-term incentive ranges for participants within the organization based on position level, responsibilities, experience and training. These recommendations are then vetted by the Corporation's President, with the support of the Vice President, Human Resources, and an aggregate award of long-term incentives is recommended to the Compensation Committee for approval. On the recommendation of the Compensation Committee, the Corporation'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. The authorized award pools are then allocated in accordance with management's recommendations, as modified throughout the various stages of review. Previous option and PSU grants, as well as the dilutive and financial impact on shareholders of the Corporation, are taken into account by management and the Compensation Committee when considering new grants. Grants are generally provided annually in the first quarter of the year. Historically, options vested over a four year period, commencing on the first anniversary of the date of grant, but in late-2017, the board of directors approved a recommendation by management to reduce the vesting period from four years to three years commencing with the options granted in 2018. PSUs have typically been granted in in the first quarter of the year and one-third of the PSUs vest on January 1st of each of the first, second and third calendar years following the year of grant.

Following the Recapitalization Transaction, management proposed a long-term incentive award for eligible employees for 2021, which is currently under review by the Compensation Committee in conjunction with several other elements of the Total Compensation Program. Approval of the 2021 long-term incentive award grants is expected early in the second quarter of 2021.

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

Recognition Programs

The Corporation has an employee recognition program that selectively recognizes and rewards employees within the organization who have contributed to the Corporation's success. The program consists of a multi-level recognition program, ranging from non-monetary peer-to-peer recognition to spot awards of up to $5,000. The Corporation also has a President's award program which is designed to reward employees for outstanding achievements resulting in significant cost savings or contributions to the Corporation's financial and operational performance. In 2020, an aggregate of $130,306 was awarded under the President's award program.

Perquisites and Benefits

The Corporation provides officers with perquisites, including vehicle allowances and parking. Relevant club memberships are provided to select executives to assist in the performance of their duties and responsibilities. The Corporation 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 6% 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 Corporation's Canadian and U.S. employees are entitled to participate in the applicable retirement savings plan.

In June 2015, matching contributions under the retirement savings plans were suspended in light of the challenging market conditions at that time. Effective July 1, 2017, the Corporation reinstated a portion of the matching contributions and effective February 2, 2018, the Corporation reinstated the remainder of the matching contributions. In April 2020, the matching contributions were once again suspended in response to the challenges brought on by the COVID-19 pandemic and OPEC+ price war, and this suspension currently remains in place.

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

Risks Associated with Compensation Policies

The Compensation Committee is responsible, on an annual basis, for reviewing and recommending for approval the Corporation's compensation policies and practices, as well as its corporate goals and objectives relevant to compensation. As part of this annual review, the Compensation Committee considers the risks associated with the Corporation's compensation policies and practices to ensure that the Corporation's approach to risk management is accurately reflected in its overall approach to compensation. As a result, the compensation policies and practices of the Corporation support an appropriate balance between risk and reward.

In its analysis of the risks associated with the Corporation's compensation policies, the Compensation Committee is mindful of any practices that may motivate behaviors among decision-makers that individually or collectively may have a negative impact on the Corporation. The Corporation'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 Corporation'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 considered to be "at risk". This mix is designed to encourage officers to take measured risks that may have a positive impact on the Corporation's performance while simultaneously providing adequate compensation to officers to discourage them from taking excessive or inappropriate risks. In addition, it is important to note that STIP awards, which are a significant component of short-term compensation, and, historically, cash-based PSUs and RSUs, which were a significant component of long-term compensation, are or were all linked to a minimum level of consolidated OI, which is predicated on achieving financial performance that is identifiably aligned with shareholder value as opposed to performance criteria that lack any tangible link to the Corporation's financial and operational performance. Awards under the STIP and, historically, the cash-based PSUs under the Old PSU Plan are not typically payable in the event that the Corporation does not meet the minimum consolidated OI threshold approved by the board of directors.

On an annual basis, the Compensation Committee reviews the Corporation's compensation practices with a view to mitigate unsafe risk taking activities and makes any necessary adjustments to maintain an appropriate balance between "at risk" and "not at risk" compensation. In addition, the Compensation Committee and the board of directors monitor management's recommendations for the deployment of capital and the Corporation's scope of operations on a regular basis.

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

Clawback Policy

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

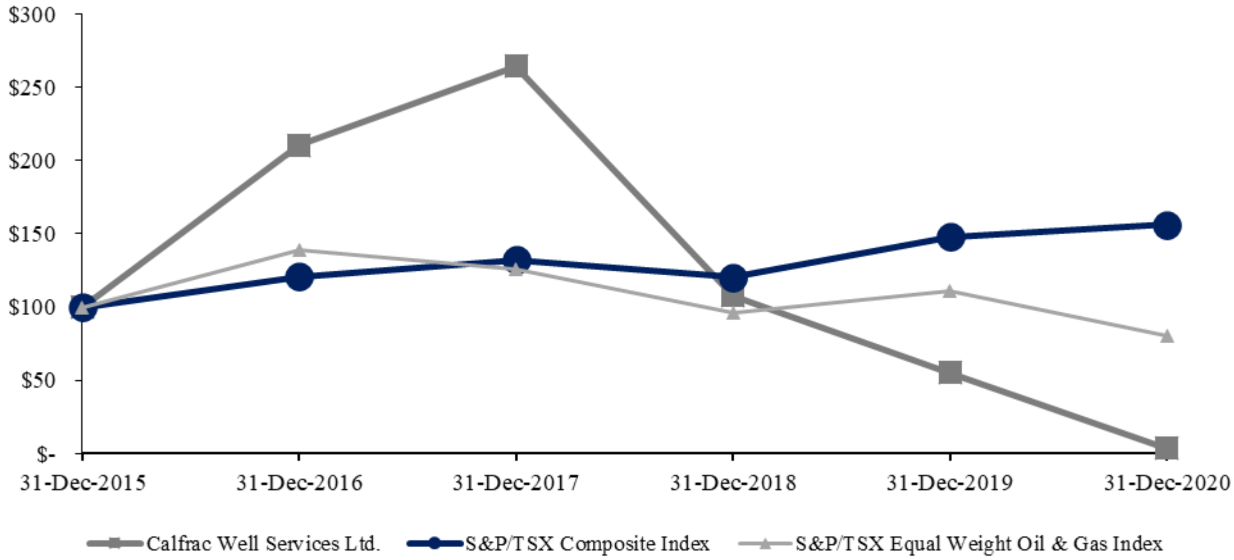
Prohibited Securities Transactions

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

Performance Graph

The graph below compares the cumulative return on the common shares of the Corporation with the cumulative total return of the S&P/TSX Composite Total Return Index for the period commencing December 31, 2015 and ending December 31, 2020.

TOTAL RETURN ON $100 INVESTMENT
FROM DECEMBER 31, 2015 TO DECEMBER 31, 2020



		December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020
●	S&P/TSX Composite Total Return Index	$100.00	121.08	132.09	120.36	147.89	156.17
Δ	S&P/TSX Equal Weight Oil & Gas Index	$100.00	139.19	126.27	96.28	111.32	80.76
■	Calfrac Well Services Ltd.	$100.00	210.20	264.45	17.90	55.28	3.484

Narrative Discussion

The Corporation's STIP has been based primarily upon the principle of achieving a minimum level of consolidated OI in any plan year before employees become eligible for short term incentive compensation. This association ensures that, absent exceptional circumstances, employees are rewarded with short term cash compensation only when the financial performance of the Corporation warrants such remuneration. The relationship between the financial performance of the Corporation and the trading price for its common shares also creates a similar structural correlation between long-term incentive compensation and share price. In 2020, the market price of the Corporation's common shares declined to historically low levels as a result of the COVID-19 pandemic, the OPEC+ oil price war and the Recapitalization Transaction. In response to this precipitous decline in market conditions, management implemented a wide range of cost reduction initiatives to protect the financial viability of the Corporation. These cost reductions included a reduction in base salary compensation for all employees, the suspension of employer matching contributions for the Corporation's retirement savings plans, and the suspension of other compensation elements as outlined above. In addition, no bonuses were paid under the STIP plan and all outstanding long-term incentives were cancelled or paid-out for nominal consideration as a result of the Recapitalization Transaction. Combined these measures had the effect of reducing total compensation for the executives and employees of the Corporation in correlation with the decline in the market price of the Corporation's common shares.

Summary Compensation Table

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation, in Canadian dollars, to the individuals that acted as the Corporation's Chief Executive Officer, the Corporation's Chief Financial Officer and the next three most highly compensated executive officers during 2020 (collectively, the "Named Executive Officers"). **All references to the PSU and option grants, and the valuations thereof, in the table below are prior to giving effect to the 50:1 common share consolidation that occurred on December 18, 2020.**

Name and principal position	Year	Salary ($)	Share-based awards ($)[1]	Option-based awards ($)[1][2]	Non-equity incentive plan compensation ($)		All other compensation ($)[3]	Total compensation ($)
					Annual incentive plans[4]	Long-term incentive plans		
Lindsay R. Link[5][6]	2020	581,616	29,138[7]	-	125,278	-	11,195[13]	747,227
President and Chief	2019	551,181	203,456[8]	214,357	-	-	11,487[13]	980,481
Operating Officer	2018	484.313	268,400[9]	228,006	609,023	-	180,137[10]	1,769,879
Michael D. Olinek	2020	359,123	12,488[11]	-	74,592	-	6,868[13]	453,071
Chief Financial Officer	2019	351,338	92,531[12]	89,323	-	-	15,620[13]	548,812
	2018	337,000	134,200[14]	139,337	408,980	-	12,980[13]	1,032,497
Fred L. Toney[15]	2020	400,669	10,406[16]	-	86,355	-	7,712[13]	505,142
President, United States	2019	411,445	92,531[17]	93,865	-	-	19,021[13]	616,862
Division	2018	400,365	134,200[18]	152,004	520,103	-	68,327[19]	1,274,999
J. Michael Brown[20]	2020	374,819	8,325[21]	-	80,794	-	7,215[13]	471,153
Vice President, Technical	2019	384,900	74,025[22]	57,763	-	-	21,675[13]	538,363
Services	2018	375,921	134,200[23]	101,336	406,754	-	136,497[24]	1,154,708
B. Mark Paslawski	2020	319,069	11,655[25]	-	139,115[26]	-	5,723[13]	475,562
Vice President, Corporate	2019	310,000	74,025[27]	91,594	-	-	13,592[13]	489,211
Development and Corporate Secretary	2018	308,808	134,200[28]	139,337	358,050	-	12,662[13]	953,056

Notes:

(1) **Effective December 18, 2020, pursuant to the Plan of Arrangement (a) all outstanding stock options under the Old Option Plan and all outstanding cash-based PSUs under of the Old PSU Plan were cancelled for no consideration, and (b) all outstanding equity-based PSUs under the Old PSU Plan vested and holders thereof were paid out on a pro rata basis from total aggregate consideration of $175,000 (approximately $0.2057 per equity-based PSU).**

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

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

(4) Amounts earned under the STIP for services performed during the year, and in the case of 2020 where no STIP payment was earned, the amount reflects a discretionary award paid on March 13, 2020, in light of the significant efforts of the executive officers of the Corporation with respect to the implementation of the enterprise resource planning project in Q1 2020 and completion of the exchange offer in respect of its 8.50% senior unsecured notes due 2026, which closed February 14, 2020.

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

(6) Mr. Link was appointed as the Corporation's President and Chief Operating Officer effective June 10, 2019. Mr. Link certifies the certification of annual filings (Form 52-109F1) and certification of interim filings (Form 51-102F2) on behalf of the Corporation, acting in the capacity of Chief Executive Officer.

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

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

(9) The grant date fair value of the PSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of PSUs granted to Mr. Link by the closing price of the Corporation's common shares on the grant date of such PSUs, being March 12, 2018 ($6.71). The realized value is determined when the incentive is paid to Mr. Link, if at all.

(10) Attributable to: (a) perquisites, including a payment of US $108,415 for relocation expenses in conjunction with Mr. Link's relocation to Houston, Texas at the Corporation's request, which payment has been converted into Canadian dollars at the Bank of Canada noon exchange rate in effect on the dates of payment; and (b) the Corporation's retirement savings plan contributions on behalf of Mr. Link.

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

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

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

(14) The grant date fair value of the PSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of PSUs granted to Mr. Olinek by the closing price of the Corporation's common shares on the grant date of such PSUs, being March 12, 2018 ($6.71). The realized value is determined when the incentive is paid to Mr. Olinek, if at all.

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

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

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

(18) The grant date fair value of the PSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of PSUs granted to Mr. Toney by the closing price of the Corporation's common shares on the grant date of such PSUs, being March 12, 2018 ($6.71). The realized value is determined when the incentive is paid to Mr. Toney, if at all.

(19) Attributable to: (a) perquisites, including a payment of US $21,040 for relocation expenses in conjunction with Mr. Toney's relocation to Houston, Texas at the Corporation's request, which payment has been converted into Canadian dollars at the Bank of Canada noon exchange rate in effect on the date of payment, and $23,333 for Mr. Toney's vehicle allowance; and (b) the Corporation's retirement savings plan contributions on behalf of Mr. Toney.

(20) Mr. Brown is paid in U.S. dollars. Mr. Brown's base salary and retirement savings plan contributions have been converted into Canadian dollars at the average monthly Bank of Canada exchange rate for each applicable month and the amounts that Mr.

Brown earned under the annual incentive plan column have been converted into Canadian Dollars at the Bank of Canada noon exchange rate on the applicable dates of payment.

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

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

(23) The grant date fair value of the PSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of PSUs granted to Mr. Brown by the closing price of the Corporation's common shares on the grant date of such PSUs, being March 12, 2018 ($6.71). The realized value is determined when the incentive is paid to Mr. Brown, if at all.

(24) Attributable to: (a) perquisites, including a payment of US $68,672 for relocation expenses in conjunction with Mr. Brown's relocation to Houston, Texas at the Corporation's request, which payment has been converted into Canadian dollars at the Bank of Canada noon exchange rate in effect on the date of payment; and (b) the Corporation's retirement savings plan contributions on behalf of Mr. Brown.

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

(26) In addition to the discretionary award paid on March 13, 2020, Mr. Paslawski received a President's Award under the Employee Recognition Program of $76,923, with respect to his incremental responsibilities and contributions in respect of completing the Corporation's Recapitalization Transaction.

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

(28) The grant date fair value of the PSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of PSUs granted to Mr. Paslawski by the closing price of the Corporation's common shares on the grant date of such PSUs, being March 12, 2018 ($6.71). The realized value is determined when the incentive is paid to Mr. Paslawski, if at all.

Narrative Discussion

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

Incentive Plan Awards

Outstanding Share-based Awards and Option-based Awards

The following table sets forth, for each Named Executive Officer, all option-based and share-based awards outstanding at December 31, 2020.

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options[1] (#)	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 ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Lindsay R. Link[2]	-	-	-	-	-	-	-
Michael D. Olinek[2]	-	-	-	-	-	-	-
Fred L. Toney[2]	-	-	-	-	-	-	-
J. Michael Brown[2]	-	-	-	-	-	-	-
B. Mark Paslawski[2]	-	-	-	-	-	-	-

Notes:

(1) Effective December 18, 2020, pursuant to the Plan of Arrangement (a) all outstanding stock options under the Old Option Plan and all outstanding cash-based PSUs under of the Old PSU Plan were cancelled for no consideration, and (b) all outstanding equity-based PSUs under the Old PSU Plan vested and holders thereof were paid out on a pro rata basis from total aggregate consideration of $175,000 (approximately $0.2057 per equity-based PSU).

(2) None of the Named Executive Officers realized any value from exercising stock options during 2020.

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, 2020.

Name	Option-based awards – Value vested during the year[1] ($)	Share-based awards – Value vested during the year[2] ($)	Non-equity incentive plan compensation – Value earned during the year[3] ($)
Lindsay R. Link	-	31,836	125,278
Michael D. Olinek	-	16,103	74,592
Fred L. Toney	-	15,460	86,355
J. Michael Brown	-	13,160	80,794
B. Mark Paslawski	-	14,188	139,115

Notes:

(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). No options vested in the money during 2020.

Effective December 18, 2020, pursuant to the Plan of Arrangement all outstanding stock options were cancelled for no consideration.

(2) The value vested during the year for share-based awards for each of the Named Executive Officers was calculated as the sum of (i) the applicable number of PSUs vested on January 1, 2020 multiplied by $1.24, which was the weighted average trading price on the TSX of the Corporation's common shares for the five day trading period preceding the vesting date of January 1, 2020; and (ii) the applicable number of equity-based PSUs vested on December 18, 2020 pursuant to the Plan of Arrangement multiplied by $0.2057, which was the pro rata entitlement for each equity-based PSU paid-out pursuant to the Plan of Arrangement.

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

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

The estimated incremental payment obligations of the Corporation related to the termination entitlements set forth above, assuming that the triggering event took place on December 31, 2020, are as follows:

Named Executive Officer	Termination without Cause or Constructive Dismissal ($)	Termination without Cause following Change of Control ($)
Lindsay R. Link	1,258,026	2,516,053
Michael D. Olinek	780,086	1,560,172
Fred L. Toney	876,562	1,753,124
J. Michael Brown	822,483	1,644,965
B. Mark Paslawski	760,086	1,520,172

The employment agreements for all of the Named Executive Officers 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 in the event that the Named Executive Officers breach the provisions related to non-solicitation or non-competition. In the event that any of the Named Executive Officers are terminated for cause, such individuals will not be entitled to receive any of the payments outlined above. In the event that any of the Named Executive Officers voluntarily terminate his or her employment for any reason other than following an event which is deemed to amount to constructive dismissal, such individual is obligated to provide 90 days prior written notice to the Corporation, upon receipt of which the Corporation 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 Corporation, in Canadian dollars, to the following individuals who were directors of the Corporation during the most recently completed financial year, excluding Lindsay R. Link, who was a Named Executive Officer of the Corporation during 2020 and whose compensation is disclosed under the headings "Summary Compensation Table", "Outstanding Share-based Awards and Option-based Awards" and "Incentive Plan Awards – Value Vested or Earned During the Year".

Name	Fees Earned[(1)] ($)	Share-based awards[(2)(3)] ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Ronald P. Mathison	-	-	-	-	-	434,423[(4)]	437,575
Douglas R. Ramsay	112,438	16,500[(5)]	-	-	-	-	128,938
Kevin R. Baker[(3)]	173,800	13,200	-	-	-	-	187,000
James S. Blair[(3)]	173,800	13,200	-	-	-	-	187,000
Gregory S. Fletcher	216,200	13,200	-	-	-	-	229,400
Lorne A. Gartner	100,000	13,200	-	-	-	-	113,200
George S. Armoyan[(6)]	1,270	-	-	-	-	-	1,270
Anuroop Duggal[(6)]	1,270	-	-	-	-	-	1,270

Notes:

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

(2) The grant date fair value of the DSUs comprising this share-based award is a theoretical expected value calculated at the date of grant by multiplying the number of DSUs granted to the applicable director by the closing price of the Corporation's common shares on the grant date of such DSUs, being March 4, 2020 ($0.66).

(3) None of the DSUs granted on March 4, 2020, have been exercised, with the exception of those granted to Messrs. Baker and Blair, who resigned from the board of directors on December 18, 2020, and received a payout of all of their outstanding DSUs in accordance with the terms of the DSU Plan.

(4) Mr. Mathison is not compensated for serving as a director. Represents Mr. Mathison's base salary earned in 2020 in relation to Mr. Mathison's position as Executive Chairman, and excludes perquisites Mr. Mathison received and other personal benefits not generally available to all employees that were in aggregate the lesser of $50,000 and 10% of total annual salary. Mr. Mathison is not eligible to receive any STIP awards or retirement savings plan contributions from the Corporation.

(5) On September 21, 2020, Mr. Ramsay surrendered all of his DSUs for no consideration.

(6) Messrs. Armoyan and Duggal were appointed to the board of directors on December 18, 2020, and the fees earned reflect their pro rata director retainer through to December 31, 2020.

Narrative Discussion

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

Effective August 4, 2020, the board of directors appointed a Special Committee comprised of Gregory S. Fletcher, Chairman, James S. Blair, and Kevin R. Baker to consider an unsolicited alternative recapitalization proposal from Wilks Brothers LLC, among other duties. Each member of the Special Committee was compensated for such member's service on the Special Committee as follows: (a) retainer of $10,000 per month to each member of the Special Committee (other than the Chairman) and $15,000 per month to the Chairman; and (b) a fee of $2,000 payable to each member of the Special Committee for each Special Committee meeting such member attended. The monthly retainers payable for the month in which the Special Committee was dissolved were prorated (using a 30 day month) based on the number of days in which the Special Committee remained established for such month. The Special Committee was dissolved on December 18, 2020, on closing of the Recapitalization Transaction.

Effective October 15, 2004, the board of directors established a deferred share unit plan (the "DSU Plan") for directors. The DSU Plan provides that the board may grant DSUs to designated directors. Each DSU represents the right to receive a gross payment equal to the Market Value at the date of exercise, which date will be determined by the holder of the DSUs, subject to certain conditions. For the purposes of the DSU Plan, "Market Value" means, on any date, the weighted average trading price of a common share of the Corporation on the TSX during the last five trading days prior to that date. The DSU Plan is structurally aligned with the interests of shareholders given that the value of the DSUs is determined by the market price of the common shares of the Corporation. The Corporation has the option of instructing an independent broker to acquire common shares on the open market on behalf of a participant equal to the number obtained by dividing the amount of cash otherwise payable, after deducting statutory withholdings, by the Market Value. The DSUs expire at a date determined by the board, and, unless otherwise determined by the Corporation, if a participant ceases to be a director of the Corporation or a designated affiliate for any reason, that participant's unvested DSUs shall terminate and be forfeited and the participant may redeem any vested DSUs until the earlier of: (i) 90 days from the date the participant ceased to be a director (180 days in the case of cessation by reason of death or permanent disability); or (ii) the expiry date set forth in the document granting the DSUs. Typically, DSUs were granted in late-February and vesting takes place in late-November or early-December of the year of grant, after which the vested DSUs must be exercised by January 31st of the year following the year of grant. Beginning with the DSUs granted in 2019, however, vested DSUs may be exercised anytime up to January 31st of the third year following the year of grant.

Pursuant to the Plan of Arrangement, the outstanding DSUs were unaffected by the Recapitalization Transaction; however, the Corporation subsequently adjusted the number of outstanding DSUs held by each director to reflect the 50:1 share consolidation in accordance with the terms of the DSU Plan.

The currently outstanding DSUs granted under the DSU Plan will continue to be governed by the terms of the DSU Plan until such DSUs are exercised, expire or are otherwise terminated or cancelled; however, no new DSUs will be granted under the DSU Plan.

The Compensation Committee continues to assess its approach to Director Compensation on a go-forward basis, including its approach to DSU grants. Any future grants of DSUs will be made under the Omnibus Incentive Plan, and as of the date hereof no DSU awards have been granted thereunder.

The following table further itemizes the compensation paid to each non-employee director during 2020.

Name	Board Retainer $	Committee Chair Fee $	Board Meeting Fee $	Committee Meeting Fee $	Total Fees Paid $	DSUs Granted[(1)] #	Stock Options Granted #
Douglas R. Ramsay	36,563	40,625[(2)]	30,375	4,875	112,438	500[(3)]	-
Kevin R. Baker	36,563	12,187	30,375	94,675[(5)]	173,800	400	-
James S. Blair	36,563	12,187	30,375	94,675[(5)]	173,800	400	-
Gregory S. Fletcher	36,563	36,562[(4)]	30,375	112,700[(5)]	216,200	400	-
Lorne A. Gartner	36,563	12,187	30,375	20,875	100,000	400	-
George S. Armoyan	1,270[(6)]	-	-	-	1,270	-	-
Anuroop Duggal	1,270[(6)]	-	-	-	1,270	-	-

Notes:

(1) Reflects the number of DSUs granted after giving effect to the adjustment in accordance with the DSU Plan to reflect the 50:1 common share consolidation that occurred on December 18, 2020.

(2) This amount represents Mr. Ramsay's supplemental fee for acting as Vice-Chairman as described above.

(3) Mr. Ramsay surrendered his DSUs on September 21, 2020 for no consideration.

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

(5) This amount includes prorated fees paid to Mr. Fletcher ($68,700), Mr. Baker ($45,800), and Mr. Blair ($45,800) for acting as members of the Special Committee.

(6) Reflects pro rata director retainer from December 18, 2020 to December 31, 2020.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth for each director, other than Lindsay R. Link, all option-based and share-based awards outstanding at December 31, 2020.

	Option-based Awards				Share-based Awards[1]		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Ronald P. Mathison	-	-	-	-	-	-	3,152
Douglas R. Ramsay	-	-	-	-	-	-	-
Kevin R. Baker	-	-	-	-	-	-	-
James S. Blair	-	-	-	-	-	-	-
Gregory S. Fletcher	-	-	-	-	400	1,576	1,576
Lorne A. Gartner	-	-	-	-	400	1,576	1,576
George S. Armoyan	-	-	-	-	-	-	-
Anuroop Duggal	-	-	-	-	-	-	-

Note:

(1) The market or payout value of share-based awards that have vested and not been paid out or distributed and those that have been granted and have not vested, each as at December 31, 2020, is a theoretical expected value which was calculated by multiplying the applicable number of DSUs at December 31, 2020 by $3.94, which was the closing price of the Corporation's common shares on the TSX on December 31, 2020.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth for each director, other than Lindsay R. Link the value vested or earned on all option-based awards, share-based awards, and non-equity incentive plan compensation during the year ended December 31, 2020.

Name	**Option-based awards – Value vested during the year[1] ($)**	**Share-based awards – Value vested or earned during the year ($)**	**Non-equity incentive plan compensation – Value earned during the year ($)**
Ronald P. Mathison	-	29,728[2]	-
Douglas R. Ramsay	-	18,579[2][3]	-
Kevin R. Baker	-	9,600[4]	-
James S. Blair	-	9,600[4]	-
Gregory S. Fletcher	-	14,864[2]	-
Lorne A. Gartner	-	14,864[2]	-
George S. Armoyan	-	-	-
Anuroop Duggal	-	-	-

Notes:

(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). Messrs. Link and Mathison are the only directors who held options during 2020. No options of the Corporation vested "in-the-money" during 2020. As of December 31, 2020, there were no options outstanding as all outstanding options were cancelled for no consideration on December 18, 2020 pursuant to the Plan of Arrangement.

(2) The value vested during the year for share-based awards for Messrs. Mathison, Ramsay, Fletcher and Gartner has been calculated by multiplying the number of DSUs vested during the year by $0.7432, which was the weighted average trading price on the TSX of the Corporation's common shares, for the five day trading period preceding the vesting date of February 26, 2020.

(3) Mr. Ramsay surrendered his DSUs on September 21, 2020 for consideration.

(4) Messrs. Baker and Blair resigned from the board of directors on December 18, 2020. In connection with the resignation, the Corporation redeemed their respective DSUs in accordance with the DSU Plan at a price of $0.24 per DSU, which was the weighted average trading price on the TSX of the Corporation's common shares for the five day trading period preceding December 18, 2020.

Omnibus Incentive Plan

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

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

Purpose

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

Eligibility

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

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

Administration

The Omnibus Incentive Plan is administered by the Compensation Committee of the board on behalf of the board of directors (referred to in this section as the "Committee"). The plan provides the Committee with absolute authority to determine the Eligible Individuals to whom awards may be granted, and to establish the terms, conditions and limitations of each award (subject to the terms of the Omnibus Incentive Plan and the applicable provisions of the Code), including without limitation, the type and amount of an award, the number of common shares subject to an award, the exercise price, any vesting conditions, restrictions or limitations attaching to an award (including any applicable performance criteria to be achieved during any performance period and the length of such performance period) and any vesting acceleration or forfeiture waiver (including on termination of service) regarding any award and common shares relating thereto. The plan also provides the Committee with full 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 Corporation, may not exceed 10% of the aggregate number of issued and outstanding common shares from time to time. Common shares issued pursuant to awards granted under the Omnibus Incentive Plan may, subject to the terms of the grant agreement in respect of an award, be issued from treasury or purchased in the open market or otherwise, at the sole discretion of the Committee.

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

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

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

Insider Participation Limits

No awards will be granted to any Eligible Individual if, at the time of such grant, such grant could result in the number of common shares: (a) issued to Corporation "insiders" (as defined by the TSX Company Manual) in any one year period; or (b) issuable to Corporation "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 Corporation 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 Corporation'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 Corporation or any of its affiliates, the Committee may make such adjustments as it deems equitable and appropriate to: (a) the aggregate number and kind of securities reserved for issuance and delivery under the Omnibus Incentive Plan; (b) the number and kind of securities subject to awards then outstanding; and (c) the exercise price of outstanding awards.

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

Types of awards

<u>Stock Options and SARs</u>

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 Corporation and applicable to the relevant participant, or within 10 business days of the expiry thereof, then the Termination Date will be extended to the date that is 10 business days following the expiry date of such trading blackoutperiod.

<u>RSUs</u>

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 Corporation's achievement over a designated performance period of performance criteria determined by the Committee and set forth in the applicable grant agreement.

The vesting of PSUs is conditioned upon the continued service of the applicable Eligible Individual. PSUs will vest in accordance with the terms and conditions of the Omnibus Incentive Plan and the applicable grant agreement.

Other Share-Based Awards

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

No Repricing

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

Transferability

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

Term and Amendments

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

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

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

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

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

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

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

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

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

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

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

Number of Common Shares Issued and Issuable

As indicated above, the maximum number of common shares issuable under the Omnibus Incentive Plan and all other share compensation plans of the Corporation (of which there are currently none), is 10% of the issued and outstanding common shares from time to time. The following table summarizes as at the date indicated: (a) the aggregate number of common shares issued on the exercise of options under the Old Option Plan since its inception through to the date of its termination; (b) the number of options outstanding; (c) the number of options remaining available for issuance under the Omnibus Incentive Plan; and (d) the foregoing numbers expressed as a percentage of the outstanding common shares.

Common Shares Issued on Exercise of Options		Options[(1)] Outstanding		Options[(1)] Remaining Available for Issuance	
(#)	**(%)[(2)]**	**(#)**	**(%)**	**(#)[(3)]**	**(%)[(4)]**
186,117	6.39	Nil	N/A	3,740,849	10.00

Notes:

(1) Effective December 18, 2020, pursuant to the Plan of Arrangement all outstanding stock options under the Old Option Plan were cancelled for no consideration, and the Old Option Plan was terminated.

(2) Expressed as a percentage of the outstanding common shares as of close of business on December 17, 2020 and as adjusted for the 50:1 share consolidation completed on December 18, 2020 (i.e. excludes common shares issued pursuant to the Plan of Arrangement given the co-terminous termination of the Old Option Plan pursuant to which such aggregate number of common shares were issued on the exercise of stock options).

(3) Assuming no other equity-based awards are issued under the Omnibus Incentive Plan.

(4) Expressed as a percentage of the outstanding common shares as of close of business on December 31, 2020.

Burn Rate

The following table summarizes the Corporation's burn rate under the Old Option Plan for each of the three most recently completed financial years. Effective December 18, 2020, pursuant to the Plan of Arrangement all outstanding stock options under the Old Option Plan were cancelled for no consideration.

Year	Common Shares Outstanding[(1)]	Options Granted		Common Shares Issued on Exercise of Options[(2)]	
	(#)	(#)	(%)[(3)]	(#)	(%)[(3)]
2018	2,880,838	23,386	0.99	9,679	0.34
2019	2,891,292	89,403	3.09	1,970	0.07
2020	2,903,321[(4)]	1,098	0.04	Nil	N/A

Notes:

(1) Expressed as the weighted average number of common shares outstanding during the period, as adjusted in all periods for the 50:1 share consolidation completed on December 18, 2020. This is the number of common shares outstanding at the beginning of the period, adjusted by the number of common shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the common shares are outstanding as a proportion of the total number of days in the period. The weighted average number of common shares outstanding is calculated in accordance with International Financial Reporting Standards.

(2) Each option entitles the holder thereof to acquire one common share.

(3) Expressed as a percentage of the weighted average number of common shares outstanding during the period.

(4) Weighted average number of common shares for the period from January 1, 2020 to December 17, 2020, and excludes the common shares issued on December 18, 2020, in connection with the Recapitalization Transaction given that the Old Option Plan was terminated on such date.

Performance Share Unit Plan

On October 15, 2004, the Corporation established the Old PSU Plan, which provided that the board of directors may grant PSUs to eligible employees of the Corporation and its designated affiliates. Complete details regarding the history of the Old PSU Plan and the Corporation's grant practices thereunder are set forth in the Corporation information circular dated March 25, 2020, a copy of which is available on the Corporation's SEDAR profile at www.sedar.com.

Number of Common Shares Issued and Issuable

As indicated above, the maximum number of common shares issuable under the Omnibus Incentive Plan and all other share compensation plans of the Corporation (of which there are currently none), is 10% of the issued and outstanding common shares from time to time. The following table summarizes, as at the date indicated: (a) the aggregate number of common shares issued on the redemption of equity-based PSUs under the Old PSU Plan since its inception through to the date of its termination; (b) the number of equity-based PSUs outstanding; (c) the number of equity-based PSUs remaining available for issuance under the Omnibus Incentive Plan; and (d) the foregoing numbers expressed as a percentage of the outstanding common shares on the applicable date.

		PSUs[(1)]			
Common Shares Issued on Redemption of PSUs[(2)]		Outstanding		Remaining Available for Issuance	
(#)	(%)	(#)	(%)	(#)[(3)]	(%)[(4)]
7,743	0.03	Nil	N/A	3,740,849	10.00

Notes:

(1) Effective December 18, 2020, pursuant to the Plan of Arrangement all cash-based PSUs under the Old PSU Plan were cancelled for no consideration, and all outstanding equity-based PSUs under the Old PSU Plan vested and holders thereof were paid out on a pro rata basis from total consideration of $175,000 (approximately $0.2057 per equity-based PSU).

(2) Expressed as a percentage of the outstanding common shares as of close of business on December 17, 2020 and as adjusted for the 50:1 share consolidation completed on December 18, 2020 (i.e. excludes common shares issued pursuant to the Plan of Arrangement given the co-terminous termination of the Old PSU Plan pursuant to which such aggregate number of common shares were issued on the redemption of equity-based PSUs).

(3) Assuming no other equity-based awards are issued under the Omnibus Incentive Plan.

(4) Expressed as a percentage of the outstanding common shares on December 31, 2020.

Burn Rate

The following table summarizes the Corporation's burn rate under the Old PSU Plan for each of the three most recently completed financial years. Effective December 18, 2020, pursuant to the Plan of Arrangement all outstanding equity-based PSUs under the Old PSU Plan vested and holders thereof were paid out on a pro rata basis from total aggregate consideration of $175,000 (approximately $0.2057 per equity-based PSU).

Year	Common Shares Outstanding[1]	Equity PSUs Granted		Common Shares Issued on Exercise of Equity PSUs[2]	
	(#)	(#)	(%)[3]	(#)	(%)[4]
2018	2,880,838	6,558	0.23	Nil	N/A
2019	2,891,292	12,268	0.42	2,097	0.07
2020	2,903,321[4]	11,093	0.38	5,646	0.19

Notes:

(1) Expressed as the weighted average number of common shares outstanding during the period, as adjusted in all periods for the 50:1 share consolidation completed on December 18, 2020. This is the number of common shares outstanding at the beginning of the period, adjusted by the number of common shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the common shares are outstanding as a proportion of the total number of days in the period. The weighted average number of common shares outstanding is calculated in accordance with International Financial Reporting Standards.

(2) Each equity-based PSU under the Old PSU Plan entitled the holder thereof to acquire one common share.

(3) Expressed as a percentage of the weighted average number of common shares outstanding during the period.

(4) Weighted average number of common shares for the period from January 1, 2020 to December 17, 2020, and excludes the common shares issued on December 18, 2020 in connection with the Recapitalization Transaction given that the Old PSU Plan was terminated on such date.

Equity Compensation Plan Information as at December 31, 2020

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[1]			
Omnibus Incentive Plan	-	-	3,740,849[2]
Equity compensation plans not approved by shareholders	-	-	-
Total	-	-	3,740,849

Notes:

(1) Effective December 18, 2020, pursuant to the Plan of Arrangement (a) all outstanding stock options under the Old Option Plan were cancelled for no consideration, and (b) all outstanding equity-based PSUs under the Old PSU Plan vested and holders thereof were paid out on a pro rata basis from total aggregate consideration of $175,000 (approximately $0.2057 per equity-based PSU).

(2) As of the date hereof, there have been no awards granted under the Omnibus Incentive Plan and 10% of the Corporation's outstanding common shares remain available for future issuance under the Omnibus Incentive Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

On November 12, 2010, the Corporation loaned Fernando Aguilar, the Corporation's President and Chief Operating Officer at that time, $2,500,000 for the purpose of facilitating the purchase of common shares of the Corporation 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 Corporation or its Subsidiaries**	**To Another Entity**
Share Purchases	$2,500,000	-

CORPORATE GOVERNANCE PRACTICES

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

The following disclosure of the Corporation's corporate governance practices is presented pursuant to the requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101").

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 Corporation and its legal counsel. As a result of such review, and after consideration of all business, charitable, family and other relationships among the director nominees and the Corporation, the board has determined that each director nominee other than Ronald P. Mathison, the Corporation's Executive Chairman and Lindsay R. Link, the Corporation's President and Chief Operating Officer, are independent within the meaning of NI 58-101. Messrs. Mathison and Link are not independent as they are current executive officers of the Corporation.

Board Meetings and Attendance Record

The board of directors generally meets a minimum of four times a year and additionally during the year as the need arises. The frequency and length of meetings and the nature of agenda items depend upon the circumstances. Meetings are detailed and well attended and are conducted in an atmosphere that encourages participation and independence. In order to promote candid discussion among the independent directors, in-camera sessions are held at every board and committee meeting, from which Ronald P. Mathison and Lindsay R. Link, currently the only non-independent directors, and any management invitees in attendance are excused. Information regarding the number of board and committee meetings held in 2020 and the attendance at such meetings is provided under the heading "Business of the Meeting – Election of Directors".

Other Directorships

Information in respect of other directorships of reporting issuers held by director nominees is provided under the heading "Business of the Meeting – Election of Directors". Messrs. Mathison and Gartner serve together on the board of directors of Western Energy Services Corp.

Chairman

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

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

Board Mandate

The mandate of the board of directors sets out the board's purpose, organization, duties and responsibilities. A copy of the mandate is attached to this Circular as Appendix A. The board mandate and the charters for each of the Corporation's four 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 Executive Chairman, Vice Chairman, Lead Director and the chair of each board committee. The board has also developed a written position description for the Chief Executive Officer and Chief Financial Officer. However, the Corporation does not currently have a Chief Executive Officer and the roles of such position are shared between the Executive Chairman and the President and Chief Operating Officer.

Orientation and Continuing Education

All directors are provided with access to an on-line director's resource center, which includes a copy of all board and committee mandates and policies, the Corporation'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 Corporation and its position in the oilfield services sector by the Corporation's senior management team. Although the Corporation 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 Corporation's business through trips to the field and operating districts to witness the Corporation's operations firsthand and are provided direct exposure to the Corporation's management and operations personnel at technical presentations for the Corporation's clients and employee base held at the Corporation's head office and Technology and Training Center in Calgary. In addition, the Corporation's board of directors and its committees attend presentations and receive educational information and/or materials on a variety of topics. For example, during 2020:

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

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

- the board of directors, and members of the Special Committee, received advice from their respective external legal counsel concerning the directors' fiduciary duties generally and in the context of the Recapitalization Transaction specifically.

The nominees for election as directors of the Corporation include individuals with significant experience as directors of public and private corporations who understand the role of a board of directors and its committees, as well as the contributions that individual directors are expected to make. Notwithstanding this experience, the Corporation supports the continuing education of its directors through attendance at relevant external education programs and seminars which may be deemed by any of the directors as being beneficial for the maintenance or enhancement of their skills and abilities. In 2020, the directors participated in the following external continuing education activities, among others:

- Mr. Mathison attended the Lake Louise World Cup Business Forum; Haskayne School of Business (University of Calgary) Distinguished Business Leaders' Summit Webinar; Banff Global Business Forum Virtual Meeting, National Bank 2020 Economic Outlook Virtual Meeting; CIBC Capital Markets Fall Economic Outlook Virtual Meeting; the Business Council of Canada and Business Council of Alberta members' meetings and various webinars hosted by external parties;

- Mr. Fletcher attended a number of courses and webinars offered by the Institute of Corporate Directors and various law firms and accounting firms relating to topics such as accounting and financial reporting, board governance, risk assessment, oil and gas supply and demand, and board diversity; and

- Mr. Gartner attended a number of seminars and courses offered by the Institute of Corporate Directors and various accounting firms.

Ethical Business Conduct

The Corporation has a written code of business conduct and ethics for its directors, officers and employees. A copy of the code of business conduct and ethics may be found on SEDAR at www.sedar.com. The board has delegated to senior management the responsibility for monitoring compliance with the code of business conduct and ethics. 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 Corporation's executive officers. The Corporation's code of business conduct and ethics addresses many areas of business conduct and provides a procedure for employees to raise concerns or questions regarding the conduct of the Corporation's directors, officers and employees.

The code of business conduct and ethics 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 Corporation and the private or personal interests of any director, officer, employee or consultant. Any potential conflict of interest must be immediately disclosed to the President and the chair of the Corporate Governance and Nominating Committee, who are charged with the authority to make any required determinations in respect of such potential conflict of interest.

In addition, the board of directors has established a whistleblower policy which permits any officer or employee to submit, on a confidential, anonymous basis, any complaints or concerns regarding the manner in which the Corporation conducts its business, including violations of law, rules, regulations or the code of business conduct and ethics, 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 Corporation's organization.

The board of directors has also adopted an anti-bribery and anti-corruption policy which is intended to ensure that the Corporation 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 Corporation's financial books and records. The policy provides guidance on dealing with agents, contractors and public officials, acceptance of gifts, making political and charitable contributions and dealing with certain types of payments. Employees are obligated to report any violations of the policy to the General Counsel, who has been appointed by the board to oversee the administration of the policy and is responsible for determining the most appropriate method to investigate the substance of the claims and ensure that there is appropriate monitoring of progress until the matter has been satisfactorily resolved. A mandatory online e-learning course has been implemented for all employees to facilitate in-depth instruction regarding the anti-bribery and anti-corruption policy. The General Counsel reports on the policy and its effectiveness to the board of directors.

Nomination of Directors

The Corporate Governance and Nominating Committee 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 Corporate Governance and Nominating Committee considers the skills and experience set out in the matrix below when assessing the requirements of the board as a whole with regard to each individual director's qualifications; in addition, each candidate for director must have appropriate personal characteristics, including integrity, judgment and communication skills. The skills and experience in the biographies for the director nominees contained herein are those areas in which the director nominee is most skilled or experienced.

Skills and Experience Description	Number of Nominees with such Skills and Experience	Names of Nominees with such Skills and Experience
Business – experience in either the oil and gas services industry or oil and gas exploration and production sectors.	7	Ronald P. Mathison Lindsay R. Link Douglas R. Ramsay George S. Armoyan Anuroop Duggal Gregory S. Fletcher Lorne A. Gartner
Board – executive experience as a board/committee member of a public company other than the Corporation; familiarity with corporate governance best practices.	6	Ronald P. Mathison Douglas R. Ramsay George S. Armoyan Anuroop Duggal Gregory S. Fletcher Lorne A. Gartner
International – business experience in countries where the Corporation is or may become active and/or experience with different cultures, political regimes and regulatory requirements.	7	Ronald P. Mathison Douglas R. Ramsay Lindsay R. Link George S. Armoyan Anuroop Duggal Gregory S. Fletcher

Skills and Experience Description	Number of Nominees with such Skills and Experience	Names of Nominees with such Skills and Experience
		Lorne A. Gartner
Operational – experience in a managerial/officer role of a company operating in the oil and gas services industry or oil and gas exploration and production sectors.	3	Douglas R. Ramsay Lindsay R. Link Gregory S. Fletcher
Financial – executive experience in public financial accounting and reporting; corporate finance including debt and equity and capital markets; and familiarity with internal financial controls and procedures.	7	Ronald P. Mathison Douglas R. Ramsay Lindsay R. Link George S. Armoyan Anuroop Duggal Gregory S. Fletcher Lorne A. Gartner
Compensation – executive experience or board compensation committee participation with an understanding of (i) executive compensation programs, incentives and perquisites, and (ii) succession planning, talent development and retention.	7	Ronald P. Mathison Douglas R. Ramsay Lindsay R. Link George S. Armoyan Anuroop Duggal Gregory S. Fletcher Lorne A. Gartner
Strategic Growth – executive experience in strategic insight, innovation and business development, including the assessment of key trends and industry fundamentals to continually challenge the Corporation in expanding its vision and growth.	7	Ronald P. Mathison Douglas R. Ramsay Lindsay R. Link George S. Armoyan Anuroop Duggal Gregory S. Fletcher Lorne A. Gartner
Health, Safety and Environment – experience and/or an understanding of the health, safety and environmental challenges facing the Corporation and its responsibility to protect the environment and ensure safe and healthy operations for its employees, customers and stakeholders.	4	Douglas R. Ramsay Lindsay R. Link Gregory S. Fletcher Lorne A. Gartner

The Corporate Governance and Nominating Committee consists of four members, each of whom is independent. The charter of the Corporate Governance and Nominating Committee sets out, among other things, the following duties and responsibilities:

- monitoring and enhancing the Corporation'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 Corporation.

Compensation

The Compensation Committee, and the board of directors upon receiving the recommendations of the Compensation Committee, is responsible for reviewing the overall compensation strategy of the Corporation. The Compensation Committee consists of four members, each of whom is independent. The charter of the Compensation Committee sets out, among other things, the following duties and responsibilities:

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

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

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

- conduct annually and report to the board of directors the results of performance appraisals of the President and other officers as appropriate;

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

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

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

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

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

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

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

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

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

Board Committees

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

The Health, Safety, Environment and Quality Committee is responsible for monitoring the health, safety, environment and quality practices, procedures and performance of the Corporation 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 Corporation's policies and procedures related to health, safety, the environment and quality. The Health, Safety, Environment and Quality Committee consists of four members, each of whom are independent.

Assessments

The board of directors, its committees and individual directors are formally assessed at least annually with respect to effectiveness and overall contribution. The objective of the process is to increase the effectiveness of the board of directors and its committees, maximize each director's contribution and fully consider the full roles the directors are playing. The assessment is conducted by the Corporate Governance and Nominating Committee through the completion of a detailed questionnaire that assesses each director and board committee and facilitates a comprehensive peer review. The responses to such questionnaires are summarized by outside counsel in order to preserve the confidentiality of the process and ensure that meaningful feedback is provided and are reviewed and assessed by the Corporate Governance and Nominating Committee which in turn presents the results, together with recommendations for improving the board's composition, to the board of directors. In addition, the chair of the Corporate Governance and Nominating Committee 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 Corporation 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 new directors may bring fresh perspectives and new experience, the board of directors believes that a longer serving director can make a growing contribution to the board over time through the accumulation of valuable knowledge regarding the Corporation's business, including industry trends and cycles, market conditions and geo-political influences.

As an alternative to term limits, the board of directors, in conjunction with the Corporate Governance and Nominating Committee and external counsel, 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 Corporation'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 Corporation.

The current directors have served on the board for between three months to 17 years, with the average tenure being approximately 9.2 years.

Board Diversity

The board of directors believes that the Corporation's directors should possess backgrounds, qualifications and attributes that, when taken together, provide the Corporation with a broad range of skills and experience. The Corporation 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 Corporation will seek to balance the need to secure board members that are best qualified, based upon merit, to meet the Corporation'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 Corporate Governance and Nominating Committee 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 Corporate Governance and Nominating Committee's consideration; and

- engage a third party search firm to assist with the search if no suitable female candidate is identified by the Corporation. In such event, if no suitable female candidate is identified, the search firm will be asked to provide an explanation of the efforts undertaken to identify a female candidate.

The Corporate Governance and Nominating Committee is responsible for recommending candidates to the board of directors for nomination. When considering new potential director nominees, the Corporate Governance and Nominating Committee will review available information regarding each potential candidate that has been identified by the Corporation 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 Corporate Governance and Nominating Committee considers to be the best qualified, based on merit, to meet the Corporation'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 Corporation's board of directors and is overseen by the Corporate Governance and Nominating Committee. On a periodic basis, the Corporate Governance and Nominating Committee reviews the Board Diversity Policy and recommends any amendments deemed appropriate. The Board Diversity Policy was amended in 2021 to broaden the Corporation's diversity assessment criteria for potential director candidates to include all Designated Groups, adjust the Corporation's previously disclosed targets with respect to the appointment of women to the board, as further discussed below, and to make the engagement of a third party search firm conditional depending on the Corporation's success in identifying female candidates through its own efforts and resources rather than a mandatory requirement of the policy.

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 Corporation 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 Corporate Governance and Nominating Committee 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 Corporate Governance and Nominating Committee considers diversity when evaluating board composition and identifying new candidates for director and executive positions. However, at this time the board has not adopted a written policy relating to the identification and nomination of executive officers, nor set any set specific minimum targets for executive officer composition, from any specific Designated Group, including women.

The board does not believe that it is in the Corporation's best interest to implement arbitrary targets with respect to executive officer composition, however, the Corporation supports and encourages diversity at all levels of the organization and maintains an inclusive and merit-based approach to advancement opportunities.

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

The board of directors and management are committed to developing a diverse and inclusive work environment. The Corporation had previously disclosed an active director search with the intention of appointing a female director by the 2020 annual meeting of shareholders; however, the exigencies of the COVID-19 pandemic and the Corporation's Recapitalization Transaction necessitated a shift in priorities that prevented the Corporation from achieving this objective. The Corporation continues to recognize and promote the importance of diversity at all levels of the organization, while also realizing the near-term importance of stabilizing the business and returning to profitability post-restructuring. In light of the restructuring and board turnover, post restructuring, the Corporation has amended the Board Diversity Policy in regards to female representation on the board of directors. Specifically, the Board Diversity Policy has been revised to reflect a target to appoint a female director to the board by the Corporation's 2023 annual meeting of shareholders, with an eventual goal of having two female directors.

The Corporation does not otherwise have any specific targets regarding the representation of Designated Groups on the board or in executive officer positions. The Corporation does not believe that it is in the Corporation's best interest to implement any other targets with respect to board or executive officer composition at this time given the recent board turnover and near-term focus on stabilizing the business post-restructuring. However, consistent with the principles of the Board Diversity Policy and in addition to the female director targets noted above, the Corporation 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 Corporation is making progress toward enhancing diversity since the adoption of the Board Diversity Policy. The Corporation had no representation of any Designated Group at the board or executive officer level prior to the adoption of the Board Diversity Policy. The Corporation now has one director and one executive officer that are members of a visible minority and is actively seeking a female board member, as noted above. In addition, the Corporation's non-executive senior leadership team includes several members of Designated Groups, positioning the Corporation for continued diversity in senior positions.

Designated Groups on the Board and in Executive Officer Positions

As at December 31, 2020, none of the Corporation's seven directors (0%) and none of the Corporation's fifteen executive officers (0%) are women, Aboriginal peoples or persons with disabilities, and one of the Corporation's seven directors (14%) and one of the Corporation's fifteen executive officers (7%) are members of visible minorities.

Risk Oversight

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

The full board of directors is actively involved in overseeing risk management for the Corporation. It does so in part through its oversight of the Corporation's Risk Committee, which is comprised of a cross-section of senior management, including the President and Chief Operating Officer, Chief Financial Officer and General Counsel as permanent members. The Risk Committee meets annually, or as required, to ensure that all potential material risks facing the Corporation are identified and that appropriate mitigation measures are implemented. The Risk

Committee minutes are delivered to the board of directors after each meeting and there is a comprehensive presentation to the board each year regarding the Risk Committee's risk mapping and mitigation efforts for the prior year.

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 Compensation Committee assists the board in fulfilling its oversight responsibilities with respect to the risks arising from the Corporation's compensation policies and programs. The Health, Safety, Environment and Quality Committee assists the board in fulfilling its oversight responsibilities with respect to the risks associated with the Corporation's health, safety, environmental and quality objectives, policies and performance. The Corporate Governance and Nominating Committee assists the board in fulfilling its oversight responsibilities with respect to the risks associated with board organization, membership and structure, ethics and compliance, succession planning for directors and executive officers, and corporate governance. In addition, all board committees and the board of directors as a whole are focused on the importance of considering environmental, social and governance issues as part of the Corporation's license to operate and, commencing as of 2020, all regularly scheduled board meetings include a discussion of any relevant developments in those areas.

FEEDBACK FROM STAKEHOLDERS

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

ADDITIONAL INFORMATION

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

Information regarding the business of the Corporation is provided in the Corporation's current Annual Information Form. Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the year ended December 31, 2020. Shareholders may obtain copies of these documents and the Corporation's interim financial statements and additional copies of this Circular without charge by contacting the Corporate Secretary of the Corporation at 500, 407 – 8th Avenue S.W., Calgary, Alberta, T2P 1E5 (phone: 403-266-6000; fax: 403-266-7381).

DATED March 23, 2021.

APPENDIX A

BOARD OF DIRECTORS MANDATE

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

Composition and Operation

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

Responsibilities

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

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

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

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

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

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

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

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

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

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

Specific Duties

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

1. Legal Requirements

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

(b) The Board has the statutory obligation to

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

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

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

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

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

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

(i) the interests of:

(A) shareholders;

(B) employees;

(C) retirees and pensioners;

(D) consumers;

(E) creditors; and

(F) governments;

(ii) the environment; and

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

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

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

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

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

(iv) declare dividends,

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

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

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

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

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

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

2. Independence

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

3. Strategic Planning

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

4. Risk Management

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

5. Appointment, Training and Monitoring of Senior Management

The Board is responsible for

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

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

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

6. *Reporting and Communication*

The Board is responsible for

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

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

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

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

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

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

7. *Monitoring and Acting*

The Board is responsible for

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

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

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

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

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

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

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

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

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

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

8. *Other*

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

Reviewed and approved on March 3, 2021.