

WESTERN ENERGY SERVICES CORP.

INCENTIVE COMPENSATION CLAWBACK POLICY

1. **PURPOSE OF POLICY**

- 1.1 This Incentive Compensation Clawback Policy has been implemented to ensure that the Board is able to take direct, appropriate action to rectify or prevent the unjust enrichment of any executive officer of Western who, through his or her own misconduct, improperly receives incentive compensation beyond what he or she would, in the absence of such misconduct, have otherwise been entitled to receive. It is not intended to penalize individuals for *bona fide* errors in judgment made in good faith, nor second guess legitimate business decisions that subsequently come under scrutiny; rather, it is designed to target and discourage intentional, dishonest behavior undertaken by executive officers of Western leading to unjust enrichment due to inaccurate financial results reporting.

2. **DEFINED TERMS**

- 2.1 In this Policy, the following terms shall have the following meanings:

- (a) "**Board**" means the board of directors of the Corporation, or, if established and duly authorized to act with respect to this Policy, any committee of the board of directors of the Corporation;
- (b) "**Corporation**" means Western Energy Services Corp.;
- (c) "**Policy**" means this incentive compensation clawback policy, as amended from time to time; and
- (d) "**Western**" means, collectively, the Corporation and its affiliates (as defined in the *Securities Act* (Alberta)), or any one of the Corporation or its affiliates, as the context may require.

3. **CLAWBACK POLICY**

- 3.1 In situations where:

- (a) the amount of incentive compensation received by an executive officer or former executive officer of Western was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of or affected by a material restatement of all or a portion of Western's financial statements; and
- (b) the executive officer or former executive officer of Western engaged in intentional misconduct or fraud that caused or partially caused the need for the restatement, as admitted by the executive officer or former executive officer or, in the absence of such admission, as determined by a court of competent jurisdiction in a final judgment that cannot be appealed; and
- (c) the incentive compensation payment received would have been lower had the financial results been properly reported;

then the Board may, to the full extent permitted by applicable laws and to the extent it determines that it is in the Corporation's best interest to do so, retract, cancel or require reimbursement (up to the amount by which the incentive compensation received by such executive officer exceeded that which the executive officer would have received had the financial results been properly reported) of all or a portion of incentive compensation received by an executive officer or former executive officer made under Western's annual and long-term incentive plans, including all equity and equity-based incentive compensation plans.

4. APPLICATION

- 4.1 This Policy applies to all executive officers of the Corporation and its affiliates (as defined in the *Securities Act* (Alberta)).

Ratified by the Board of Directors April 24, 2019

Approved by the Board of Directors, as amended, May 21, 2020