



**CES ENERGY SOLUTIONS CORP.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS TO BE HELD ON JUNE 17, 2025**

**AND**

**INFORMATION CIRCULAR AND PROXY STATEMENT**

**MAY 8, 2025**



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

To be held on June 17, 2025

**NOTICE IS HEREBY GIVEN THAT** the Annual General and Special Meeting (together with any and all adjournments and postponements thereof, the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of CES Energy Solutions Corp. (the “**Corporation**” or “**CES**”) will be held on June 17, 2025 at 9:00 am Mountain Daylight Time. CES will conduct the Meeting in a virtual only format conducted via live audio webcast at <http://meetnow.global/MNHPPYY>. **Shareholders will not be able to attend the Meeting in person.**

The Meeting will be held for the following purposes:

1. to receive and consider the audited consolidated comparative financial statements of the Corporation for the year ended December 31, 2024, together with the auditors’ report on those financial statements;
2. to fix the number of directors to be elected at the Meeting at seven (7) members;
3. to elect persons to serve as directors of the Corporation for the ensuing year;
4. to consider and, if thought fit, pass an ordinary resolution ratifying and approving the Corporation’s amended and restated shareholder rights plan, as more fully described in the management information circular and proxy statement of the Corporation dated May 8, 2025;
5. to appoint Deloitte LLP as the auditors of the Corporation for the ensuing year and to authorize the board of directors of the Corporation (the “**Board**”) to fix the remuneration of the auditors; and
6. to transact such other business as may properly be brought before the Meeting.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular accompanying this Notice of Meeting. The audited consolidated comparative financial statements of the Corporation for the year ended December 31, 2024, including the auditors’ report on those financial statements, have been mailed to Shareholders who have requested the same, in accordance with applicable securities laws. The financial statements are also available on the internet on the Corporation’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

A Shareholder may attend the Meeting or may be represented at the Meeting by a third party proxy, in either case virtually via audio webcast only. Shareholders attending virtually, they will be able to ask

questions and vote, all in real time, provided they are connected to the internet and comply with all of the requirements as set out in the Information Circular.

Shareholders of the Corporation who are unable or do not wish to attend the Meeting virtually are requested to complete, date and sign the enclosed form of proxy or voting instruction form (each referred to as a “**Form of Proxy**”) to appoint a third party proxy holder and return it in the enclosed envelope. Non-registered Shareholders (being Shareholders who hold their Common Shares through brokerage accounts or other intermediaries) who wish to appear attend virtually and vote at the Meeting must appoint themselves as proxy by inserting their name in the blank space provided on the Form of Proxy and returning the Form of Proxy in the envelope provided. In order to be valid and acted upon at the Meeting, the Form of Proxy must be received (either directly or through a Shareholder’s broker or other intermediary) by Computershare Investor Services Inc. not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time for holding the Meeting. Further instructions with respect to attending the Meeting virtually or voting by proxy are provided in the Form of Proxy and in the Information Circular accompanying this Notice of Meeting.

Shareholders of record as of the close of business on May 2, 2025 are entitled to receive notice of the Meeting and to vote Common Shares registered in their name at the Meeting. Any transferee or person acquiring Common Shares after such date may, on proof of ownership of such Common Shares, demand not later than 10 days before the Meeting that his or her name be included in the list of persons entitled to attend and vote at the Meeting, in which case the transferee is entitled to vote those Common Shares at the Meeting.

DATED at Calgary, Alberta on May 8, 2025.

**CES ENERGY SOLUTIONS CORP.**

*(signed) “Kenneth E. Zinger”*

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Kenneth E. Zinger  
President and Chief Executive Officer



**INFORMATION CIRCULAR AND PROXY STATEMENT**

**For the Annual General and Special Meeting of Shareholders  
to be held on June 17, 2025**

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## PROXIES

### Solicitation of Proxies

This Information Circular and Proxy Statement (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management (“**Management**”) of CES Energy Solutions Corp., including, where context requires, its predecessors and subsidiaries (the “**Corporation**” or “**CES**”) for use at the Annual General and Special Meeting of the holders (the “**Shareholders**”) of common shares of the Corporation (the “**Common Shares**”) to be held on June 17, 2025 at 9:00 am Mountain Daylight Time (together with all adjournments and postponements thereof, the “**Meeting**”). CES will conduct the meeting virtually via audio webcast at <http://meetnow.global/MNHPPYY>. **Shareholders will not be able to attend the Meeting in person.**

The Meeting is being held for the purposes set forth in the accompanying Notice of Annual General and Special Meeting of Shareholders (the “**Notice of Meeting**”) accompanying this Information Circular. Information contained in this Information Circular is given as at April 21, 2025, unless otherwise stated.

### Voting at the Meeting

A Registered Shareholder or a Beneficial Shareholder (each as defined below) who has appointed themselves or a third-party proxyholder to represent them at the meeting, will appear on a list of shareholders prepared by Computershare Trust Company of Canada / Computershare Investor Services Inc. (collectively, “**Computershare**”), the transfer agent and registrar for the meeting. To have their Common Shares voted at the meeting, each Registered Shareholder or proxyholder will be required to enter their control number or username provided by Computershare at <http://meetnow.global/MNHPPYY> prior to the start of the meeting. Beneficial Shareholders who appoint themselves as a proxyholder **MUST** register with Computershare at <https://www.computershare.com/CESEnergy> after submitting their voting instruction form in order to receive a username and to be able to vote. **It is important that you are connected to the internet at all times during the meeting in order to vote when balloting commences.**

The Corporation believes that the ability to participate in the Meeting in a meaningful way, including asking questions, remains important despite the decision to hold this Meeting virtually. Registered Shareholders, proxyholders and Non-Registered Shareholders will have an opportunity to ask questions at the Meeting in writing by sending a message to the chair of the Meeting online through the virtual meeting platform. It is anticipated that shareholders will have substantially the same opportunity to ask questions on matters of business at the Meeting as in past years compared to when meetings of shareholders were held in person.

We expect to hold, to the extent feasible and practical, a live question and answer session in connection with the Meeting. Registered Shareholders and Beneficial Shareholders who have appointed themselves as proxyholders in accordance with the instructions above will be able to submit questions for the question and answer session. Questions can be submitted only during the Meeting in writing through the live webcast at <http://meetnow.global/MNHPPYY> after logging-in and typing your question into the “Ask a Question” field, and clicking “Submit”.

We intend to answer properly submitted questions that are pertinent to the business to be conducted at the Meeting and, as time permits. Questions sent will be moderated before being sent to the Chair of the Meeting. Questions and answers will be grouped by topic and substantially similar questions will be grouped and answered once. The Company reserves the right to edit profanity or other inappropriate language, or to exclude questions that are not pertinent to Meeting matters or that are otherwise inappropriate.

If you encounter any difficulties accessing the virtual Meeting during the check-in or Meeting time, please call the technical support number that will be posted on the virtual shareholder Meeting log in page.

### **Notice and Access Procedures**

National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**") allow for the use of a "notice and access" regime for the delivery of proxy-related materials.

Under the notice-and-access regime, reporting issuers are permitted to post electronic versions of their proxy-related materials on the System for Electronic Document Analysis and Retrieval ("**SEDAR+**") as well as a website other than SEDAR+, rather than mailing paper copies to Shareholders. Under notice-and-access, a notice package containing (i) a paper copy of a notice outlining the matters to be addressed at the Meeting and how a Shareholder may obtain a copy of the Information Circular electronically or request a paper copy at no charge, and (ii) a Form of Proxy (as defined below), in the case of Registered Shareholders or a voting instruction form, in the case of Beneficial Shareholders will be sent to Shareholders. Where prior consent has been obtained, a reporting issuer can send this notice package to Shareholders electronically. This notice package must be mailed to Shareholders from whom consent to electronic delivery has not been received.

The Corporation has elected to send its Information Circular to Registered and Beneficial Shareholders using the notice-and-access regime. Accordingly, the Corporation will send the above mentioned notice package directly to Registered Shareholders and indirectly to Beneficial Shareholders. Using notice-and-access is expected to reduce the volume of materials that must be physically mailed to shareholders and reduce our impact on the environment.

The Corporation will not pay for proximate intermediaries to forward the proxy related materials and the voting instruction form to objecting beneficial owners under NI 54-101 and accordingly, objecting beneficial owners will not receive such materials unless their intermediary assumes the cost of delivery.

### **Notice to Beneficial Holders of Common Shares**

**The information set forth in this section is of significant importance to many Shareholders of the Corporation, as a substantial number of the Shareholders do not hold Common Shares in their own name.** Shareholders who do not hold Common Shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares (referred to herein as "**Registered Shareholders**") can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc.), which acts as nominee for many Canadian brokerage firms. Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the brokers/nominees are prohibited from voting Common Shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of securityholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to



Registered Shareholders; however, its purpose is limited to instructing the Registered Shareholder how to vote on behalf of the Beneficial Shareholder.

The majority of brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails a scannable “voting instruction form” in lieu of the form of proxy. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge by mail, phone or online. Alternatively, Beneficial Shareholders can call a toll-free telephone number or access Broadridge’s dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and vote the Common Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. The voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Beneficial Shareholders who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such materials in order to properly vote their Common Shares at the Meeting.

**A Beneficial Shareholder receiving a voting instruction form from Broadridge or a form of proxy from an organization other than Broadridge cannot use it to vote Common Shares directly at the Meeting. A Beneficial Shareholder who wishes to participate online and vote at the Meeting must have themselves appointed as proxy by the Registered Shareholder by following the instructions in the voting instruction form or form of proxy. In addition, you must register yourself as your proxyholder at <https://www.computershare.com/CSEEnergy>.**

After the proxyholder is registered, Computershare will provide the proxyholder with an invite code for the Meeting. This invite code will allow the proxyholder to log in to the live webcast and vote at the Meeting using the Computershare virtual meeting platform. To vote during the Meeting online via webcast log in at <http://meetnow.global/MNHPPYY>, enter the invite code provided by Computershare, then click on the “Login” button.

For Beneficial Shareholders in the United States, in order to attend and vote at the virtual Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with these proxy materials or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to Computershare, Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 or via email at [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com).

Requests for registration must be labeled as “Legal Proxy” and be received no later than 9:00 am Mountain Daylight Time on Friday, June 13, 2025. You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the Meeting and vote your shares at <http://meetnow.global/MNHPPYY> during the Meeting. In addition, you must register yourself as a proxyholder at <https://www.computershare.com/CSEEnergy>.

Beneficial Shareholders who do not have an invite code will only be able to attend as a guest which allows them to listen to the Meeting however will not be able to vote or submit questions. A Beneficial Shareholder may revoke voting instructions which have been given to an intermediary by carefully following the instructions provided by the intermediary.

If you are using an invite code to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in this case you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all

previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest. If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

## **Record Date**

Only Registered Shareholders of record at the close of business on May 2, 2025 (the “**Record Date**”) are entitled to notice of, and to attend and vote at, the Meeting, unless a Registered Shareholder has transferred Common Shares subsequent to that date and the transferee Registered Shareholder establishes ownership to the Common Shares and demands, not later than 10 days before the Meeting, that the transferee’s name be included on the list of shareholders entitled to vote.

## **Appointment and Revocation of Proxies**

Registered Shareholders may vote virtually at the Meeting or they may appoint another person as their proxy to attend and vote in their place. A form of proxy (“**Form of Proxy**”) has been mailed with the Notice of Meeting and this Information Circular to all Registered Shareholders. **The persons named in the Form of Proxy are officers of the Corporation. A Registered Shareholder submitting the Form of Proxy has the right to appoint a person (who does not have to be a Shareholder) to be their representative at the Meeting, other than the persons designated in the Form of Proxy furnished by the Corporation. Such appointment may be exercised by inserting the name of the appointed representative in the blank space provided for that purpose. In addition, a Registered Shareholder must register its proxyholder at <https://www.computershare.com/CESEnergy>.**

After such registration is complete, Computershare will provide an invite code to the appointed proxyholder. This invite code will allow the proxyholder to log in to the live webcast and vote at the Meeting using the Computershare virtual meeting platform. Without an invite code, the proxyholder will not be able to vote at the Meeting. Computershare will provide the duly appointed proxyholder with an invite code provided that the Form of Proxy has been received by Computershare prior to the deadline set out below.

Registered Shareholders that cannot attend the Meeting virtually are requested to complete, sign, date and return the accompanying Form of Proxy in the envelope provided. In any case, the Form of Proxy must be dated and executed by the Registered Shareholder or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. In order to be effective, the completed Form of Proxy must be deposited at the office of the Corporation’s registrar and transfer agent, Computershare, Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, no later than 9:00 am Mountain Daylight Time on Friday, June 13, 2025.

A Registered Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends virtually at the Meeting, such person may revoke the proxy and vote virtually at the Meeting. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Registered Shareholder or his or her attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. In order to be effective, the revocation must be deposited either at the office of Computershare, as described above, at any time prior to 2:30 pm Mountain Daylight Time on the last business day preceding the day of the Meeting at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, and upon either of such deposits the proxy is revoked.

## Persons Making the Solicitation

**This solicitation is made on behalf of Management of the Corporation.** The costs incurred in the preparation and mailing of the Form of Proxy, Notice of Meeting and this Information Circular and the solicitation of proxies will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, or by other means of communication or by the directors, officers and employees of the Corporation, who will not be remunerated therefor.

## Exercise of Discretion by Proxies

The persons designated in the enclosed Form of Proxy will, if the instructions are clear, vote the Common Shares represented by that Form of Proxy, and where a choice with respect to any matter to be acted upon has been specified in the Form of Proxy, the Common Shares represented by that Form of Proxy will be voted or withheld from voting in accordance with the specification so made. **In the absence of such specification in a Form of Proxy received by the Corporation, the Common Shares will be voted in favour of any matters for which no specification has been made.**

**The persons designated in the enclosed Form of Proxy are conferred with discretionary authority with respect to amendments or variations of those matters identified in the Form of Proxy and the Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting. In the event of any amendments or variations to matters identified in the Form of Proxy and the Notice of Meeting, or with respect to any other matters which may properly be brought before the Meeting, it is the intention of the persons designated in the enclosed Form of Proxy to vote in accordance with their best judgment on such matters. At the time of printing this Information Circular, Management is not aware of any such amendment, variation or other matter.**

## Quorum

At the Meeting, a quorum shall consist of a minimum of two (2) shareholders present (virtually) or represented by proxy and representing in the aggregate not less than 5% of the outstanding Common Shares.

## VOTING SHARES AND THE PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and as at the Record Date, 221,920,042 Common Shares were issued and outstanding. Each matter to be voted on at the Meeting will be conducted by poll or ballot with every Shareholder present or represented by proxy has one vote for each Common Share held.

To the best of the knowledge of Management and the directors of the Corporation, as at the Record Date, no Shareholder beneficially owned or controlled or directed, directly or indirectly, Common Shares carrying more than 10% of the votes attached to all of the issued and outstanding Common Shares that may be voted at the Meeting, except as set forth in the table below:

Name	Number of Common Shares	Percentage of Class
EdgePoint Investment Group Inc.	28,187,451	12.70%

### Notes:

- (1) Based upon EdgePoint Investment Group Inc.'s Alternative Monthly Report filed on SEDAR+ on March 10, 2025.
- (2) EdgePoint Investment Group Inc. is not considered a "Beneficial Owner" or "Acquiring Person" under the Corporation's Existing Plan and Shareholder Rights Plan (each defined below) by virtue of their status as an "Investment Manager" (as such term, together with "Beneficial Owner", is defined under the Shareholder Rights Plan), and therefore does not trigger the relevant provisions of the Shareholder Rights Plan as it relates to a take-over bid.

## SHAREHOLDER PROPOSALS

The *Business Corporations Act* (Alberta) (the “**ABCA**”) permits certain eligible Shareholders to submit shareholder proposals to the Corporation for inclusion in a management proxy circular for an annual meeting of shareholders. No Shareholder proposals were submitted for consideration at the upcoming Meeting. The final date by which the Corporation must receive shareholder proposals for the annual meeting of Shareholders to be held in 2026 is March 29, 2026, being the date that is at least 90 days before the anniversary of the Meeting.

## APPROVAL REQUIREMENT

All of the matters to be considered at the Meeting, other than the election of directors, are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution by or on behalf of Shareholders present (virtually) or represented by proxy at the Meeting.

## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Presentation of Financial Statements

The consolidated comparative financial statements of the Corporation for the year ended December 31, 2024, including the auditors’ report on those financial statements, made available on the internet on the Corporation’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

### 2. Number of Directors

At the Meeting, Shareholders will be asked to fix the number of directors to be elected at the Meeting at seven (7) members. **The persons designated in the enclosed Form of Proxy, unless otherwise instructed, intend to vote FOR of the recommendation to fix the number of directors at seven (7) persons.**

### 3. Election of Directors

The board of directors of the Corporation (the “**Board of Directors**” or the “**Board**”) currently consists of seven (7) directors whose terms will expire at the Meeting. At the Meeting, the Shareholders of record as at May 2, 2025 will be asked to elect seven (7) nominees to serve as directors of the Corporation until the next annual general meeting of the Shareholders or until their respective successors have been appointed or elected. **The persons designated in the enclosed Form of Proxy, unless otherwise instructed, intend to vote FOR of the election of the nominees listed herein.**

Management does not contemplate that any of the nominees will be unable to serve as a director, but should that circumstance arise for any reason it is intended that the person named as nominee in the enclosed Form of Proxy shall exercise discretionary authority to vote the Common Shares represented by proxy for the election of any other nominee or nominees as directors.

The Board of Directors adopted a Majority Voting Policy (the “**Majority Voting Policy**”) effective May 8, 2013, as subsequently amended on May 11, 2017, pursuant to which, in an uncontested election of directors, a director who receives an equal number or more “withhold” votes than “for” votes at the annual meeting of Shareholders will tender his or her resignation to the Chair of the Board of Directors, to be effective upon acceptance by the Board of the Directors. The Governance and Nominating Committee of the Board of Directors (the “**Governance and Nominating Committee**”) will expeditiously consider the director’s offer to resign and make a recommendation to the Board of Directors whether to accept it or not. The Governance and Nominating Committee will be expected to recommend acceptance of the resignation except in situations in which exceptional circumstances warrant the applicable director continuing to serve on the Board of Directors. The Board of Directors will make its decision and announce

it in a news release within 90 days following the annual meeting, including the reasons for its decision. A director who tenders a resignation pursuant to this policy will not participate in any meeting of the Board of Directors or the Governance and Nominating Committee at which the resignation is considered.

Shareholders should note that, as a result of the Majority Voting Policy, a “withhold” vote is effectively the same as a vote against a director nominee in an uncontested election.

The name, residence, date of appointment as a director of the Corporation or its predecessor, principal occupation and number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised and other information, with respect to each of the seven (7) nominees as directors of the Corporation, as at April 21, 2025, is set forth below:

**Mr. Spencer D.  
Armour, III**

Midland, Texas,  
United States

Age 71

Director since  
December 12, 2018

Independent

Mr. Armour has over 30 years of executive and entrepreneurial experience in the energy services industry and is based in Midland, Texas. Mr. Armour is currently a director of ProPetro Holding Corp. and serves on their Governance and Nominating Committee, a board member of Viper Energy, Inc. since 2017 and also serves as partner at Geneses Investments LLC. He served as President of PT Petroleum LLC from 2013 to 2018, and he was the Vice President of Corporate Development for Basic Energy Services, Inc. from 2007 to 2008, which acquired Sledge Drilling Corp., a company Mr. Armour cofounded and served as Chief Executive Officer for from 2005 to 2006. From 1998 through 2005, he served as Executive Vice President of Patterson-UTI Energy, Inc., which acquired Lone Star Mud, Inc., a company Mr. Armour founded and served as President for from 1986 to 1997. He also served on the Patterson-UTI Board of Directors from 1999 through 2001. Mr. Armour received a B.S. in Economics from the University of Houston in 1977 and was appointed to the University of Houston System Board of Regents for a six year term in 2011 by former Texas Governor, Rick Perry.

<b><u>Securities Held</u></b>	<b><u>Number</u></b>	<b><u>Value<sup>(1)</sup></u></b>
Common Shares	347,930	\$2,094,539
RSUs	19,843	\$119,452
<b>Total Equity Value at Risk</b>		<b>\$2,213,991</b>
<b><u>Committee Membership and Meeting Attendance in 2024:</u></b>		
Board of Directors		5/5
Governance and Nominating Committee		1/1
Compensation Committee		2/2

**Ms. Stella Cosby,**  
**ICD.D**  
 Calgary, Alberta,  
 Canada  
 Age 67  
 Director since  
 September 14, 2017  
 Independent

Ms. Cosby is a corporate director who brings 35 years of global industry experience in agriculture, mining and nitrogen manufacturing, energy services, pipeline, and petrochemical, industrial, financial and rail transportation industries. Ms. Cosby was Vice-President, Chief Human Resources and Safety Officer of Cervus Equipment Corporation, a TSX listed company providing equipment solutions in agriculture, transportation and industrial sectors across Canada, Australia, and New Zealand from 2014 until her retirement in June 2020. Ms. Cosby was a Senior Director with Agrium Inc. from 2002 to 2014 where she held a variety of leadership roles in human resource, executive compensation, governance, and succession planning and M&A transactions and integrations in Canada, US, Europe, and Australia. Prior to joining Agrium Inc., Ms. Cosby was Vice President, Human Resources for Manulife Financial, and held senior roles with Canadian Pacific Railway and NOVA Corporation. Ms. Cosby served as a corporate director of Savanna Energy Services from 2014 to 2017. Ms. Cosby serves on the Harvard Business Review Advisory Council, Executive Committee of the Calgary Chapter of the Institute of Corporate Directors, and the Regional Ambassador Council for Women Get on Board. Ms. Cosby has a Master of Arts, Organizational Systems Renewal (Leadership & Diversity Focus) from Antioch University, Seattle, and a Bachelor of Arts (Sociology) from the University of Western Ontario. She holds the ICD.D designation from the Institute of Corporate Directors and the ESG Global Competent Board Director (GCB.D) designation.

<b><u>Securities Held</u></b>	<b><u>Number</u></b>	<b><u>Value</u><sup>(1)</sup></b>
Common Shares	352,326	\$2,121,003
RSUs	19,843	\$119,452
<b>Total Equity Value at Risk</b>		<b>\$2,240,454</b>

**Committee Membership and Meeting Attendance in 2024:**

Board of Directors	5/5
Governance and Nominating Committee (Chair)	1/1
Health, Safety & Environment Committee	4/4

**Mr. Ian D. Hardacre,**  
**ICD.D**  
 Toronto, Ontario,  
 Canada  
 Age 59  
 Director since  
 January 13, 2022  
 Independent

Mr. Hardacre is an experienced institutional investor with over 30 years of experience in portfolio management and investment leadership and is based in Toronto, Ontario. Mr. Hardacre currently serves as Head, Publicly Traded Equities at Bridgeport Asset Management and prior thereto was the Chief Investment Officer and Senior Vice President at Empire Life Investment Management Inc. He previously spent approximately 20 years at Invesco Canada where he had progressive roles culminating in 2016 as Co-Chief Investment Officer and Head of Canadian Equities. He began his investment career at Ontario Teachers' Pension Plan in 1995. Mr. Hardacre has an ICD.D designation from the Institute of Corporate Directors. Mr. Hardacre holds a Chartered Financial Analyst designation and earned a Master of Business Administration degree from the DeGroote School of Business at McMaster University.

<b><u>Securities Held</u></b>	<b><u>Number</u></b>	<b><u>Value</u><sup>(1)</sup></b>
Common Shares	207,647	\$1,250,035
RSUs	19,843	\$119,452
<b>Total Equity Value at Risk</b>		<b>\$1,369,487</b>

**Committee Membership and Meeting Attendance in 2024:**

Board of Directors	5/5
Audit Committee	4/4
Health, Safety & Environment Committee	4/4



**Mr. John M. Hooks**Calgary, Alberta,  
Canada

Age 67

Director since  
December 9, 2005

Independent

Mr. Hooks has been the Executive Board Chair of PHX Energy Services Corp. since March 2025 and formerly Chief Executive Officer of PHX and its predecessor, Phoenix Technology Services Inc., since 1995, and has been chairman of its board of directors since 2000. Mr. Hooks also served on the board of directors of Crew Energy Inc. from April 2022 to September 2024 and Savanna Energy Services from 2005 until 2017.

<b><u>Securities Held</u></b>	<b><u>Number</u></b>	<b><u>Value<sup>(1)</sup></u></b>
Common Shares	776,018	\$4,671,628
RSUs	19,843	\$119,452
<b>Total Equity Value at Risk</b>		<b>\$4,791,080</b>

**Committee Membership and Meeting Attendance in 2024:**

Board of Directors	5/5
Compensation Committee (Chair)	2/2
Governance and Nominating Committee	0/1

**Mr. Kyle D.  
Kitagawa, CPA**Canmore, Alberta,  
Canada

Age 64

Director since  
December 9, 2005

Independent

Mr. Kitagawa is an independent businessman and has been a corporate director since March 2003. Prior thereto, Mr. Kitagawa was President and Chief Executive Officer of Enron Canada Corp. Mr. Kitagawa has previously sat on the board of directors for Zargon Oil & Gas Ltd., Coral Hill Energy Ltd., Advanced Mobile Power Systems, LLC, Esprit Exploration Ltd., Ferus Inc, Independent Energy Ltd., Invasion Energy Inc., Livingston Energy Ltd., Papier Masson Ltee., ProspEx Resources Ltd. and Wave Energy Ltd.. He holds a Bachelor of Commerce degree from the University of Calgary and a Masters of Business Administration degree from Queen's University. Mr. Kitagawa is also member of the Chartered Professional Accountants of Alberta.

<b><u>Securities Held</u></b>	<b><u>Number</u></b>	<b><u>Value<sup>(1)</sup></u></b>
Common Shares <sup>(2)</sup>	1,317,781	\$7,933,042
RSUs	19,843	\$119,452
<b>Total Equity Value at Risk</b>		<b>\$8,052,494</b>

**Committee Membership and Meeting Attendance in 2024:**

Board of Directors	5/5
Audit Committee (Chair)	4/4
Compensation Committee	2/2

**Mr. Edwin (Joseph) Wright**Midland, Texas,  
United States

Age 65

Director since  
January 13, 2022

Independent

Mr. Wright has over 25 years of executive and entrepreneurial experience in the energy industry and is based in Midland, Texas. Mr. Wright retired from Concho Resources Inc. ("Concho"), an independent exploration and production company engaged in the acquisition, development and exploration of oil and natural gas properties, in January 2019, where he most recently served as Executive Vice President and Chief Operating Officer and was on the Board of Directors. Since joining Concho from its formation in 2004, Mr. Wright held a variety of leadership positions, and oversaw Concho's drilling and completion programs, as well as its government, regulatory affairs and human resources functions. Mr. Wright has also worked in several operations, engineering and capital markets positions at Mewbourne Oil Company. On February 9, 2023, Mr. Wright was appointed as a member of the University Lands Advisory Board by the Board of Regents of the Texas A&M University System. He holds a Bachelor of Science degree in Petroleum Engineering from Texas A&M University.

<b><u>Securities Held</u></b>	<b><u>Number</u></b>	<b><u>Value<sup>(1)</sup></u></b>
Common Shares	145,957	\$878,661
RSUs	19,843	\$119,452
<b>Total Equity Value at Risk</b>		<b>\$998,113</b>

**Committee Membership and Meeting Attendance in 2024:**

Board of Directors	5/5
Health, Safety & Environment Committee (Chair)	4/4
Audit Committee	4/4

**Mr. Kenneth E. Zinger**Calgary, Alberta,  
Canada

Age 58

Director since  
December 9, 2005

Non-Independent

Mr. Zinger has over 37 years of industry experience and currently serves as President and Chief Executive Officer of the Corporation since October 29, 2021. Prior thereto he served in several senior leadership and executive roles with the Corporation, including most recently as Chief Operating Officer and President of Canadian Operations. Before co-founding the Corporation, Mr. Zinger was President and co-founder of Impact Fluid Systems from 2001 to 2006, which combined with Canadian Fluid Systems Ltd. to form Canadian Energy Services LP, the predecessor to the Corporation.

<b><u>Securities Held</u></b>	<b><u>Number</u></b>	<b><u>Value<sup>(1)</sup></u></b>
Common Shares <sup>(2)</sup>	2,212,825	\$13,321,207
RSUs	714,987	\$4,304,220
<b>Total Equity Value at Risk</b>		<b>\$17,625,426</b>

**Committee Membership and Meeting Attendance in 2024:**

Board of Directors	5/5
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**Notes:**

- (1) All values in this table have been determined based on the closing price of the Common Shares on the Toronto Stock Exchange ("TSX") as at April 21, 2025 being \$6.02 per Common Share.
- (2) Includes: 127,768 Common Shares held by Mr. Zinger's spouse, 17,200 Common Shares held by Mr. Zinger's children and 200,000 held privately under KEZ Management.

Note: To aid in the efficient conduct of business at meetings of the Board, all members of the Board who are not formal members of the Audit Committee are invited as guests, which also serves to provide more detailed financial information to all Board members. Board members who attend the Audit Committee are compensated for their attendance in accordance with the fees for meeting attendance as set out under the heading "Director's Compensation".



### *Cease Trade Orders or Bankruptcies*

Except as set forth below, no proposed director is as at the date hereof, or has been within the last ten (10) years of the date hereof, a director or executive officer of any company (including the Corporation) that, while he was acting in that capacity: (i) was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; (ii) was subject to an event that resulted, after the director or officer ceased to be a director or officer, in the company being the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets.

Mr. Kitagawa was a director and Chairman of the Board of Zargon Oil & Gas Ltd. (“**Zargon**”), a publicly traded oil and gas producer traded on the TSX. Mr. Kitagawa resigned as director and Chairman of the Board on September 4, 2020. Subsequently, on September 8, 2020, Zargon submitted a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* and appointed MNP Ltd. as Zargon’s trustee. On November 13, 2020, a consolidation order was granted and a Proposal was filed, which was subsequently approved by the shareholders of Zargon and by the Alberta Court of Queen’s Bench on January 6, 2021. The Proposal contemplated the reorganization of Zargon’s share capital to allow Blue Sky Resources Ltd. to become the sole shareholder of Zargon (“**Zargon Reorganization**”). The securities regulators in the Provinces of Alberta and Ontario issued cease trade orders in relation to the securities of Zargon for the failure of Zargon to file financial statements and related management’s discussion and analysis. On January 29, 2021, the Alberta and Ontario securities regulators partially revoked the cease trade orders to permit the Zargon Reorganization, however the general cease trade orders continue to be in effect. Zargon’s common shares continue to be suspended from trading on the TSX.

No proposed director has, within the last ten (10) years of the date hereof, 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.

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

#### **4. Approval of Amended and Restated Shareholder Rights Plan**

The Board of Directors adopted an amended and restated shareholder rights plan, which was originally approved at the meeting of Shareholders held on June 10, 2019, and which was re-approved at the meeting of Shareholders on June 21, 2022 (the “**Existing Plan**”). The Board of Directors has adopted an amended and restated shareholder rights plan in substantially the same form as the Existing Plan, which must be reconfirmed and approved by an ordinary resolution of the Shareholders at the Meeting in order to be effective (the “**Shareholder Rights Plan**”). In addition, the effectiveness of the Shareholder Rights Plan is subject to the approval of the TSX.

If the Shareholder Rights Plan becomes effective, it will have an initial term that would expire at the annual meeting of Shareholders to be held in 2028 unless terminated earlier. The Shareholder Rights Plan may be extended for an additional three years after 2028 by resolution of Shareholders at such meeting.

## Objectives

On May 9, 2016, amendments became effective to Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids* and National Policy 62-203 – *Take-Over Bids and Issuer Bids*, which included an extension of the minimum bid period from 35 days to 105 days except in certain circumstances (the “**Amendments**”). The Existing Plan incorporated the Amendments to align with the new timelines, while providing additional protections not available under the current take-over bid including the protection against “creeping bids” (being the acquisition of 20% or more of the Common Shares through purchases exempt from existing take-over bid rules including purchases of Common Shares from Shareholders through private agreements at a premium to the market price not available to all Shareholders; acquiring control through the slow accumulation of Common Shares through a stock exchange without paying a control premium; or through other transactions outside of Canada which are not subject to Canadian take-over bid rules); requiring the bid to be made to all Shareholders; and preventing a potential acquirer from entering into lock-up agreements with existing Shareholders prior to launching a take-over bid, except for permitted lock-up agreements as provided for under the Shareholder Rights Plan.

The general objectives of the Shareholder Rights Plan is to ensure, to the extent possible, that all Shareholders are treated equally and fairly in connection with any take-over bid or similar proposal to acquire Common Shares. Take-over bids may be structured in such a way as to be coercive or discriminatory in effect, or may be initiated at a time when it would be difficult for the Board of Directors to prepare an adequate response. Such offers may result in Shareholders receiving unequal or unfair treatment, or not realizing the full or maximum value of their investment in the Corporation. The Shareholder Rights Plan discourages the making of any such offers by creating the potential of significant dilution to any offeror who does so. This potential is created through the issuance to all Shareholders of contingent rights to acquire additional Common Shares at a significant discount to then prevailing market prices, which could, in certain circumstances, become exercisable by all Shareholders other than an offeror and its associates, affiliates and joint actors. An offeror can avoid the potential of significant dilution by making an offer that either: (i) qualifies as a “permitted bid” under the Shareholder Rights Plan, and therefore meets certain specified conditions (including a minimum deposit period of 105 days) which aim to ensure that all Shareholders are treated fairly and equally; or (ii) does not qualify as a “permitted bid” but is negotiated with the Corporation and has been exempted by the Board of Directors from the application of the Shareholder Rights Plan in light of the opportunity to bargain for agreed terms and conditions to the offer that are believed to be in the best interests of Shareholders.

To qualify as a “permitted bid” under the Shareholder Rights Plan, a take-over bid must remain open for acceptance for not less than 105 days (which mirrors the approach set forth in the Amendments). The Board of Directors believe that this period of time is sufficient for the Board of Directors to: (i) evaluate a take-over bid (particularly if the consideration consists, wholly or in part, of shares of another issuer); (ii) explore, develop and pursue alternative transactions that could better maximize shareholder value, if considered appropriate; and (iii) make reasoned recommendations to the Shareholders. The Board of Directors believe that take-over bids, including “creeping-bids” and other arrangements not covered under existing take-over bid rules, should be subject to the 105 day offer period to ensure that there is sufficient opportunity to assess the merits of the offer and identify other possible suitors or alternative transactions, if considered appropriate, and by providing other bidders or proponents of alternative transactions with time to come forward with competing, and potentially superior, proposals.

The Shareholder Rights Plan is not being proposed in response to, or in anticipation of, any pending, threatened or proposed acquisition or take-over bid that is known to Management. The adoption of the Shareholder Rights Plan is also not intended as a means to prevent a take-over of the Corporation, to secure the continuance of management or the directors in their respective offices or to deter fair offers for the Common Shares.

## *Terms*

The following is a summary of the provisions of the Shareholder Rights Plan. The summary is qualified in its entirety by the full text of the Shareholder Rights Plan which is available on the internet on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). All capitalized terms used in this summary without definition have the meanings attributed to them in the Shareholder Rights Plan unless otherwise indicated.

## *Issuance of Rights*

The Shareholder Rights Plan authorizes the issue, on June 21, 2022 (the "Effective Date"), of one Right in respect of each Common Share outstanding on the Effective Date and the issue of one Right for each Common Share issued after such date and prior to the earlier of the Separation Time and the Expiration Time. Each Right entitles the registered holder thereof to purchase from the Corporation one Common Share at the Exercise Price. The Exercise Price and number of Common Shares are subject to adjustment. The Rights are not exercisable until the Separation Time.

## *Certificates and Transferability*

Prior to the Separation Time, certificates for Common Shares will also evidence one Right for each Common Share represented by the certificate. Certificates issued after the Effective Date, but prior to the earlier of the Separation Time and the Expiration Time, will bear a legend to this effect. Rights are also attached to Common Shares outstanding on the Effective Date, although share certificates issued as at that date will not bear such a legend.

Prior to the Separation Time, Rights will not be transferable separately from the attached Common Shares. From and after the Separation Time, the Rights will be evidenced by Rights certificates which will be transferable and traded separately from the Common Shares.

## *Separation Time and Rights Exercise Privilege*

The Rights will separate from the Common Shares to which they are attached and will become exercisable at the Separation Time. The Separation Time is the close of business on the eighth Trading Day after the earlier of: (i) the Stock Acquisition Date; (ii) the date of the commencement of or first public announcement of the intent of any person (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid), or such later time as may be determined by the Board of Directors, provided that, if any Take-over Bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed never to have been made; and (iii) the date on which a Permitted Bid or Competing Permitted Bid ceases to be such.

Subject to adjustment as provided in the Shareholder Rights Plan, each Right entitles the holder to purchase, after the Separation Time, one Common Share for an exercise price (the "**Exercise Price**") equal to \$100.00.

The acquisition by any person who is a beneficial owner of 20% or more of the Common Shares (an "**Acquiring Person**"), other than by way of a Permitted Bid or in certain other circumstances set out below, is referred to as a "Flip-in Event". Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event.

If a Flip-in Event shall occur, at the close of business on the eighth business day after the Stock Acquisition Date, the Rights (other than those held by the Acquiring Person) will entitle the holder to purchase Common Shares having an aggregate market price equal to twice the Exercise Price for an amount in cash equal to the Exercise Price.

### *Impact Once Shareholder Rights Plan is Triggered*

The issue of Rights is not initially dilutive. Upon a Flip-in Event occurring and the Rights separating from the attached Common Shares, reported earnings per Common Share on a fully diluted or non-diluted basis may be affected. Holders of Rights who do not exercise their Rights upon the occurrence of a Flip-in Event may suffer substantial dilution.

By permitting holders of Rights other than an Acquiring Person to acquire Common Shares at a discount to market value, the Rights may cause substantial dilution to a person or group that acquires 20% or more of the voting securities of the Corporation other than by way of a Permitted Bid or in certain other circumstances set out below.

### *Acquiring Person*

An Acquiring Person is a person that beneficially owns 20% or more of the outstanding Common Shares. An Acquiring Person does not, however, include the Corporation or any Subsidiary of the Corporation, or any person that becomes the Beneficial Owner (as such term is defined in the Shareholder Rights Plan) of 20% or more of the Common Shares as a result of certain exempt transactions. These exempt transactions include where any person becomes the Beneficial Owner of 20% or more of the Common Shares as a result of, among other things: (i) acquisitions pursuant to a Permitted Bid or Competing Permitted Bid, (ii) transactions to which the application of the Shareholder Rights Plan has been waived by the Board of Directors, (iii) pursuant to transactions that are subject to the approval of the Shareholders, and (iv) certain purchases of securities issued by prospectus or private placement. In addition, a person shall not be considered a Beneficial Owner and therefore not an Acquiring Person if (a) the Common Shares have been agreed to be deposited or tendered pursuant to a Lock-Up Agreement (as defined below) or is otherwise deposited or tendered to any Take-over Bid made by such person, or (b) if the person is holding the Common Shares in the capacity of an investment manager, trustee, statutory body, pension plan administrator, agent of the crown or mutual fund manager.

### *Permitted Lock-Up Agreements*

A bidder may enter into lock-up agreements (a “**Lock-Up Agreement**”) with Shareholders (a “**Locked-Up Person**”) whereby such Shareholders agree to tender their Common Shares to the take-over bid (the “**Lock-Up Bid**”) without a Flip-in Event (as referred to above) occurring. Any such agreement must permit the Locked-Up Person to withdraw their Common Shares from the lock-up to tender to another take-over bid or support another transaction that will provide greater value to the Locked-Up Person than the Lock-Up Bid where the greater value offered exceeds by as much or more than a specified amount (the “**Specified Amount**”) the value offered under the Lock-Up Bid, provided the Specified Amount is greater than 7% of the value offered under the Lock-Up Bid. A Lock-Up Agreement may contain a right of first refusal or require a period of delay (or other similar limitation) to give an offeror an opportunity to match a higher price in another transaction as long as the Locked-Up Person can accept another bid or tender to another transaction.

The Lock-Up Agreement must be made available to the Corporation and to the public, and under the Lock-Up Agreement no “break up” fees, “top up” fees, penalties, expense reimbursement or other amounts that exceed in aggregate the greater of: (i) 2.5% of the value payable under the Lock-up Bid to the Locked-up Person; and (ii) 50% of the amount by which the value received by a Locked-Up Person under another take-over bid or transaction exceeds what such Locked-Up Person would have received under the Lock-up Bid; can be payable by such Locked-Up Person if the Locked-Up Person fails to deposit or tender their Common Shares to the Lock-Up Bid or withdraws such shares previously tendered thereto in order to deposit such shares to another take-over bid or to support another transaction.

### *Permitted Bids and Competing Permitted Bids*

The Shareholder Rights Plan is not triggered if an offer (a “**Permitted Bid**”) would allow sufficient time for the Shareholders to consider and react to the offer and would allow Shareholders to decide to tender or not tender without the concern that they will be left with illiquid Common Shares should they not tender.

The requirements for a Permitted Bid include the following: (a) the Take-Over Bid must be made by way of a takeover bid circular; (b) the Take-Over Bid must be made to all holders of Common Shares; (c) the Take-Over Bid must be outstanding for a minimum period of 105 days and Common Shares tendered pursuant to the takeover bid may not be taken up prior to the expiry of the 105 day period and only if at such time more than 50% of the Common Shares held by Shareholders, other than the bidder, its affiliates and persons acting jointly or in concert and certain other persons (the “Independent Shareholders”), have been tendered to the take-over bid and not withdrawn; and (d) if more than 50% of the Common Shares held by Independent Shareholders are tendered to the take-over bid within the 105 day period, the bidder must make a public announcement of that fact and the take-over bid must remain open for deposits of Common Shares for an additional 10 business days from the date of such public announcement.

The Shareholder Rights Plan allows for a competing Permitted Bid (a “Competing Permitted Bid”) to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid except that it may expire on the 105th day after which the earliest Permitted Bid which preceded the Competing Bid was made, subject to the requirement that it be outstanding for a minimum period of 35 days.

Acquisitions of Common Shares made pursuant to a Permitted Bid or a Competing Permitted Bid do not give rise to a Flip-in Event.

### *Waiver and Redemption*

The Board of Directors, acting in good faith, may, prior to the occurrence of a Flip-In Event, waive the application of the Shareholder Rights Plan to a Flip-In Event that would result from a Take-Over Bid made by way of take-over bid circular to all Shareholders. In such case, the Board of Directors shall be deemed to also have waived the application of the Shareholder Rights Plan to any other Flip-In Event occurring as a result of any other Take-Over Bid made by way of take-over bid circular to all Shareholders prior to the expiry of the Take-Over Bid for which the Shareholder Rights Plan has been waived or deemed to have been waived.

Until the occurrence of a Flip-in Event, the Board of Directors may, with the approval of Shareholders (or with the approval of holders of Rights if the Separation Time has occurred), elect to redeem all but not less than all of the then outstanding Rights at \$0.001 per Right. In the event that a person acquires Common Shares pursuant to a Permitted Bid, a Competing Permitted Bid or pursuant to a transaction for which the Board of Directors has waived the application of the Shareholder Rights Plan, then the Board of Directors shall, immediately upon the consummation of such acquisition, without further formality, be deemed to have elected to redeem the Rights at the redemption price.

### *Amendment*

The Board of Directors may amend the Shareholder Rights Plan with the approval of a majority vote of the votes cast by Shareholders (of the holders of Rights if the Separation Time has occurred) voting in person and by proxy at a meeting duly called for that purpose. The Board of Directors without such approval may correct clerical or typographical errors and, subject to approval as noted above at the next meeting of the Shareholders (or holders of Rights, as the case may be), may make amendments to the Shareholder Rights Plan to maintain its validity due to changes in applicable legislation.



## *Resolution Re-Approving Shareholder Rights Plan as Amended and Restated*

At the Meeting, Shareholders will be asked to consider, and, if deemed appropriate, approve the following resolution to ratify and approve the Shareholder Rights Plan (as amended and restated):

“BE IT RESOLVED THAT:

- (a) The shareholder rights plan agreement dated June 17, 2025, between the Corporation and Computershare Trust Company of Canada, as described in the management information circular of the Corporation dated as of May 8, 2025, amending and restating the shareholder rights plan agreement dated as of June 10, 2019, is confirmed, ratified and approved.
- (b) Any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting. **The persons named in the enclosed proxy form, if named as proxyholder, intend to vote FOR the resolution approving the Shareholder Rights Plan. The Board of Directors recommend that you vote FOR the resolution approving the Shareholder Rights Plan.**

### **5. Appointment of Auditor**

Deloitte LLP, Chartered Accountants (“**Deloitte**”) are the current auditors of the Corporation. Deloitte was first appointed as auditors of the Corporation on January 13, 2006. At the Meeting, Shareholders will be requested to re-appoint Deloitte as the independent auditors of the Corporation to hold office until the next annual general meeting of the Shareholders and to authorize the Board of Directors to fix the auditors’ remuneration.

Certain information regarding the audit committee of the Board of Directors (the “**Audit Committee**”), including the fees billed by the Corporation’s external auditors during the fiscal periods ended December 31, 2023, and December 31, 2024, which are required to be disclosed in accordance with National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), is contained in Schedule “A” of the Corporation’s Annual Information Form for the year ended December 31, 2024, dated March 6, 2025. The Corporation’s Annual Information Form is available on the internet on the Corporation’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

**The persons designated in the enclosed Form of Proxy, unless otherwise directed, intend to vote FOR of the appointment of the firm of Deloitte LLP of Calgary, Alberta, as auditors of the Corporation to hold office until the next annual general meeting of the Shareholders and to authorize the Board of Directors to fix their remuneration.**

## **DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES**

### **General**

The Board of Directors is responsible for the governance of the Corporation, considers good corporate governance to be central to the effective operation of the Corporation and is committed to maintaining a high standard of corporate governance. The Corporation’s governance practices (the “**Governance**

**Guidelines**") are consistent with, and in many cases exceed the governance guidelines set forth in National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**") and the audit committee rules set forth in NI 52-110 – *Audit Committees* ("**NI 52-110**"), each of which has been adopted by Canadian securities regulatory authorities. The disclosure set forth herein is responsive to and complies in full with the disclosure requirements set forth in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), Form 58-101F1 – *Corporate Governance Disclosure*, and the disclosure requirements as set out in the *Business Corporations Act* (Alberta) and its respective regulations.

### **Corporate Governance and Nominating Committee**

The Board of Directors established a Governance and Nominating Committee (the "**Governance and Nominating Committee**") and its Charter and has delegated to it responsibility for assisting the Board of Directors in fulfilling its responsibilities relating to matters of human resources (as it relates to governance and nomination to certain management and Board of Directors positions), establishing a plan of continuity and development for senior management of the Corporation, maintaining and enhancing the Corporation's corporate governance practices and identifying and recommending qualified individuals for nomination for election to the Board of Directors and for appointment to senior management positions, including the Chief Executive Officer position. The Governance and Nominating Committee is comprised of Ms. Cosby (Chair), and Messrs. Hooks and Armour (III). The Charter provides that the governance responsibilities of the Governance and Nominating Committee include, but are not limited to, assisting the Board of Directors in:

- (a) evaluating, developing and recommending the process and structure by which the Board of Directors, Management and committees of the Corporation are held accountable to the Shareholders and other stakeholders of the Corporation;
- (b) establishing and reviewing the appropriate skills, composition and characteristics (including independence) of the Board of Directors;
- (c) reviewing the composition of, and succession planning in respect of, the directors on the Board of Directors;
- (d) evaluating, identifying and recommending nominees for election or re-election to the Board of Directors;
- (e) evaluating, identifying and recommending individuals for the Chief Executive Officer position;
- (f) succession planning for the Chief Executive Officer position and other senior management positions in the Corporation;
- (g) monitoring, reviewing and making recommendations regarding the orientation, education and development of the Board of Directors;
- (h) recommending directors to serve as members and Chairs of the Corporation's committees;
- (i) reviewing and recommending changes to the Governance Guidelines, Terms of Reference (as defined below) and other approvals, policies and procedures of the Board of Directors;
- (j) reviewing and recommending changes to the respective charters of the Corporation's committees;
- (k) establishing procedures for the engagement of separate independent counsel by each committee and director;

- (l) reviewing the Corporation's annual disclosure documents that contain significant information relating to matters within the Governance and Nominating Committee's mandate;
- (m) reviewing and evaluating the Charter and the Governance and Nominating Committee's efficacy;
- (n) oversight of risk management activities, including monitoring and reviewing the Corporation's risk management policies and procedures for key risks to the Corporation's business and operations; and
- (o) providing oversight of corporate governance related matters.

The Board of Directors and the Corporation have devoted significant attention and resources to reviewing the Corporation's corporate governance practices and ensuring that the Corporation's system of corporate governance continually meets or exceeds applicable legal requirements. Of particular note, the Board of Directors adopted its Code of Business Conduct (the "**Code**"), as well as a number of policies including: a clawback policy; an insider trading policy; a disclosure and media policy; a whistleblower policy, an anti-bribery and corruption policy, a supplier code of conduct, and a board and management diversity policy. These policies, together with the Board of Directors' Terms of Reference, have been put in place to assist the Corporation in maintaining a high standard of corporate governance. With input from the relevant committees, the Board of Directors also created charters for the Corporation's committees. A copy of the Code is available on the Corporation's website and on the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). Copies of each of the insider trading policy, disclosure and media policy, anti-corruption and bribery policy, the supplier code of conduct, board and management diversity policy and the Terms of Reference are available on the Corporation's website.

#### **Other Board Committees**

The Board of Directors has a Compensation Committee (the "**Compensation Committee**"), whose primary responsibility was to assist the Board of Directors in oversight and monitoring compensation related matters as outlined under the heading "*Compensation Committee*" on page 34. The Compensation Committee is comprised of Messrs. Hooks (Chair), Armour (III), and Kitagawa.

The Board of Directors also has an Audit Committee comprised of three (3) independent directors, being Messrs. Hardacre (Chair), Kitagawa, and Wright. In addition, all Board members are invited as guests to the Audit Committee to allow for the more efficient dissemination of the Corporation's financial information and to aid in the efficient conduct of business at Board meetings. Certain information regarding the Audit Committee that is required to be disclosed in accordance with NI 52-110 is contained in Schedule "A" in the Corporation's Annual Information Form for the year ended December 31, 2024. The Corporation's Annual Information Form is available on the internet on the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

In addition, the Board of Directors has a Health, Safety and Environment Committee (the "**HS&E Committee**") currently comprised of three (3) independent directors, being Messrs. Wright (Chair), Hardacre and Ms. Cosby. The primary function of the HS&E Committee is to assist the Board of Directors in fulfilling its oversight in respect of the development, implementation and monitoring of the Corporation's health, safety and environmental ("**HSE**") policies, as well as providing input to the Compensation Committee with respect to compensation matters relating to HSE metrics.

A description and the full text of the charter's for each of the Audit Committee, Compensation Committee, Governance and Nominating Committee, and HS&E Committee, which outline the role and responsibility for each Committee can be found on the Corporation's website at: <https://www.cesenergysolutions.com/investor-relations/governance/>.



## Board of Directors

NP 58-201 recommends that boards of directors be composed of a majority of independent directors and that the chair of a board of directors be an independent director<sup>1</sup>. The Board of Directors of the Corporation is currently comprised of seven (7) directors, six (6) of whom are independent for the purpose of NI 58-101 and NI 52-110 (including the Chairman of the Board of Directors, Mr. Kyle Kitagawa). The one (1) non-independent director is Mr. Kenneth E. Zinger, the President and Chief Executive Officer of the Corporation.

In determining that each director other than Mr. Zinger is independent, the Board of Directors affirmatively determined that each such director has no material relationship with the Corporation that would be reasonably expected to interfere with the exercise of such members' independent judgment, either directly or as a partner, security holder or officer of an organization that has a relationship with the Corporation. The Board of Directors also determined that each such director has not received any consulting, advisory, or other compensatory fee from the Corporation except in the capacity of a member of the Board of Directors or a committee of the Board of Directors. The table below lists the members of the Board of Directors, their year of appointment and their respective committee memberships as at the date of this Information Circular.

	Year Appointed	Committees			
		Audit	Compensation	Health, Safety and Environment	Governance and Nominating
Independent Board Members					
Kyle Kitagawa (Chair of the Board) <sup>(1)</sup>	2005	✓	✓		
Spencer D. Armour III	2018		✓		✓
Stella Cosby	2017			✓	Chair
Ian Hardacre	2022	Chair		✓	
John M. Hooks	2005		Chair		✓
Edwin (Joseph) Wright	2022	✓		Chair	
Non-Independent - Management					
Kenneth E. Zinger	2021				

The Board of Directors considers seven (7) directors to be appropriate for the size and present stage of development of the Corporation, and sufficient to provide an appropriate mix of background and skills.

The Corporation and the Board of Directors recognize the significant commitment involved in being a member of the Board of Directors. Accordingly, the Corporation's Governance Guidelines require every director to immediately notify the Board of Directors of all potential conflicts of interest. Subsequent to such notification, the Board of Directors or the President and Chief Executive Officer of the Corporation will be responsible for evaluating the potential conflict and will take such actions as are reasonably required to resolve such matters with a view to the best interests of the Corporation. In addition, a director whose principal occupation or professional position materially changes must promptly advise the Chairman of the Board of Directors. Upon such a significant change in a director's principal occupation or upon a director assuming any significant outside commitments, the Governance and Nominating Committee is responsible for reviewing, in light of the Board of Directors' current policies and the Corporation's Governance Guidelines and policies, whether that director should continue as a member of the Board of Directors. If the Governance and Nominating Committee determines that such a director should no longer serve as a member of the Board of Directors, then upon receiving a resignation request

<sup>1</sup> NI 58 101 states that a director is considered "independent" if he or she has no direct or indirect "material relationship" with the issuer. The definition of "material relationship" includes a relationship that could "in the view of the issuer's Board, be reasonably expected to interfere with the exercise of a member's independent judgment". The Board has completed an assessment of director independence. The assessment included a review of directors' responses to a questionnaire in which each director was required to review and respond to all of the components of the definition of "independent" under NI 58 101 and to disclose any and all current or prior relationships between the director and the Corporation

from the Chairman, that director would be expected to tender his or her resignation to the Board of Directors for consideration.

Certain directors currently serve on the boards of directors of other reporting issuers in Canada (or the equivalent in a foreign jurisdiction) as listed below.

Director	Public Company Board Membership	Stock Exchange
Kyle D. Kitagawa	None	N/A
Spencer D. Armour III	ProPetro Holding Corp. Viper Energy, Inc.	NYSE NASDAQ
Stella Cosby	None	N/A
Ian D. Hardacre	None	N/A
John M. Hooks	PHX Energy Services Corp.	TSX
Joseph Wright	Oil States International, Inc.	NYSE
Kenneth E. Zinger	None	N/A

#### *Other Board Memberships and Interlocks*

The Governance and Nominating Committee considers it to be good governance to avoid interlocking relationships on the boards of other reporting issuers and on the Corporation's committees. No Board members sit on the same board of directors of any outside reporting issuer.

#### **Meeting Attendance**

The Corporation's Governance Guidelines provide that any director may, at any time, request that a meeting of the Board of Directors or any committee of the Board of Directors be held without representatives of Management and without non-independent directors present or that all or some representatives of Management absent themselves from any particular portion of any meeting of the Board of Directors or committee of the Board of Directors. In addition, the Board of Directors generally schedules time at the end of each meeting to meet without the President and Chief Executive Officer, other Management and non-independent directors. This is intended to ensure that adequate structures and processes are in place to permit the Board of Directors to function independently of Management. For the year ending December 31, 2024, the Board of Directors held five (5) in-camera sessions. In addition, the Audit Committee has held four (4) in-camera sessions, the Governance and Nominating Committee has held two (2) in-camera sessions, the Compensation Committee has held three (3) in-camera session and the HS&E Committee have held four (4) in-camera sessions, without the presence of members of Management and the non-independent directors. During 2024 the Board of Directors and its committees held the following number of meetings:

Director	Board	Audit	Governance and Nominating	Compensation	Health, Safety and Environment
Kyle D. Kitagawa	5/5	4/4		2/2	
Spencer D. Armour III	5/5		1/1	2/2	
Stella Cosby	5/5		1/1		4/4
Ian Hardacre	5/5	4/4			4/4
John M. Hooks	5/5		0/1	2/2	
Edwin (Joseph) Wright	5/5	4/4			4/4
Kenneth E. Zinger	5/5				

In addition to the formal Board and Committee meetings listed above, the Board also participates in an additional eight (8) informal monthly calls with members of Management and senior employees of the Corporation to receive regular updates on the operations and financial position of the Corporation.

## **Board Mandate**

The Board of Directors' primary responsibility is the stewardship of the Corporation and the Board of Directors' fundamental objectives are to enhance and preserve long-term Shareholder value and to ensure that the Corporation meets its obligations on an ongoing basis and operates in a reliable and safe manner. In broad terms, the stewardship of the Corporation involves the Board of Directors in strategic planning, risk management and mitigation, senior management determination, financial reports and internal control integrity. The Board of Directors discharges these responsibilities directly and through delegation of specific responsibilities to the committees of the Board of Directors and Management.

The Board of Directors' mandate, the Terms of Reference, is attached as Appendix "A" to this Information Circular (the "Terms of Reference").

## **Strategic Planning**

The Board oversees the development, execution and fulfillment of the Corporation's strategic goals. This responsibility includes a strategic planning process whereby one Board meeting per year is specifically set aside for a substantial strategic planning session in which the Board reviews and discusses the strategic plan developed by Management. Subsequent to the Board's annual strategy meeting, the Board reviews on a regular basis the implementation of the strategic plan and monitors the Corporation's performance against the plan.

## **Position Descriptions**

The Board of Directors has implemented position descriptions for the CEO, Chair of the Board of Directors and the Chair of each committee of the Board of Directors.

The Chairman of the Board is generally responsible for delineating the role and responsibilities of each of the members of the Board of Directors and, in consultation with each of the Chairs of the committees of the Board of Directors, ensures that appropriate resources and attention are allocated to each committee of the Board to ensure that the Board functions in an efficient and effective manner.

The Board of Directors believes in a management team of the highest caliber and delegates specific duties and responsibilities to the committees of the Board of Directors and Management and imposes certain limitations as to the authority of the committees and Management including, for example, discretionary spending limits within the annual capital expenditure budget. The President and Chief Executive Officer, together with Management, is responsible for ensuring that the corporate objectives, developed annually with the Board of Directors, are met in order to enhance Shareholder value.

## **Succession Planning for Senior Executives and Management**

The Governance and Nominating Committee has discussed a succession plan for the President and Chief Executive Officer and certain other senior executives of the Corporation. The Governance and Nominating Committee also has an emergency succession plan in place, should it be required.

## **Risk Management Oversight**

The Governance and Nominating Committee oversees enterprise risk management, including reports prepared by management which: (a) identify the key risks facing the Corporation and ensure that such risks are properly defined; and (b) identify who is responsible for oversight, prevention and management in respect of such key risks and the coordination of any response by the Corporation in the event such key risk materializes. Management of the Corporation is responsible for ensuring that there are processes in place to effectively identify, monitor and manage risks facing the Corporation.

Management also frequently reports to the Board on developments and progress made on its strategies for managing key risks facing the Corporation.

### **Responsibility of the Chairman of the Board of Directors**

The Board Chair is charged with the responsibility to lead the Board of Directors and organize it to function independently of Management so as to foster ethical and responsible decision making, appropriate oversight of Management and good corporate governance practices. The Board Chair schedules in camera sessions at the end of each regularly scheduled meeting of the Board of Directors, to meet with only members who are independent. The Board Chair is responsible for setting the agenda of each meeting and for ensuring that matters to be considered by the Board of Directors are properly presented so as to use directors' time wisely and safeguard the time to be dedicated to strategic planning, review, discussion and decision making. The Board Chair provides advice and counsel to the President and Chief Executive Officer and other senior executives and leads the Board of Directors process for assessment of the effectiveness of the Board of Directors. The position of Board Chair and Chief Executive Officer have been separate throughout the history of the Corporation since it went public in March 2006.

### **Orientation and Continuing Education**

The Governance and Nominating Committee is responsible for reviewing, monitoring and making recommendations regarding the orientation of new directors and the ongoing education of directors.

Each new director on the Board of Directors will, when appointed, be provided with an orientation that is tailored to his or her particular needs and areas of interest. In addition, each new director will be provided with written information about the duties and obligations of directors, and the business and operations of the Corporation. These written materials will include the Board of Directors' Terms of Reference, the Governance Guidelines, the Code, the charters of each respective committee of the Board of Directors, documents from recent meetings of the Board of Directors and other key corporate policies and relevant corporate and Board of Director information. New directors will be expected to review these documents and become familiar with their contents. New members of the Board of Directors will also have the opportunity to meet with Management of the Corporation.

The Corporation's ongoing education efforts include: (i) on-site visits and field trips to various facilities; and (ii) presentations from officers, senior managers and advisors to the Board and its committees regarding business, legal and other matters. Directors are also encouraged to independently engage in professional development initiatives to become more effective board members.

### **Ethical Business Conduct**

As disclosed above, the Board of Directors has instituted the Code which sets out in detail the core values and the principles by which the Corporation is governed and addresses topics such as: honest and ethical conduct; conflicts of interest; compliance with applicable laws, rules and regulations; privacy and confidentiality of non-public information; protection; proper use of Corporation assets; accuracy of recording and reporting; fair dealing; political activities and contributions; gifts and entertainment; discrimination and harassment; environment, safety and health; and reporting potential violations of laws, rules, regulations and the Code. It applies to and is annually certified by all employees, officers, consultants, service providers and directors. In addition, the Corporation's business partners and suppliers are expected to conduct their business activities with the Corporation in accordance with applicable laws, rules and regulations and the Code. The Code is available on the Corporation's website and on the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

The Corporation's President and Chief Executive Officer and Chief Financial Officer are responsible for communicating the Code to directors, officers, employees and consultants, administering the Code,

handling inquiries and complaints, investigating violations, and reporting to the Board of Directors on matters related to the Code.

The Corporation has also established a Supplier Code of Conduct ("**Supplier Code**") that outlines the expectations of the Corporation with respect to the conduct of its vendors and service providers. The Supplier Code establishes specific obligations regarding the following issues: compliance with laws, fair business dealings, labour and human rights (including the prohibition on the use of forced or child labour), health and safety, the environment, and the protection and use of corporate assets. The Supplier Code contains a mechanism for suppliers to report violations of the Supplier Code or raise other questions or concerns by contacting the legal department through a dedicated email address. The Supplier Code has been translated into the five languages most commonly used by our suppliers who are required to confirm their acceptance of the Supplier Code or otherwise provide evidence that the respective supplier has their own internal code of conduct that is materially similar to the Supplier Code.

The Board of Directors and the Audit Committee have also established a Whistleblower Policy to encourage employees, officers and directors to raise concerns regarding any matters, including accounting, internal controls or auditing matters, discrimination, harassment or any other contravention of the Code, applicable laws, rules or regulations. Pursuant to the Whistleblower Policy, anyone may contact the Audit Committee either directly or through the Corporation's confidential Whistleblower hotline and report a complaint regarding the Corporation's accounting, internal controls or auditing matters free from fear of reprisal or contravention.

In addition, in order to ensure independent judgment in considering transactions/agreements in which a director/officer has a material interest, all related party transactions are approved by the independent directors and all payments under related party transactions are approved by the Audit Committee. Since it is not always easy to determine whether a conflict of interest exists, the Code requires that all potential conflicts of interests be reported immediately to a senior officer or the Chair of the Audit Committee.

It is acknowledged that staff and directors may be directors or officers of other entities engaged in the drilling fluid and production chemical business or competing businesses and that such entities may compete directly or indirectly with the Corporation. The Code further states that any staff member or director who is actively engaged in the management of, or who owns an investment of 1% or more of the outstanding securities in, public or private entities must disclose such holding to the President and CEO (in the case of a staff member) or the Board (in the case of a director). In the event that any circumstances should arise as a result of such positions or investments being held, which in the opinion of the President and CEO or Board (as applicable) constitutes a conflict of interest which reasonably affects such person's ability to act with a view to the best interests of the Corporation, the President and CEO or Board will take such actions as are reasonably required to resolve such matters with a view to the best interests of the Corporation. Such actions, may, without limitation, include excluding such staff or directors from certain information or activities of the Corporation.

### **Nomination of Directors and Director Succession**

In consultation with the Chairman of the Board of Directors and the President and Chief Executive Officer, the Governance and Nominating Committee is responsible for identifying and recommending to the Board of Directors nominees for election or re-election to the Board of Directors or for appointment to fill any vacancy that is anticipated or has arisen on the Board of Directors in accordance with the Committee's charter, Governance Guidelines and any policies adopted by or applicable to the Corporation from time to time. The Governance and Nominating Committee has developed evergreen plans and strategies to aid in the identification, recruitment and recommendations of candidates for Board membership, which are reviewed on an annual basis and revised as necessary. In identifying potential nominees, the Governance and Nominating Committee will screen the qualifications of candidates against a matrix of the skills and experiences of current directors and the skills and experience needs of the Board of Directors, taking into account the Board of Directors' long-term succession plans.

The Corporation has not adopted term limits for the directors on the Board or other formalized mechanisms of board renewal. However, the Board may adopt such initiatives in the future. The Governance and Nominating Committee and the Board considers director succession planning on an annual basis, including a review of the qualifications, diversity, skills and experiences of current directors and the skills and experience needs of the Board of Directors, taking into account the Board of Directors' long term succession plans and the need for renewal, as well as diversity in background, experience, and personal skills and qualities on the Board.

The Governance and Nominating Committee, which is comprised entirely of independent directors, is also responsible for reviewing and considering all candidates identified by Shareholders as potential nominees for the Board of Directors.

Candidates are assessed on their individual qualifications, diversity, experience and expertise and must exhibit the highest degree of integrity, professionalism, values and independent judgment. While the emphasis on filling board vacancies is on finding the best qualified candidates given the needs and circumstances of the Board, a nominee's diversity of gender, race, nationality or other attributes may be considered favourably in his or her assessment.

The Governance and Nominating Committee believes that the Board should be comprised of directors with a broad range of experience and expertise and utilizes a skills matrix to identify those areas which are necessary for the Board to carry out its mandate effectively. The following table reflects the diverse skill set of the Board and identifies the specific experience and expertise brought by each individual director.

#### *Director Skills Matrix*

<b>SKILL SET/EXPERIENCE</b>	<b>Kitagawa</b>	<b>Armour</b>	<b>Cosby</b>	<b>Hardacre</b>	<b>Hooks</b>	<b>Wright</b>	<b>Zinger</b>
Public Issuer Board Experience	√	√	√	√	√	√	√
Public Issuer C-Suite Experience	√		√		√	√	√
Management & Operations Experience							
- General	√	√	√	√		√	√
- Production, Manufacturing & Supply Chain						√	√
- United States Experience	√	√	√		√	√	√
- International Experience			√		√		
- Marketing and Sales		√		√	√	√	√
- Research and Development					√	√	√
- Growth	√	√	√	√	√	√	√
Financial Literacy	√	√	√	√	√	√	√
Financial Reporting or Audit Committee Experience	√	√		√	√	√	√
Capital Markets	√	√		√	√	√	√
Corporate Finance and Accounting	√			√		√	√
Mergers & Acquisitions	√	√	√	√	√	√	√
Tax	√			√			
Corporate Governance or Governance Committee Experience	√	√	√	√	√	√	√
Health, Safety & Environment or HS&E Committee Experience	√	√	√	√		√	√
Environmental, Social and Governance (ESG)	√	√	√	√		√	
Human Resources / Executive Compensation or Compensation Committee Experience	√	√	√	√	√	√	√
Information Technology	√						√
Business Strategy	√	√	√	√	√	√	√
Risk Management and Oversight	√		√	√		√	√

#### **Board Assessments**

The Corporation's Governance Guidelines provide that the Board of Directors must make an annual assessment of the overall effectiveness of the Board of Directors and the committees of the Board of Directors. To assess the effectiveness of the Board of Directors and its committees, on an annual basis, each of the directors completes a detailed questionnaire which provides for quantitative ratings in key areas including: (a) the effectiveness of the Board; (b) the governance practices of the Board; (c) the ethical standards and professional integrity of the Board and its members; (d) the Board's oversight of management and risk-management; (e) the Corporation's corporate strategy and the Board's input and oversight of the implementation and execution of such strategy; (f) communication and transparency between management and the Board, between Board committees and the Board and between members and the Board; (g) Board processes; (h) Board composition and diversity; (i) committee composition,



structure and performance; (j) director succession; (k) quality of materials and information presented to the Board by Management; (l) evaluation of the performance of Management; and (m) evaluation of executive compensation. Board members are also requested to provide any subjective comments regarding corporate governance matters. A summary report of the received questionnaires is then prepared by the chair of the Governance and Nominating Committee, discussed by such committee and provided to the Board for information purposes. Following the aforementioned Board meeting, matters requiring follow-up are identified and action plans are developed and monitored on a go-forward basis by the Governance and Nominating Committee.

## Diversity

The Corporation has adopted a Board & Management Diversity Policy (the “**Diversity Policy**”) which is intended to set out a framework to promote diversity on both the Board of Directors and in senior leadership and management positions of the Corporation. The objectives of the Diversity Policy are to identify and consider candidates for the Board and management who are highly qualified based on their experience, education, functional expertise, personal skills and qualities and who meet diversity criteria, including gender, age, ethnicity, sexual orientation, indigenous heritage and geographic location of the candidate. The Governance and Nominating Committee will review the Diversity Policy from time to time as necessary and make recommendations on any required changes to the Board for consideration and approval. A copy of the Diversity Policy may be found on the Corporation’s website at <https://www.cesenergysolutions.com/governance>.

Gender diversity is an important component of the Diversity Policy. The Corporation is committed to ensuring that gender diversity is actively pursued both at the Board level and in senior management. The Governance and Nominating Committee seeks to include diverse candidates in any director search and looks at a broad array of organizations in addition to the traditional candidate pool of corporate directors. Due consideration is given to female representation in the director nomination process by identifying female candidates in the selection process in order to promote gender diversity. The Governance and Nominating Committee annually discusses promoting diversity on the Board and in Management in light of the skills required at the time and makes recommendations to the Board.

The Corporation has not adopted a formal target regarding women or other “designated groups”<sup>2</sup> on the Board or in senior management as the Corporation does not believe that quotas or a formulaic approach necessarily results in the identification or selection of the best candidates. However, the Board may adopt such targets in the future.

With the appointment of Ms. Cosby to Chair of the Governance and Nominating Committee in 2022, the Corporation and the Board are placing renewed focus on improving diversity on the Board of Directors and in Management by leveraging Ms. Cosby’s extensive experience in human resources and governance matters. The Governance and Nominating Committee and the Board are committed to ensuring that diversity issues play an important role as opportunities for Board renewal present themselves.

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<sup>2</sup> “designated groups” means women, Aboriginal peoples, persons with disabilities, and members of visible minorities.



Currently, the number and percentage of directors and nominees who are members of the designated groups are:

Designated Group	Nominated Directors
Women	1/7 (14%)
Aboriginal peoples	0/7 (0%)
Persons with disabilities	0/7 (0%)
Members of visible minorities	1/7(14%)

The above diversity disclosure relies on voluntary self-identification by directors and therefore represents the information of individuals who have chosen to self-identify. This information has not been independently verified by the Corporation.

## SHARE BASED COMPENSATION PLANS

### Existing Plans and Shares Authorized for Issuance

The Corporation has two share based compensation arrangements pursuant to which Common Shares may be authorized for issuance to eligible participants, being its restricted share unit plan ("**RSU Plan**") and its director compensation arrangement ("**DCA**"). The RSU Plan and DCA are the only compensation arrangements that have been adopted by the Corporation providing for the issuance of securities as compensation going forward. The RSU Plan and DCA were approved by the Shareholders.

Under the RSU Plan, the Corporation may grant RSUs to eligible directors, officers and employees of the Corporation and its subsidiaries. Upon vesting, each RSU is redeemed for one Common Share for no additional consideration. 2,637,430 RSUs were granted under the RSU Plan in 2024, representing approximately 1.2% of the number of Common Shares outstanding as at December 31, 2024. 2,648,620 RSUs were outstanding as at April 21, 2025, representing approximately 1.2% of the number of Common Shares outstanding as at that date.

Under the DCA, members of the Board of Directors may elect to receive their annual retainer and other amounts payable for their services on the Board of Directors in the form of Common Shares or cash. A fixed maximum aggregate amount of 600,000 Common Shares are issuable to the directors over the lifetime of the DCA. 32,750 Common Shares were issued to directors under the DCA in 2024, representing 0.01% of the number of Common Shares outstanding as at December 31, 2024. 258,770 Common Shares remain available for issuance under the DCA as at April 21, 2025, representing approximately 0.1% of the number of Common Shares outstanding as at that date.

Additional information concerning the outstanding RSUs and the Common Shares available for issuance under the RSU Plan and DCA as at December 31, 2024, is set out in the table below.

Plan	Number of Common Shares issuable upon exercise	Number of Common Shares remaining available for future issuance <sup>(1)</sup>
RSU Plan	3,619,138	7,647,316
DCA	-	-
<b>Equity compensation plans approved by securityholders</b>	3,619,138	7,647,316
<b>Equity compensation plans not approved by securityholders</b>	Nil	Nil
<b>Total</b>	3,619,138	7,647,316

**Note:**

- (1) Under the RSU Plan, the aggregate number of Common Shares which may be issuable upon the redemption of RSUs shall not exceed 5% of the Common Shares of the Corporation, which as at December 31, 2024, equaled 11,266,454 Common Shares. After accounting for the number of RSUs issued and outstanding, as at December 31, 2024, a total of 7,647,316 Common Shares remained available for grant under the RSU Plan. The maximum number of Common Shares available for issuance under the DCA is 600,000, less the number of Common Shares already issued under the DCA.

In addition, the Corporation has adopted a phantom share unit plan ("**PSU Plan**") pursuant to which employees, certain consultants, and other non-executive officers of the Corporation and its subsidiaries may be granted phantom share units ("**PSUs**"). Upon vesting, each PSU is redeemed for a dollar amount equal to the five day volume weighted average trading price of one Common Share prior to each vesting date. The only entitlement available under the PSU Plan to a holder of PSUs is a cash payment and no securities are authorized to be issued under the PSU Plan.

**Terms of the RSU Plan**

The RSU Plan currently allows participants to earn Common Shares of the Corporation over time. Under the RSU Plan, the Corporation may grant RSUs to those directors, employees and consultants of the Corporation that the Board of Directors designates to be eligible to receive a grant based on performance of such person (an "**Eligible Person**") pursuant to an RSU grant agreement (an "**RSU Grant Agreement**").

Under the current RSU Plan, grants of RSUs under the RSU Plan are subject to the following restrictions:

- (a) The aggregate number of Common Shares which may be issuable under the RSU Plan (excluding any other security based compensation arrangement of the Corporation) shall not exceed 5.0% of the issued and outstanding Common Shares as at the date of grant.
- (b) The maximum number of RSUs which may be reserved for issuance to insiders of the Corporation shall be 2.5% of the Common Shares outstanding at the time of the grant (on a non-diluted basis).
- (c) The maximum number of RSUs which may be issued to insiders under the RSU Plan within a one year period shall be 2.5% of the Common Shares issued and outstanding at the time of the issuance (on a non-diluted basis).
- (d) The maximum number of RSUs which may be issued to any one insider and such insider's associates under the RSU Plan within a one-year period shall be 1.0% of the Common Shares outstanding at the time of the issuance (on a non-diluted basis).

- (e) The maximum number of RSUs which may be reserved for issuance to any non-employee director of the Corporation shall be 0.5% of the Common Shares outstanding at the time of grant (on a non-diluted basis) and the aggregate number of Common Shares reserved for issuance to all non-employee directors within a one year period under all security based compensation arrangements of the Corporation shall not exceed 1.0% of the Common Shares outstanding at the time of grant (on a non-diluted basis). In addition, the aggregate value of RSU's reserved for issuance to any non-employee director of the Corporation in any calendar year under the RSU Plan (including all security based compensation arrangements of the Corporation) shall not exceed \$150,000.

The Board approves the number of RSUs to be awarded to each Eligible Person. RSUs awarded to Eligible Persons are credited to an account that is maintained for that Eligible Person on the books of the Corporation.

An Eligible Person's account is credited with additional RSUs to account for dividends on the Common Shares on each dividend payment date in respect of which ordinary course cash dividends are paid on the Common Shares. The number of additional RSUs credited is determined by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Common Share by the number of RSUs recorded in the Eligible Person's RSU account on the date for the payment of such dividend, by (b) the market value of a Common Share (as defined in the RSU Plan) as at the dividend payment date.

The granting of RSUs to any Eligible Person under the RSU Plan in any calendar year, unless otherwise stated in the applicable RSU Grant Agreement, is awarded solely in respect of performance of such Eligible Person in the same calendar year of the grant (in each case, the "**Service Year**"). The RSU Plan provides that the vesting schedule of RSUs is determined by the Board of Directors, in its discretion, for each grant as set out in the RSU Grant Agreement. If no vesting schedule is set forth in the RSU Grant Agreement, one-third of the total number of Restricted Share Units granted in such agreement shall Vest upon the Eligible Person remaining employed by the Company on each of the first, second, and third anniversaries of the applicable grant date, unless earlier forfeited pursuant to the terms of the RSU Plan. The maximum term for an RSU grant is December 31 of the third calendar year following the Service Year.

Upon vesting, each RSU is redeemed as soon as reasonably practicable for one Common Share issued from treasury for no additional consideration, provided however that the Corporation, at its discretion, may elect to settle RSUs for an equivalent cash amount.

Under the RSU Plan, if an Eligible Person resigns from employment with the Corporation before the Vesting Date (as defined in the RSU Plan and RSU Grant Agreement, as applicable), the Eligible Person shall forfeit all rights, title and interest in the RSUs granted to such Eligible Person which have not vested prior to the earlier of: (i) the date of delivery of the notice of resignation; and (ii) the effective date of the resignation. If an Eligible Person's employment with the Corporation is terminated for Cause (as defined in the RSU Plan) before the Vesting Date, the Eligible Person shall forfeit all rights, title and interest in the RSUs for which the Vesting Date is on or after the date notice of termination is delivered to the Eligible Person.

If an Eligible Person's employment is terminated for reasons other than resignation or Cause before the Vesting Date of the Eligible Person's Restricted Share Units, any unvested RSUs held by such Eligible Person shall vest pro-rata on the Eligible Person's Termination Date based on the number of completed months of active service or employment between the Grant Date and the Vesting Date of such RSUs Units. Such vested RSUs will be payable in cash based on the Market Value (as defined in the RSU Plan) of the Common Shares for the period ending on the date such Eligible Person's employment ceased with the Corporation. Upon the death of an Eligible Person, any unvested RSUs held by such Eligible Person shall vest, and the Corporation shall redeem all vested RSUs credited to the Eligible Person's account

and all such amounts shall be transferred or paid to the legal representatives of the estate of such Eligible Person.

If a take-over bid (that is not exempt from the take-over bid requirements of the *Securities Act* (Alberta) or Multilateral Instrument 62-104 — *Take-Over Bids and Issuer Bids*) is made for the Common Shares, or if the Corporation is merged into or amalgamated with any other entity, or the Corporation sells all or substantially all of its assets, the Corporation shall redeem all of the RSUs granted to Eligible Persons and outstanding under the RSU Plan for a cash payment per RSU equal to the greater of the market value of a Common Share (as defined in the RSU Plan) or the price paid for the Common Shares under the change of control.

The RSU Plan provides that appropriate adjustments in the number of Common Shares subject to the RSU Plan and issuable upon the vesting of an RSU shall be made by the Board of Directors to give effect to adjustments in the number of Common Shares resulting from any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off, or other distribution (other than normal cash dividends) of the Corporation's assets to its shareholders.

RSUs are not assignable or transferable other than by will or the laws of descent and distribution.

The Board of Directors may suspend, discontinue or amend the RSU Plan or any award made pursuant thereto without the approval of a majority of the voting securityholders of the Corporation, excepting that, unless the proposed amendment results from a change of control as described in the RSU Plan, such securityholder approval is required in order to make the following amendments: (i) increase in the number of Common Shares, or the percentage of the issued and outstanding Common Shares, issuable pursuant to the RSU Plan; (ii) extend the redemption date of any award granted under the RSU Plan; (iii) materially modify the eligibility requirements for participation in the RSU Plan; (iv) amend the limitations on the maximum number of Common Shares reserved or issued to insiders; (v) amend the limitations under the RSU Plan with respect to RSUs that may be granted to non-employee directors; (vi) amend the restriction under the RSU Plan on the transfer of RSUs to permit a holder to transfer any RSUs to a new beneficial holder other than for estate settlement purposes or (vii) amend the amendment provision of the RSU Plan.

Effective March 14, 2025, the Board of Directors approved certain amendments to the RSU Plan (the "**Amendments**") to, among other things: (i) remove provisions allowing for the continued vesting of RSUs in the event an Eligible Person retires or becomes permanently disabled; (ii) confirm the Board of Director's discretion to accelerate vesting of some or all of an Eligible Person's RSUs; and (iii) added certain clarifying provisions specifically in respect of Eligible Persons who are citizens of the United States or considered a United States resident as classified under the US Internal Revenue Code of 1986. The Amendments were not of a nature identified in the enumerated list in the preceding paragraph and accordingly, such Amendments are permitted without the approval of a majority of the securityholders of the Corporation. The Amendments are reflected in the description of the terms of the RSU Plan above and a copy of the amended RSU Plan is attached hereto as Appendix "B".

The rules of the TSX provide that an issuer must obtain securityholder approval of all unallocated options, rights or other entitlements under any security-based compensation arrangements that do not have a fixed maximum aggregate of securities issuable every three years after the institution of any such compensation arrangement. The unallocated RSUs under the RSU Plan were last approved by the Shareholders in June 2023 and are required to be re-approved by the Shareholders at the Corporation's annual general meeting in 2026.

### **Terms of the DCA**

Under the DCA members of the Board of Directors may elect to receive their annual retainer and other amounts payable for their services on the Board of Directors in the form of Common Shares or cash. If a

director elects to receive any portion of his or her annual retainer or other remuneration in the form of Common Shares, the number of Common Shares to be issued will be determined net of withholding taxes and based on the five day volume weighted average trading price of Common Shares prior to each payment date, subject to the Corporation's trading policy. Directors of the Corporation are paid quarterly. In addition, the Board of Directors may, at any time, amend or terminate the terms and conditions of the DCA by resolution of the Board of the Directors without Shareholder approval, subject to the policies of the TSX (or any other applicable stock exchange from time to time) and applicable laws.

The DCA has a fixed maximum aggregate amount of 600,000 Common Shares reserved and issuable to the Board of Directors. 258,770 Common Shares remain available for issuance under the DCA as at April 21, 2025, representing approximately 0.1% of the number of Common Shares outstanding as at that date.

### Annual Burn Rate for RSU Plan and DCA

The annual burn rate for the RSU Plan and DCA for the last three fiscal years is set out in the table below:

Plan	For the Year Ended		
	December 31, 2022	December 31, 2023	December 31, 2024
RSU Plan <sup>(1)</sup>	0.7%	1.3%	1.1%
DCA	0.027%	0.024%	0.014%

**Note:**

(1) The total number of RSUs granted for each fiscal year was as follows: 2024: 2,637,430; 2023: 3,279,159; and 2022: 1,889,238.

The annual burn rate for the RSU Plan and DCA set out above is calculated by (i) dividing the number of securities granted under the RSU Plan or DCA, as applicable, during the applicable year by (ii) the weighted average number of securities outstanding for the applicable year. The weighted average number of securities is the number of securities outstanding at the beginning of the period, adjusted by the number of securities bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the securities are outstanding as a proportion of the total number of days in the period.

## EXECUTIVE COMPENSATION

### Named Executive Officers

The President and Chief Executive Officer ("**CEO**"), the Chief Financial Officer ("**CFO**") and the three most highly compensated executive officers of the Corporation other than the CEO and CFO constitute the Corporation's Named Executive Officers for the purposes of this Information Circular (each a "**Named Executive Officer**" or a "**NEO**" and collectively, the "**Named Executive Officers**" or "**NEOs**"). For the period ending December 31, 2024, the Corporation had the following five Named Executive Officers: (a) Kenneth E. Zinger - President and CEO; (b) Anthony M. Aulicino - Executive Vice President and CFO; (c) Vernon J. Disney, President - US Production Chemicals; ("**US Production Chemicals President**", and together with the CEO and CFO, the "**Core NEOs**"); (d) James F. Strickland, President - US Drilling Fluids<sup>3</sup> ("**US DF President**") and President - AES Drilling Fluids, LLC ("**AES**"); and (e) David Burroughs - President of PureChem Services ("**PureChem President**"), a division of Canadian Energy Services LP, a wholly owned subsidiary of the Corporation ("**PureChem**").

<sup>3</sup> On April 8, 2024, Mr. James Strickland, Senior Vice President of AES Drilling Fluids, LLC was promoted to the role of President, US Drilling Fluids, replacing Mr. Richard Baxter who continues to provide services to AES Drilling Fluids, LLC as President Emeritus and Senior Advisor.

## Compensation Discussion and Analysis

### *Introduction*

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's philosophy, objectives, methodology and processes regarding compensation for the Named Executive Officers.

The Corporation strives to achieve the following with its total compensation program:

- align total compensation with Shareholder interests and returns;
- be viewed as an employer of choice that attracts, retains and motivates skilled and valued employees;
- minimize turnover related to compensation issues;
- reward individual and corporate contribution and team performance;
- provide employees with the opportunity to earn up to or beyond the typical target positioning for high achieving employees whose performance exceeds the objectives for the year;
- balance a proportion of fixed versus variable compensation to be competitive with typical practice among peers; and
- enhance a performance culture by aligning pay with performance under the Corporation's short-term incentive plan ("**STIP**"), long-term incentive plan ("**LTIP**"), and other performance based bonus plans applicable to specific business units of the Corporation.

### *Compensation Committee*

To assist the Board of Directors in fulfilling its oversight responsibilities with respect to human resource policies and executive management compensation, the Board of Directors has established the Compensation Committee comprised of three (3) independent directors: Messrs. Hooks (Chair), Kitagawa and Armour. Messrs. Hooks, Kitagawa and Armour have served as executive officers of other corporations and, as such, have experience in decision-making related to compensation policies and practices. In addition, Mr. Hooks has served on the compensation committee of another public issuer.

The Compensation Committee is responsible for reviewing the Corporation's overall compensation policies and guidelines and its objectives related to executive compensation. It is mandated, among other things, to:

- (a) consider and recommend to the Board, on an annual basis, the Corporation's general compensation policies and guidelines;
- (b) determine that such policies and guidelines are aligned with CES' values and mission and will attract, retain and motivate the selected personnel;
- (c) determine that the compensation of directors realistically reflects the responsibilities and risks involved in being an effective director;
- (d) consider and recommend to the Board annual compensation budgets;



- (e) consider and recommend to the Board various benefit plans, bonus and incentive plans, and share option and other medium or long-term incentive plans and to oversee the administration and assess the effectiveness and appropriateness of the foregoing;
- (f) make recommendations to the Board with respect to the CEO's compensation and entitlement to bonuses in light of the CEO's annual performance and in light of the criteria proposed by the Compensation Committee and adopted by the Board; and
- (g) propose to the Board criteria for assessing the performance of senior management and assessing their performance in accordance with evaluation processes established by the Board.

The Compensation Committee has the authority to engage advisors to assist it in making determinations as to appropriate compensation levels throughout the organization and compensation program design. The Compensation Committee receives recommendations respecting compensation from the CEO for the other NEOs and takes such recommendations into consideration when making its determinations.

The Compensation Committee also makes executive compensation decisions for the Core NEO's, based on an annual review and analysis of: (a) management's overall performance, as evidenced by the achievement of corporate and individual goals; (b) adjusted EBITDAC (as such term is defined in the Corporation's Annual Report dated March 6, 2025), Total Shareholder Return ("**TSR**"), Return on Capital Employed ("**ROCE**"), HSE, environmental, social and governance ("**ESG**") metrics; (c) free cash flow generation metrics; (d) cash conversion cycle metrics; (e) management of the Corporation's gross capital expenditures ("**Capex**"), balance sheet and liquidity; (f) relative performance of the Corporation's securities including the Common Shares; (g) industry conditions; and (h) executive compensation of peer group members.

#### *Compensation Consultants*

In 2023, the Compensation Committee retained Lane Caputo Compensation Inc. to provide advisory services and recommendations for the 2023 compensation program. For 2024 the Compensation Committee did not engage any outside consultant or advisor to assist in determining compensation for any of the Corporation's directors or executive officers.

The table below summarizes the fees paid by the Corporation to compensation consultants related to determining compensation and compensation program design for the Corporation's NEOs ("**Executive Compensation Related Fees**") and the fees paid by the Corporation to compensation consultants for other services ("**All Other Fees**") for the financial years ended December 31, 2023 and 2024.

	<b>2023</b>	<b>2024</b>
Executive Compensation Related Fees	\$19,620	\$10,032
All Other Fees	Nil	Nil

In 2024 the Compensation Committee retained Meridian Compensation Partners ("**Meridian**") to assist in the development and design of the Corporation's compensation program for the 2025 financial year. As at the date of this Information Circular, the Corporation has paid Meridian \$12,860 in Executive Compensation Related Fees.

#### *Compensation Program Design*

The Corporation's compensation program is designed to reward performance that contributes to the achievement of CES' business strategy on both a short-term and long-term basis. Additionally, the

Corporation strives to reward qualities that it believes help achieve its strategy such as teamwork, individual performance, responsibility, accountability and tenure with CES.

The Corporation believes that its compensation program incorporates various measures designed to mitigate any incentive for its executives or other key employees to take, or be rewarded for, excessive or inappropriate risks. The following are examples of such measures:

- the Corporation's compensation program consists of both fixed and variable compensation, with a significant portion of compensation being "at risk" and based on performance;
- under the Corporation's STIP for 2024 and 2025, Core NEOs may be awarded cash (or, in the discretion of the Compensation Committee and the Board, a portion of such award may be made in short vesting RSUs) if certain metrics relating to the performance of the Corporation over the course of the year are satisfied. The STIP metrics are discussed in more detail below. The Compensation Committee along with the Board will evaluate the performance of the Corporation as it relates to these metrics in the context of market and industry conditions. If these metrics are satisfied, the Board, on the recommendation of the Compensation Committee will grant a cash award (or short vesting RSUs, as applicable) to Core NEOs upon the conclusion of the respective financial year;
- under the Corporation's LTIP, Core NEOs may be awarded RSUs if certain performance-based criteria recommended by the Compensation Committee and approved by the Board are satisfied. The LTIP metrics are discussed in more detail below. If the performance-based criteria are satisfied under the LTIP, the Board, on the recommendation of the Compensation Committee may then approve the grant of RSUs. For 2024 and 2025 such RSUs granted will consist of RSUs which vest on a one third basis over a three-year period from the date of grant;
- subject to the maximum award amounts established by the Compensation Committee on an annual basis, the variable compensation under the Corporation's STIP and LTIP are tied to performance-based factors which must be satisfied before any such grants are awarded. These performance measures are intended to align the interests of Shareholders and the Corporation as a whole with the interests of the Core NEOs;
- the Corporation has adopted Core NEO and non-executive director share ownership guidelines to align the long-term interests of executive officers and non-executive directors and the Shareholders by requiring such persons to maintain significant direct ownership of the Common Shares;
- as described in further detail below under the heading "*Clawback Policy*", the Corporation has adopted an incentive compensation clawback policy to ensure NEOs must repay the Corporation in the event of the restatement of financial statements as a result of intentional misconduct; and
- NEOs, directors, officers, consultants and employees of the Corporation are not permitted to purchase any financial instrument that is designed to hedge or offset a decrease in market value of the Common Shares. CES' insider trading policy prohibits speculation in securities of the Corporation, buying the Corporation's securities on margin, short-selling a security of the Corporation or any other arrangement that results in a gain only if the value of the Corporation's securities declines in the future, buying a put option and selling a call option. The insider trading policy requires the Corporation to pre-clear certain trades of its securities by executives or other key employees.



### *Clawback Policy*

The Corporation adopted an incentive compensation clawback policy to require reimbursement of any cash or equity-based incentive payment to any executive officer where:

- the payment was predicated upon achieving certain financial results that were subsequently the subject of a substantial restatement of the Corporation's financial statements;
- the Board determines such individual engaged in intentional misconduct that caused or substantially caused the need for the substantial restatement; and
- a lower payment would have been made to such individual based upon the restated financial results.

In each such instance, CES will, to the extent practicable, seek to recover from the individual the amount by which the individual's cash or equity based incentive payments for the relevant period exceeded the lower payment that would have been made based on the restated financial results.

### *Elements of Compensation*

The Corporation's compensation program for Core NEOs for 2024 was comprised of four elements, namely: (a) base salary; (b) performance based short-term incentives paid in cash and RSUs vesting quarterly over a one year period; (c) performance based long-term incentives (RSUs vesting in thirds over a three year period); and (d) benefits. The Board and the Compensation Committee believe that properly allocating these pay components so that a portion of compensation is "at risk" is critical in motivating executives to carry out CES' strategy and ensuring that the interests of management are aligned with the interests of the Corporation's Shareholders.

For 2024, the Corporation's performance based short-term incentive plan for Core NEOs was concentrated on metrics focused on protecting the balance sheet of the Corporation and the Corporation's relative performance compared to its peers. These metrics include: (a) maximizing adjusted EBITDAC in the context of current industry conditions, (b) return on capital employed; (c) improving the Corporation's cash conversion cycle; (d) balance sheet management; and (e) HSE performance (collectively, the "**2024 Short Term Metrics**").

Under the Corporation's performance based long-term incentive plan for 2024, Core NEO's were awarded RSUs that vest in thirds over a three-year period if the Core NEO's satisfy certain performance criteria including relative TSR, relative ROCE, HSE performance, and ESG initiatives (collectively, the "**Long Term Metrics**").

For the US DF President, the compensation program is comprised of four elements, namely: (a) base salary; (b) performance based short-term incentives paid in cash (the "**US DF Cash Component**"); (c) performance based grants of RSUs that vest in thirds over a three-year period (the "**US DF RSU Component**"), and together with the US DF Cash Component, the "**US DF Annual Bonus**"; and (d) benefits. The US DF Annual Bonus is a sliding scale percentage formula based on the EBITDAC generated by AES with 70% comprising the US DF Cash Component and 30% comprising the US DF RSU Component. The US DF Annual Bonus is currently structured as a four year program providing for a multiplier factor based on the number of years the US DF President has held his position, which is subject to amendment at the discretion of the Compensation Committee and CEO.

For the PureChem President, the compensation program is comprised of four elements, namely: (a) base salary; (b) performance based short-term incentives paid in cash (the "**PureChem Quarterly Bonus**"); (c) discretionary grants of RSUs that vest in thirds over a three-year period if the PureChem President satisfies certain performance criteria as determined by the CEO and the Board of Directors; and (d)

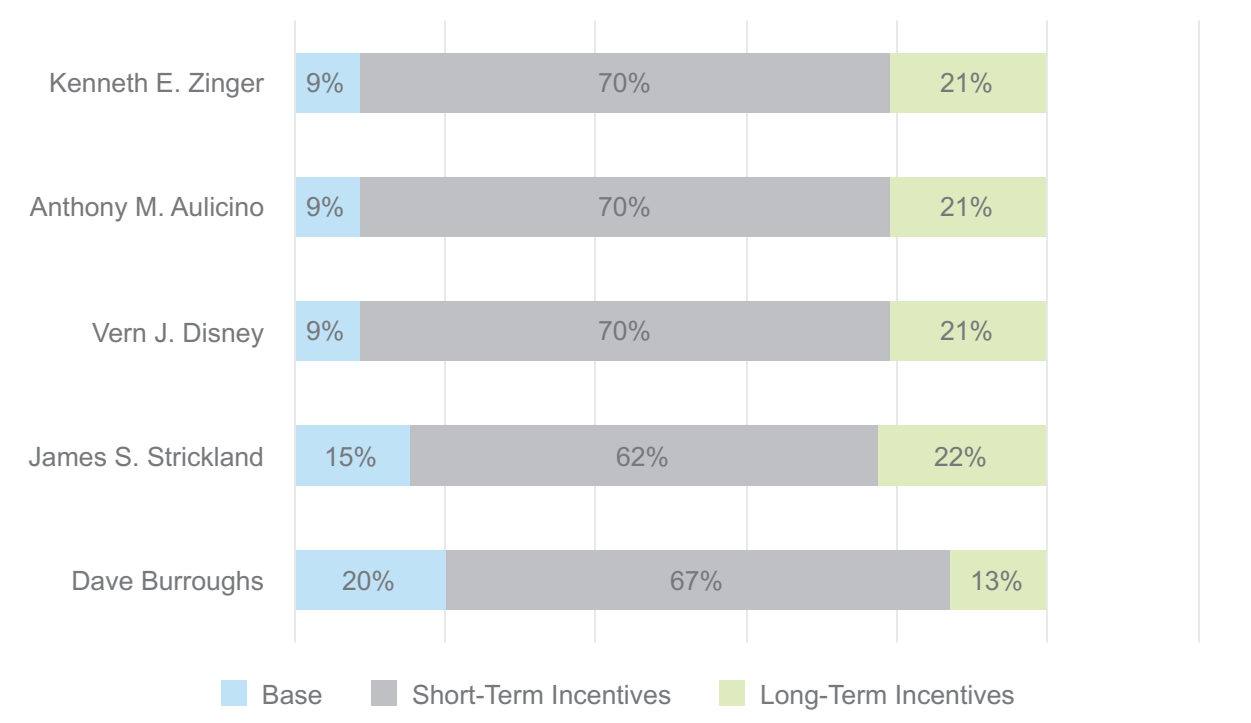
benefits. The PureChem Quarterly Bonus for the PureChem President is a sliding scale percentage formula based on adjusted EBITDAC attributable to PureChem in each respective quarter period. The PureChem Quarterly Bonus is paid on a quarterly basis after each respective quarter.

Annual awards to Core NEOs and the US DF Annual Bonus must be recommended by the Compensation Committee and approved by the Board. The annual awards and US DF Annual Bonus are only payable after the Board has approved CES' year end results. For more information about the Corporation's short-term and long-term incentive plan, including anticipated changes for 2025, see "*Short-Term Incentive Plan*" and "*Long-Term Incentive Plan*" below.

The following is an overview of the four elements of CES' compensation program for NEOs for 2024:

	Total Direct Compensation			Indirect Compensation
Program	Base Salary	Short-Term Incentives	Long-Term Incentives	Group Benefit and Perquisite Programs
Purpose	Compensates executives for leadership, management and operational skills and the degree of accountability inherent in their roles	Cash bonuses and RSUs vesting quarterly over one year if Short Term Metrics are satisfied.	Grants of RSUs if Long Term Metrics are satisfied. The performance based long-term incentive plan links the interests of executives and Shareholders by rewarding executives for creating sustained Shareholder value in the long term. RSUs vest on the basis of one third each year over a three-year period from the date of grant.	Invests in employee health and well-being
Performance Period		1 Year	3 Years	
		At Risk	At Risk	

The following chart outlines the total direct compensation break-down amongst the above-noted compensation categories for the year ended December 31, 2024, for NEOs.



*Peer Group Comparisons*

The Compensation Committee, with input from Management and Meridian, identified a compensation peer group to assist in the evaluation of the appropriate overall level and form of employee compensation. The peer group for 2024 consists of similarly sized peers within the broader Canadian oilfield services industry. For the purposes of 2024, the peer group included:

2024 Compensation Peer Group	
ChampionX Corporation	Newpark Resources Inc.
Enerflex Ltd.	Precision Drilling Corporation
Ensign Energy Services Inc.	Secure Energy Services Inc.
Gibson Energy Inc.	Tetra Technologies Inc.

For 2025, the Compensation Committee approved modifications to the Compensation Peer Group as follows:

**2025 Compensation Peer Group**

Ashland Global Holdings Inc.	Expro Group Holdings N.V.
Cabot Corporation	Helmerich & Payne, Inc.
ChampionX Corporation	Patterson-UTL Energy, Inc.
The Chemours Company	ProPetro Holding Corp.
Chemtrade Logistics Inc.	Tetra Technologies Inc.
Core Laboratories N.V.	Weatherford International PLC

The 2025 Compensation Peer Group consists of companies that have similar business characteristics and management responsibilities as the Corporation, including revenue, market capitalization, enterprise value, geographic exposure, and end market similarities. For 2025, the Compensation Peer Group has been expanded to incorporate additional US based companies in light of the Corporation's significant presence in the United States. In evaluating the Corporation's compensation plan for 2025, the Compensation Committee may exclude ChampionX Corporation due to the announced acquisition by Schlumberger N.V.

The Compensation Committee analyzes public information available with respect to each peer group member listed above and compares the compensation paid to particular peer executives with executives of the Corporation.

In addition, the Compensation Committee and Management have identified a peer group for the purposes of evaluating the Corporation's relative financial performance on metrics including TSR and ROCE (the "**Performance Peer Group**"). The Performance Peer Group set out below includes companies that are commonly compared to the Corporation by research and investor communities as well as certain US based corporations that the Corporation has deemed relevant:

**2024 Performance Peer Group**

ChampionX Corporation	Precision Drilling Corporation
Enerflex Ltd.	Secure Energy Services Inc.
Ensign Energy Services Inc.	STEP Energy Services Ltd.
Newpark Resources Inc.	Tetra Technologies Inc.
Pason Systems Inc.	Trican Well Service Ltd.
PHX Energy Services Corp.	Total Energy Services Inc.

For 2025, the Compensation Committee has approved changes to the Performance Peer Group as follows:

**2025 Performance Peer Group**

ChampionX Corporation	Patterson-UTL Energy, Inc.
Enerflex Ltd.	Precision Drilling Corporation
Helmerich & Payne, Inc.	Tetra Technologies Inc.
Pason Systems Inc.	Trican Well Service Ltd.
PHX Energy Services Corp.	Weatherford International PLC

In evaluating the Corporation's performance for 2025, the Compensation Committee may exclude ChampionX Corporation due to the announced acquisition by Schlumberger N.V.

### *Overall Compensation*

Recommendations to the Board of Directors in respect of executive compensation for the Core NEOs, are the responsibility of the Compensation Committee. The Compensation Committee uses all appropriate data available to it and may determine, from time to time, to engage a compensation consultant to assist in reviewing, updating and improving the Corporation's compensation program, to ensure that the Corporation is maintaining a level of compensation that is both commensurate with the size of the Corporation and sufficient to retain personnel it considers essential to the success of the Corporation. The Compensation Committee assesses the performance of Core NEOs with respect to the performance based objectives described below under the headings "*Short-Term Incentive Plan*" and "*Long-Term Incentive Plan*" to determine if such Core NEOs are eligible for awards under the Corporation's short-term incentive plan and long-term incentive plan.

The Compensation Committee also reviewed the overall structure of the US DF Annual Bonus and PureChem Quarterly Bonus, and will continue to have oversight to ensure that this compensation plan is achieving its desired incentives on a go forward basis.

### *Base Salaries*

The Corporation pays base salaries in amounts intended to: (a) recognize each NEO's unique value and historical contribution to the success of the Corporation; (b) match competitors' salaries for executive talent; (c) provide NEOs with sufficient, regularly paid income; and (d) reflect each NEO's position and level of responsibility.

The Compensation Committee reviews base salaries for the Core NEOs annually to determine if changes are warranted. In reviewing base salaries, the Compensation Committee considers a number of factors, including:

- general market and industry conditions and the operating environment for the Corporation;
- operational and financial results of the Corporation;
- a comparison to base salaries paid for comparable positions in the compensation peer group (base salaries and total compensation are targeted at the peer group median for median performance); and
- the relationship among base salaries paid by the Corporation and individual experience and contribution.

### *Short-Term Incentive Plan*

The Corporation maintains a STIP for Core NEOs as part of its compensation program. For 2024, the STIP was comprised of the following 5 metrics: (a) maximizing adjusted EBITDAC in the context of industry conditions; (b) return on capital employed relative to Performance Peer Group; (c) improving the Corporation's cash conversion cycle in support of improving free cash flow generation; (d) balance sheet management to improve liquidity, support the Company's current and foreseeable business needs, and, to the extent possible, reduce Total Debt of the Corporation; and (e) HSE performance relating to initiatives to improve safety of the Corporation's commercial vehicle fleet.

For 2025, the STIP metrics will be comprised of: (a) maximizing adjusted EBITDAC in the context of industry conditions; (b) return on capital employed relative to Performance Peer Group; (c) maximizing

free cash flow; (d) balance sheet management to improve liquidity, support the Company's current and foreseeable business needs, and, to the extent possible, reduce Total Debt of the Corporation; and (e) HSE performance relating to initiatives to improve safety of the Corporation's commercial vehicle fleet including implementation of vehicle tracking and safety systems, along with leading and lagging indicator metrics relating to vehicle safety statistics.

For 2024, the target multiplier for the STIP award was 3.15 times base salary (the "**STIP Target**") and was originally designed to be paid entirely in cash. The maximum multiplier that may be achieved under the short-term incentive plan was 2.1 times the 2024 STIP Target, being 6.61 times or 661% of a Core NEO's base salary for 2024. The STIP Target remains unchanged for 2025.

For the financial year ended December 31, 2024, the Corporation achieved \$403.1 million in EBITDAC and EBITDAC Margin of 17.1% underpinned by strong free cash flow and prudent balance sheet management. The achievement of these results illustrated improved size, scope, industry leadership and quality of earnings that far exceeded internal and external expectations. This performance was rewarded by peer leading share price performance and creation of significant shareholder value in 2024.

With respect to the Corporation's balance sheet, on May 24, 2024, the Company completed the private placement of \$200.0 million of 6.875% senior notes due on May 24, 2029, for net proceeds after offering expenses and commission of \$195.6 million (the "**Senior Notes**"). The Company used the proceeds from the issuance of the Senior Notes, along with amounts available under its senior secured credit facility (the "**Senior Facility**") to repay the \$250.0 million Canadian term loan facility (the "**Canadian Term Loan**") made available under the Senior Facility. The issuance of Senior Notes was done on more attractive terms and provided maturity extension to 2029 further bolstering the Corporation's capital structure. Despite the issuance of the Senior Notes, the return of \$128.3 million to shareholders through the Corporation's normal course issuer bid and quarterly dividend, and investments in working capital, Total Debt (as defined in the Corporation's Annual Report dated March 6, 2025) was reduced from \$469.6 million at December 31, 2023, to \$452.6 million at December 31, 2024.

Based on the foregoing, the Compensation Committee determined that the Corporation's 2024 Short Term Metrics exceeded anticipated expectations by a significant margin. Although the 2024 maximum multiplier for the STIP Target was originally set at 6.61 times, the Compensation Committee determined that the STIP multiplier would be 7.92 times the 2024 Salary for each Core NEO, as reflected by the amounts paid under the heading "*Summary Compensation Table*" below. The Compensation Committee determined it was appropriate to use discretion to reward the Core NEOs in excess of the maximum multiplier set previously due to the significant out performance of financial results versus internal and external expectations in addition to peer leading value creation during 2024.

In light of the increase in STIP compensation beyond the maximum multiplier, the Compensation Committee and Board determined that it would pay the amounts in excess of the maximum multiplier in RSUs vesting quarterly over a one year period, with the remaining STIP award paid in cash.

#### *Long-Term Incentive Plan*

The Corporation also maintains a performance based LTIP for the Core NEOs. To be eligible for an award under the LTIP, the Corporation and the Core NEOs must satisfy certain performance-based criteria recommended by the Compensation Committee and approved by the Board on an annual basis.

For 2024, the Board, on the recommendation of the Compensation Committee, established the following performance-based criteria for the Corporation for Core NEOs to be eligible for awards under the long-term incentive plan:

- **Total Shareholder Return**, relative to the Performance Peer Group. The Compensation Committee and the Board evaluated the relative TSR for the Corporation by calculating, on a quarterly basis, the Corporation's ranking compared to the Performance Peer Group as follows:

TSR Percentile Ranking	Target Multiplier (Expressed as a % of Base Salary) <sup>(1)</sup>
Less than 25%	0
25%	50
50% (median)	100
75% or greater	200

**Note:**

- (1) For every percentile increase that the Corporation achieves relative to the Performance Peer Group: (a) between the 25<sup>th</sup> and 50<sup>th</sup> percentile, the target multiplier will increase by 2%; and (b) between the 50<sup>th</sup> and 75<sup>th</sup> percentile, the target multiplier will increase by 4%.

- **Return on Capital Employed**, relative to the Performance Peer Group. The Compensation Committee and the Board evaluated the relative ROCE for the Corporation by calculating, on a trailing three year basis, the Corporation's ranking compared to the Performance Peer Group as follows:

Percentile Ranking	Target Multiplier (Expressed as a % of Base Salary) <sup>(1)</sup>
Less than 25%	0
25%	50
50% (median)	100
75% or greater	200

**Note:**

- (1) For every percentile increase that the Corporation achieves relative to the Performance Peer Group: (a) between the 25<sup>th</sup> and 50<sup>th</sup> percentile, the target multiplier will increase by 2%; and (b) between the 50<sup>th</sup> and 75<sup>th</sup> percentile, the target multiplier will increase by 4%.

- **HSE Performance**, including Core NEOs' achievements regarding: (a) Total Recordable Incident Rate ("TRIR") and (b) Lost Time Frequency Rate ("LTF"); and
- **ESG**, as determined by, among other things: (a) progress on developing, implementing and tracking certain ESG metrics; (b) positioning the Corporation to be compliant with anticipated ESG related disclosure requirements; (c) asset management processes; (d) external rating agency rankings and surveys; (e) internal controls; (f) adherence to good governance practices; (g) legislative compliance; and (h) risk mitigation.

The following chart outlines the weighting of each of the above criteria for 2024 along with the corresponding vesting schedule in respect of RSUs granted under the long-term incentive plan:

Performance Criteria	Weighting	Vesting Schedule
TSR	25%	1/3 Per Year
ROCE	25%	1/3 Per Year
HSE	25%	1/3 Per Year
ESG	25%	1/3 Per Year



For 2025, the Compensation Committee determined that the weightings of each LTIP component should be adjusted to better reflect the relative importance that investors and other stakeholders place on these metrics. Accordingly, the following chart outlines the weighting for each LTIP criteria for 2025:

Performance Criteria	Weighting	Vesting Schedule
TSR	30%	1/3 Per Year
ROCE	30%	1/3 Per Year
HSE	30%	1/3 Per Year
ESG	10%	1/3 Per Year

For 2024, the targeted long-term incentive award for each Core NEO was 1.35 times or 135% of the 2024 Salary (the “**LTIP Target**”) with actual awards ranging from zero to a maximum of 2.0 times the targeted award percentage or a maximum of 270% of a Core NEO’s base salary.

The Compensation Committee used specific metrics relating to TRIR and LTF to measure HSE Performance. TRIR is an industry standard metric which measures the frequency of recordable incidents (fatalities, lost time, restricted or modified duties, or medical treatment), and LTF provides context regarding the relative severity of recordable incidents. TRIR represents 75% of the HSE Performance metric, and LTF represents the remaining 25%. Both TRIR and LTF are calculated as weighted averages as it relates to CES’ divisions and subsidiaries.

For 2024, The TRIR required to achieve 100% of the TRIR component of HSE Performance was less than or equal to 1.05 recordable incidents per 200,000 hours worked. A TRIR above 1.25 would result in 0% of the TRIR component being paid, and a TRIR below 0.68 would result in a maximum of 200% of the TRIR component being paid. In 2024, the TRIR for the Corporation was 0.73, resulting in 190% of the TRIR component being paid.

The LTF required to achieve 100% of the LTF component of HSE Performance metric was a rate of less than or equal to 0.19 measured by the number of injuries which resulted in an employee being unable to perform their duties on the day or shift following the date of incident per 200,000 hours worked. An LTF above 0.40 would result in 0% of the LTF component being paid, and an LTF below 0.15 would result in a maximum of 200% of the LTF component being paid. In 2024, the LTF for the Corporation was 0.20 resulting in 80% of the LTF component being paid.

Based on the foregoing LTF and TRIR results, along with the Corporation achieving a relative TSR of 84.6%, relative ROCE of 73.4% and the Compensation Committee determining that the Core NEO’s satisfied the ESG LTIP Target, the Core NEO’s LTIP multiplier was set at 2.33 times the 2024 Salary for each Core NEO, payable in RSUs vesting in thirds annually, as reflected by the amounts paid under the heading “*Summary Compensation Table*” below.

RSUs awarded to the Core NEOs by the Board, on the recommendation of the Compensation Committee, in respect of the 2024 long-term incentive award will all vest on a one third basis over a three-year period ending on December 31, 2028, and are anticipated to be settled in shares upon vesting. RSUs are only issued to NEOs who continue to perform their duties in the year in which such RSUs are granted.

With respect to HSE metrics, for 2025, the TRIR required to achieve 100% of the TRIR component of HSE Performance will be less than or equal to 0.85 recordable incidents per 200,000 hours worked. A TRIR above 1.12 will result in 0% of the TRIR component being paid, and a TRIR below 0.55 will result in a maximum of 200% of the TRIR component being paid.

The LTF target, maximum and minimums have also been improved for 2025. To achieve 100% of the LTF component of HSE Performance, the Corporation must achieve a rate of 0.18 lost time incidents per 200,000 hours worked. An LTF above 0.35 will result in 0% of the LTF component being paid, and an LTF below 0.15 will result in a maximum of 200% of the LTF component being paid.

Linear scaling will be used to calculate the TRIR and LTF multiplier between 0% and each respective maximum multiplier.

The LTIP Target and maximum amounts payable thereunder remain unchanged for 2025. This will result in a target ratio of 70/30 for the 2025 STIP Target and 2025 LTIP Target respectively, for a total of 4.5 times base salary for the short-term and long-term incentive plans collectively.

The Compensation Committee and the Board do not consider previous grants when considering new grants. If the Compensation Committee and the Board are satisfied that the performance criteria set out above under the LTIP are met, the Board will approve the award of RSUs to the Core NEOs provided that the recipient continues to perform in a consistent manner in the year in which such RSUs are awarded. For clarity, under the LTIP, the performance criteria set out above must first be achieved prior to Board approval of the award of RSUs.

### *Benefits*

CES supports a traditional employee benefit plan consisting of health and dental care and various forms of life and disability insurance. The NEOs are eligible to participate in the same benefits as are offered to all full-time employees. The Corporation does not view these benefits as a significant element of its compensation structure, but does believe that they can be used in conjunction with base salary to attract, motivate and retain individuals in a competitive environment.

### *US DF Annual Bonus*

In addition to the US DF President's base salary, Mr. Strickland is eligible to receive the US DF Annual Bonus based on the AES' financial performance during each fiscal year. The US DF Annual Bonus is a sliding scale percentage formula based on the EBITDAC generated by AES with 70% comprising the US DF Cash Component and 30% comprising the US DF RSU Component. The US DF Annual Bonus is a four year program providing for a multiplier factor based on the number of years the US DF President has held his position. For 2024 the US DF Annual Bonus was pro-rated based on Mr. Strickland's start date of April 8, 2024. The US DF RSU Component consists of RSUs, vesting in thirds over a three year period, provided that the US DF President continues to perform and provide services for the Corporation in the year in which such RSUs are awarded.

Prior to Mr. Strickland's appointment to the role of US DF President, Mr. Strickland held the role of Senior Vice President of AES and was eligible to receive certain cash bonuses and discretionary RSUs and/or PSUs based on sales and financial performance of AES.

The amounts paid to Mr. Strickland for the previous three years is disclosed below under "Summary Compensation Table".

### *PureChem Quarterly Bonus and Long Term Compensation*

In addition to the PureChem President's base salary, Mr. Burroughs is eligible to receive the PureChem Quarterly Bonus based on PureChem's financial performance during each fiscal year. The PureChem Quarterly Bonus provides for a bonus pool based on the satisfaction of certain adjusted EBITDAC amounts, which is then allocated between the PureChem President and employees of PureChem. The PureChem Quarterly Bonus is paid in cash on a quarterly basis following each respective quarter. In addition, the PureChem President may be eligible for a discretionary grant of RSUs, vesting in thirds over

a three-year period if the PureChem President satisfies certain long-term performance criteria as determined by the CEO and the Board of Directors from time to time.

### *Compensation of the President and Chief Executive Officer*

Mr. Zinger's annual compensation, long-term compensation and other compensation are disclosed below under "Summary Compensation Table". Mr. Zinger currently significantly exceeds the amount of ownership required under the Corporation's share ownership requirements. See "Executive Share Ownership Requirements".

### *Executive Share Ownership Requirements*

To align executive and shareholder interests, the CEO, CFO, US Production Chemicals President and US DF President, must meet minimum share ownership requirements. The minimum share ownership requirements reflect the executive's compensation and position and may be satisfied through holdings of Common Shares and RSUs. Newly appointed executives have three years to meet the share ownership requirements.

The Corporation currently does not have minimum share ownership requirements for the PureChem President. The Compensation Committee will reevaluate this requirement during its annual review of the compensation practices of the Corporation.

The table below summarizes the minimum ownership requirements by level:

EXECUTIVE LEVEL	MINIMUM OWNERSHIP REQUIREMENT
CEO	Six (6x) times annual base salary
CFO	Five (5x) times annual base salary
US Production Chemicals President	Three (3x) times annual base salary
US DF President	Three (3x) times annual base salary

The following table sets out the NEOs share ownership as against the foregoing minimum share ownership guidelines:

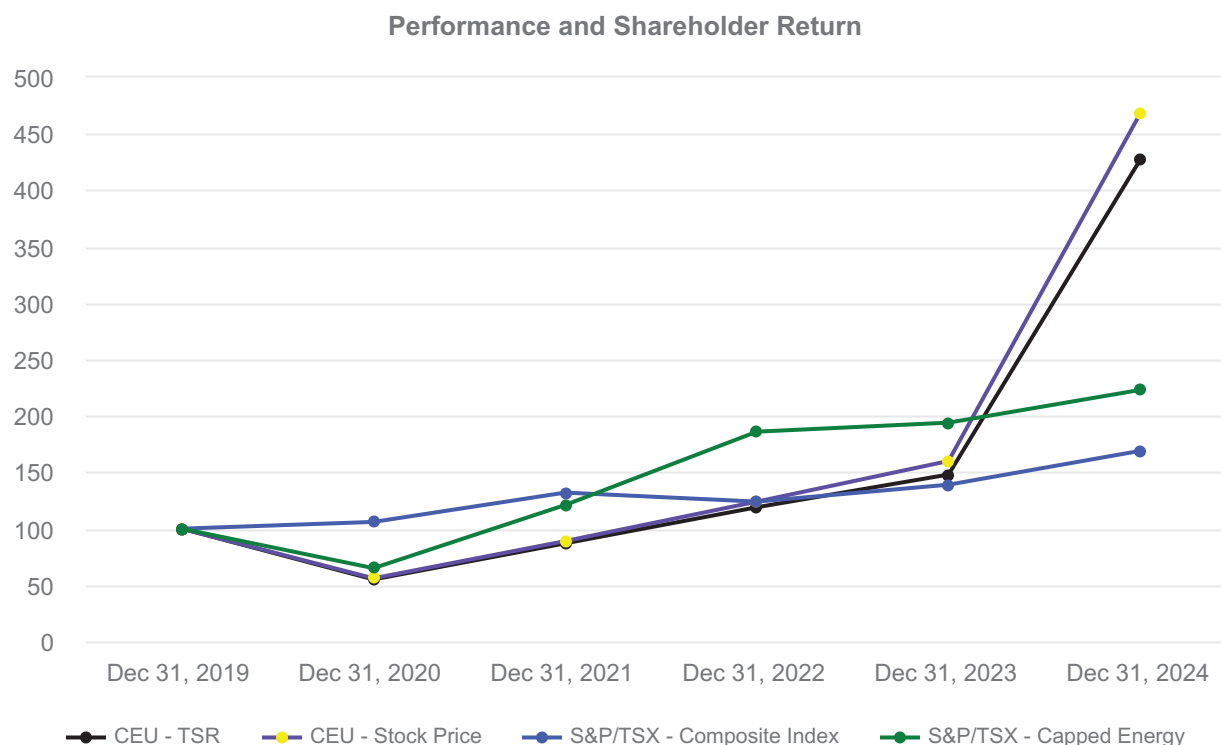
NAME	SHARE OWNERSHIP GUIDELINES	SHARE OWNERSHIP OF NEOs AT DECEMBER 31, 2024				REQUIREMENT MET (✓) OR VALUE (\$) REQUIRED TO MEET REQUIREMENT
	MULTIPLE OF BASE SALARY	DIRECTLY HELD COMMON SHARES (\$) <sup>(1)</sup>	SHARE UNITS (\$) <sup>(1)</sup>	TOTAL OWNERSHIP (\$)	TOTAL OWNERSHIP MULTIPLE OF SALARY	
Kenneth E. Zinger <sup>(2)</sup>	6	21,230,070	8,752,848	29,982,918	42.8	✓
Anthony M. Aulicino	5	10,001,354	6,798,010	16,799,363	32.0	✓
Vernon J. Disney	3	11,838,290	6,798,010	18,636,299	35.5	✓
James S. Strickland <sup>(3)</sup>	3	90,917	1,184,568	1,275,484	2.8	74,516
Dave Burroughs <sup>(4)</sup>	N/A	—	707,336	707,336	N/A	N/A

#### **Notes:**

- (1) Based on the closing price on the TSX of the Common Shares of \$9.92 on December 31, 2024.
- (2) Includes 127,768 Common Shares held by Mr. Zinger's spouse, 17,200 Common Shares held by Mr. Zinger's children and 186,800 held privately by KEZ Management.
- (3) Mr. Strickland has three years from April 8, 2024 to meet the minimum share ownership guidelines.
- (4) Mr. Burroughs is not required to meet specific minimum share ownership requirements at this time.

## Performance Graph

The following graph illustrates changes from December 31, 2019, to December 31, 2024, in the cumulative Shareholder return, assuming an initial \$100 investment in the Common Shares with all cash distributions reinvested at the payment date of such distributions, compared to the cumulative return of the S&P/TSX Composite Index and the Oil & Gas Equipment & Services Index.



The trend shown in the above graph does not necessarily correspond to CES' compensation to its Core NEOs for the period ended December 31, 2024, or for any prior fiscal periods. The Corporation's executive compensation is reviewed annually and is set by the Board of Directors upon the recommendation of the Compensation Committee. In connection with its determination of appropriate levels of compensation, the Compensation Committee and the Board consider a number of factors, all of which are discussed above under "*Executive Compensation – Compensation Discussion and Analysis*".

Beginning in 2019, the Compensation Committee and the Board have incorporated relative TSR as a component of the Corporation's long-term incentive plan which is further discussed under the heading "*Executive Compensation – Compensation Discussion and Analysis – Long Term Incentive Plan*".

The trading price of the Common Shares on the TSX is subject to fluctuation based on several factors, many of which are outside the control of the Corporation. These include, but are not limited to, fluctuations and volatility in commodity price markets for oil and natural gas and natural gas liquids, input costs relating to products used in connection with the Corporation's services, global economic conditions, changes in government, environmental policies, legislation and royalty regimes, and other factors, some of which are disclosed and discussed under the heading "*Risk Factors*" in the Corporation's Annual Information Form for the year ended December 31, 2024.

## Summary Compensation Table

The following table sets forth the total compensation of the Named Executive Officers for the last three financial years.

Name and Position	Year	Salary (\$)	Share-Based Awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation <sup>(2)</sup> (\$)	All Other Compensation <sup>(3)</sup> (\$)	Total Compensation (\$)
<b>Kenneth E. Zinger</b> <sup>(4)</sup> President & Chief Executive Officer	2024	700,000	2,578,726	4,593,786	18,510	7,891,022
	2023	700,000	2,640,429	3,220,000	49,997	6,610,426
	2022	700,000	2,191,351	3,096,031	15,036	6,002,418
<b>Anthony M. Aulicino</b> Executive VP & Chief Financial Officer	2024	525,000	1,934,044	3,445,339	28,710	5,933,093
	2023	525,000	1,980,322	2,415,000	27,697	4,948,019
	2022	525,000	1,643,513	2,322,023	25,236	4,515,772
<b>Vernon J. Disney</b> President, US Production Chemicals	2024	525,000	1,934,044	3,445,339	49,375	5,953,758
	2023	525,000	1,980,322	2,415,000	49,375	4,969,697
	2022	525,000	1,643,513	2,322,023	44,692	4,535,228
<b>James S. Strickland</b> <sup>(5)</sup> President, US Drilling Fluids	2024	450,000	867,183	1,595,769	44,116	2,957,068
	2023	340,124	232,480	176,969	39,622	789,195
	2022	327,928	191,435	138,814	59,890	718,067
<b>Dave Burroughs</b> <sup>(5)</sup> President, PureChem	2024	318,750	200,000	1,058,116	29,760	1,606,626
	2023	290,000	120,000	506,874	27,260	944,134
	2022	290,000	85,227	266,227	26,530	667,983

### Notes:

- (1) Consists of RSUs granted under the RSU Plan in respect of services performed in the referenced financial year, which grants are made following the end of the referenced year in respect of the long-term incentive plan. See "Share Based Compensation Plans" for a description of the terms of the RSU Plan. Amounts represent the fair value based on the five day volume weighted average trading price of the Common Shares on the TSX on the day immediately preceding the date the Board of Directors approved the grant of RSUs. For share-based awards granted in respect of 2024 performance, the Board of Directors approved the grant of RSUs on March 6, 2025, using a five-day volume weighted average trading price of \$7.6375. In accordance with the Corporation's standard blackout period, the actual grant date for the share-based awards granted in respect of 2024 performance was March 14, 2025, and the five-day volume weighted average price used for accounting purposes under IFRS was \$7.0667.
- (2) Represents the cash bonus awards paid to the Named Executive Officers. In the case of Messrs. Zinger, Aulicino, and Disney the cash bonuses declared for the respective fiscal year were paid in the following calendar year. For Mr. Strickland, the cash bonus was paid in the respective fiscal year. For Mr. Burroughs, the cash bonus was paid on a quarterly basis with the fourth quarter bonus paid in the following calendar year.
- (3) Represents all other employer-paid employee benefits and taxable perquisites.
- (4) Mr. Zinger is a director of the Corporation but was not compensated by the Corporation for his services in his capacity as a director during any of the referenced financial years, other than reimbursement for out-of-pocket expenses for attending meetings of the Board of Directors.
- (5) The share based awards for Messrs. Strickland and Burroughs in 2022 and 2023 were comprised solely of PSU grants.

## Outstanding Share Based Awards as at December 31, 2024

The following tables set forth all outstanding awards held by the Named Executive Officers as at December 31, 2024, under the Award Plans.

Name	Share-based Awards		
	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(1)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Kenneth E. Zinger	882,344	8,752,848	Nil
Anthony M. Aulicino	685,283	6,798,010	Nil
Vernon J. Disney	685,283	6,798,010	Nil
James S. Strickland	119,412	1,184,568	Nil
Dave Burroughs	71,304	707,336	Nil

**Note:**

- (1) The value of the unvested share based awards as at December 31, 2024, has been determined based on the closing price of the Common Shares on the TSX on December 31, 2024, of \$9.92 per Common Share.

## Incentive Plan Awards — Value Vested or Earned During the Year

The following table sets forth for each NEO the value of the Share Based Awards vested and redeemed during the year ended December 31, 2024. The value of the Share Based Awards vested and redeemed is based on the five-day volume weighted average trading price of the Common Shares on the TSX prior to the date of redemption.

Name	Share-based awards-Value vested during the year (\$)
Kenneth E. Zinger	5,391,095
Anthony M. Aulicino	4,442,587
Vernon J. Disney	4,442,587
James S. Strickland	557,989
Dave Burroughs	434,917

## Termination and Change of Control Benefits

### *Executive Employment Agreements*

#### General

The Corporation has executive employment agreements (the “**Executive Employment Agreements**”) with each of the NEOs. The Executive Employment Agreements are for an indefinite term, until terminated by the Corporation or a NEO pursuant to the terms and conditions of the respective Executive Employment Agreement. The Executive Employment Agreements contain non-competition and non-solicitation provisions that restrict the NEOs from directly or indirectly competing with the Corporation or soliciting business from clients of the Corporation for a prescribed period of time (the “**Restrictive Period**”). The Restrictive Period for the NEOs is eighteen (18) months following the termination of their respective Executive Employment Agreement.

For the purposes of the Executive Employment Agreements, a “**Change of Control**” means, in the case of Messrs. Zinger, Aulicino and Burroughs: (i) the acceptance, by the beneficial owners of voting units (“**Voting Units**”) of Canadian Energy Services L.P. (the “**Partnership**”) representing in the aggregate 50% or more of all issued and outstanding Voting Units, of any offer for all or any of the Voting Units, provided



that no Change of Control shall be deemed to have occurred if upon completion of any such transaction, individuals who were members of the Board of Directors immediately prior to the effective date of such transaction constitute a majority of the Board of Directors following such effective date; (ii) the acquisition by a person (or two or more persons acting jointly or in concert, directly or indirectly) of beneficial ownership of outstanding securities, other interests or rights to acquire securities, which, together with such person's then owned outstanding securities, other interests or rights to acquire securities, result in that person or persons being in a position to exercise effective control of the Partnership or the Corporation (i.e. such person or group of persons holding, owning or controlling, directly or indirectly, more than 50% of the outstanding voting securities or interests), except where such acquisition is part of a bona fide reorganization of the Corporation in circumstances where the affairs of the Corporation are continued, directly or indirectly; (iii) the sale, lease or exchange by the Partnership of all or substantially all of its assets (other than to an affiliate of the Partnership in circumstances where the affairs of the Partnership are continued, directly or indirectly); (iv) the passing of a resolution by the Board of Directors or the beneficial owners of Voting Units to substantially liquidate the assets or wind up the Partnership or significantly rearrange the affairs of the Partnership in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding up or re arrangement, except where such resolution is part of a bona fide reorganization of the Partnership in circumstances where the affairs of the Partnership are continued, directly or indirectly; or (v) any other event which in the opinion of the Board of Directors reasonably constitutes a Change of Control.

In the case of Messrs. Disney and Strickland a **"Change of Control"** means: (i) the acceptance of any offer for all or any of the Common Shares by the holders of Common Shares of 50% or more of the issued and outstanding Common Shares, provided that no Change of Control shall be deemed to have occurred if upon completion of any such transaction, individuals who were members of the Board of Directors immediately prior to the effective date of such transaction constitute a majority of the Board of Directors following such effective date; (ii) the acquisition by a person (or two or more persons acting jointly or in concert, directly or indirectly) of beneficial ownership of outstanding securities, other interests or rights to acquire securities, which, together with such person's then owned outstanding securities, other interests or rights to acquire securities, result in that person or persons being in a position to exercise effective control of the Corporation (i.e. such person or group of persons holding, owning or controlling, directly or indirectly, more than 50% of the outstanding voting securities or interests), except where such acquisition is part of a bona fide reorganization of the Corporation in circumstances where the affairs of the Corporation are continued, directly or indirectly; (iii) the sale by the Corporation of all or substantially all of its assets (other than to an affiliate of the Corporation in circumstances where the affairs of the Corporation are continued, directly or indirectly); (iv) the passing of a resolution by the Board of Directors or the Common Shareholders to substantially liquidate the assets or wind up the Corporation or significantly rearrange the affairs of the Corporation in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding up or re arrangement; or (v) any other event which in the opinion of the Board of Directors reasonably constitutes a change of control.

For the purposes of the Executive Employment Agreements for the NEOs, **"Severance Period"** means a period of eighteen (18) months' notice or pay in lieu of notice, in the Corporation's discretion.

#### *Termination Without Cause or Termination Following Change of Control and Good Reason*

If an NEO: (i) is terminated without cause; or (ii) terminates his Executive Employment Agreement following a Change of Control of the Corporation and for "good reason", including a loss of position or reduction in salary and benefits (collectively, a **"Change of Control Reason"**), such NEO may, within 180 days following the Change of Control, provide the Corporation with 60 days' written notice and be entitled to: (i) his base salary and employee benefits and perquisites to the conclusion of the Severance Period; (ii) an amount equal to the average bonus paid to such NEO each year over the three previous years multiplied by 1.5; and (iii) the vesting of any RSUs, granted to the NEO prior to the NEOs termination date which remain unvested and would have otherwise vested during the Severance Period, which shall be



deemed to have vested on the date of such NEOs termination and therefore redeemable for Common Shares.

#### *Termination for Good Reason*

If an NEO terminates his Executive Employment Agreement following: (i) the assignment of any duties inconsistent with such NEO's status as an executive officer of the Corporation or a material alteration in the nature or status of such NEO's responsibilities or duties or reporting relationship; (ii) a reduction by the Corporation in such NEO's base salary or other remuneration; (iii) the elimination of such NEO's bonus; (iv) a material reduction by or as a result of action by the Corporation in such NEO's employment benefits; (v) the Corporation requiring such NEO to be based anywhere other than as provided for in his Executive Employment Agreement, excepting business travel obligations in the ordinary course of business; (vi) failure by the Corporation to pay to such NEO any non-discretionary bonus to which such NEO is entitled from time to time on or before four (4) months from the end of the period to which the bonus relates; or (vii) the failure of the Corporation or the Partnership to obtain a satisfactory agreement from a successor to assume and agree to perform the Executive Employment Agreement (each circumstance constituting "**Good Reason**"), such NEO is entitled to: (i) their base salary and employee benefits and perquisites to the conclusion of the Severance Period; (ii) an amount equal to the average bonus paid to the NEO each year over the three previous years multiplied by 1.5; and (iii) the vesting of any RSUs, granted to the NEO prior to the NEO's termination date which remain unvested and would have otherwise vested during the Severance Period, which shall be deemed to have vested on the termination date and therefore redeemable for Common Shares. The Corporation remains liable to the NEO for payment of any non-discretionary bonus to which the NEO was entitled on the date of issuance by the NEO of the notice of termination.

#### *Termination for Cause and Voluntary Resignation*

Under the Executive Employment Agreements, in the event of a termination for cause or upon notice of the voluntary resignation of an NEO, the Corporation is not obligated to pay any further compensation from the date of termination, provided that the Corporation has paid the NEO their salary, benefits and out of pocket expenses earned up to the date of termination.

#### *Death or Permanent Disability*

If an NEO's employment is terminated due to death, his estate is entitled to receive (1) any unpaid annual salary, less required deductions, owing up to and including the date of death; (2) all outstanding vacation pay; and (3) expense reimbursements and bonus where: (i) if the NEO dies between the date of the Corporation's fiscal year end and the bonus payment date, the Corporation shall pay to the estate an amount in cash equal to 100% of the bonus that would otherwise have been payable to the NEO for the fiscal year ended, less required deductions; or (ii) if the bonus has not yet been determined in the year of the NEO's death, the Corporation shall pay to the estate a pro-rata amount in cash, calculated by dividing the number of days worked by the NEO in the fiscal year in question by the total number of working days in that fiscal year.

If an NEO suffers a permanent disability, the Corporation may terminate his Executive Employment Agreement after exhaustion of the Corporation's short-term disability coverage by providing 60 days' notice. Upon termination as a result of permanent disability, such NEO continues to be entitled to such insurance benefits as the NEO is qualified to receive pursuant to any long term disability plan and to any benefit or entitlement under any pension plan of the Corporation or any executive superannuation undertakings in which the NEO participates and is qualified to receive. Additionally, if the NEO suffers a permanent disability between the date of the Corporation's fiscal year end and the bonus payment date, the Corporation shall pay to the NEO an amount in cash equal to 100% of the bonus that would otherwise have been payable to the NEO for the fiscal year ended, less required deductions. If the bonus has not yet been determined in the year of the NEO's permanent disability, the Corporation shall pay to the NEO a

pro-rata amount in cash, calculated by dividing the number of days worked by the NEO in the fiscal year in question by the total number of working days in that fiscal year.

### *Estimated Payments*

The following table sets forth the estimated incremental payments under the Executive Employment Agreements that would have been required to have been made to the NEO had a NEO either been (i) terminated without just cause; (ii) entitled to terminate his or her employment within 180 days of a Change of Control and for a Change of Control Reason; or (iii) for the NEO's, entitled to terminate his or her employment for Good Reason, and in each case had such events occurred on December 31, 2024.

**Estimated Incremental Payments as of December 31, 2024**  
**Termination Without Cause, Termination Following a Change of Control and Change of Control Reason, or Termination for Good Reason**

<b>Name</b>	<b>(\$)</b>
Kenneth E. Zinger	10,237,926
Anthony M. Aulicino	7,700,686
Vernon J. Disney	7,731,683
James S. Strickland	2,342,499
Dave Burroughs	1,640,987

### *RSU and PSU Plan*

As described under “*Share Based Compensation Plans – Terms of the RSU Plan*”, the RSU Plan, in conjunction with the Executive Employment Agreements provide for the accelerated vesting of outstanding RSUs in certain circumstances, including in connection with certain change of control transactions or termination events. The PSU Plan contains identical provisions with respect to the accelerated vesting of outstanding PSUs in certain circumstances, including in connection with certain change of control transactions or termination events.

The following table provides details of the value of accelerated RSUs (or RSUs and PSUs in the case of Messrs. Strickland and Burroughs) held by the NEOs as at December 31, 2024, assuming the occurrence of the noted triggering event as at December 31, 2024. The value of the accelerated RSUs (or RSUs and PSUs in the case of Messrs. Strickland and Burroughs) has been calculated by multiplying the number of RSUs held by the Named Executive Officer (or the number of RSUs and PSUs held by Messrs. Strickland and Burroughs) by the closing price of the Common Shares on the TSX on December 31, 2024, of \$9.92.

Name	Triggering Event	Value of Accelerated RSUs (\$)
Kenneth E. Zinger	Termination Without Cause or Change of Control	9,615,449
	Termination for Change of Control Reason	9,615,449
	Termination for Good Reason	9,615,449
	Termination for Cause and Voluntary Resignation	Nil
	Termination on Death or Permanent Disability	Nil
Anthony M. Aulicino	Termination Without Cause or Change of Control	7,445,670
	Termination for Change of Control Reason	7,445,670
	Termination for Good Reason	7,445,670
	Termination for Cause and Voluntary Resignation	Nil
	Termination on Death or Permanent Disability	Nil
Vernon J. Disney	Termination Without Cause	7,445,670
	Termination for Change of Control Reason	7,445,670
	Termination for Good Reason	7,445,670
	Termination for Cause and Voluntary Resignation	Nil
	Termination on Death or Permanent Disability	Nil
James S. Strickland	Termination Without Cause or Change of Control	979,342
	Termination for Change of Control Reason	979,342
	Termination for Good Reason	979,342
	Termination for Cause and Voluntary Resignation	Nil
	Termination on Death or Permanent Disability	Nil
Dave Burroughs	Termination Without Cause	624,409
	Termination for Change of Control Reason	624,409
	Termination for Good Reason	624,409
	Termination for Cause and Voluntary Resignation	Nil
	Termination on Death or Permanent Disability	Nil

## DIRECTORS' COMPENSATION

### Overview

The Board of Directors, through the Compensation Committee, is responsible for developing and implementing the directors' compensation plan. The main objectives of the directors' compensation plan are to:

- compensate the directors in a manner that is commensurate with the risks and responsibilities assumed in Board of Directors and committee membership, and competitive with other comparable public issuers; and
- align the interests of the directors with the Shareholders.

Unlike compensation for the NEOs, the directors' compensation plan is not designed to pay for performance; rather, directors receive equity-based compensation and retainers for their services and meeting fees paid in cash in order to help ensure unbiased decision-making.

For the financial year ended December 31, 2024, the fees for the Board were as follows:

<b>Fee</b>	<b>Fee Amount</b>
Annual Retainer for Board member	\$75,000
Meeting Fee for Board and Committee Meetings (in person)	\$1,500
Meeting Fee for Board and Committee Meetings (via conference call)	\$1,000
Annual Retainer for Chair of the Board	\$50,000
Annual Retainer for Chair of the Audit Committee	\$12,000
Annual Retainer for the Chair of the Compensation Committee	\$9,000
Annual Retainer for Chair of the Governance and Nominating Committee	\$9,000
Annual Retainer for Chair of the HS&E Committee	\$9,000

For the financial year ended December 31, 2024, US based Directors were paid the above retainers and meeting fees in US Dollars. Effective January 1, 2025, in order to ensure that all Directors are compensated equally, all Directors regardless of residence shall be paid the foregoing Board fee amounts in US Dollars.

The Corporation also reimburses the directors for out-of-pocket expenses for attending meetings. No compensation was paid to Mr. Zinger in his capacity as a director of the Corporation.

Pursuant to the DCA, directors may elect to receive their annual retainer and meeting fees in the form of Common Shares instead of cash. If a director elects to receive any portion of his or her annual retainer or meeting fees in the form of Common Shares, the number of Common Shares to be issued will be determined after converting to Canadian Dollars, net of withholding taxes and based on the five day volume weighted average trading price of Common Shares prior to each payment date, subject to the Corporation's trading policy.

## Summary Compensation Table

The following table summarizes the compensation paid, payable, awarded or granted for 2024 to each of the non-management directors of the Corporation in 2024.

Name <sup>(1)</sup>	Fees earned <sup>(2)</sup> (\$)	Share-based awards <sup>(3)</sup> (\$)	All other compensation (\$)	Total (\$)
Kyle D. Kitagawa	129,786	150,000	Nil	279,786
Spencer D. Armour III <sup>(4)</sup>	132,871	150,000	Nil	282,871
Stella Cosby <sup>(5)</sup>	114,000	150,000	Nil	264,000
Ian Hardacre	105,000	150,000	Nil	255,000
John M. Hooks <sup>(6)</sup>	107,500	150,000	Nil	257,500
Edwin (Joseph) Wright <sup>(4)</sup>	143,829	150,000	Nil	293,829

### Notes:

- (1) Mr. Zinger does not receive compensation for serving as a director.
- (2) Represents all fees awarded, earned, paid, or payable in cash for services as a director, including annual retainer fees, committee, chair and all meeting fees, including fees paid in the form of Common Shares pursuant to the DCA.
- (3) Consists of RSUs granted under the RSU Plan in respect of services performed in the referenced financial year, which grants are made in March. Each Director was granted 35,560 RSUs respectively on March 14, 2024. The above referenced Share-Based Award amounts represents the fair value based on the five day volume weighted average trading price of the Common Shares on the TSX on the day immediately preceding the date the Board of Directors approved the grant of RSUs being \$4.2188. The grant of RSU awards made to the respective Directors vest quarterly on the first of July, October, January, and April, as determined by the Board of Directors.
- (4) Mr. Armour and Mr. Wright received their director fees in US dollars. The amount set out above has been converted to Canadian Dollars using the average exchange rate for 2024 provided by the Bank of Canada of \$1.3698.
- (5) Ms. Cosby received \$59,280 of her 2024 directors' compensation in Common Shares paid pursuant to the DCA.
- (6) Mr. Hooks received \$55,900 of his 2024 directors' compensation in Common Shares paid pursuant to the DCA.
- (7) Mr. Hardacre received \$54,600 of his 2024 directors' compensation in Common Shares paid pursuant to the DCA.

## Outstanding RSUs as at December 31, 2024

Directors of the Corporation are entitled to participate in the security-based compensation arrangements of the Corporation, including receiving RSUs under the RSU Plan. See "*Share Based Compensation Plans*" above for a description of the RSU Plan. The purpose of granting awards under such incentive plans is to assist the Corporation in compensating, attracting, retaining and motivating directors and to align the interests of such persons with those of the Shareholders.

The following table sets forth all outstanding awards held by the non-management directors of the Corporation as at December 31, 2024, under the RSU Plan.

Name	Share-based Awards		
	Number of Shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(1)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Kyle D. Kitagawa	18,012	178,683	Nil
Spencer D. Armour III	18,012	178,683	Nil
Stella Cosby	18,012	178,683	Nil
Ian Hardacre	18,012	178,683	Nil
John M. Hooks	18,012	178,683	Nil
Edwin (Joseph) Wright	18,012	178,683	Nil

**Note:**

(1) The value of the unvested RSUs as at December 31, 2024, has been determined based on the closing price of the Common Shares on the TSX on December 31, 2024, of \$9.92 per Common Share.

**RSU Plan Awards — Value Vested or Earned During the Year**

The following table sets forth for each non-management director the value of RSUs vested and redeemed during the year ended December 31, 2024. The value of the RSUs vested and redeemed is based on the five-day volume weighted average trading price of the Common Shares on the TSX prior to the date of redemption.

Name	Share-based awards-Value vested during the year (\$)	Non-equity incentive plan compensation-Value earned during the year (\$)
Kyle D. Kitagawa	241,123	Nil
Spencer D. Armour III	241,123	Nil
Stella Cosby	241,123	Nil
Ian Hardacre	241,123	Nil
John M. Hooks	241,123	Nil
Edwin (Joseph) Wright	241,123	Nil

**Non-Executive Director Share Ownership Requirements**

To align Shareholder interests and the interests of the non-executive directors of the Corporation, all of the non-executive directors must meet a minimum share ownership requirement. The minimum share ownership requirement for the non-executive directors of the Corporation has been set at three times the directors' annual retainer, including the value of any equity-based consideration. Newly elected non-executive directors have three years to meet the share ownership requirements.

The table below shows the Common Shares and RSUs each non-executive director of the Corporation held as of December 31, 2024:

Director	Total Compensation in 2024 (\$)	Number of Common Shares	Number of RSUs	Total number of Common Shares and RSUs	Total value of Common Shares and RSUs <sup>(1)</sup> (\$)	Guideline met (✓) or value (\$) required to meet guideline
Kyle D. Kitagawa	279,786	1,613,137	18,012	1,631,149	16,181,002	✓
Spencer D. Armour III <sup>(2)</sup>	282,871	329,828	18,012	347,840	3,450,577	✓
Stella Cosby	264,000	338,573	18,012	356,585	3,537,327	✓
Ian Hardacre	255,000	194,001	18,012	212,013	2,103,173	✓
John M. Hooks	257,500	1,024,733	18,012	1,042,745	10,344,035	✓
Edwin (Joseph) Wright <sup>(2)</sup>	293,829	127,855	18,012	145,867	1,447,005	✓

**Notes:**

- (1) The value of the RSUs as at December 31, 2024, have been determined based on the closing price of the Common Shares on the TSX on December 31, 2024 of \$9.92 per Common Share.
- (2) Messrs. Armour and Wright received their director fees in US dollars. The amount set out above has been converted to Canadian Dollars using the average exchange rate for 2024 provided by the Bank of Canada of \$1.3698.

## INDEBTEDNESS OF DIRECTORS AND MANAGEMENT

No director, executive officer, employee or former director, executive officer or employee of the Corporation or its subsidiaries nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation or its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

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

To the knowledge of the Board of Directors and Management, no person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, no proposed nominee of Management for election as a director of the Corporation and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting, except as otherwise disclosed herein.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Board of Directors and Management, no directors or executive officers of the Corporation, or associate or affiliate of any of the foregoing, has had an interest, direct or indirect, in any material transaction of the Corporation since January 1, 2024 or in any proposed transaction that has materially affected or would materially affect the Corporation, other than as disclosed in the Corporation's consolidated financial statements for the year ended December 31, 2024 or the Corporation's Annual Information Form, each of which is available on the internet on the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

## ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on the internet on the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information relating to the Corporation is provided in the Corporation's audited consolidated financial statements and management's discussion and analysis for the financial year ended December 31, 2024. Shareholders may contact the Corporation to request copies of the Corporation's financial statements and management's discussion and analysis at Suite



1400, 332 6 Avenue SW, Calgary, AB T2P 0B2, Attention: Mr. Anthony M. Aulicino, Executive Vice President and Chief Financial Officer.

#### **OTHER MATTERS**

As of the date of this Information Circular, the Board of Directors and Management know of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting; however, if any other matter properly comes before the Meeting, proxies in favour of Management nominees will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

#### **DIRECTORS' APPROVAL**

The contents and sending of this Information Circular have been approved by the directors of the Corporation.

## APPENDIX “A”

### BOARD OF DIRECTORS TERMS OF REFERENCE

The board of directors (the “**Board**”) of CES Energy Solutions Corp. (the “**Corporation**”) is responsible for overseeing the conduct of the business of the Corporation and the activities of management of the Corporation.

#### 1. Composition and Operation

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains responsibility for managing its own affairs, including selecting its chair, planning its composition and size, nominating candidates for election to the Board, constituting committees of the Board, determining director compensation, and assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities. Subject to the articles and by-laws of the Corporation and the *Business Corporations Act* (Alberta), the Board may constitute, seek the advice of, and delegate powers, duties and responsibilities to, committees of the Board.

#### 2. Responsibilities

The Board’s primary responsibility is for the stewardship of the business of the Corporation and the Board’s fundamental objectives are to enhance and preserve long-term value of the common shares (“**Common Shares**”) and maintain the dividends thereon and to ensure that the Corporation meets its obligations on an on-going basis and operates in a reliable and safe manner. In performing its duties, the Board may also consider the legitimate interests other stakeholders, such as employees, customers and communities, may have in the Corporation. In broad terms, the stewardship of the business of the Corporation involves the Board in strategic planning, risk management and mitigation, senior management determination, performance assessment and succession planning, communication planning, and internal control integrity.

#### 3. Specific Duties

The Board’s specific duties, obligations and responsibilities fall into the categories outlined below.

##### (a) Legal Requirements

- (i) The Board has oversight responsibility for the Corporation’s satisfaction of its legal obligations and for properly preparing, approving and maintaining the Corporation’s documents and records.
- (ii) The Board has the obligation to:
  - A. manage, or supervise the management of, the business and affairs of the Corporation;
  - B. act honestly and in good faith with a view to the best interests of the Corporation;
  - C. exercise the care, diligence and skill that reasonably prudent people would exercise in comparable circumstances; and
  - D. act in accordance with its obligations contained in the *Business Corporations Act* (Alberta) and the regulations thereunder, the

Corporation's articles and by-laws, as amended from time to time, and other relevant legislation and regulations.

- (iii) The Board has the obligation to consider as a board of directors, and may not delegate to management or to a committee of directors, the following matters:
  - A. submission to the holders of the Common Shares and other classes of shares of the Corporation of any question or matter requiring the approval of the shareholders;
  - B. filling a vacancy among the directors or in the office of auditor;
  - C. appointing additional directors;
  - D. issuing securities except in the manner and on the terms authorized by the Board;
  - E. declaring dividends;
  - F. purchasing, redeeming or otherwise acquiring shares issued by the Corporation, except in the manner and on the terms authorized by the Board;
  - G. paying a commission to any person in consideration of the person's purchasing or agreeing to purchase securities of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for securities of the Corporation;
  - H. approving any management proxy circular relating to a solicitation of proxies by or on behalf of the management of the Corporation;
  - I. approving any take-over bid circular or directors' circular;
  - J. approving any annual or interim financial statements of the Corporation; and
  - K. adopting, amending or repealing by-laws.

(b) Independence

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

(c) Strategy Determination

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

- (i) considering strategic planning processes and reviewing and approving strategic plans and visions which take into account, among other things, the opportunities and risks of the business of the Corporation on a long-term and short-term basis;

- (ii) reviewing and approving management's business plan to ensure it is consistent with the Corporation's vision; and
- (iii) monitoring performance against both short-term and long-term strategic plans and annual performance objectives.

(d) Managing Risk

The Board is responsible for understanding the principal risks of the business in which the Corporation is engaged, and reviewing whether the Corporation achieves 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.

(e) Appointment and Assessment of Senior Management

The Board, upon the recommendation of the Corporate Governance and Compensation Committee, is responsible for:

- (i) appointing the chief executive officer of the Corporation (the "CEO") and providing advice and counsel to the CEO in the execution of the CEO's duties;
- (ii) approving or developing the corporate objectives that the CEO is responsible for meeting and assessing the CEO against those objectives;
- (iii) approving the appointment and remuneration of all officers of the Corporation, upon the recommendation of the Corporate Governance and Compensation Committee; and
- (iv) confirming that adequate provision has been made for the training and development of management and for the orderly succession of management.

(f) Corporate Social Responsibility, Ethics and Integrity The Board is responsible for:

- (i) taking all reasonable steps to satisfy itself of the integrity of the CEO and management and satisfying itself that the CEO and management create a culture of integrity throughout the organization;
- (ii) approving the Corporation's Code of Business Conduct; and
- (iii) monitoring compliance with the Corporation's Code of Business Conduct.

(g) Reporting and Communication

The Board is responsible for:

- (i) verifying that the Corporation has in place policies and programs to enable the Corporation to communicate effectively with shareholders of the Corporation, other stakeholders and the public generally;
- (ii) verifying that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;

- (iii) after consultation with the Audit Committee, verifying that the Corporation's financial results are reported fairly and in accordance with generally accepted accounting principles;
- (iv) verifying the timely reporting of any other developments that have a significant and material effect on the value of the Corporation;
- (v) reporting annually to shareholders on the Board's stewardship of the affairs of the Corporation for the preceding year; and
- (vi) adopting measures for receiving feedback from stakeholders and ensuring appropriate disclosures of the measures are made.

(h) Financial Reporting and Management

The Board will after consultation with and upon recommendation of the Audit Committee:

- (i) approve financial statements and review and oversee compliance with applicable audit, accounting and financial reporting requirements;
- (ii) approve annual operating and capital budgets;
- (iii) approve and revise from time to time a Schedule of Authorities which delegates certain expenditure commitments and signing authorities from the Board to management;
- (iv) satisfying itself that management has an appropriate system in place to ensure the integrity of internal control and management information systems,
- (v) confirming that the Corporation has a system in place for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- (vi) reviewing operating and financial performance results relative to established strategy, budgets and objectives and revising and altering its direction through management in response to changing circumstances; and
- (vii) approving significant changes in accounting practices or policies.

(i) Monitoring and Acting

The Board is responsible for:

- (i) verifying that the Corporation operates at all times within applicable laws and regulations to high ethical and moral standards;
- (ii) approving and monitoring compliance with the significant policies and procedures by which the Corporation is operated;
- (iii) verifying that the Corporation sets high environmental standards in its operations and is in compliance with environmental laws and legislation;

- (iv) verifying that the Corporation has in place appropriate programs and policies for the health and safety of its employees in the workplace;
- (v) reviewing and considering for approval all material amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy; and
- (vi) taking action when the Corporation's performance falls short of its goals and objectives or when other special circumstances warrant.

(j) Outside Consultants or Advisors

At the Corporation's expense, the Board may retain, when it considers it necessary or desirable, outside consultants or advisors to advise the Board independently on any matter. The Board shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to review a consultant's or advisor's fees and other retention terms.

(k) Review of the Board Terms of Reference

The Board shall assess the adequacy of these Terms of Reference annually and shall make any changes deemed necessary or appropriate.

(l) Other

The Board may perform any other activities consistent with these terms of reference, the Corporation's articles and by-laws, and any other governing laws, as the Board deems necessary or appropriate.

**APPENDIX “B”  
CES ENERGY SOLUTIONS CORP.  
AMENDED AND RESTATED RESTRICTED SHARE UNIT PLAN**

**DATED AS OF MARCH 14, 2025**

**ARTICLE 1  
INTRODUCTION**

**1.1 Purposes**

The purposes of this Plan are to:

- (a) promote a greater alignment of interests between directors, employees and Consultants of the Company and its Affiliates and shareholders;
- (b) assist the Company and its Affiliates to attract and retain individuals with experience and ability to serve as directors, key employees and Consultants; and
- (c) allow the Eligible Persons to participate in the long-term success of the Company.

**1.2 Definitions**

As used in this Plan, the following terms have the following meanings:

- (a) **“Affiliate”** has the meaning ascribed thereto in the *Securities Act* (Alberta), as amended, *except that*, with respect to a U.S. Participant, “Affiliate” also includes any person who: (i) bears the relationship to the Company described in Regulations section 1.409A-1(g); or (ii) would bear such relationship if the Company were a United States person;
- (b) **“Applicable Law”** means any applicable provision of law, domestic or foreign, including, without limitation, applicable employment standards legislation (if applicable to an Eligible Person) and applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder, and the TSX Rules, and in connection with a U.S. Participant expressly includes Code Section 409A;
- (c) **“Board”** means the Board of Directors of the Company, as constituted from time to time;
- (d) **“Cause”** means, if not defined in an Eligible Person’s written agreement with the Company or its Affiliates, any act, omission or course of conduct recognized as cause for dismissal under Applicable Law, including, without limitation, embezzlement, theft, fraud, willful failure to follow any lawful directive of the Company and willful misconduct detrimental to the interests of the Company;
- (e) **“Change of Control”** means:
  - (i) a sale, lease or other disposition of all or substantially all of the assets of the Company; or
  - (ii) any transaction or series of related transactions, including without limitation a reorganization of the Company, an amalgamation of the Company, an arrangement involving the Company, a take-over bid (as that term is defined in National Instrument 62-104 *Take Over Bids and Issuer Bids*) for all of the



Common Shares, whether or not the Company is a party thereto, after giving effect to which in excess of fifty percent (50%) of the Company's voting power is owned directly, or indirectly through one or more entities, by any person and its Affiliates or associates;

- (f) **"Change of Control Date"** means the date on which any Change of Control becomes effective;
- (g) **"Code"** means the U.S. Internal Revenue Code of 1986, as amended;
- (h) **"Code Section 409A"** means section 409A of the Code, the applicable Regulations issued thereunder, and any other applicable binding Internal Revenue Service guidance issued in connection therewith;
- (i) **"Committee"** means the Board, or such other committee of the Board designated by the Board from time to time;
- (j) **"Common Shares"** means the common shares of the Company;
- (k) **"Company"** means CES Energy Solutions Corp., *except that:* (i) with respect to a U.S. Participant, the term "Company" also includes any Affiliate of the Company treated as a "service recipient" (within the meaning of Regulations section 1.409A-1(g)) with respect to such U.S. Participant; and (ii) for purposes of applying the definition of "STD Window" to a U.S. Participant, the term "Company" is limited to a service recipient of such U.S. Participant having a United States federal tax year;
- (l) **"Consultant"** means an individual, other than an employee, executive officer or director of the Company or of an Affiliate, that, for a period of 12 months or more:
  - (i) is engaged to provide services to the Company or an Affiliate, other than services provided in relation to a distribution of the Company's securities;
  - (ii) provides the services under a written contract with the Company or an Affiliate; and
  - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate;and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;
- (m) **"Dividend Equivalents"** means a bookkeeping entry whereby each Restricted Share Unit in an Eligible Person's Restricted Share Unit Account is credited with additional Restricted Share Units equivalent in value to the amount of each actual dividend paid by the Company on a Common Share in accordance with Section 3.6. Restricted Share Units credited to an Eligible Person's Restricted Share Unit Account as Dividend Equivalents shall be subject to substantial risk of forfeiture when so credited and shall Vest, if at all, at the same time as the Restricted Share Units in respect of which they were credited;
- (n) **"Effective Date"** means the date upon which this Amended and Restated Share Unit Plan plan document was adopted, as written immediately below the title of this plan document at the top of the first page hereof.

- (o) **"Eligible Person"** has the meaning given thereto in Section 2.1;
- (p) **"ERISA"** means, with respect to U.S. Participants, the United States federal Employee Retirement Income Security Act of 1974, as amended;
- (q) **"Fair Market Value"** has the meaning given thereto in Section 3.8;
- (r) **"Grant Date"** means any date determined from time to time in advance by the Committee as a date on which a grant of Restricted Share Units will be made to one or more Eligible Persons under this Plan;
- (s) **"Insider"** means (i) an insider of the Company, as defined under subsection 1(aa) of the Securities Act (Alberta); and (ii) an associate (as defined under subsection 1(c) of the Securities Act (Alberta)) of any person who is an insider by virtue of (i);
- (t) **"Market Value"** of a Common Share, on a particular date, means the volume weighted average trading price (or if no trading price, the average of the last bid and asked prices) of the Common Shares on the TSX (or, if the Common Shares are not then listed and posted for trading on the TSX, on such stock exchange on which the Common Shares are then listed and posted for trading as may be selected for such purpose by the Board acting reasonably) for the five (5) trading days on which the Common Shares traded immediately preceding such date. In the event that the Common Shares are not listed and posted for trading on any stock exchange at the time such calculation is to be made, the Market Value of a Common Share shall be determined by the Board in its sole discretion acting reasonably;
- (u) **"Non-Employee Director"** means a director of the Company who is not an officer or employee of the Company or an Affiliate;
- (v) **"Plan"** means this CES Energy Solutions Corp. Restricted Share Unit Plan as amended from time to time;
- (w) **"Redemption Date"** for a Restricted Share Unit means the date on which an Eligible Person actually receives payment, in the form of Common Shares or cash, in redemption of such Restricted Share Unit hereunder. In no event shall the Redemption Date of a Restricted Share Unit be later than December 31st of the third (3rd) year following the Service Year with respect to which such Restricted Share Unit was granted;
- (x) **"Regulations"** means the Treasury Regulations issued under the Code;
- (y) **"Restricted Share Unit"** means a unit equivalent in value to a Common Share, created by means of a bookkeeping entry in the books of the Company in accordance with Article 3, that, subject to the terms of the Plan, entitle an Eligible Person to receive a newly issued Common Share, or at the election of the Company either an amount of cash equal to the Market Value of a Common Share or a Common Share acquired on a public exchange, in the future unless such Restricted Share Unit expires prior to being redeemed;
- (z) **"Restricted Share Unit Account"** has the meaning given thereto in Section 3.4;
- (aa) **"Restricted Share Unit Grant Agreement"** has the meaning given thereto in Section 2.5;
- (ab) **"Security Based Compensation Arrangement"** means any share rights incentive plan, share option, share option plan, employee share purchase plan in existence from time to

time where the Company provides any financial assistance or matching mechanism, stock appreciation right or any other compensation or incentive mechanism involving the issuance or potential issuance of securities from the Company's treasury, including a purchase of Common Shares from treasury which is financially assisted by the Company by way of a loan guarantee or otherwise, but for greater certainty does not involve compensation arrangements which do not involve the issuance or potential issuance of securities from the Company's treasury;

(ac) "**Service Year**" has the meaning given thereto in Section 3.2;

(ad) "**STD Window**" means, with respect to a U.S. Participant, the period beginning on the Vesting Date and ending on the later of: (i) the fifteenth (15th) day of the third month following the end of the U.S. Participant's taxable year in which the Vesting Date falls; and (ii) the fifteenth (15th) day of the third month following the end of the Company's taxable year in which the Vesting Date with respect to the applicable U.S. Participant falls. By way of example, if the U.S. Participant and the Company both have a United States federal tax year ending December 31st and the Vesting Date for such U.S. Participant is July 1, 2026, then the STD Window is the period beginning July 1, 2026 and ending March 15, 2027;

(ae) "**Termination Date**" means the Eligible Person's last day of active employment or engagement whether that day is selected by agreement with the Eligible Person, unilaterally by the Company or otherwise. Unless required by applicable employment standards legislation or written agreement between an Eligible Person, active employment or engagement does not include any period of notice or any period of deemed employment or fee/salary continuation;

(af) "**TSX**" means the Toronto Stock Exchange;

(ag) "**U.S. Participant**" means an Eligible Person: (i) who is a citizen of the United States or a United States resident alien classified as a resident alien under Code section 7701(b)(1)(A)(i); or (ii) with respect to whom a deferral of compensation (within the meaning of Regulations section 1.409A-1(b)(1)) would be subject to Code Section 409A;

(ah) "**Vest**", "**Vested**", or "**Vesting**" means, generally, the occurrence of the Vesting Date with respect to one or more Restricted Share Units of an Eligible Person pursuant to: (A) such Eligible Person remaining employed by the Company on the date specified in the applicable Restricted Share Unit Grant Agreement; (B) the occurrence of a Change of Control pursuant to Section 3.8 hereof; or (C) the exercise by the Board of its discretion to accelerate the Vesting of such Restricted Share Unit(s), and more specifically with respect to a U.S. Participant, means one or more Restricted Share Units ceasing to be subject to a "substantial risk of forfeiture" (within the meaning of Regulations section 1.409A-1(d)) due to the occurrence of one of the foregoing;

(ai) "**Vested Restricted Share Unit**" means any Restricted Share Unit which has vested in accordance with the terms of the Plan and/or the terms of any applicable Restricted Share Unit Grant Agreement; and

(aj) "**Vesting Date**" has the meaning given thereto in Section 3.3.

### **1.3 Effective Date of Plan**

The Plan shall be effective as of June 30, 2011, as amended effective as of June 19, 2014, amended and restated effective as of June 15, 2017, amended and restated effective as of June 23, 2020, and as amended and restated effective as of the Effective Date.

## **ARTICLE 2 ELIGIBILITY AND PARTICIPATION**

### **2.1 Eligibility**

This Plan applies to those directors, employees and Consultants of the Company and its Affiliates whom the Committee designates as eligible for the grant of Restricted Share Units pursuant to Section 3.1 (the “**Eligible Person**”). The Committee shall make such a designation prior to each Grant Date.

### **2.2 Rights Under the Plan**

Subject to Article 5 and Article 6, an Eligible Person who has been granted Restricted Share Units shall continue to have rights in respect of such Restricted Share Units until such Restricted Share Units have been forfeited or redeemed for Common Shares or cash in accordance with this Plan.

### **2.3 Copy of Plan**

The Company shall provide each Eligible Person with a copy of this Plan following the initial grant of Restricted Share Units to such Eligible Person and shall provide each Eligible Person with a copy of all amendments to this Plan.

### **2.4 Limitation on Rights**

Nothing in this Plan shall confer on any director, employee or Consultant any right to be designated as an Eligible Person or to be granted Restricted Share Units. There is no obligation for uniformity of treatment of Eligible Persons or any group of directors, employees or Eligible Persons, whether based on salary or compensation, grade or level or organizational position or level or otherwise. A grant of Restricted Share Units to an Eligible Person on one or more Grant Dates shall not be construed to create a right to a grant of Restricted Share Units on a subsequent Grant Date.

### **2.5 Grant Agreements**

Each grant of Restricted Share Units shall be evidenced by a written agreement executed by the Eligible Person in substantially the form attached hereto as Schedule “A” (the “**Restricted Share Unit Grant Agreement**”). An Eligible Person will not be entitled to any grant of Restricted Share Units or any benefit of this Plan unless the Eligible Person agrees with the Company to be bound by the provisions of the Plan. By entering into an agreement described in this Section 2.5, each Eligible Person shall be deemed conclusively to have accepted and consented to all terms of this Plan and all bona fide actions or decisions made by the Committee. Such terms and consent shall also apply to and be binding on the legal representative, beneficiaries, heirs and successors of each Eligible Person.

### **2.6 Maximum Grants**

Notwithstanding any provision herein:

- (a) the aggregate number of Common Shares which may be issuable upon the redemption of all Restricted Share Units under the Plan shall not exceed 5 % of the issued and outstanding Common Shares of the Company as at the Grant Date. If a Restricted Share

Unit expires, is forfeited or is cancelled for any reason, the Common Share(s) subject to that Restricted Share Unit shall again be available for grant under the Plan and all other Security Based Compensation Arrangements, subject to any required prior approval of the TSX. Any Common Shares subject to a Restricted Share Unit which has been redeemed, shall again be available for grants under the Plan, and under all other Security Based Compensation Arrangements;

- (b) the maximum number of Common Shares issuable to Insiders and their associates at any time pursuant to the redemption of Restricted Share Units granted under this Plan, shall not exceed 2.5% of the Common Shares issued and outstanding from time to time (calculated on a non-diluted basis);
- (c) the maximum number of Common Shares that may be issued to Insiders and their associates within any one-year period pursuant to the redemption of Restricted Share Units granted under this Plan shall not exceed 2.5% of the Common Shares issued and outstanding from time to time (calculated on a non-diluted basis);
- (d) the maximum number of Restricted Share Units which may be issued to any one Insider and such Insider's associates under the Plan within a one year period shall be 1% of the Common Shares outstanding at the time of the issuance (on a non-diluted basis);
- (e) any Restricted Share Unit granted pursuant to the Plan prior to the Eligible Person becoming an Insider, shall be excluded for the purposes of the limits set out in Section 2.6(b), (c) and (d) above;
- (f) the aggregate number of Common Shares reserved for issuance at any time pursuant to Restricted Share Units granted to Non-Employee Directors under the Plan may not exceed 0.5% of the outstanding Common Shares (on a non-diluted basis) and the aggregate number of Common Shares reserved for issuance to all Non-Employee Directors under all Security Based Compensation Arrangements, including the Plan, may not exceed 1.0% of the outstanding Common Shares (on a non-diluted basis); and
- (g) the aggregate value of Common Shares reserved for issuance pursuant to Restricted Share Units granted to any one Non-Employee Director in any calendar year under the Plan and under any other Security Based Compensation Arrangements shall not exceed \$150,000.

### **ARTICLE 3 RESTRICTED SHARE UNITS**

#### **3.1 Grant of Restricted Share Units**

Immediately prior to each Grant Date, the Committee shall, in its sole discretion, designate Eligible Persons and determine the number of Restricted Share Units to be granted to each Eligible Person, provided that no Restricted Share Unit shall be granted if such grant would require shareholder approval under the rules of the TSX until such grant has been approved by shareholders of the Company.

#### **3.2 Service Year**

For greater certainty, notwithstanding any other provision herein, the granting of Restricted Share Units to any Eligible Person under the Plan in any calendar year shall, unless otherwise stated in the applicable Restricted Share Unit Grant Agreement, shall be awarded in respect of performance of such Eligible Person in the same calendar year as that including the Grant Date (the "**Service Year**"). In all cases, the Restricted Share Units shall be in addition to, and not in substitution for or in lieu of, ordinary salary and

wages received by such Eligible Person in respect of his or her services to his or her employer. For certainty and clarity, any Vesting period of any Restricted Share Unit specified as a number of years or in similar fashion shall commence upon the Grant Date.

### **3.3 Vesting Date; Rolling Vest and Pay**

Unless earlier forfeited pursuant to Article 5 hereof or Vested pursuant to Sections 3.8 or 3.9 hereof, the Restricted Share Units granted pursuant to Section 3.1, together with any Restricted Share Units credited to the Eligible Person's account as Dividend Equivalents pursuant to Section 3.6, shall Vest in accordance with the terms of the Restricted Share Unit Grant Agreement entered into in respect of such Restricted Share Units. In the event that no Vesting schedule is set forth in the applicable Restricted Share Unit Grant Agreement, one-third (1/3) of the total number of Restricted Share Units granted in such agreement shall Vest upon the Eligible Person remaining employed by the Company on each of the first, second, and third anniversaries of the applicable Grant Date, unless earlier forfeited pursuant to Article 5 hereof or Vested pursuant to Sections 3.8 or 3.9 hereof. Each date on which a Restricted Share Unit vests shall be referred to as the "**Vesting Date**". The Plan is a "rolling vest and pay" plan, with Restricted Share Units issued for a particular Service Year becoming vested and paid on a rolling basis independent of Restricted Share Units issued in respect of other Service Years. No single Restricted Share Unit shall ever become partially Vested hereunder.

### **3.4 Crediting of Restricted Share Units**

All Restricted Share Units to be credited to an Eligible Person will be credited to an account maintained for the Eligible Person on the books of the Company (a "**Restricted Share Unit Account**"). Restricted Share Units shall be credited to the Restricted Share Unit Account on the Grant Date.

### **3.5 Fractions**

Notwithstanding any other provision of this Plan, where the determination of the number of Restricted Share Units which have Vested on any particular Vesting Date would result in a fractional Restricted Share Unit, the number of Restricted Share Units credited to the Eligible Person shall be rounded down to the next whole number of Restricted Share Units. No fractional Common Shares shall be issued under the Plan nor shall cash be paid at any time in lieu of any such fractional Common Shares.

### **3.6 Credits for Dividends**

An Eligible Person's account shall be credited with Dividend Equivalents in the form of additional unvested Restricted Share Units on each dividend payment date in respect of which ordinary course cash dividends are paid on Common Shares. Such Dividend Equivalents shall be computed by dividing:

- (a) the amount obtained by multiplying the amount of the dividend declared and paid per Common Share by the number of Restricted Share Units recorded in the Eligible Person's Restricted Share Unit Account on the date for the payment of such dividend, by
- (b) the Market Value of a Common Share as at the dividend payment date, rounded to the nearest one-thousandth of a Restricted Share Unit.

### **3.7 Capital Adjustments**

In the event of the declaration of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off, or other distribution (other than normal cash dividends) of the Company's assets to its shareholders, or any other change in the capital of the Company affecting Common Shares, the Committee will make such proportionate adjustments, if any, as the Committee, in its sole discretion may deem appropriate to reflect such change (for the purpose of preserving the value of the Restricted



Share Units), with respect to: (i) the number or kind of shares or other securities reserved for issuance pursuant to this Plan; and (ii) the number or kind of shares or other securities subject to Restricted Share Units. However, no amount will be paid to, or in respect of, an Eligible Person under the Plan or pursuant to any other arrangement, and no Restricted Share Units will be granted to such Eligible Person to compensate for a downward fluctuation in the price of Common Shares, nor will any other form of benefit be conferred upon, or in respect of, an Eligible Person for such purpose.

### **3.8 Offer for Common Shares - Change of Control**

Notwithstanding anything else herein to the contrary, in the event of a Change of Control, the Company shall redeem 100% of the Restricted Share Units granted to the Eligible Persons and outstanding under the Plan, whether or not vested, for Fair Market Value payable in cash, as soon as reasonably practicable, but no later than thirty (30) days following the Vesting Date. For the purposes of this Section 3.8 (i) the Vesting Date shall be the date on which the Change of Control becomes effective, and (ii) the "**Fair Market Value**" of a Restricted Share Unit shall be the greater of (i) the Market Value of the Common Shares for the period ending on the Business Day immediately preceding the Vesting Date, and (ii) the price at which Common Shares are taken up under the Change of Control, as applicable.

### **3.9 Board Discretion to Accelerate Vesting; No Course of Dealing or Right to Acceleration**

The Board, in its complete and sole discretion, may from time to time determine to accelerate the Vesting of some or all of an Eligible Person's granted Restricted Share Units. Upon the later of: (a) the legal effectiveness of the exercise by the Board of such discretion; or (b) a date set forth in the instrument effecting such exercise, the Restricted Share Units subject to such acceleration shall become Vested and such date shall be the Vesting Date of such Restricted Share Units for purposes of redemption thereof hereunder. No Eligible Person shall be entitled to any exercise by the Board of such discretion, regardless of whether the Board has previously exercised such discretion on behalf of such Eligible Person or on behalf of others similarly situated or dissimilarly situated, and no such exercise shall give rise to any "course of dealing" or be deemed an amendment to this Plan. The Company intends that accelerations of Vesting under the Plan be rare occurrences based upon compelling then-existing conditions.

## **ARTICLE 4 REDEMPTION OF RESTRICTED SHARE UNITS**

### **4.1 Redemption of Restricted Share Units**

Subject to the remaining provisions of this Article 4, on the Redemption Date for each Vested Restricted Share Unit, the Company shall redeem all such Vested Restricted Share Units by issuing to the applicable Eligible Person(s) Common Shares from the Company's treasury in respect of the Restricted Share Units, each Vested Restricted Share Unit being redeemed for one Common Share, or at the election of the Company, either:

- (a) cash in an amount equal to the Market Value of a Common Share on the Vesting Date; or
- (b) a Common Share acquired by the Company through a broker on a public exchange, provided that if the Company elects to arrange for the purchase of a Common Share by a broker on behalf of the Eligible Person, the Company shall contribute to the broker an amount of cash sufficient, together with any reasonable brokerage fees or commission fees related thereto, to purchase the whole Common Share to which the Eligible Person is entitled and the broker shall purchase such Common Share on behalf of such Eligible Person on the public exchange,



*provided that*, for greater certainty, no such determination shall be made during a black-out period as contemplated by Section 6.3.

#### 4.2 Time of Redemption

- (a) Notwithstanding any other provision of the Plan and with respect to Eligible Persons *other than* U.S. Participants, all Common Shares to be issued to, or amounts payable to, or in respect of, an Eligible Person in respect of a Restricted Share Unit that has become Vested shall be issued and/or paid on a date determined by the Board in its sole discretion that is within three years following the end of the Service Year in respect of which the Restricted Share Unit was granted.
- (b) Notwithstanding any other provision of the Plan and with respect to U.S. Participants, all Common Shares to be issued to, or amounts payable to, or in respect of, a U.S. Participant in respect of a Restricted Share Unit that has become Vested shall be issued and/or paid on a date determined by the Board in its sole discretion that is within the STD Window based upon the Vesting Date of such Restricted Share Unit, *provided that*, if Vesting occurs due to a Change of Control, the payment shall be made during the portion of the STD Window specified in Section 3.8. If Common Shares are issued, the value of such Common Shares shall be treated as includable in the income of the U.S. Participant under section 83 of the Code upon such U.S. Participant's actual or constructive receipt of such Common Shares. All distributions from the Plan will be made in a single lump sum payment. To the extent, if any, that any right to distributions from the Plan could be characterized for United States federal income tax purposes as a right to a series of installment payments, then any such installment payments shall be treated as a series of separate payments pursuant to Regulations section 1.409A-2(b)(iii) for all purposes, including without limitation Regulations section 1.409A-1(b)(4)(i)(G).
- (c) Without limiting the foregoing, it is the intent of the Company that the Redemption Date will generally occur as soon as reasonably practicable after the Vesting Date, and in no event shall the Redemption Date be later than December 31st of the third (3rd) year following the Service Year of the RSU.

#### 4.3 Taxes and Other Source Deductions

The Company shall have the power and the right to deduct and withhold, or require an Eligible Person to remit to the Company, any amounts required by any taxing authority to satisfy federal, provincial, territorial, state and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a consequence of his or her participation in the Plan (the “**Applicable Withholding Taxes**”). In addition to the foregoing but without duplication, the Company shall also have the right in its sole discretion (and the Eligible Person consents) to set off any Applicable Withholding Taxes, in whole or in part, against amounts otherwise owing by the Company to such Eligible Person (with arising pursuant to the Eligible Person's relationship as a director, officer or employee of the Company or as a result of the Eligible Person providing services on an ongoing basis to the Company), or may make such other arrangements satisfactory to the Company and the Eligible Person. In addition, the Corporation may elect, in its sole discretion, to satisfy any such liability for Applicable Withholding Taxes, in whole or in part, by withholding such number of Common Shares as it determines are required to be sold by the Company, as trustee, which have been issued and would otherwise be delivered to the Eligible Person under the Plan, and any amount payable from such sale will first be paid to the Company to satisfy any liability for withholding, net of selling costs. The Eligible Person consents to such sale and grants to the Company an irrevocable power of attorney to effect the sale of such Common Shares and acknowledges and agrees that the Company does not accept responsibility for the price obtained on the sale of such Common Shares. The Company may require an Eligible Person, as a

condition of participation in the Plan, to pay or reimburse the Company for any cost incurred by the Company as a result of the participation by the Eligible Person in the Plan.

Each Eligible Person, any beneficiary or the Eligible Person's estate, as the case may be, is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such Eligible Person in connection with the Plan (including any taxes and penalties under any Applicable Law), and the Company shall not have any obligation to indemnify or otherwise hold such Eligible Person, beneficiary or estate harmless from any or all of such taxes and penalties. Any reference in this Plan to the settlement of Restricted Share Units, issuance of Common Shares or any payment in respect thereof is expressly subject to this Section 4.3.

#### **4.4 Effect of Redemption**

Upon the issuance of the Common Shares or payment of the cash amount, as the case may be, to an Eligible Person upon the redemption of Vested Restricted Share Units in accordance with section 4.1, the Vested Restricted Share Units shall be cancelled and struck from the books of the Company and such Eligible Person shall have no further rights, title or interest with respect to any Restricted Share Unit that has been redeemed.

### **ARTICLE 5 EVENTS AFFECTING ENTITLEMENT**

#### **5.1 Resignation**

If an Eligible Person resigns from employment with the Company or its Affiliates (other than in connection with a Retirement or Permanent Disability) before the Vesting Date of the Eligible Person's Restricted Share Units, the Eligible Person shall forfeit all rights, title and interest in the Restricted Share Units granted to such Eligible Person which have not Vested prior to the earlier of: (i) the date of delivery of the notice of resignation; and (ii) the effective date of the resignation.

#### **5.2 Termination for Cause**

If an Eligible Person's employment with the Company or its Affiliates is terminated for Cause before the Vesting Date of the Eligible Person's Restricted Share Units, the Eligible Person shall forfeit all rights, title and interest in the Restricted Share Units for which the Vesting Date is on or after the date notice of termination is delivered to the Eligible Person.

#### **5.3 Death of Eligible Person Prior to Vesting**

If an Eligible Person's employment with the Company or its Affiliates ceases as a result of the death of the Eligible Person, any unvested Restricted Share Units held by such Eligible Person shall vest on the Eligible Person's Termination Date and the Company shall redeem all such Vested Restricted Share Units credited to the account of such Eligible Person under the Plan in accordance with Section 4.1, with any Common Shares issuable or cash amount payable upon such redemption being issued or paid, respectively, to the legal representatives of the estate of such Eligible Person.

#### **5.4 Other Termination**

Notwithstanding Subsection 3.3, if an Eligible Person's employment with the Company or its Affiliates ceases, for reasons other than as set out in Sections 5.1, 5.2, or 5.3, before the Vesting Date of the Eligible Person's Restricted Share Units, any unvested Restricted Share Units held by such Eligible Person shall vest *pro-rata* on the Eligible Person's Termination Date based on the number of completed months of active service or employment between the Grant Date and the Vesting Date of such Restricted Share Units. Such Vested Restricted Share Units will be payable in cash based on the Market Value of

the Common Shares for the period ending on the date such Eligible Person's employment ceased with the Company.

Without limiting the generality of the foregoing, except as required by applicable employment standards legislation or written agreement between an Eligible Person and the Company or its Affiliates, no period of notice or payment in lieu of notice that follows an Eligible Person's last day of actual and active employment or engagement shall be deemed to extend an Eligible Person's period of employment or engagement for the purpose of determining his or her rights or entitlements under the Plan. An Eligible Person shall have no entitlement to damages or other compensation arising from or related to not receiving any awards which would have vested or accrued to an Eligible Person after the date of cessation of employment or if working notice of termination had been given. However, nothing herein is intended to limit any statutory entitlements or termination and such statutory entitlements shall, if required, apply despite this language to the contrary.

### **5.5 No Grants Following Last Day of Active Employment**

In the event of termination of any Eligible Person's employment with the Company or its Affiliates, such Eligible Person shall not be granted any Restricted Share Units pursuant to Section 3.1 or any Restricted Share Units in respect of Dividend Equivalents pursuant to Section 3.6 after the last day of active employment of such Eligible Person. Without limiting the generality of the foregoing and of Section 2.4, notwithstanding any other provision hereof, and notwithstanding any provision of any employment agreement between any Eligible Person and the Company, no Eligible Person will have any right to be awarded additional Restricted Share Units, and shall not be awarded any Restricted Share Units, pursuant to Section 3.1 after the last day of active employment of such Eligible Person on which such Eligible Person actually performs the duties of the Eligible Person's position, whether or not such Eligible Person receives a lump sum payment of salary or other compensation in lieu of notice of termination, or continues to receive payment of salary, benefits or other remuneration for any period following such last day of active employment. Notwithstanding any other provision hereof, or any provision of any employment agreement between the Company or its Affiliates and the Eligible Person, in no event will any Eligible Person have any right to damages in respect of any loss of any right to be awarded Restricted Share Units pursuant to Section 3.1 after the last day of active employment of such Eligible Person and no severance allowance, or termination settlement of any kind in respect of any Eligible Person will include or reflect any claim for such loss of right and no Eligible Person will have any right to assert, claim, seek or obtain, and shall not assert, claim, seek or obtain, any judgment or award which includes or reflects any such right or claim for such loss of right.

## **ARTICLE 6 ADMINISTRATION**

### **6.1 Transferability of Restricted Share Units**

Rights respecting Restricted Share Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

### **6.2 Administration of the Plan**

The Committee shall, in its sole and absolute discretion, but subject to applicable corporate, securities and tax law requirements: (i) interpret and administer the Plan; (ii) establish, amend and rescind any rules and regulations relating to the Plan; and (iii) make any other determinations that the Committee deems necessary or advisable for the administration and operation of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Eligible Person and his or her legal representative. The Board may establish policies

respecting minimum ownership of Common Shares of the Company by Eligible Persons and the ability to elect Restricted Shares Units to satisfy any such policy.

### **6.3 Black-Out Period**

Notwithstanding any other provision of the Plan, if the Redemption Date of a Vested Restricted Share Unit falls on, or within the nine (9) business days immediately following a date upon which the settlement of such Vested Restricted Share Unit is prohibited due to a black-out period or other trading restriction imposed by the Company, then the Redemption Date of such Vested Restricted Share Unit shall be automatically extended to the tenth (10<sup>th</sup>) business day following the date of the relevant black-out period or other trading restriction imposed by the Company is lifted, terminated or removed. In the event that a payment cannot be made within the STD Window due to the application of this Section 6.3 of the Plan to the entirety of the relevant STD Window, the Company intends that Regulations section 1.409A-1(b)(4)(ii) apply when such payment is made pursuant to this Section 6.3 of the Plan.

### **6.4 Records**

The Company will maintain records indicating the number of Restricted Share Units credited to an Eligible Person under the Plan from time to time and the Grant Dates of such Restricted Share Units. Such records shall be conclusive as to all matters involved in the administration of this Plan.

### **6.5 Statements**

The Company shall furnish annual statements to each Eligible Person indicating the number of Restricted Share Units credited to the Eligible Person and the Grant Dates of the Restricted Share Units and such other information that the Company considers relevant to the Eligible Person.

### **6.6 Legal Compliance**

The Company shall ensure compliance with all Applicable Laws and legal requirements, including all applicable corporate and securities laws and regulations of any country, and any political subdivisions thereof, and the by-laws and regulations of any stock exchanges or other organized market on which the Common Shares may from time to time be listed or posted and any applicable provisions of the *Income Tax Act* (Canada), as amended or income tax legislation of any other jurisdiction.

## **ARTICLE 7 AMENDMENT AND TERMINATION**

### **7.1 Amendment**

- (a) Subject to Section 7.1(b) and (c) below and any applicable rules of the TSX, the Board may from time to time, in its absolute discretion and without the prior approval of holders of the Common Shares and other voting securities of the Company, suspend, discontinue or make the following amendments to this Plan or any Restricted Share Unit granted pursuant to this Plan:
  - (i) amend the vesting provisions of this Plan and any Restricted Share Unit;
  - (ii) amend this Plan, any Restricted Share Unit Grant Agreement or any Restricted Share Unit as necessary to comply with applicable law or the requirements of the TSX or any other regulatory body having authority over the Company, this Plan or the holders of Common Shares;

- (iii) any amendment of a “housekeeping” nature, including, without limitation, to clarify the meaning of an existing provision of this Plan, correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan, correct any grammatical or typographical errors or amend the definitions in this Plan regarding administration of this Plan;
  - (iv) any amendment respecting the administration of this Plan; and
  - (v) any other amendment that does not require the approval of Shareholders under Section 7.1(b).
- (b) Notwithstanding Section 7.1(a) above, the Board may not, without the approval of the holders of a majority of the Common Shares and other voting securities of the Company present and voting in person or by proxy at a meeting of shareholders of the Company, amend the Plan or any Restricted Share Unit granted pursuant thereto to:
- (i) increase the number of Common Shares, or the percentage of the issued and outstanding Common Shares, issuable pursuant to the Plan;
  - (ii) extend the Redemption Date of any Restricted Share Unit granted under the Plan beyond the Redemption Date of the Restricted Share Unit determined at the date of grant in accordance with the Plan;
  - (iii) materially modify the eligibility requirements for participation in this Plan;
  - (iv) amend the limitations on the maximum number of Common Shares reserved or issued to Insiders under Sections 2.6(b), 2.6(c) and 2.6(d) of this Plan;
  - (v) amend the limitations under Sections 2.6(f) and 2.6(g) of this Plan with respect to Restricted Share Units that may be granted to Non-Employee Directors;
  - (vi) amend the restriction under Section 6.1 to permit an Eligible Person to transfer any Restricted Share Units to a new beneficial holder other than for estate settlement purposes; or
  - (vii) amend the amendment provisions of this Plan under this Section 7.1, unless the change to the Plan or a Restricted Share Unit granted pursuant thereto results from the application of Section 3.8 hereof.
- (c) Unless a holder of Restricted Share Unit(s) otherwise agrees, the Board may not suspend, discontinue or amend the Plan or amend any outstanding Restricted Share Unit(s) in a manner that would alter or impair any Restricted Share Unit(s) previously granted to an Eligible Person under the Plan, and any such suspension, discontinuance or amendment of the Plan or amendment to any Restricted Share Unit(s) shall apply only in respect of Restricted Share Units granted on or after the date of such suspension, discontinuance or amendment. No suspension, discontinuance or amendment of the Plan or amendment to any Restricted Share Unit(s) may contravene the requirements of the TSX or any securities commission or regulatory body to which the Plan, the Restricted Share Unit(s) or the Company is now or may hereafter be subject.

## 7.2 Termination

If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules adopted by the Board and in force at the time of this Plan, will continue in effect as long as a Restricted

Share Unit or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Board may make any amendments to the Plan or the Restricted Share Units it would be entitled to make if the Plan were still in effect.

## **ARTICLE 8 GENERAL**

### **8.1 No Shareholder Rights**

This Plan shall not be interpreted to create any entitlement of any Eligible Person to any Common Shares, or to the dividends payable pursuant thereto, except as expressly provided herein. A holder of Restricted Share Units shall not have rights as a shareholder of the Company with respect to any Common Shares which may be issuable pursuant to the Restricted Share Units so held, whether voting, right on liquidation or otherwise.

### **8.2 No Right to Employment**

Neither participation in the Plan nor any action taken under the Plan shall give or be deemed to give any Eligible Person a right to continue as an employee and shall not interfere with the right of the Company to terminate the employment or service of any Eligible Person at any time.

### **8.3 Right to Funds**

Neither the establishment of this Plan nor the granting of Restricted Share Units under this Plan shall be deemed to create a trust. To the extent any individual holds any rights under the Plan, such rights shall be no greater than the rights of an unsecured general creditor of the Company.

### **8.4 Reorganization of the Company**

The existence of any Restricted Share Units shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company or to create or issue any bonds, debentures, shares or other securities of the Company or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

### **8.5 Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Company and each Eligible Person, including without limitation, the legal representative of an Eligible Person, or any receiver or trustee in bankruptcy or representative of the creditors of the Company or an Eligible Person.

### **8.6 Governing Law**

The Plan shall be governed by, and interpreted in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein.

### **8.7 Interpretation**

In this Plan words importing the singular meaning shall include the plural and vice versa, and the words importing the masculine shall include the feminine and neuter genders.



## 8.8 Compliance with Employment Standards Legislation

In the event that the minimum standards set out in the applicable employment standards legislation (as may be amended from time to time) are more favourable to an Eligible Person (who is an employee of the Company or its Affiliates) in any respect than a term or provision provided for in this Agreement, such Eligible Person and the Company agree that the statutory provisions will apply in respect of that term or provision.

## 8.9 Severability

The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this Plan.

## 8.10 Additional Provisions Applicable to U.S. Participants

The following additional provisions of this Plan are applicable to U.S. Participants:

- (a) **ERISA Status of Plan.** To the extent, if any, that the Plan could otherwise potentially be subject to ERISA, the Plan is intended to be exempt from ERISA as a "bonus program" within the meaning of 29 C.F.R. § 2510.3-2(c) and as a "payroll practice" within the meaning of 29 C.F.R. § 2510.3(b)(1).
- (b) **Not a Retirement Plan or Severance Plan.** The Plan is not intended to constitute a retirement plan, a severance plan, or any other type of employee pension benefit plan, employee welfare benefit plan, or "qualified" plan. The Plan is not intended to be subject to ERISA, nor is the Plan eligible for any special tax treatment under the Code as any type of "qualified" plan. No assets have been segregated or otherwise set aside for payment to participants from the Plan, and any such payments shall be paid from the general assets of the Company. The Plan is not eligible for any special tax treatment, and payments to participants hereunder will be treated as ordinary income wages subject to withholding and employment taxes. Participants should not rely on receipt of distributions from this Plan for any portion of their retirement or other post-termination of employment income.
- (c) **Code Section 409A.** The Plan and all payments to U.S. Participants hereunder are intended to be exempt from Code Section 409A as "short term deferrals" and all provisions of this Plan shall be interpreted in accordance with such intent. With respect to Restricted Share Units granted to U.S. Participants prior to the Effective Date for which the Redemption Date has not yet occurred as of the Effective Date, the amendments to the Plan made hereby are not intended to affect the time or form of payment with respect to such Restricted Share Units and this amended and restated plan document shall be interpreted accordingly.
- (d) **Tax Consequences Not Guaranteed.** The Company intends that the Plan shall be exempt from section 409A of the Code such that U.S. Participants shall not be subject to additional taxes, interest or penalties under Code Section 409A. However, the Company expressly disclaims and makes no representation or warranty to any person regarding the income, employment, or other tax effects of participation as a U.S. Participant under the Plan. The Company shall not be liable to any person as a result of any United States federal, state, or local tax results to such person under the Plan.



## SCHEDULE A

### TO THE RESTRICTED SHARE UNIT PLAN RESTRICTED SHARE UNIT GRANT AGREEMENT

This Restricted Share Unit Grant Agreement (this “**Agreement**”) is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ between the undersigned “**Eligible Person**” (the “**Eligible Person**”), being an employee, director or Consultant of CES Energy Solutions Corp., (the “**Company**”) or, \_\_\_\_\_, an affiliate of the Company (the “**Affiliate**”), as the case may be, named or designated pursuant to the terms of the Restricted Share Unit Plan of CES Energy Solutions Corp. (which Plan, as the same may from time to time be modified, supplemented or amended and in effect is herein referred to as the “**Plan**”), and the Company.

In consideration of the grant of Restricted Share Units made to the Eligible Person pursuant to the Plan (the receipt and sufficiency of which are hereby acknowledged), the Eligible Person hereby agrees and confirms that:

1. The Eligible Person has received a copy of the Plan and has read, understands and agrees to be bound by the provisions of the Plan.
2. The Eligible Person accepts and consents to and shall be deemed conclusively to have accepted and consented to, and agreed to be bound by, the provisions and all terms of the Plan and all bona fide actions or decisions made by the Board, the Committee, or any person to whom the Committee may delegate administrative duties and powers in relation to the Plan, which terms and consent shall also apply to and be binding on the legal representatives, beneficiaries and successors of the undersigned.
3. On\_\_\_\_, 20\_\_\_\_, the Eligible Person was granted \_\_\_\_\_ Restricted Share Units, which grant is evidenced by this Agreement.
4. This Restricted Share Unit Grant Agreement shall be considered as part of and an amendment to the employment agreement between the Eligible Person and the Company or the Affiliate, as the case may be, and the Eligible Person hereby agrees that the Eligible Person will not make any claim under that employment agreement for any rights or entitlement under the Plan or damages in lieu thereof except as expressly provided in the Plan.
5. The Eligible Person’s participation in the trade and acceptance of the Restricted Share Units is voluntary and he or she has not been induced to participate in the Plan by expectation of engagement, appointment, employment, continued engagement, continued appointment or continued employment, as applicable, with the Company or its Affiliates
6. Unless the Eligible Person has advised the Company otherwise, the Eligible Person is not a non-resident for purposes of the *Income Tax Act* (Canada). The Eligible Person shall forthwith advise the Company if the Eligible Person becomes, at any time, a non-resident for purposes of the *Income Tax Act* (Canada).
7. The Restricted Share Units are subject to the following vesting criteria:

This Agreement shall be determined in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Words used herein which are defined in the Plan shall have the respective meanings ascribed to them in the Plan.

IN WITNESS WHEREOF, CES Energy Solutions Corp. has executed and delivered this Agreement, and the Eligible Person has signed, sealed and delivered this Agreement, as of the date first above written.

**CES ENERGY SOLUTIONS CORP.**

Per: \_\_\_\_\_

**ELIGIBLE PERSON**

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Print Name