



**NOTICE OF ANNUAL AND SPECIAL MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
AND PROXY STATEMENT DATED MARCH 21, 2014**

**WITH RESPECT TO THE  
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MAY 6, 2014**

**WESTERN ENERGY SERVICES CORP.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT** the Annual and Special Meeting (“**Western Meeting**”) of holders of common shares (“**Shareholders**”) of Western Energy Services Corp. (“**Western**”) will be held on the 6th day of May 2014 **in the McMurray Room at the Calgary Petroleum Club, 319 - 5th Avenue S.W., Calgary, Alberta** at 3:00 p.m. (Calgary time) for the following purposes:

1. To receive and consider the audited financial statements of Western for the fiscal year ended December 31, 2013 and the Auditor’s report on those statements;
2. To approve an ordinary resolution to fix the number of directors of Western to be elected at the Meeting for the ensuing year at six (6);
3. To elect the nominees to the board of directors of Western for the ensuing year, as set out in the Management Information Circular accompanying this Notice;
4. To appoint Deloitte LLP, Chartered Accountants, of Calgary, Alberta, as auditors of Western for the ensuing year and to authorize the board of directors of Western to fix their remuneration;
5. To pass an ordinary resolution approving unallocated stock options under the Corporation's stock option plan, which approval is required by Shareholders every three years; and
6. To transact such further and other business as may properly come before the Meeting or adjournment or adjournments thereof.

The details of all matters proposed to be put before Shareholders at the Western Meeting are set forth in the Information Circular. At the Western Meeting, shareholders will be asked to approve each of the foregoing items.

Only Shareholders of record at the close of business on March 21, 2014 are entitled to notice of and to attend the Western Meeting or any adjournment thereof and to vote thereat. **A Shareholder may attend the Western Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Western Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying Instrument of Proxy for use at the Western Meeting or any adjournment thereof. To be effective, the enclosed Instrument of Proxy must be mailed so as to reach or be deposited with the office of Valiant Trust Company at #310, 606 – 4<sup>th</sup> Street S.W., Calgary, Alberta T2P 1T1; Fax (403) 233-2857 Attention: Proxy Department, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Western Meeting or any adjournment thereof or with the Chairman of the Western Meeting prior to the commencement thereof.**

DATED at the City of Calgary, in the Province of Alberta this 21st of March, 2014.

**BY ORDER OF THE BOARD OF DIRECTORS,**



Jan M. Campbell  
Corporate Secretary

## TABLE OF CONTENTS

<b>GENERAL .....</b>	<b>3</b>
<b>SOLICITATION OF PROXIES .....</b>	<b>3</b>
<b>APPOINTMENT OF PROXIES.....</b>	<b>3</b>
<b>REVOCAION OF PROXIES .....</b>	<b>3</b>
<b>EXERCISE OF DISCRETION BY PROXYHOLDERS.....</b>	<b>4</b>
<b>SIGNING OF PROXY .....</b>	<b>4</b>
Voting by Internet .....	4
<b>VOTING SECURITIES AND PRINCIPAL HOLDERS OF SECURITIES.....</b>	<b>4</b>
Voting of Common Shares – General .....	4
Advice to Non-Registered Holders .....	5
Principal Holders of Shares .....	6
<b>FINANCIAL STATEMENTS.....</b>	<b>6</b>
<b>MATTERS TO BE ACTED UPON AT THE MEETING.....</b>	<b>6</b>
Number of Directors.....	6
Election of Directors .....	6
Appointment of the Auditor .....	11
Approval of Unallocated Options under the Stock Option Plan .....	11
Other Business.....	12
<b>STATEMENT OF EXECUTIVE COMPENSATION.....</b>	<b>12</b>
Compensation Discussion and Analysis.....	12
Base Salaries and Benefits .....	14
Annual Performance Bonus.....	14
Long-Term Incentive Compensation – Options .....	14
Named Executive Officers .....	15
Performance Analysis.....	16
Share Price Performance Graph since 2008 .....	16
Share Price Performance since Recapitalization in 2009 .....	17
Share Price Performance in Relation to Executive Compensation.....	17
Composition of the Corporate Governance and Compensation Committee .....	18
<b>SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS .....</b>	<b>18</b>
Western Stock Option Plan .....	18
Summary of Option Plan.....	19
Equity Compensation Plan Information .....	20
<b>COMPENSATION OF NAMED EXECUTIVE OFFICERS .....</b>	<b>20</b>
Summary Compensation Table .....	20
Long-Term Incentive Plan Awards to Named Executive Officers.....	21
Incentive Plan Awards.....	21
Compensation of Directors.....	22
Director Compensation Table.....	23
Summary of Board Meeting Attendance.....	24
Incentive Plan Awards.....	25
<b>INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS .....</b>	<b>26</b>
<b>MANAGEMENT CONTRACTS.....</b>	<b>26</b>
<b>CORPORATE GOVERNANCE.....</b>	<b>26</b>
Mandate of the Board .....	26
Board Composition.....	26
Communicating with the Board .....	27

<b>INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....</b>	<b>27</b>
<b>INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON.....</b>	<b>28</b>
<b>ADDITIONAL INFORMATION .....</b>	<b>28</b>

**MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT  
FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD  
MAY 6, 2014**

**GENERAL –**

Words importing the singular number, where the context requires, include the plural and vice versa and words importing any gender include all genders. In this Management Information Circular and Proxy Statement (“**Information Circular**”), unless otherwise noted, all dollar amounts are expressed in Canadian dollars. Information contained in this Information Circular is given as of March 21, 2014 unless otherwise stated.

**SOLICITATION OF PROXIES**

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Western Energy Services Corp. (the “Corporation” or “Western”) for use at the Annual and Special Meeting of holders of common shares (the “Common Shares”) of the Corporation (the “Western Meeting”) to be held on the 6th day of May, 2014 in the McMurray Room at the Calgary Petroleum Club, 319 - 5th Avenue S.W., Calgary, Alberta at 3:00 p.m. (Calgary time) and at any adjournment(s) thereof of the Western Meeting, for the purposes set forth in the accompanying Notice of Meeting.**

Accompanying this Information Circular (and filed with applicable securities regulatory authorities) is the form of Proxy (“**Instrument of Proxy**”) for use by holders of Common Shares of Western at the Western Meeting.

Proxies will be solicited by mail and may also be solicited personally, or by telephone or any form of electronic communication by directors or officers of Western, who will not be specifically remunerated therefore. The cost of solicitation by management of Western will be borne by Western. Western may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting securities of Western (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this Information Circular, the Notice of Meeting and Instruments of Proxy to the beneficial owners of such securities. Western will provide, without cost to such persons, upon request to Western, additional copies of the foregoing documents required for this purpose.

**APPOINTMENT OF PROXIES**

**Holders of Common Shares of Western (“Shareholders”) who wish to be represented at the Western Meeting by proxy must complete and deliver the Instrument of Proxy, or another proper form of proxy to Valiant Trust Company in the manner set out in the Instrument of Proxy and described below. Shareholders are entitled to vote on all matters as described in the Instrument of Proxy. Each Shareholder has the right to appoint a person (who need not be a Shareholder), other than the persons designated by the Instrument of Proxy furnished by the Corporation to represent such Shareholder at the Western Meeting. To exercise this right, a Shareholder should strike out the names of the persons named in the proxy and insert the name of the other person in the blank space provided on the Instrument of Proxy. Alternatively, a Shareholder may complete another appropriate Instrument of Proxy. Such Shareholder should notify the nominee of the appointment, obtain the nominee’s consent to act as proxy and should provide instructions on how the Shareholder’s shares are to be voted. The nominee should bring personal identification with him or her to the Western Meeting. An Instrument of Proxy will not be valid unless it is deposited at the offices of Valiant Trust Company, Proxy Department, #310, 606 – 4<sup>th</sup> Street S.W., Calgary, Alberta T2P 1T1; Fax (403) 233-2857, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Western Meeting or any adjournment thereof. A proxy must be executed by the Shareholder or his attorney authorized in writing or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof, duly authorized. A proxy is valid only at the Western Meeting in respect of which it is given or any adjournment of the Western Meeting.**

**REVOCAION OF PROXIES**

A Shareholder who has submitted an Instrument of Proxy may revoke it by an instrument in writing signed by the Shareholder or by an authorized attorney or, if the Shareholder is a corporation, by a duly authorized officer, and deposited either: (i) at the offices of Valiant Trust Company, Proxy Department, #310, 606 – 4<sup>th</sup> Street S.W.,

Calgary, Alberta T2P 1T1; Fax (403) 233-2857, at any time up to and including the last business day preceding the day of the Western Meeting or any adjournment thereof; or (ii) with the Chairman of the Western Meeting on the day of the Western Meeting or any adjournment thereof. In addition, an Instrument of Proxy may be revoked: (i) by the Shareholder personally attending the Western Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a representative of the corporation attending the Western Meeting and voting such securities; or (ii) in any other manner permitted by law.

## **EXERCISE OF DISCRETION BY PROXYHOLDERS**

The persons named in the Instrument of Proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. In the absence of such direction, such Common Shares will be voted, **FOR** the approval of setting the number of directors at six (6), **FOR** the approval of the election of the nominees hereinafter set forth as directors of Western, **FOR** the appointment of Deloitte LLP Chartered Accountants as Auditor of the Corporation, and **FOR** the ordinary resolution approving unallocated stock options. **The enclosed Instrument of Proxy confers discretionary authority upon the persons named therein with respect to any amendments or variations in the matters outlined in the accompanying Notice of Meeting or any other business which may properly come before the Western Meeting. The management of the Corporation knows of no such amendments, variations or other business to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters which are not known to the management of Western should properly come before the Western Meeting, the Instrument of Proxy given pursuant to the solicitation by management of Western will be voted on such matters in accordance with the best judgment of the persons voting the proxy.**

## **SIGNING OF PROXY**

The Instrument of Proxy must be signed by the Shareholder or his duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer. An Instrument of Proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate shareholder) should indicate that person's capacity (following his signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with Western).

### **Voting by Internet**

Shareholders may use the internet site at [www.valianttrust.com](http://www.valianttrust.com) to transmit their voting instructions. Shareholders should have the Instrument of Proxy in hand when they access the web site. Shareholders will be prompted to enter their Control Number, which is located on the Instrument of Proxy. If Shareholders wish to vote by internet, your vote must be received not later than 48 hours prior to the time set for the Western Meeting or any adjournment of the Western Meeting. **The website may be used to appoint a proxyholder to attend and vote on a Shareholder's behalf at the Western Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxyholder and submits their voting instructions and subsequently wishes to change their appointment, a Shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.**

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF SECURITIES**

### **Voting of Common Shares – General**

The authorized share capital of Western consists of an unlimited number of Common Shares and an unlimited number of preferred shares of Western ("**Preferred Shares**"). As at March 21, 2014, the Corporation had 73,792,162 Common Shares issued and outstanding and no Preferred Shares issued and outstanding. Each Common Share carries the right to one vote at meetings of the Shareholders of Western. Only persons registered as holders of Common Shares in the Corporation as of the close of business on March 21, 2014, (the "**Record Date**"), are entitled to receive notice of and to vote at the Western Meeting, except to the extent that (a) the holder has transferred the ownership of any of his or her Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common

Shares, and demands not later than ten (10) days before the day of the Western Meeting that his or her name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his or her Common Shares at the Western Meeting.

A quorum of Shareholders is present at a meeting of Shareholders if at least two (2) persons are present holding or representing not less than five (5%) percent of the Common Shares entitled to be voted at the Meeting.

### **Advice to Non-Registered Holders**

**The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold their Common Shares in their own name.** Only registered Shareholders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Western Meeting. However, in many cases, Common Shares beneficially owned by a holder (a “**Non-Registered Holder**”) are in the name of a clearing agency (such as CDS & Co., the registration name for the Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms.) who is holding such shares on behalf of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include securities dealers, or brokers, trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans. If Common Shares are listed in a statement provided to a Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholders’ name.

In accordance with Canadian Securities legislation, Western has distributed copies of the Notice of the Western Meeting, this Information Circular and the Instruments of Proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Common Shares held by an Intermediary (or their agents and nominees) can only be voted or withheld at the direction of the Non-Registered Shareholder. Without specific instructions, Intermediaries are prohibited from voting securities for the Non-Registered Holder. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service company (such as Broadridge Financial Solutions Inc. in Canada) to forward meeting materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive meeting materials will have received, in addition to this Information Circular, either a request for voting instructions or a form of proxy for the number of Common Shares held by the Non-Registered Holder along with instructions with respect to voting. The form of proxy supplied to a Non-registered Holder is substantially similar to the Instrument of Proxy; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Non-Registered Holder.

The purpose of these instructions is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Western Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.

Only registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must in sufficient time in advance of the Western Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set above.

## Principal Holders of Shares

As of the date of this Information Circular, the directors and officers of Western are not aware of anyone who beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of Western entitled to be voted at the Western Meeting except as set forth in the following table, which is based on publicly available information:

Name of Shareholder and Municipality of Residence	Securities Owned, Controlled or Directed <sup>(1)</sup>	Percentage of the Class of Outstanding Voting Securities of the Corporation <sup>(2)</sup>
Fidelity, which may include Fidelity Management & Research Company; Pyramis Global Advisors, LLC; Pryamis Global Advisors Trust Company; Strategic Advisers Incorporated; FIL Limited ; Crosby Advisors LLC and Fidelity SelectCo, LLC <sup>(1)(2)</sup>	10,209,209	13.84%

### Notes:

(1) Based on 73,792,162 issued and outstanding Common Shares of Western as at March 21, 2014.

(2) Based on publicly available information whereby as at January 31, 2014 Fidelity reported (pursuant to the Early Warning System) that it held 10,209,209 Common Shares of Western.

## FINANCIAL STATEMENTS

Western will submit to the Shareholders at the Western Meeting the audited consolidated financial statements of Western for the financial years ended December 31, 2013 and 2012 and the Auditors' Report thereon. No vote by the Shareholders with respect to these matters is required. National Instrument 51-102, Continuous Disclosure Obligations, ("**Instrument**") provides that Western is no longer required to send annual or interim financial statements or the management's discussion and analysis relating thereto to its registered and beneficial Shareholders unless they request copies of same. However, the *Business Corporations Act* (Alberta) requires that annual financial statements be sent to each registered Shareholder unless waived in writing by the registered Shareholder. The Instrument also provides that Western must send annually a request form to its registered and beneficial Shareholders that may be used by such shareholders to request any or all of the annual and interim financial statements and the management's discussion and analysis relating thereto. Shareholders are encouraged to review and, if action is desired, send the enclosed return cards to Valiant Trust Company, Proxy Department, #310, 606 – 4<sup>th</sup> Street S.W., Calgary, Alberta T2P 1T1; Fax (403) 233-2857.

## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Number of Directors

The Articles of the Corporation provide that the Board of Directors (the "**Board**") shall consist of not less than one (1) and not more than fifteen (15) persons. Shareholders will be asked to approve an ordinary resolution fixing the number of directors of Western for the ensuing year, at six (6).

**It is the intention of the persons named in the Instruments of Proxy, if not expressly directed otherwise in such Instruments of Proxy, to vote such proxies FOR the ordinary resolution fixing the number of directors of Western at six (6).**

### 2. Election of Directors

The affairs of the Corporation are managed by a Board who are elected annually for a one (1) year term at each annual meeting of Shareholders and who hold office until the next annual meeting, or until their successors are duly elected or appointed or, until a director vacates his office or is replaced in accordance with the by-laws of the Corporation. The following persons are proposed to be nominated for election as directors of Western at the Western Meeting. The Board has concluded that each nominee is well qualified to serve on Western's Board. The nominees have the relevant expertise essential to ensure appropriate strategic direction and oversight. Each director nominee has confirmed his eligibility and willingness to serve as a director if elected. The enclosed form of proxy or voting instruction form provides for the shareholders to vote for each director individually. In addition, the Corporation has adopted a majority director voting policy, described below.



*Majority Voting*

The Board has adopted an individual voting standard for the election of directors. Under such individual voting standard, in the event that any nominee for election received more “withheld” votes than “for” votes at any meeting at which shareholders vote on the uncontested election of directors, the Board will consider the result and, if deemed to be in the best interests of the Corporation and its Shareholders, may request that such nominee tender his resignation from the Board in a manner that facilitates an orderly transition. It is anticipated that any decisions necessitated in the circumstances outlined in the preceding sentence will be made within 90 days, and the Board may fill any vacancy created thereby.

*Nominees for Election to the Board*

Thomas M. Alford	Lorne A. Gartner	Ronald P. Mathison
Donald D. Copeland	Alex R.N. MacAusland	John R. Rooney

The following table sets forth, for each proposed director: their name, age, municipality, province or state and country of residence; their committee memberships; all positions and offices with Western now held by them; the period during which they have served as a director; other public company board memberships; their principal occupation for the last 5 years along with a brief biography; and the number and percentage of Common Shares that they have advised are beneficially owned, controlled or directed by them, directly or indirectly, as of March 21, 2014:

**Thomas M. Alford**<sup>(1)(2)</sup>  
 Age: 56  
 Calgary, Alberta Canada  
 Director since July 29, 2013  
 Independent<sup>(3)</sup>

Mr. Alford is an independent businessman. Mr. Alford was the President and CEO of IROC Energy Services Corp. from 2001 until its acquisition by Western on April 22, 2013. Prior thereto Mr. Alford was the President and CEO of Bonus Resource Services Corp. from December 1997 to October 2000. Mr. Alford has over 34 years of experience in the oil and gas services industry. Mr. Alford received a Bachelor of Commerce degree from the University of Alberta in 1980.

**Areas of Expertise**

- Operational Management (CEO/Senior Officer)
- Capital/Financial Markets
- Corporate Governance/Board Member
- Sales and Marketing
- Financial and Accounting
- Commercial Banking
- Labour Relations
- Legal Obligations/Requirements
- Mergers and Acquisitions
- Compensation

2013 Board/Committee Membership		Attendance at Meetings during 2013 <i>(Mr. Alford attended all meetings held subsequent to his appointment to the Board on July 29, 2013)</i>			
Board		6 of 6	100%		
Audit		2 of 2	100%		
Health, Safety and Environment		2 of 2	100%		
Other Public Company Board Memberships		Public Board Interlocks			
High Arctic Energy Services Inc.		None			
Securities Held					
Common Shares	Percentage <sup>(4)</sup>	Total Market Value of Common Shares <sup>(5)</sup>			
800,000	1.08%	\$7,928,000			
Options Held					
Date Granted	Expiry Date	Outstanding	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Options <sup>(6)</sup>
Aug 2/13	Aug 1/18	20,000	\$8.20	20,000	\$34,200
Feb 11/14	Feb 10/19	10,000	\$7.76	10,000	\$21,500

**Voting Results of 2013 Annual and Special Meeting**

Mr. Alford was appointed to the Board subsequent to the 2013 Annual Meeting.

**Donald D. Copeland**<sup>(2)(7)</sup>  
Age: 61  
Victoria, B.C. Canada  
Director since June 17, 2011  
Independent<sup>(3)</sup>

Mr. Copeland is an independent businessman. Prior to joining Western's Board, Mr. Copeland was the Chairman of Stoneham Drilling Trust. Previously, he founded and served as the CEO and Chairman of a number of oil and gas corporations, both in the producing sector and oil field services sector of the industry. He has served on the boards of numerous oil and gas industry corporations. Mr. Copeland received a BSc. in Chemical Engineering from the University of Calgary. He is a graduate of the Director's Education Program sponsored by the Institute of Corporate Directors.

**Areas of Expertise**

- Operational Management (CEO/Senior Officer)
- Environment, Health and Safety
- Corporate Governance/Board Member
- Sales and Marketing
- Mergers and Acquisitions
- Engineering
- Capital/Financial Markets
- Human Resource Management
- Legal Obligations/Requirements
- Compensation
- International Business Experience

2013 Board/Committee Membership		Attendance at Meetings during 2013 <i>(Mr. Copeland did not participate in two meetings of the Board held due to a declared conflict)</i>				
Board		11 of 11	100%			
Corporate Governance and Compensation		7 of 7	100%			
Health, Safety and Environment		4 of 4	100%			
Other Public Company Board Memberships		Public Board Interlocks				
Crocotta Energy Inc.		None				
Renegade Petroleum Ltd						
Toscana Energy Income Corporation						
Securities Held						
Common Shares	Percentage <sup>(4)</sup>	Total Market Value of Common Shares <sup>(5)</sup>				
749,910	1.02%	\$7,431,608				
Options Held						
Date Granted	Expiry Date	Outstanding	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Options <sup>(6)</sup>	
Nov 25/11	Nov 24/16	20,000	\$7.41	20,000	\$50,000	
Dec 7/12	Dec 6/17	10,000	\$6.63	10,000	\$32,800	
Feb 11/14	Feb 10/19	10,000	\$7.76	10,000	\$21,500	
Voting Results of 2013 Annual and Special Meeting		Votes For		Votes Withheld		Total Votes Cast
		29,400,434	85.4%	5,010,724	14.6%	34,411,158

**Lorne A. Gartner**<sup>(1)</sup>  
Age: 66  
Calgary, Alberta Canada  
Director since June 16, 2011  
Independent<sup>(3)</sup>

Mr. Gartner is an independent businessman. Formerly, Mr. Gartner was the Managing Director of Royal Bank of Canada Capital Markets, a position he held from 2000 to 2006. Prior to that time, Mr. Gartner was a Vice President of Royal Bank of Canada, Calgary Energy Group. He joined the Board of Directors of Western in June 2011.

**Areas of Expertise**

- Capital Financial Markets
- Financial and Accounting
- Commercial Banking
- Corporate Governance/Board Member
- Mergers and Acquisitions
- International Business Experience
- Operational Management (CEO/Senior Officer)
- Human Resource Management
- Labour Relations
- Environmental, Health and Safety
- Legal Obligations/Requirements

2013 Board/Committee Membership		Attendance at Meetings during 2013				
Board		11 of 13	85%			
Audit		4 of 4	100%			
Corporate Governance and Compensation <sup>(8)</sup>		3 of 3	100%			
Other Public Company Board Memberships		Public Board Interlocks				
Calfrac Well Services Ltd.		Mr. Gartner and Mr. Mathison are both members of the board of Calfrac Well Services Ltd. and Tesla Exploration Ltd.				
Tesla Exploration Ltd.						
Securities Held						
Common Shares	Percentage <sup>(4)</sup>	Total Market Value of Common Shares <sup>(5)</sup>				
77,791	0.11%	\$770,909				
Options Held						
Date Granted	Expiry Date	Outstanding	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Options <sup>(6)</sup>	
Nov 25/11	Nov 24/16	20,000	\$7.41	20,000	\$50,000	
Dec 7/12	Dec 6/17	10,000	\$6.63	10,000	\$32,800	
Feb 11/14	Feb 10/19	10,000	\$7.76	10,000	\$21,500	
Voting Results of 2013 Annual and Special Meeting		Votes For		Votes Withheld		Total Votes Cast
		31,371,065	91.2%	3,040,093	8.8%	34,411,158

**Alex R.N. MacAusland**<sup>(2)</sup>  
 Age: 45  
 Calgary, Alberta Canada  
 Director since  
 December 1, 2013  
 Not Independent<sup>(9)</sup>

Mr. MacAusland is the President and CEO of Western. From December 2009 to December 2013, Mr. MacAusland was the President and COO of Western. From February 2008 to December 2009 Mr. MacAusland was the President and CEO of Horizon Drilling Inc. From 2006 to 2008, Mr. MacAusland was a Senior Vice President of IROC Energy Services Corp.

**Areas of Expertise**

- Operational Management (CEO/Senior Officer)
- Environment, Health and Safety
- Sales and Marketing
- Mergers and Acquisitions
- Capital/Financial Markets
- Corporate Governance/Board Member
- International Business Experience

2013 Board/Committee Membership		Attendance at Meetings during 2013 <i>(Mr. MacAusland attended all meetings held subsequent to his appointment to the Board on December 1, 2013)</i>			
Board		1 of 1	100%		
Health, Safety and Environment		N/A	N/A		
Other Public Company Board Memberships		Public Board Interlocks			
None		None			
Securities Held					
Common Shares	Percentage <sup>(4)</sup>	Total Market Value of Common Shares <sup>(5)</sup>			
872,327	1.18%	\$8,644,761			
Options Held <sup>(10)(11)</sup>					
Date Granted	Expiry Date	Outstanding	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Options <sup>(6)</sup>
Mar 22/10	Mar 21/15	150,000	\$5.70	150,000	\$631,500
Aug 12/11	Aug 11/16	30,000	\$8.75	30,000	\$34,800
Dec 7/12	Dec 6/17	30,000	\$6.63	30,000	\$98,400
Feb 11/14	Feb 10/19	200,000	\$7.76	200,000	\$430,000
Voting Results of 2013 Annual and Special Meeting					

Mr. MacAusland was appointed to the Board subsequent to the 2013 Annual Meeting.

**Ronald P. Mathison**<sup>(1)</sup>  
 Age: 57  
 Calgary, Alberta Canada  
 Director since  
 December 17, 2010  
 Independent<sup>(3)</sup>

Mr. Mathison is the President and Chief Executive Officer of Matco Investments Ltd. and Matco Capital Ltd., private investment firms which specialize in providing capital and management expertise to companies in which they have an interest. Mr. Mathison has extensive experience in restructuring and financing corporations in both the public and private markets and is founder and Chairman of Calfrac Well Services Ltd. and Tesla Exploration Ltd. Until 2000, Mr. Mathison was a director and principal of Peters & Co. Limited, an investment firm specializing in the oil and natural gas industry. Prior thereto, Mr. Mathison and two other individuals formed the nucleus of Peters & Co. Capital, a private merchant banking equity firm that is widely associated with numerous restructurings of oil and natural gas exploration and production companies and oilfield service companies. Mr. Mathison received a B.Comm (Hons) from the University of Manitoba and has earned Chartered Accountant, Chartered Business Valuator, and Chartered Financial Analyst designations.

**Areas of Expertise**

- Capital Financial Markets
- Financial and Accounting
- Commercial Banking
- Mergers and Acquisitions
- Corporate Governance/Board Member
- Operational Management (CEO/Senior Officer)
- Compensation

2013 Board/Committee Memberships		Attendance at Meetings during 2013 <i>(Mr. Mathison did not participate in one meeting of the Board held due to a declared conflict)</i>				
Board		11 of 12	92%			
Audit		4 of 4	100%			
Other Public Company Board Memberships		Public Board Interlocks				
Calfrac Well Services Ltd		Mr. Mathison and Mr. Gartner are both members of the board Calfrac Well Services Ltd. and Tesla Exploration Ltd.				
CMQ Resources Inc.						
Tesla Exploration Ltd.						
Yellowhead Mining Inc.						
Securities Held						
Common Shares	Percentage <sup>(4)</sup>	Total Market Value of Common Shares <sup>(5)</sup>				
7,336,255	9.94%	\$72,702,287				
Options Held						
Date Granted	Expiry Date	Outstanding	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Options <sup>(6)</sup>	
Nov 25/11	Nov 24/16	20,000	\$7.41	20,000	\$50,000	
Dec 7/12	Dec 6/17	10,000	\$6.63	10,000	\$32,800	
Feb 11/14	Feb 10/19	10,000	\$7.76	10,000	\$21,500	
Voting Results of 2013 Annual and Special Meeting		Votes For	Votes Withheld	Total Votes Cast		
		32,673,541	95.0%	1,737,61	5.0%	34,411,158

**John R. Rooney**<sup>(1)(7)</sup>  
 Age: 57  
 Calgary, Alberta Canada  
 Director since  
 December 22, 2009  
 Independent<sup>(3)</sup>

Mr. Rooney is the Chairman and CEO of Northern Blizzard Resources Inc., a private oil and gas company since November 2009. From December 2007 to April 2009, Mr. Rooney was the CEO of TUSK Energy Inc. From 2005 to 2007, Mr. Rooney was the President and CEO of Zenas Energy Inc. Mr. Rooney is a Chartered Accountant and a Chartered Business Valuator.

**Areas of Expertise**

- Operational Management (CEO/Senior Officer)
- Capital Financial Markets
- Financial and Accounting
- Corporate Governance/Board Member
- Mergers and Acquisitions
- International Business Experience
- Compensation
- Commercial Banking
- Human Resource Management
- Labour Relations
- Environment, Health and Safety
- Legal Obligations/Requirements

2013 Board/Committee Memberships		Attendance at Meetings during 2013				
Board		12 of 13	92%			
Audit		4 of 4	100%			
Corporate Governance and Compensation		7 of 7	100%			
Other Public Company Board Memberships		Public Board Interlocks				
None		None				
Securities Held <sup>(12)</sup>						
Common Shares		Percentage <sup>(4)</sup>	Total Market Value of Common Shares <sup>(5)</sup>			
500,000		0.68%	\$4,995,000			
Options Held						
Date Granted	Expiry Date	Outstanding	Grant Price	Total Unexercised	Value of In-the-Money Unexercised Options <sup>(6)</sup>	
Mar 22/10	Mar 21/15	50,000	\$5.70	50,000	\$210,500	
Nov 25/11	Nov 25/16	20,000	\$7.41	20,000	\$50,000	
Dec 7/12	Dec 6/17	10,000	\$6.63	10,000	\$32,800	
Feb 11/14	Feb 10/19	10,000	\$7.76	10,000	\$21,500	
Voting Results of 2013 Annual and Special Meeting		Votes For		Votes Withheld		Total Votes Cast
		32,695,127	95.0%	1,716,031	5.0%	34,411,158

**Notes:**

- (1) Member of the Audit Committee.
- (2) Member of the Health, Safety and Environment Committee.
- (3) "Independent" refers to the standards of independence set forth within Section 1.4 of National Instrument 52-110 *Audit Committees*.
- (4) Percentage of Western Shares beneficially owned is calculated based on an aggregate of 73,792,162 Western Shares outstanding as of March 21, 2014.
- (5) Total Market Value of Common Shares was determined by multiplying the number of Western Shares held by each director nominee as of March 21, 2014 by \$9.91, which was the closing price of the Western Shares on the TSX on that date.
- (6) Based the difference between the March 21, 2014 closing price on the TSX of the Common shares of Western of \$9.91 per share and the grant price of the Stock Option.
- (7) Member of the Corporate Governance and Compensation Committee.
- (8) Mr. Gartner was a member of the Corporate Governance and Compensation Committee until May 8, 2013.
- (9) Mr. MacAusland is not independent as he is the President and CEO of Western.
- (10) Mr. MacAusland was granted options for serving as an officer of the Corporation.
- (11) Mr. MacAusland also has 2,518 warrants ("Warrants") entitling him to subscribe for and purchase one (1) fully paid and non-assessable Common Share at an exercise price of \$2.10 for every one (1) warrant held by Mr. MacAusland. The Warrants expire on December 22, 2014.
- (12) In addition, Mr. Rooney has \$500,000 7 7/8% Senior Notes issued September 18, 2013 and due January 30, 2019.

**It is the intention of the persons named in the Instruments of Proxy, if not expressly directed otherwise in such Instruments of Proxy, to vote such proxies FOR the election of the nominees described above as directors of Western. It is not contemplated that nominees will be unable to serve as directors, but, if that should occur for any reason prior to the Western Meeting, the persons named in the enclosed Instrument of Proxy reserve the right to vote for other nominees at their discretion.**

As at March 21, 2014, the directors and officers of Western, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 11,334,358 Common Shares, or approximately 15.36% of the issued and outstanding Common Shares of Western, based on 73,792,162 issued and outstanding Common Shares. As at March 21, 2014, the directors and officers of Western, as a group, have outstanding options to purchase 2,002,000 Common Shares of Western and 2,518 Warrants to purchase Common Shares of Western.

### *Cease Trade Orders, Bankruptcies, Penalties or Sanctions*

Except as set forth below, none of the proposed directors is, or has been in the last 10 years: (a) a director, chief executive officer or chief financial officer of any company (including Western) that: (i) was subject to a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days, that was issued while the proposed director was acting in that capacity; or (ii) was subject to a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or (b) a director or executive officer of any company (including Western) that, while that proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Mathison indirectly holds a controlling interest in Riverside Quays Limited Partnership ("**RQLP**") a private Alberta limited partnership that was involved in the construction of and sale of a 700-unit condominium project in Calgary, Alberta. Mr. Mathison is a director of Statesman Riverside Quays Ltd. ("**SRQL**"), the former general partner of RQLP. SRQL, without Mr. Mathison's authorization or approval, caused RQLP to default on its loan obligations to its lender and, on December 15, 2010, the lender obtained a court order appointing a receiver of SRQL and RQLP. Mr. Mathison subsequently arranged for the full payout of the loan to RQLP's lender and for the appointment of a new general partner of RQLP. The receiver of SRQL and RQLP was discharged.

None of the proposed directors has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver manager or trustee appointed to hold his assets.

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.

### **3. Appointment of the Auditor**

The Shareholders will consider an ordinary resolution to appoint the firm of Deloitte LLP, Chartered Accountants, Calgary, Alberta, to serve as Auditor of Western until the next annual meeting of the Shareholders and to authorize the directors of Western to fix their remuneration. Deloitte LLP Chartered Accountants have been the Auditor of Western since January 12, 2010. Should Deloitte LLP for any reason be unwilling or unable to accept re-appointment, Western's directors will exercise their discretion to appoint an alternate auditor.

**It is the intention of the persons named in the Instrument of Proxy, if not expressly directed otherwise in such Instrument of Proxy, to vote such proxies FOR the appointment of Deloitte LLP as Auditor of Western.**

### **4. Approval of Unallocated Options under the Stock Option Plan**

In accordance with the requirements of the Toronto Stock Exchange (the "**TSX**"), every three years after institution, all unallocated options, rights or other entitlements under a security based compensation arrangement which do not have a fixed maximum aggregate number of securities issuable must be approved by a majority of the listed issuer's directors and the listed issuer's security holders.

Western listed its Common Shares on the TSX on October 13, 2011. According to the rules of the TSX Western is required to obtain shareholder approval for the Unallocated Options available under its Stock Option Plan every three years after institution of the Plan. For the purposes hereof "**Unallocated Options**" means 10% of the issued and outstanding common shares of Western less the aggregate of the number of such Common Shares issuable pursuant to outstanding options issued under the Stock Option Plan, plus the number of Common Shares issuable pursuant to all of the Corporation's Security Based Compensation Arrangements (as that term is defined in the TSX Company Manual), calculated at any point in time. As the approval for the issuance of Unallocated Options will

expire on October 13, 2014, Western will seek approval for issuance of Unallocated Options at the meeting to ensure that Western can continue to issue options after October 13, 2014 if shareholders approve the issuance of Unallocated Options as proposed below.

At the Western Meeting, shareholders will be asked to consider and, if thought fit, approve an ordinary resolution approving the Unallocated Options under the Stock Option Plan.

As of March 21, 2014, Western had 73,792,162 issued and outstanding common shares and 4,659,537 options were issued and outstanding under the Stock Option Plan. As a result, there are currently 2,719,679 Unallocated Options.

If the resolution approving the Unallocated Options under the Stock Option Plan is not approved, previously granted stock options and those options granted on or prior to October 13, 2014 will continue and not be affected. However, in such circumstances, previously granted stock options and those options granted on or prior to October 13, 2014 will not be available for re-allocation if they are cancelled prior to the exercise thereof.

The ordinary resolution to be considered at the Western Meeting for approval, confirmation and adoption, with or without modification, is as follows:

**“BE IT RESOLVED** as an ordinary resolution of the Corporation that:

1. All Unallocated Options, as described in the Information Circular under the heading “Approval of Unallocated Options Under the Stock Option Plan”, and issuable under such plan be and are hereby approved;
2. The Corporation be and is hereby authorized to continue granting unallocated Options under the Stock Option Plan of the Corporation until May 6, 2017; and
3. Any one or more of the directors or officers of the Corporation are hereby authorized to sign all such documents and to do all such acts and things as such director or officer determines, in his or her discretion, to be necessary or advisable in order to properly implement and give effect to the foregoing.”

**It is the intention of the persons named in the Instrument of Proxy, if not expressly directed otherwise in such Instrument of Proxy, to vote such proxies FOR the ordinary resolution approving the Unallocated Options under the Stock Option Plan.**

## **5. Other Business**

Management is not aware of any other matters to come before the Western Meeting other than those set out in the Notice of Meeting. If other matters come before the Western Meeting, it is the intention of the individuals named in the Instrument of Proxy to vote the same in accordance with their best judgment in such matters.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### *Compensation Governance*

The Corporate Governance and Compensation Committee is responsible for continually monitoring and evaluating Western’s Board, the President and Chief Executive Officer, and the Senior Vice President Finance and Chief Financial Officer (the “**Senior Executives**”) compensation programs and making recommendations to the Board of Directors relating to Western’s compensation plan; compensation of members of the Board of Directors and the Senior Executives. The Corporation’s compensation philosophy is aimed at attracting and retaining quality and experienced people which is critical to the success of Western for the benefit of its shareholders. Employee compensation, including officer compensation, is comprised of three elements: base salary, annual performance bonus (cash bonuses) and long-term incentive compensation (“**Options**”) pursuant to Western’s stock option plan (the “**Stock Option Plan**”). The Corporate Governance and Compensation Committee review all three components

in assessing the compensation of the Senior Executives and employees of the Corporation. Salaries and bonuses are intended to provide current compensation and short-term incentive for employees to encourage them to meet the Corporation's annual performance targets. Options are granted as a long-term incentive and are designed to align the benefit associated with the long-term appreciation in Western's share price performance. The Corporate Governance and Compensation Committee along with the Board of Directors will continue to review compensation policies to ensure that they are competitive within the oilfield services industry and consistent with the goal of maximizing the performance of the Corporation.

The Corporate Governance and Compensation Committee will generally consider and make recommendations to the Board of Directors with respect to Senior Executives' options granted pursuant to the Stock Option Plan; and, if applicable, employment contracts. When making such recommendations, the Corporate Governance and Compensation Committee will analyze a number of factors, including, but not limited to: compensation data compiled from Western's peer groups; corporate performance; and individual performance. In assessing corporate performance, Western does not have any pre-determined or set targets, but will pay particular attention to corporate growth, operational (including safety) objectives, financial results and share price performance in the near and long-term of Western's overall performance relative to its peers. In assessing the performance of the individuals, consideration will be given to objective factors such as the level of responsibility, experience and expertise, as well as subjective factors such as leadership and individual performance.

#### *Comparable Companies*

Western compares its executive compensation to the compensation provided to executives in comparable positions by a comparable group of Canadian oilfield service companies. The comparable group is selected based on the nature of the comparable organization's business taking into consideration size, complexity and style of operation. The companies in this comparison group compete with Western for executive personnel and therefore provide a useful benchmark for the Corporate Governance and Compensation Committee in its evaluation of Western's executive compensation programs. Western looks to the following primary market competitors in comparing its executive compensation:

Ensign Energy Services Inc.	Akita Drilling Inc.	Total Energy Services Inc.
Precision Drilling Corporation	Savanna Energy Services Corp.	Trinidad Drilling Ltd.
CanElson Drilling Inc.	CWC Well Services Corp.	

#### *Executive Compensation Program*

Western's executive compensation program is designed to reward Senior Executives based on overall performance and growth of Western. The program balances annual rewards for achieving individual and corporate success supplemented with stock options that are intended to reward the individual based on the long-term share price performance of Western.

As part of its annual review of the Corporation's compensation program, the Corporate Governance and Compensation Committee takes into consideration a number of factors including an analysis to ensure that the compensation program provides the Senior Executives of the Corporation incentive to achieve both short and long-term objectives without motivating them to take unnecessary risk. In particular, the Corporation notes the following factors which it believes should mitigate the likelihood that its Senior Executives will take unnecessary or excessive risk for the sake of enhanced rewards:

- the annual performance bonus is at the Board of Director's discretion;
- the Stock Option Plan is designed so that Options vest over at least a three year period and therefore encourages share price appreciation over the longer term. In doing so, the Corporate Governance and Compensation Committee believe this reduces the risk of actions which may have short-term advantages over long-term sustainable share price appreciation.

In addition, the Corporation discourages short-term speculation on its shares. The Insider Trading Policy of the Corporation provides that no director, officer, employee or consultant of the Corporation shall engage in any of the following activities with respect to the securities of the Corporation:

- trading in securities of the Corporation on a short-term basis. Any Corporation securities purchased on the open market must be held for a minimum of four months and ideally longer;
- purchase of Corporation securities on margin for the purpose of short term speculation;
- short sales;
- buying or selling “put” or “call” options;
- purchasing financial instruments which are designed to hedge or offset a decrease in market value of equity securities granted by the Corporation as compensation or held, directly or indirectly, by a Named Executive Officer (“NEO”) or director, which financial instruments include but are not limited to, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

The overall compensation program for the Senior Executives is comprised of three primary components:

### **1. Base Salaries and Benefits**

Salary amounts are set giving consideration to the skills required to carry out the Corporation’s controlled growth and profitability plans, how well the expertise and experience of these individuals fit with those requirements and the competitive marketplace. As part of its benefits for employees in general, the Corporation has a matching plan (“**Matching Plan**”) whereby employees are given the option to contribute from 2% to 5% of their base salary to the plan which will, at the option of the employee, allocate such amount to Registered Retirement Savings Plan (“**RRSP**”) or Tax Free Savings Account (“**TFSA**”). Contributions can be directed to purchase Western Shares or other designated securities available within the RRSP or TFSA and the Corporation will match such amounts and those matched funds will also be used for an RRSP or TFSA contribution. The foregoing is administered by a third party and such acquisitions of Western Shares can occur within the Matching Plan at any time.

### **2. Annual Performance Bonus**

Senior Executives are eligible to receive an annual cash bonus based upon the combination of corporate and individual performance. Western generally contributes up to 5% of the annual operating profitability (EBITDA) of the Corporation to an employee bonus pool. Senior Executives may be eligible to receive up to two times their annual salary from the employee bonus pool. However, all annual, cash bonus awards to Senior Executives are discretionary. The annual performance bonus is structured to encourage and reward employees and Senior Executives to maximize short-term results at Western.

### **3. Long-Term Incentive Compensation – Options**

Options are viewed as an effective incentive to balance employee and Senior Executives’ focus between short-term operating performance and profitable long-term growth, which should translate into share price appreciation for the benefit of shareholders. With Option grants vesting over time, they also should serve as an effective employee retention tool. Despite the dilutive aspect of Options, they do directly align the interests of management and shareholders as the benefits derived from Options parallel the benefits realized by shareholders through share price appreciation. Options provide the potential for long-term rewards and above-average total compensation for superior, longer-term performance.

Directors, officers, employees and consultants are eligible to participate in Western’s Stock Option Plan. The Stock Option Plan authorizes the Board of Directors of Western to issue Options (“**Options**”). Awards of Options are made from time to time to participants at varying levels consistent with the individual’s position and responsibility. The Board of Directors approves Option grants as recommended by the Corporate Governance and Compensation Committee. Options are priced at the closing trading price of Western’s Common Shares on the business day immediately preceding the date of grant. Options granted before December 31, 2010 vest at a rate of one third on each of the second, third and fourth anniversaries of the date of grant and have a 5 year term. Options granted subsequent to December 31, 2010 vest at a rate of one third each on the first, second and third anniversaries of the date of grant and have a 5 year term. The term and other provisions of the options are subject to the terms of Western’s Stock Option Plan.



## Named Executive Officers

Securities legislation requires the disclosure of the compensation received by each “Named Executive Officer” of the Corporation for the three most recently completed financial years. “**Named Executive Officer**” is defined by the legislation to mean (i) each of the Chief Executive Officer and Chief Financial Officer of the Corporation, regardless of the amount of compensation of that individual, (ii) each of the Corporation’s three most highly compensated executive officers or individuals acting or in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation and bonus exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year end of the Corporation.

An “**executive officer**” is defined by the legislation to mean (i) the Chair of the Corporation, (ii) a Vice-chair of the Corporation, (iii) the President of the Corporation, (iv) a Vice-president of the Corporation in charge of a principal business unit, division or function, such as sales, finance or production, or (v) an officer of the Corporation or any of its subsidiaries or any other person who performed a policy-making function in respect of the Corporation.

During the financial year ended December 31, 2013, there were five (5) NEOs of Western being Alex R.N. MacAusland, President and Chief Executive Officer; Jeffrey K. Bowers, Senior Vice President, Finance and Chief Financial Officer; Rick M. Harrison, Senior Vice President Operations and Services, David G. Trann, Vice President, Finance and Dale E. Tremblay, the former Chief Executive Officer.

Mr. Tremblay retired as Chief Executive Officer on December 1, 2013 but will be providing transitional services to the Corporation until May 31, 2014. Mr. MacAusland was appointed Chief Executive Officer on December 1, 2013. No options were granted to Messrs. Tremblay, MacAusland and Bowers in 2013. Mr. Harrison and Mr. Trann were each granted 70,000 options in 2013.

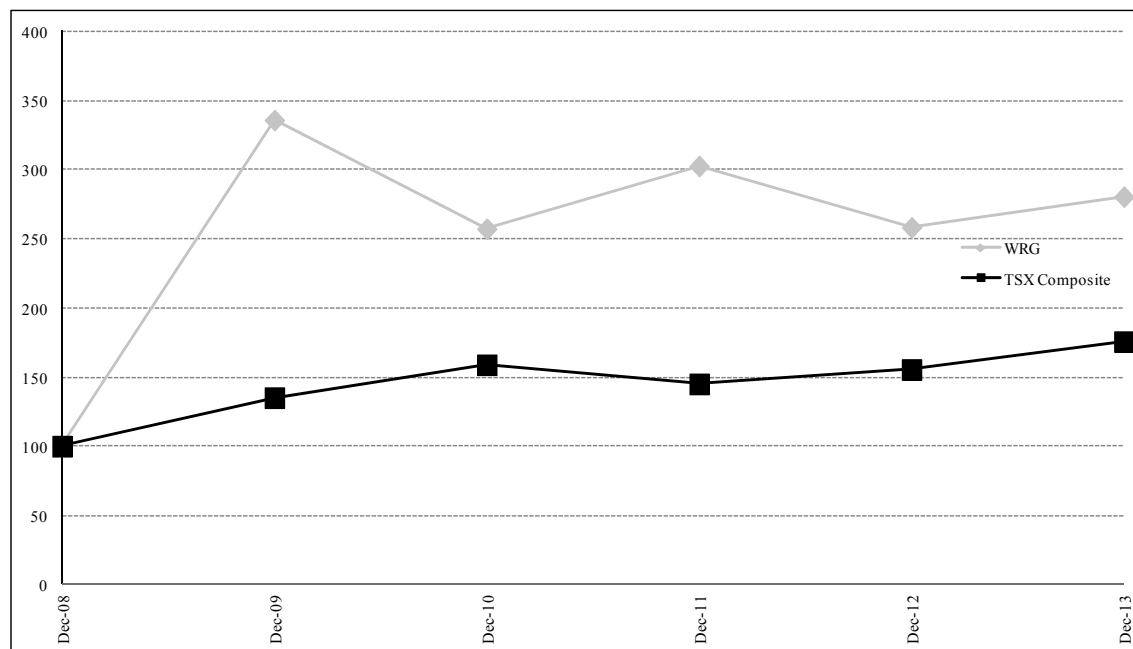
The Corporation did not retain the services of a compensation consultant or advisor to assist the Corporate Governance and Compensation Committee in determining compensation for the NEOs during the financial year ended December 31, 2013.

## Performance Analysis

The Corporation has included two graphs below to illustrate its performance both over the last five years as well as since the recapitalization of Western, when the current management team and Board joined Western. The graph since the recapitalization provides a better illustration of Western's performance under the current NEOs.

### Share Price Performance Graph since 2008

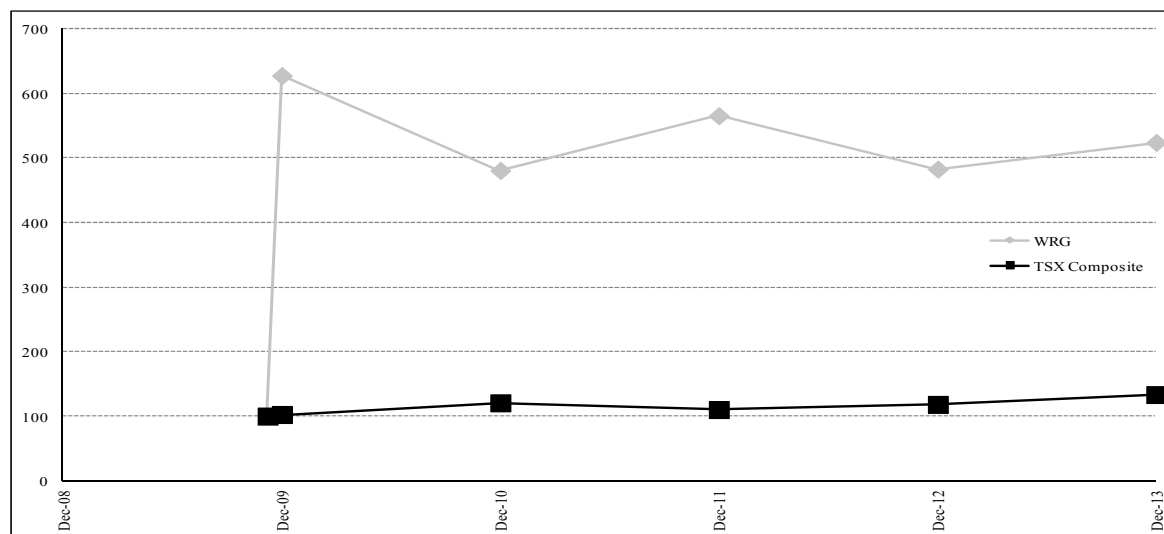
The following graph compares Western's cumulative total return on Western's Common Shares from December 31, 2008 to December 31, 2013 and TSX composite for the same period. It assumes an initial investment of \$100 on December 31, 2008, with all dividends reinvested:



	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2012	Dec 31, 2013
S&P/TSX Composite Total Return Index	100	135	159	195	155	176
Western Common Shares	100	336	257	303	258	280

### Share Price Performance Graph since Recapitalization in 2009

On December 8, 2009, Western announced a recapitalization and reorganization of the Corporation, whereby an entirely new management team and board of directors was appointed. Additionally, there was a substantial realignment of the financial interests of Western’s creditors and shareholders. The following graph compares Western’s cumulative total return on Western’s Common Shares from the date the recapitalization and reorganization was announced to December 31, 2013, and TSX composite for the same period which management believes provides a better illustration of Western’s performance under the current NEOs. It assumes an initial investment of \$100 on December 7, 2009, with all dividends reinvested:



	Dec. 7, 2009	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2011	Dec 31, 2012	Dec 31, 2013
Western Common Shares	100	627	480	565	472	523
S&P/TSX Composite Total Return Index	100	103	121	110	118	133

### Share Price Performance in Relation to Executive Compensation

Among the 5 NEOs for 2013, Messrs. MacAusland and Bowers have been employees of the Corporation since the recapitalization of Western in December 2009. Mr. Tremblay retired as Chief Executive Officer on December 1, 2013. Mr. Tremblay is providing transitional services to the Corporation until May 31, 2014. Mr. Trann has been an employee of the Corporation since February 1, 2010. Mr. Harrison has been an employee of the Corporation since March 22, 2011. Since the recapitalization, Western has completed 12 transactions including: 7 acquisitions, the disposition of Stimsol Canada Inc., 2 equity financings and 2 high yield debt financings. During this time period, Western’s drilling rig fleet has grown from zero to 54 drilling rigs on December 31, 2013, making Western the sixth largest contract drilling company in Canada, while the well service rig fleet has grown from zero to 65 service rigs at December 31, 2013, making Western the seventh largest well servicing contractor in Canada. Since the recapitalization, the Corporation’s employee headcount has increased from 23 to 1,436 as at December 31, 2013. During this period, Western also commenced operations of its production services segment in Canada, successfully completed a significant capital build program and established its corporate presence in the United States. All these factors taken together have resulted in strong revenue and EBITDA growth. As shown in the graph above, these achievements have translated into the dramatic shareholder return realized since the recapitalization, which has greatly exceeded the broader market return during the same period of time. Compensation paid to the NEOs reflects the significant increase in the scope and size of Western’s business operations since the recapitalization as well as Western’s strong financial and operating results. Compensation for the NEOs also reflects the high level of variable pay, both short and long term, which forms part of the total compensation program for the Corporation’s executives.

## **Composition of the Corporate Governance and Compensation Committee**

The current members of the Corporate Governance and Compensation Committee are John R. Rooney (Chairman), Donald P. Copeland, Lorne A. Gartner, and Steven C. Grant. Mr. Grant will not be standing for re-election at the Western Meeting. Each current member of the Corporate Governance and Compensation Committee is independent as defined under National Instrument 52-110 *Audit Committees* (“NI 52-110”) and none received any compensation, directly or indirectly, from Western other than for services as a member of the board of directors of Western and its committees, as applicable.

### ***Relevant Education and Experience of Members of the Corporate Governance and Compensation Committee***

#### *John R. Rooney (Chairman)*

Mr. Rooney is the Chairman and CEO of Northern Blizzard Resources Inc., a private oil and gas company since November 2009. From December 2007 to April 2009, Mr. Rooney was the CEO of TUSK Energy Inc. From 2005 to 2007, Mr. Rooney was the President and CEO of Zenas Energy Inc. Mr. Rooney is a Chartered Accountant and a Chartered Business Valuator.

#### *Donald D. Copeland*

Mr. Copeland is an independent businessman. Prior to joining Western’s Board in June 2011, Mr. Copeland was the Chairman of Stoneham Drilling Trust. Previously, he founded and served as the CEO and Chairman of a number of oil and gas corporations, both in the producing sector and oilfield services sector of the industry. He has served on the boards of numerous oil and gas industry corporations. Mr. Copeland is also currently a Director of Crocotta Energy Inc., Renegade Petroleum Ltd. and Toscana Energy Income Corp. Mr. Copeland received a BSc in Chemical Engineering from the University of Calgary. He is a graduate of the Director’s Education Program sponsored by the Institute of Corporate Directors.

#### *Lorne A. Gartner*

Mr. Gartner is an independent businessman. Formerly, Mr. Gartner was the Managing Director of Royal Bank of Canada Capital Markets, a position he held from 2000 to 2006. Prior to that time, Mr. Gartner was a Vice President of Royal Bank of Canada, Calgary Energy Group. Mr. Gartner is also a Director of Calfrac Well Services Ltd. and Tesla Exploration Ltd.

#### *Steven C. Grant*

Mr. Grant is an independent businessman who was formerly a Houston-based Managing Director of Energy Investment Banking with Raymond James & Associates; a New York Stock Exchange (“NYSE”) listed investment banking and brokerage firm. Mr. Grant held such position from 1996 through February 2008. Prior to joining Raymond James & Associates, Mr. Grant was the Senior Vice President and Chief Financial Officer of Enterra Corporation, a NYSE listed oilfield service company, for a period of nine years. For 10 years prior to that, Mr. Grant was a Senior Vice President Finance and Administration and CFO of WellTech Inc., a NYSE listed oilfield service company. While at both WellTech Inc. and Enterra Corporation, Mr. Grant was involved in the design and implementation of compensation programs at each company. Mr. Grant received his MBA (Finance) from Harvard Graduate School of Business Administration in 1966 and a Bachelor of Arts (Economics) from Yale University in 1964. Mr. Grant will not be standing for re-election at the Western Meeting.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

### **Western Stock Option Plan**

In order to attract and retain qualified personnel and provide incentives and rewards to the directors, officers, employees and consultants of Western, the Board of Directors has adopted the Option Plan. The Option Plan authorizes the Board of Directors of Western to issue Options to purchase Common Shares to directors, officers, employees and consultants of Western. Under the Option Plan, the aggregate number of Common Shares issuable

upon exercise of Options granted thereunder may not exceed 10% of the issued and outstanding Common Shares from time to time and the Common Shares reserved for issuance to any one person shall not exceed 5% of the outstanding Common Shares from time to time.

### Summary of Option Plan

The Option Plan provides that the aggregate number of Common Shares issuable pursuant to stock options granted under the Option Plan and under any other security based compensation arrangement, if any, and issued to insiders within any one year period and, issuable to insiders, shall in either case, not exceed 10% of the issued and outstanding Common Shares at the time of the grant of any stock option. In addition, the Option Plan provides that the maximum number of Common Shares issuable pursuant to Options granted shall not exceed 10% of the aggregate number of issued and outstanding Common Shares.

The Option Plan provides that, at the time of granting an Option under the Option Plan, the Board of Directors (or a committee thereof) will determine the exercise price when such Option is granted subject to any limitations imposed by any relevant stock exchange or regulatory authority and the exercise price shall not be less than an amount equal to the Market Value of the Common Shares. The Market Value is defined in the Option Plan as any date when the market value of Common Shares of the Corporation is to be determined as the closing price on the trading day prior to the date of grant on the TSX. As well, the Board of Directors (or a committee thereof) will determine at the time of granting an Option under the Option Plan the expiry date of each Option (not to exceed 5 years after the date of grant) and the extent to which each Option vests and is exercisable from time to time during the term of the Option. The directors of Western have resolved that vesting provisions for Options granted by Western shall be as to 1/3 on the first anniversary of the date of grant, 1/3 on the second anniversary of the date of grant and 1/3 on the third anniversary of the date of grant. The Option Plan also provides that vesting of Options shall accelerate and Options shall be exercisable immediately prior to the time that a change of control takes place. The Option Plan states that if the Corporation amalgamates with another entity or sells all or substantially all of its assets in exchange for shares of another entity, the Corporation shall ensure that the holders of Options shall receive shares in the successor entity on the same basis the Option holder would have received if the Option holder had purchased shares of the Corporation immediately prior to the amalgamation or sale and that upon making such provision the Options shall terminate. If the Board of Directors of the Corporation approves a take-over bid of the Corporation by another entity, the Options held shall accelerate to allow holders to exercise their Options to tender shares issuable pursuant thereto to the bid but shall be deemed not to have been issued if the bid is not successful. If such an approved take-over bid occurs and an Option holder does not exercise and tender to the bid as aforesaid, the Options outstanding after the bid may be cancelled by paying the holder the difference between the exercise price and the fair market value of the securities the Option holder would have received if their Options had been exercised. The Option Plan also states that Option agreements shall also provide that upon the death of an Optionee, the Option shall terminate on a date set forth in the agreement which shall not be more than 12 months from the date of death and if an Option holder ceases to be employee or a director of the Corporation, as the case may be, the Option shall terminate on a date set forth in the agreement, such date not to be in excess of six months from the date of such termination. The Option Plan also contains provisions to prevent dilution and to protect the holders of Options in the event of reorganization and provides that in the event of a change of control of the Corporation, a person that has participated in the Option Plan (the “Participant”), shall be entitled to make an offer to the Corporation for the disposition and surrender of their Options for an amount (not to exceed the fair market value) specified in the agreement evidencing the Options and the Corporation may accept such offer subject to regulatory approval. In the event of an approved take-over bid a holder of Options shall have the right to exercise all of their Options; however, any Options not yet vested and exercisable may only be purchased for tender pursuant to the take-over bid. The Option Plan does not provide for any assignability of Options. The Stock Option Plan also provides that the Board may, in its sole discretion and without further approval of the shareholders of the Corporation, amend, suspend, terminate or discontinue the Option Plan and may amend the terms and conditions of stock options granted under the Option Plan, subject to any required approval of any regulatory authority or applicable stock exchange. Subject to any required regulatory approval of any regulatory authority or stock exchange, the Board may at any time alter, amend or vary the Option Plan without the approval of the shareholders of the Corporation if the alteration, amendment or variance does not: (a) increase the number of shares that can be issued under the Option Plan; (b) reduce the exercise price of an outstanding Option except for the normal anti-dilution provisions whereby option values are maintained in connection with a subdivision, consolidation, conversion, reclassification, re-division or re-designation of common shares or a reorganization, amalgamation, consolidation, merger, takeover bid or similar transaction involving the Corporation; (c) extend the expiry date of an outstanding option or amend the Option Plan to permit the grant of an

option with an expiry date of more than five years from the grant date; (d) allow for the transfer of options, except if the transfer is to an entity controlled by the Option holder, a charity or for estate planning or estate settlement purposes; (e) expand the categories of individuals eligible to participate in the Option Plan; or (f) amend the Option Plan to provide for other types of compensation through equity issuance.

As of March 21, 2014 there were 7,379,216 Common Shares (being 10% of the issued and outstanding Common Shares) reserved for issuance pursuant to the Option Plan. No options were exercised or surrendered for cash during the recently completed financial year ended December 31, 2013 by the Named Executive Officers.

### Equity Compensation Plan Information

The following table sets forth information as at December 31, 2013 with respect to the Corporation's compensation plans under which equity securities of the Corporation are authorized for issuance:

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	4,425,598	\$7.02	2,913,021
Equity compensation Plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>4,425,598</b>		<b>2,913,021</b>

### COMPENSATION OF NAMED EXECUTIVE OFFICERS

Compensation was paid to the Named Executive Officers during the aforementioned fiscal year as disclosed below.

#### Summary Compensation Table

The following table sets forth all annual and long-term compensation information concerning the total compensation paid to the Named Executive Officers:

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards <sup>(1)</sup> (\$)	Non-equity incentive Plan Compensation (\$)		Pension Value (\$)	All other Compensation <sup>(2)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Alex R.N. MacAusland <sup>(3)</sup> President and Chief Executive Officer	2013	365,000	---	---	500,000	---	---	50,983	915,983
	2012	350,000	---	53,700	350,000	---	---	45,728	799,428
	2011	260,000	---	85,500	500,000	---	---	36,804	882,304
Jeffrey K. Bowers Senior Vice President Finance and Chief Financial Officer	2013	315,000	---	---	500,000	---	---	45,591	860,591
	2012	300,000	---	53,700	350,000	---	---	43,094	746,794
	2011	230,000	---	85,500	500,000	---	---	34,634	850,134
Rick M. Harrison <sup>(4)</sup> Senior Vice President, Operations	2013	260,000	---	128,311	300,000	---	---	43,926	732,237
	2012	205,385	---	21,100	240,000	---	---	12,362	478,847
	2011	145,153	---	125,500	145,000	---	---	20,631	436,284
David G. Trann <sup>(5)</sup> Vice President, Finance	2013	210,000	---	128,311	215,000	---	---	30,425	583,736
	2012	175,000	---	45,581	175,000	---	---	16,129	411,710
	2011	146,981	---	49,432	155,000	---	---	10,524	361,937

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards <sup>(1)</sup> (\$)	Non-equity incentive Plan Compensation (\$)		Pension Value (\$)	All other Compensation <sup>(2)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Dale E. Tremblay <sup>(6)</sup> Former Chief Executive Officer	2013	365,000	---	---	500,000	---	---	1,292,605	2,157,605
	2012	350,000	---	53,700	350,000	---	---	44,594	798,294
	2011	260,000	---	429,000	500,000	---	---	34,670	1,223,670

**Notes:**

- (1) The grant date fair value of option-based awards granted to Named Executive Officers pursuant to the Share Option Plan is \$1.83 for options issued on May 7, 2013, \$1.79 for options issued on December 7, 2012, \$2.11 for options issued on August 10, 2012, \$2.86 for options issued on August 12, 2011, \$2.65 for options issued on April 15, 2011, \$2.60 for options issued on November 22, 2010, \$1.22 for options issued on August 3, 2010, and \$2.34 for options issued on March 22, 2010. The grant date fair value of options issued in 2013 for compensation disclosure purposes is calculated using a Black-Scholes option pricing model with the following assumptions: (i) average risk-free of 1%; (ii) average expected life of 2.0 years; (iii) volatility of 60%; and (iv) expected dividend yield of 4%.
- (2) All Other Compensation for each of the Named Executive Officers is comprised of the following elements: Alex R.N. MacAusland: monthly car allowance, monthly parking, physical wellness allowance and RRSP contributions; Jeffrey K. Bowers: monthly car allowance, monthly parking, physical wellness allowance and RRSP contributions; Rick M. Harrison: monthly car allowance, monthly parking, physical wellness allowance, and RRSP contributions; David G. Trann: monthly car allowance, monthly parking, physical wellness allowance and RRSP contributions; Dale E. Tremblay: retirement allowance; monthly car allowance, monthly parking and RRSP contributions.
- (3) Mr. MacAusland was appointed Chief Executive Officer of Western on December 1, 2013.
- (4) Mr. Harrison joined Western as Vice President, Manufacturing and Capital Projects on March 22, 2011. Mr. Harrison was promoted to Vice President Operations and Services of Western on November 14, 2012.
- (5) Mr. Trann was appointed Vice President, Finance of Western on May 1, 2013. Prior thereto Mr. Trann was the Corporate Controller of Western from July 2011 to April 2013, and the Manager, Corporate Reporting from February 2010 to July 2011.
- (6) Mr. Tremblay retired as Chief Executive Officer of Western on December 1, 2013. Mr. Tremblay will be providing transitional services to the Corporation until May 31, 2014.

### Long-Term Incentive Plan Awards to Named Executive Officers

No long-term incentive plan awards were made to any Named Executive Officer during the financial year ended December 31, 2013.

### Incentive Plan Awards

#### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding at December 31, 2013 made to the Named Executive Officers:

Name	Option Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options <sup>(1)</sup> (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options <sup>(2)</sup> (\$)	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-based Awards that have not Vested	Market or Payout Value of Values Vested Share-Based Awards not Paid out or Distributed (\$)
Alex R.N. MacAusland <sup>(3)</sup> President and Chief Executive Officer	150,000	5.70	Mar 21, 2015	255,000	---	---	---
	30,000	8.75	Aug 11, 2016	Nil	---	---	---
	30,000	6.63	Dec 6, 2017	23,100	---	---	---
Jeffrey K. Bowers Senior Vice President Finance and Chief Financial Officer	150,000	5.70	Mar 21, 2015	255,000	---	---	---
	30,000	8.75	Aug 11, 2016	Nil	---	---	---
	30,000	6.63	Dec 6, 2017	23,100	---	---	---
Rick M. Harrison Senior Vice President Operations	50,000	8.00	Apr 14, 2016	Nil	---	---	---
	10,000	7.60	Aug 9, 2017	Nil	---	---	---
	70,000	6.76	May 8, 2018	44,800	---	---	---

Name	Option Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options <sup>(1)</sup> (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options <sup>(2)</sup> (\$)	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-based Awards that have not Vested	Market or Payout Value of Vested Share-Based Awards not Paid out or Distributed (\$)
David G. Trann Vice President, Finance	20,000	5.70	Mar 21, 2015	34,000	---	---	---
	10,000	8.00	Apr 14, 2016	Nil	---	---	---
	8,000	8.75	Aug 11, 2016	Nil	---	---	---
	10,000	7.44	May 10, 2017	Nil	---	---	---
	10,000	7.60	Aug 9, 2017	Nil	---	---	---
	70,000	6.76	May 8, 2018	44,800	---	---	---
Dale E Tremblay <sup>(4)</sup> Former Chief Executive Officer	150,000	8.75	Aug 11, 2016	Nil	---	---	---
	30,000	6.63	Dec 6, 2017	23,100	---	---	---

**Notes:**

- (1) Options to purchase Common Shares of Western.
- (2) Based on the closing share price of the Common Shares on December 31, 2013 of \$7.40.
- (3) Mr. MacAusland was appointed Chief Executive Officer on December 1, 2013.
- (4) Mr. Tremblay retired as Chief Executive Officer on December 1, 2013. Mr. Tremblay will be providing transitional services to the Corporation until May 31, 2014.

*Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth particulars concerning each incentive plan award granted to each of the Named Executive Officers for the year ended December 31, 2013:

Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-based Awards – Value Vested During the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Alex R.N. MacAusland <sup>(2)</sup> President and Chief Executive Officer	93,500	---	500,000
Jeffrey K. Bowers Senior Vice President Finance and Chief Financial Officer	93,500	---	500,000
Rick M. Harrison Senior Vice President Operations	1,467	---	300,000
David G. Trann Vice President, Finance	18,967	---	215,000
Dale E Tremblay <sup>(3)</sup> Former Chief Executive Officer	6,000	---	500,000

**Notes:**

- (1) Represents the aggregate dollar value that would have been realized if the Options under the option-based award had been exercised on the vesting date based on the difference between the closing market price of the Corporation's Common Shares on the vesting date and the exercise price of the Options.
- (2) Mr. MacAusland was appointed Chief Executive Officer on December 1, 2013.
- (3) Mr. Tremblay retired as Chief Executive Officer on December 1, 2013. Mr. Tremblay will be providing transitional services to the Corporation until May 31, 2014.

**Compensation of Directors**

Effective January 1, 2012, the Board resolved that each director who was not an employee of Western receive an annual retainer of \$40,000 to be inclusive of meeting fees. Additionally, the Board resolved that \$10,000 retainers be paid to the Lead Director, \$10,000 to the Chairman of the Audit Committee, \$10,000 to the Chairman of the



Corporate Governance and Compensation Committee and \$10,000 to the Chairman of the Health, Safety and Environment Committee. Miscellaneous out-of-pocket expenses incurred by the directors in carrying out their duties are to be reimbursed by Western.

### Director Compensation Table

The following table sets forth particulars concerning all amounts of compensation provided to the directors for the year ended December 31, 2013:

Name <sup>(1)</sup>	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards <sup>(2)</sup> (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Thomas M. Alford	6,667	---	46,086	---	---	Nil	52,753
Donald D. Copeland	50,000	---	---	---	---	Nil	50,000
Lorne A. Gartner	46,667	---	---	---	---	Nil	46,667
Steven C. Grant <sup>(3)</sup>	43,333	---	---	---	---	Nil	43,333
Ronald P. Mathison	40,000	---	---	---	---	Nil	40,000
Murray K. Mullen <sup>(4)</sup>	45,834	---	---	---	---	Nil	45,833
John R. Rooney	50,000	---	--	---	---	Nil	50,000

**Notes:**

- (1) Information for Mr. MacAusland, Chief Executive Officer of Western along with Mr. Tremblay the former Chief Executive Officer of Western, is provided under “*Summary Compensation Table*”.
- (2) The grant date fair value of option-based awards granted to non-management directors pursuant to the Share Option Plan is \$2.30 per option for options issued on August 2, 2013. The grant date fair value for compensation disclosure purposes is calculated using a Black-Scholes option pricing model with the following assumptions: (i) average risk-free interest rate of 1%; (ii) average expected life of 2.0 years; (iii) volatility of 60% and (iv) expected dividend yield of 4%.
- (3) Mr. Grant will not be standing for re-election at the Western Meeting.
- (4) Mr. Mullen resigned from the Board on December 1, 2013.

## Summary of Board Meeting Attendance

Director	Board Meetings Attended		Audit Committee Meetings Attended		Corporate Governance and Compensation Committee Meetings Attended		Health, Safety and Environment Meetings Attended		Board Retainer <sup>(1)</sup> (\$)	Additional Retainer <sup>(1)</sup> (\$)	Total Fees Paid (\$)
Thomas M. Alford <sup>(2)</sup>	6 of 6	100%	2 of 2	100%	N/A	N/A	2 of 2	100%	6,667	Nil	6,667
Donald D. Copeland <sup>(3)</sup>	11 of 11	100%	N/A	N/A	7 of 7	100%	4 of 4	100%	40,000	10,000	50,000
Lorne A Gartner <sup>(4)</sup>	11 of 13	85%	4 of 4	100%	3 of 3	100%	N/A	N/A	40,000	6,667	46,667
Steven C. Grant <sup>(5)</sup>	13 of 13	100%	4 of 4	100%	7 of 7	100%	N/A	N/A	40,000	3,333	43,333
Alex R.N. MacAusland <sup>(6)</sup>	1 of 1	100%	N/A	N/A	N/A	N/A	N/A	N/A	Nil	Nil	Nil
Ronald P. Mathison <sup>(7)</sup>	11 of 12	92%	4 of 4	100%	N/A	N/A	N/A	N/A	40,000	Nil	40,000
Murray K. Mullen <sup>(8)</sup>	11 of 12	92%	N/A	N/A	N/A	N/A	4 of 4	100%	36,667	9,163	45,833
John R. Rooney	12 of 13	92%	4 of 4	100%	7 of 7	100%	N/A	N/A	40,000	10,000	50,000
Dale E. Tremblay <sup>(9)</sup>	10 of 10	100%	N/A	N/A	N/A	N/A	4 of 4	100%	Nil	Nil	Nil
<b>TOTAL</b>											<b>282,500</b>

**Notes:**

- (1) Non-management directors are paid annual retainers which are inclusive of meeting fees. An additional retainer of \$10,000 was paid to the Lead Director and each of the Chairs of the Audit Committee, the Corporate Governance and Compensation Committee and the Health, Safety and Environment Committee.
- (2) Mr. Alford was appointed to the Board on July 29, 2013. Mr. Alford attended all meetings of the Board, Audit Committee and HS&E Committee held subsequent to his appointment.
- (3) Mr. Copeland did not participate in 2 meetings of the Board due to a declared conflict.
- (4) Mr. Gartner was a member of the Corporate Governance and Compensation Committee from January 1, 2013 until May 8, 2013. Mr. Gartner attended all meetings of the Corporate Governance and Compensation Committee for that period.
- (5) Mr. Grant will not be standing for re-election at the Western Meeting.
- (6) Mr. MacAusland was appointed to the Board on December 1, 2013 and attended all meetings of the Board held subsequent to his appointment. Mr. MacAusland was appointed CEO on December 1, 2013, and as he is a member of management, does not receive meeting fees.
- (7) Mr. Mathison was absent from 1 of the 12 meetings of the Board and did not participate in 1 meeting of the Board due to a declared conflict.
- (8) Mr. Mullen resigned from the Board and as Lead Director on December 1, 2013.
- (9) Mr. Tremblay did not participate in 2 meetings of the Board due to a declared conflict. Mr. Tremblay retired from the Board and as CEO of the Corporation on December 1, 2013. As Mr. Tremblay was a member of management, he did not receive meeting fees.

## Incentive Plan Awards

### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth all awards outstanding at December 31, 2013 made to the non-management Directors. Information on the options granted to Mr. MacAusland who currently serves as a director and officer of the Corporation along with Mr. Tremblay who served as a director and officer of the Corporation until December 1, 2013 can be found under the heading “*Outstanding Share-Based Awards and Option-Based Awards*” for the NEOs:

Name	Option Based Awards				Share-Based Awards		Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed (\$)
	Number of Securities Underlying Unexercised Options <sup>(1)</sup> (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options <sup>(2)</sup> (\$)	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-based Awards	
Thomas M. Alford	20,000	8.20	Aug 1, 2018	Nil	---	---	---
Donald D. Copeland	20,000	7.41	Nov 24, 2016	Nil	---	---	---
	10,000	6.63	Dec 6, 2017	7,700	---	---	---
Lorne A. Gartner	20,000	7.41	Nov 24, 2016	Nil	---	---	---
	10,000	6.63	Dec 6, 2017	7,700	---	---	---
Steven C. Grant <sup>(3)</sup>	50,000	5.70	Mar 21, 2015	85,000	---	---	---
	20,000	7.41	Nov 24, 2016	Nil	---	---	---
	10,000	6.63	Dec 6, 2017	7,700	---	---	---
Ronald P. Mathison	20,000	7.41	Nov 24, 2016	Nil	---	---	---
	10,000	6.63	Dec 6, 2017	7,700	---	---	---
John R. Rooney	50,000	5.70	Mar 21, 2015	85,000	---	---	---
	20,000	7.41	Nov 24, 2016	Nil	---	---	---
	10,000	6.63	Dec 6, 2017	7,700	---	---	---

**Notes:**

- (1) Options to purchase Common Shares of Western.
- (2) Based on the closing share price of the Common Shares on December 31, 2013 of \$7.40.
- (3) Mr. Grant will not be standing for re-election at the Western Meeting.

### *Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth particulars concerning each incentive plan award granted to each of the non-management directors for the year ended December 31, 2013:

Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-based Awards – Value Vested During the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Thomas M. Alford	Nil	---	---
Donald D. Copeland	3,000	---	---
Lorne A. Gartner	3,000	---	---
Steven C. Grant <sup>(2)</sup>	32,167	---	---
Ronald P. Mathison	3,000	---	---
John R. Rooney	32,167	---	---

**Notes:**

- (1) Represents the aggregate dollar value that would have been realized if the Options under the option-based award had been exercised on the vesting date based on the difference between the closing market price of the Corporation’s Common Shares on the vesting date and the exercise price of the Options.
- (2) Mr. Grant will not be standing for re-election at the Western Meeting.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As of the date hereof, no current or former director, executive officer or employee of Western was indebted to Western or its subsidiaries. Further, at no time since the beginning of the financial year ended December 31, 2013 did any director, executive officer or proposed director, or any associate of any such director or executive officer or proposed director of Western, owe any indebtedness to Western or owe any indebtedness to any other entity which is, or at any time has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Western.

## **MANAGEMENT CONTRACTS**

Western has no management contracts or other arrangements in place where management functions are performed by a person or company other than the directors or executive officers of Western.

## **CORPORATE GOVERNANCE**

National Policy 58-201 - *Corporate Governance Guidelines* (“**NP 58-201**”) establishes corporate governance guidelines which apply to all reporting issuers. Corporate Governance is the process and structure used to direct and manage the business and affairs of Western to achieve the Shareholders objectives. The Shareholders elect the Directors who in turn are responsible for overseeing all aspects of the operations of Western, appointing management and ensuring that the business is managed properly taking into account the interests of the Shareholders and other stakeholders such as employees, customers, suppliers, and the community at large. Western is required to disclose certain specified corporate governance information with reference to NP 58-201 and National Instrument 58-101 (“**NI 58-101**”), addressing such items as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness of education of boards. The Board of Directors of Western, through the Corporate Governance and Compensation Committee, monitors changes with respect to corporate governance practices and regulatory requirements. The report which discloses the corporate governance practices of Western as required by NI 58-101 is set out in Schedule “B” hereto.

### **Mandate of the Board**

The Board has adopted a formal mandate, a copy of which is attached as Schedule “C” to this Information Circular and is available online at [www.wesc.ca](http://www.wesc.ca).

### **Board Composition**

The Board is currently composed of seven (7) members. The Board has established three committees, the Audit Committee, Corporate Governance and Compensation Committee and Health, Safety and Environment Committee. All members of the Audit Committee are independent as defined by NI 52-110 and all members of the Corporate Governance and Compensation committee are independent as defined by NI 58-101. Two members of the Health, Safety and Environment Committee are independent as defined by NI 58-101. Mr. MacAusland, the President and CEO of the Corporation, is a member of the Health, Safety and Environment Committee and is not considered independent as he is a member of Management.

### *Audit Committee*

The current members of the Audit Committee are Lorne A. Gartner (Chairman), Thomas M. Alford, Steven C. Grant, Ronald P. Mathison and John R. Rooney. Mr. Grant will not be standing for re-election at the Western Meeting. The Audit Committee is a standing committee appointed by the Board to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting by Western. Each current member of the Audit Committee is independent as defined under National Instrument 52-110 - *Audit Committees* and none received directly or indirectly, any compensation from Western other than for services as a member of the Board and its committees. All current members of the Audit Committee are financially literate as defined under National Instrument 52-110 - *Audit Committees*. Further information regarding Western's Audit Committee is contained under the heading "Audit Committee" in Western's Annual Information Form dated February 27, 2014.

### *Corporate Governance and Compensation Committee*

The directors who are currently members of the Corporate Governance and Compensation Committee are John R. Rooney (Chairman), Donald D. Copeland and Steven C. Grant, all of whom are independent as defined in NI 58-101. Mr. Grant will not be standing for re-election at the Western Meeting. The Corporate Governance and Compensation Committee has the general responsibility for developing and monitoring Western's approach to corporate governance matters and is responsible for recommending to the Board of Directors its size, composition and membership, succession planning for directors and Board Committee structure. The Corporate Governance and Compensation Committee is also responsible for reviewing and approving the Chief Executive Officer's compensation and reviewing senior officers' compensation.

### *Health, Safety and Environment Committee*

The directors who are currently members of the Health, Safety and Environment Committee are Donald D. Copeland (Chairman), Thomas M. Alford and Alex R.N. MacAusland. Messrs. Copeland and Alford are independent as defined in NI 58-101. Mr. MacAusland is not considered independent as he is the President and CEO of Western. The Health, Safety and Environment Committee has the general responsibility for developing and monitoring Western's approach to health and safety matters and is responsible for recommending to the Board of Directors its size, composition and membership, succession planning for directors and Board Committee structure.

### **Communicating with the Board**

Shareholders may write to the Board of Directors or any member or members of the Board of Directors in care of the Corporate Secretary at the head office of the Corporation.

Letters addressed to the Board of Directors, or any individual independent director, are reviewed as a group to determine if a response from the Board is appropriate. While the Board of Directors oversees management, it does not participate in the day-to-day functions and operations of Western and is not normally in the best position to respond to inquiries on those matters. Inquiries on operations or day-to-day management of Western will be directed to the appropriate personnel within Western for a response. The Board has instructed the Corporate Secretary to review all correspondence and, in her discretion, not to forward any items if they are not relevant to Western's operations, policies and philosophies; or are not appropriate for consideration by the Board of Directors.

All inquiries will receive a written response from either the Board of Directors or management, as appropriate. The Corporate Secretary maintains a log of all correspondence addressed to members of the Board of Directors. Directors may review the log at any time and request copies of any correspondence received.

### **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as disclosed under "*Interests of Management and Others in Material Transactions*" in Western's Annual Information Form dated February 27, 2014 and filed under Western's profile on the SEDAR website located at [www.sedar.com](http://www.sedar.com), Western is not aware of any material interest, direct or indirect, of any informed person of Western, any proposed nominee for election as a director of Western or any associate or affiliate of any of the foregoing in any transaction that took place since the beginning of the most recently completed financial year in any proposed or ongoing transaction of Western which has or will materially affect Western.

## **INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON**

No person who has been a director or executive officer of Western at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of Western, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors, other than as described below. All of the directors and officers hold Options to acquire Common Shares pursuant to the Option Plan.

## **ADDITIONAL INFORMATION**

Financial information is provided in Western's consolidated financial statements and management's discussion and analysis for the most recently completed financial year ended December 31, 2013 and the Auditors report thereon (the "**Annual Report**"), which has been mailed to those Shareholders of Western who have so requested, along with this Information Circular. The Corporation will provide to any person upon request the Annual Report. These documents can be obtained free of charge by contacting the Corporate Secretary of Western at 1700, 215 – 9<sup>th</sup> Avenue SW, Calgary, Alberta T2P 1K3 or by accessing Western's website at [www.wesc.ca](http://www.wesc.ca). Information relating to Western can also be obtained on SEDAR under Western's profile at [www.sedar.com](http://www.sedar.com).

**SCHEDULE “A” WESTERN ENERGY SERVICES CORP.  
CORPORATE GOVERNANCE PRACTICES**

The Corporation believes that effective corporate governance practices are fundamental to the overall success of a company. National Instrument 58-101 (“**NI 58-101**”) and the associated National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) require issuers to disclose their corporate governance practices. In addition, the Corporation complies with National Instrument 52-110 on Audit Committees. The Corporation’s corporate governance practices are set out in the following table in accordance with NI 58-101.

<b>Corporate Governance Disclosure Requirement NI 58-101</b>	<b>Comments</b>
<p><b>I. Board of Directors</b></p> <p>(a) Disclose the identity of directors who are independent.</p>	<p>The Corporate Governance and Compensation Committee have reviewed the independence of each Director of the Corporation on the basis of the definition of independence in NI 58-101. A director is “independent” if he or she has no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship that could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment subject to certain circumstances where such material relationship is deemed by such definition. The Corporate Governance and Compensation Committee has determined, after reviewing such definition and the roles and relationships of each of the directors, that six of the seven current directors and five of the six directors who are also being proposed by the Board of Directors for the election to the Board of Directors of the Corporation are independent in accordance with the above definition.</p> <p>The present directors who are independent are:</p> <p style="padding-left: 40px;">Thomas M. Alford Donald D. Copeland Lorne A. Gartner Steven C. Grant Ronald P. Mathison John R. Rooney</p> <p>The proposed directors who are independent are:</p> <p style="padding-left: 40px;">Thomas M. Alford Donald D. Copeland Lorne A. Gartner Ronald P. Mathison John R. Rooney</p>
<p>(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.</p>	<p>The Corporate Governance and Compensation Committee has determined, after reviewing the above definition of “independence” and the roles and relationships of each of the Directors that one of the seven existing directors and one of the six nominees proposed by Management for election to the Board of Directors of the Corporation is not independent from the Corporation. The present and proposed director who is not independent is:</p> <p style="padding-left: 40px;">Alex R.N. MacAusland</p> <p>Mr. MacAusland is the President and CEO of Western.</p>
<p>(c) Disclose whether or not a majority of the directors are independent.</p>	<p>Six of the seven existing directors and five of the six nominees proposed by Management for election to the Board of Directors of the Corporation are independent.</p>
<p>(d) If a director is presently a director of any other issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>Mr. Grant is a director of Mullen Group Ltd. Mr. Grant is not standing for re-election at the Western Meeting. Mr. Gartner and Mr. Mathison are directors of Calfrac Well Services Ltd. and Tesla Exploration Ltd. Mr. Mathison is also a director of CMQ Resources Inc. and Yellowhead Mining Inc. Mr. Alford is a director of High Arctic Energy Services Inc. Mr. Copeland is a director of Crocotta Energy Inc., Renegade Petroleum Ltd. and Toscana Energy Income</p>

<b>Corporate Governance Disclosure Requirement NI 58-101</b>	<b>Comments</b>
	Corporation.
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held during the preceding 12 months. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.	The independent Directors hold meetings at the end of each regularly scheduled directors meeting without the presence of management or the non-independent directors. There were 13 meetings of the Board of directors during the period January 1, 2013 to December 31, 2013. The independent directors held an in-camera session without management present at 9 of those 13 meetings.
(f) Disclose whether or not the chair of the Board is an independent director, disclose the identity of the independent chair, and describe his or her role and responsibilities.	<p>For the period January 1, 2013 to December 1, 2013, Mr. Tremblay was Chairman and CEO, and as such was not considered independent. Despite that, the Board believed that there were substantial benefits to Western with Mr. Tremblay serving in that capacity that out-weighed having an independent Chairman given Mr. Tremblay’s knowledge of the operations of Western. The Board appointed Mr. Mullen as Lead Director for the period of January 1, 2013 to December 1, 2013 to preside over meetings of the independent directors and to act as a liaison between the independent directors and the rest of the Board and management. With the retirement of Mr. Tremblay as Chairman and CEO on December 1, 2013 and the resignation of Mr. Mullen from the Board on December 1, 2013, Mr. Ronald P. Mathison was appointed Chairman of the Board. Mr. Mathison is an independent Chairman.</p> <p>The position description of the Chairman of the Board provides for the Chairman to provide leadership to the Board and to serve as chair at shareholders annual meetings. The Chairman sets the agenda of all Board meetings, ensures the provision of accurate, timely and clear information to the Directors. In addition, the Chairman supervises the Committee Chairs.</p>
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the most recently completed financial year.	Four directors attended all of the Board of Directors meetings they were entitled to attend; 2 directors were absent from 1 of the Board of Directors meetings they were entitled to attend; 1 director was absent from 2 meetings of the Board of Directors he was entitled to attend, whether in person or by telephone. For further information see “ <i>Summary of Board Meeting Attendance</i> ”.
<b>2. Board Mandate</b> Disclose the text of the Board’s written mandate.	The Board has adopted a Board Mandate. On an annual basis, the Board assesses the adequacy of the Board Mandate. In doing so, the Board completes a scorecard to confirm that it is doing all that is required of it under the mandate. Additionally, the Board has established a Board workplan. The mandate of the Board is attached as Schedule ‘B’ to this Information Circular and is also available on the Corporation’s website at www.wesc.ca. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation.
<b>3. Position Descriptions</b> (a) Disclose whether or not the Board has developed written position descriptions for the	The position descriptions of the Chairman of the Board and each chair of each board committee are available on the Corporation’s website at www.wesc.ca. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation.



<b>Corporate Governance Disclosure Requirement NI 58-101</b>	<b>Comments</b>
<p>Chair and the Chair of each Board committee.</p>	<p>The position description of the Chairman of the Board provides for the Chairman to provide leadership to the Board and to serve as chair at shareholders annual meetings. The Chairman also sets the agenda of all Board meetings, ensures the provision of accurate, timely and clear information to the Directors. In addition, the Chairman supervises the Committee Chairs.</p> <p>The position description of the Committee Chairs provides for their participation in the development of committee meeting calendars and agendas. Committee Chairs preside over all Committee meetings and ensure the orderly and efficient use of time in Committee meetings. Committee Chairs provide reports to the Board on a regular basis.</p>
<p>(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO.</p>	<p>The position description of the CEO is available on the Corporation's website at <a href="http://www.wesc.ca">www.wesc.ca</a>. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation.</p> <p>The position description of the CEO includes the following duties and responsibilities: strategy, leadership, relationships, operations, finance, reporting to the Board and relations with Shareholders, employees and the public. In general, the management of the Corporation is empowered to operate the business on a day-to-day basis. However any responsibility which is not delegated to either management or a Committee of the Board of Directors remains with the Board. In general, all matters of policy and all actions proposed to be taken which are not in the ordinary course of business require the prior approval of the Board or of a Board committee to which approval authority has been delegated. The corporate objectives are developed by the management and approved by the Board.</p>
<p><b>4. <i>Orientation and Continuing Educations</i></b></p> <p>(a) Briefly describe what measures the board takes to orient new members regarding:</p> <ul style="list-style-type: none"> <li>(i) the role of the board, its committees and its directors; and</li> <li>(ii) the nature and operation of the issuer's business.</li> </ul>	<p>The Corporate Governance and Compensation Committee is responsible for ensuring that new directors are provided with an orientation and education program which includes written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board of Director meetings and discussion with senior management and other directors. Each director receives a director's manual, which is updated as required. The directors meet regularly with management and are given periodic presentations on the business. Directors are expected to attend all scheduled board and committee meetings in person, although attendance by telephone is permissible in appropriate circumstances. Directors are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.</p>
<p>(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors.</p>	<p>The Board recognizes the importance of on-going director education and the need for each director to take personal responsibility for this process. Each director is expected to participate in continuing education programs to maintain any professional designation that they may have and which would be considered in their nomination as a director. In addition, each director is expected to participate in programs that would be necessary to maintain a level of expertise in order to perform his or her responsibilities as a director and to provide on-going guidance and direction to management. To facilitate ongoing education of the Corporation's directors, the Corporate Governance and Compensation Committee may: (a) periodically canvas the directors to determine their training and education needs and interests; (b) arrange ongoing visitation by directors to the Corporation's facilities and operations; (c) arrange the funding for the attendance of directors at seminars or conferences of interest and relevance to their position as a director of the Corporation; and (d) encourage and facilitate presentations by outside experts to the Board or committees on matters of particular importance or emerging significance.</p>

<b>Corporate Governance Disclosure Requirement NI 58-101</b>	<b>Comments</b>
<p><b>5. Ethical Business Conduct</b></p> <p>(a) Disclose whether or not the Board has adopted a written code for its Directors, officers and employees. If the Board has adopted a written code:</p> <p>(i) disclose how an interested party may obtain a copy of the written code;</p> <p>(ii) describe how the Board monitors compliance with its code;</p> <p>(iii) provide a cross-reference to any material change report(s) filed within the preceding 12 months that pertains to any conduct of a Director or executive officer that constitutes a departure from the code; and</p> <p>(iv) describe any steps the board takes to ensure Directors exercise independent judgment in considering transactions and agreements in respect of which a Director or executive officer has a material interest.</p>	<p>The Corporation's Board of Directors has adopted a Code of Business Conduct and Ethics ("<b>Code of Ethics</b>"), a copy of which is available on the Corporation's website at <a href="http://www.wesc.ca">www.wesc.ca</a>. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation.</p> <p>The Corporate Governance and Compensation Committee has the responsibility for monitoring compliance with the Code of Ethics and also ensures that management encourages and promotes a culture of ethical business conduct.</p> <p>The Board, through the Audit Committee Chair, also receives reports of all financial or accounting and other appropriate issues raised through Western's anonymous toll-free whistleblower hotline.</p> <p>The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.</p> <p>The Board of Directors has also a Communications Policy which regulates the manner in which material information is determined and disseminated.</p> <p>The Board of Directors has not granted any waiver of the Code of Ethics in favour of a Director or executive officer. Accordingly, no material change report has been required or filed.</p> <p>The Corporate Governance and Compensation Committee monitors the disclosure of conflicts of interest by directors and ensure that no director will vote or participate in a discussion on a matter, in respect of which, such director has a material interest.</p>
<p><b>6. Nomination of Directors</b></p> <p>(a) Describe the process by which the board identifies new candidates for board nomination.</p>	<p>This responsibility has been assigned to the Corporate Governance and Compensation Committee. To assist the Corporate Governance and Compensation Committee with reviewing the skill set of director candidates, a skill matrix was developed that sets forth the current make-up of the Board, allowing the Corporate Governance and Compensation Committee to identify criteria that a new candidate for the Board should possess. Criteria in the skills matrix included management, board and industry experience and areas of expertise. Before making a recommendation on a new director candidate, the Chairman of the Corporate Governance and Compensation Committee will meet with the candidate to discuss the candidate's interest and ability to devote the time and commitment required to serve on the Corporation's Board of Directors.</p>
<p>(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors.</p>	<p>The Corporation's Corporate Governance and Compensation Committee is presently comprised of three independent directors, being John R. Rooney (Chairman), Donald D. Copeland and Steven C. Grant. Mr. Grant is not standing for re-election at the Western Meeting. The Corporation's Corporate Governance practice requires that all members of its Corporate Governance and Compensation Committee shall be independent.</p>
<p>(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>The Charter of the Corporate Governance and Compensation Committee incorporates the responsibilities, powers and operation terms of the Corporate Governance and Compensation Committee which are incorporated herein by reference. This Charter is available on the Corporation's website at <a href="http://www.wesc.ca">www.wesc.ca</a>. A copy may also be obtained upon request to the Corporate</p>

Corporate Governance Disclosure Requirement NI 58-101	Comments
	<p>Secretary of the Corporation at the head office of the Corporation. The Charter of the Corporate Governance and Compensation Committee, amongst other items requires the Corporate Governance and Compensation Committee to (i) evaluate potential nominees to the Board by reviewing qualifications of prospective members and determines their relevance taking into consideration current Board composition and the anticipated skills required to round out the capabilities of the Board; (ii) annually recommends to the Board the nominees for election or re-election to the Board; and (iii) annually reviews and assesses the adequacy of its Charter. In doing so, the Corporate Governance and Compensation Committee will complete a scorecard to confirm that it is doing all that is required of it under its Charter. Additionally, the Corporate Governance and Compensation Committee have established a committee workplan. If vacancies occur on the Board, the Corporate Governance and Compensation Committee would recommend nominees to the Board.</p>
<p><b>7. Compensation</b>  (a) Describe the process by which the board determines the compensation for your company’s directors or officers.</p>	<p>The Board of Directors established the Corporate Governance and Compensation Committee which is responsible to review and make recommendations to the Board regarding the adequacy and form of the compensation for Western’s officers and directors. The Corporate Governance and Compensation Committee will regularly review the compensation practices of comparable companies.</p> <p>In particular, the Corporate Governance and Compensation Committee: (a) will review and approve, at least annually, Western’s goals and objectives relevant to the compensation of the President and Chief Executive Officer (the “CEO”) and the CEO compensation is based on that review; (b) will review, at least annually, and recommend to the Board of Directors compensation, incentive plans and equity based plans for non-CEO officers and directors, and for other key employees as identified by the CEO and approved by the Corporate Governance and Compensation Committee, and in particular, reviews and recommends to the Board of Directors the annual bonus payments for the CEO and executive officers; and (c) will review executive compensation disclosure before Western publicly discloses such information.</p> <p>For more information, please see under the heading “<i>Compensation Discussion and Analysis</i>” in this Information Circular.</p> <p>Effective January 1, 2012, the Board resolved that each director who was not an employee of Western receive an annual retainer of \$40,000 to be inclusive of meeting fees. Additionally, the Board resolved \$10,000 retainers be paid to the Lead Director, \$10,000 to the Chairman of the Audit Committee, \$10,000 to the Chairman of the Corporate Governance and Compensation Committee and \$10,000 to the Chairman of the Health, Safety and Environment Committee. Miscellaneous out-of-pocket expenses incurred by the directors in carrying out their duties are to be reimbursed by Western. Directors who are officers of Western receive no additional remuneration for their services as directors.</p>

<b>Corporate Governance Disclosure Requirement NI 58-101</b>	<b>Comments</b>
(b) Disclose whether or not the board has a compensation committee composed entirely of independent Directors.	<p>The Corporation's corporate governance practices require that all members of its Corporate Governance and Compensation Committee shall be independent. The Corporate Governance and Compensation Committee is currently comprised of John R. Rooney (Chairman), Donald D. Copeland and Steven C. Grant. Mr. Grant is not standing for re-election at the Western Meeting. None of the current members of the Corporate Governance and Compensation Committee is an officer, employee or former officer of the Corporation or any of its affiliates or is eligible to participate in the Corporation's executive compensation programs. All of the members of the current Corporate Governance and Compensation Committee have experience in executive compensation by virtue of their experience as current or former chief executive officers and as current or former senior executives. The board of directors believes the Corporate Governance and Compensation Committee collectively have the knowledge, experience and background required to fulfill its mandate.</p>
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	<p>The Corporate Governance and Compensation Committee Charter incorporates the responsibilities, powers and operation terms of the Compensation Committee which are incorporated herein by reference. The Charter is available on the Corporation's website at <a href="http://www.wesc.ca">www.wesc.ca</a>. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation.</p> <p>Briefly, the duties and responsibilities of the Corporate Governance and Compensation Committee include the development of a compensation policy, reviewing succession planning, evaluating the CEO, reviewing and recommending to the Board, the CEO's, executive officers' and directors' compensation, and monitoring incentive arrangements.</p> <p>In particular, the Corporate Governance and Compensation Committee: (a) will review and approve, at least annually, Western's goals and objectives relevant to the compensation of the CEO and the CEO compensation is based on that review; (b) will review, at least annually, and recommend to the Board compensation, incentive plans and equity based plans for non-CEO officers and directors, and for other key employees as identified by the CEO and approved by the Compensation Committee, and in particular, reviews and recommends to the Board the annual bonus payments for the CEO and executive officers; (c) will review executive compensation disclosure before Western publicly discloses such information.</p>
<p><b>8. Other Board Committees</b> If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Corporation's Health, Safety and Environment Committee is presently comprised of two independent directors being Donald D. Copeland (Chairman) and Thomas M. Alford along with Alex R.N. MacAusland, who is not considered independent as Mr. MacAusland is the President and Chief Executive Officer of Western. The Health, Safety and Environment Committee assists the Board in its oversight of the health, safety and environmental issues, including the evaluation of Western's programs, controls and reporting systems, and compliance with applicable laws, rules and regulations. The Charter of the Health, Safety and Environment Committee is available on the Corporation's website at <a href="http://www.wesc.ca">www.wesc.ca</a>. A copy may also be obtained upon request to the Corporate Secretary of the Corporation at the head office of the Corporation.</p>

<b>Corporate Governance Disclosure Requirement NI 58-101</b>	<b>Comments</b>
<p><b>9. Assessments</b>            Disclose whether or not the board, its committees and individual Directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for assessments.</p>	<p>The Corporate Governance and Compensation Committee has the mandate and responsibility to ensure that a process is in place for the annual review of the performance of individual Directors, the Board as a whole and the Board committees. The Directors are asked to complete a questionnaire which rates items such as structure and size of the Board and each committee, the knowledge and diversity of membership as well as the quality and timeliness of information received for discussion and the overall effectiveness in decision making. The anonymity of any particular submitter is maintained with the aggregate results presented to the Chair of the Corporate Governance and Compensation Committee for discussion and action if required. The results are then communicated to the full Board for discussion and recommendations as necessary.</p>

## SCHEDULE “B”

### MANDATE OF THE BOARD OF DIRECTORS OF WESTERN ENERGY SERVICES CORP. (THE “CORPORATION”)

#### Stewardship of the Corporation

1. The Board of Directors of the Corporation (the “**Board**”) is responsible for the stewardship of the Corporation and for overseeing the conduct of the business of the Corporation and the activities of management, who are responsible for the day-to-day conduct of the business.

#### Director Obligations

2. Each Director has the responsibility to:
  - (a) attend all regularly scheduled meetings of the Board and all of the Committees on which they serve and to be prepared for such meetings by reviewing materials provided in advance of meetings;
  - (b) act honestly and in good faith with a view to the best interests of the Corporation; and
  - (c) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

#### Board Composition

3. A majority of the Board will, at all times, be independent directors as defined in the current laws applicable to the Corporation.

#### Board Meetings

4. The Board is responsible to:
  - (a) meet in person or by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Board; and
  - (b) hold meetings of the independent directors without management and non-independent directors present.

#### Board Chair and Lead Director

5. The Board is responsible to annually select an independent member of the Board to serve as Board Chair, (or if the CEO is also the Board Chair, a Lead Director) to:
  - (a) provide leadership to all directors;
  - (b) manage the affairs of the Board; and
  - (c) ensure that the Board functions effectively in fulfillment of its duties to the Corporation.

### Committees of the Board

6. The Board discharges its responsibilities directly and through its committees. As such the Board shall:
  - (a) establish such Committees of the Board as are required by applicable law and as are necessary to effectively discharge the duties of the Board;
  - (b) appoint directors to serve as members of each Committee;
  - (c) appoint a chair of each Committee to:
    - (i) provide leadership to the Committee;
    - (ii) manage the affairs of the Committee;
    - (iii) ensure that the Committee functions effectively in fulfilling its duties to the Board and the Corporation; and
    - (iv) to develop position descriptions for each Chair and Board Chair.
  - (d) regularly receive and consider reports and recommendations of each Committee.

### Supervision of Management

7. The Board is responsible to:
  - (a) select and appoint the CEO, and with the assistance of the Corporate Governance and Compensation Committee, establish CEO goals and objectives and evaluate CEO performance and develop a position description for the CEO which includes delineating management's responsibilities;
  - (b) assist the CEO to select and appoint executive officers, establish executive officers' goals and objectives and monitor their performance; and
  - (c) with the assistance of the Corporate Governance and Compensation Committee, maintain a succession plan for the replacement of the CEO and executive officers.

### Governance

8. The Board is responsible to:
  - (a) annually review and on the advice of the Corporate Governance and Compensation Committee either approve or require revisions to the mandates of the Board and each Committee, position descriptions, the code of business conduct and ethics (the "**Code**") and all other policies of the Corporation (collectively the "**Governance Documents**");
  - (b) together with the Corporate Governance and Compensation Committee, to the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers, and that the CEO and other executive officers create a culture of integrity through the organization; and that business is to be conducted on behalf of the Corporation in accordance with the requirements and the spirit of the Governance Documents;

- (c) ensure that all new directors receive a comprehensive orientation and that all new directors should fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the Corporation expects from its directors) and that all new directors should also understand the nature and operation of the Corporation's business; and
- (d) provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Corporation's business remains current.

#### Communications

- 9. The Board is responsible to:
  - (a) approve and maintain a process for the Corporation's stakeholders to contact the independent directors directly with concerns and questions regarding the Corporation.

#### Waivers and Conflicts

- 10. The Board is responsible, with the assistance of the Corporate Governance and Compensation Committee, for:
  - (a) monitoring compliance with the Code;
  - (b) providing or denying waivers from the Code; and
  - (c) disclosing departures from the Code including filing required material change reports for material departures from the Code containing:
    - (i) the date of the departure(s);
    - (ii) the parties involved in the departure(s);
    - (iii) the reason why the Board has or has not sanctioned the departure(s); and
    - (iv) any measures taken to address or remedy the departure(s).

#### Strategic Planning

- 11. The Board has the responsibility to:
  - (a) adopt a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risk of the businesses of the Corporation; and
  - (b) approve capital and operating budgets to implement the strategic plan.

#### Risk Management

- 12. The Board has the responsibility to:
  - (a) adopt a process to identify the principal business risks of the Corporation and to ensure the implementation of appropriate systems to manage those risks; and
  - (b) together with the Audit Committee, ensure policies and procedures are in place that are effective to maintain the integrity of the Corporation's:



- (i) disclosure controls and procedures;
- (ii) internal controls over financial reporting; and
- (iii) management information systems.

#### Financial Management

13. The Board has the responsibility to:
- (a) review and on the advice of the Audit Committee, approve, prior to their public dissemination:
    - (i) interim and annual consolidated financial statements and notes thereto;
    - (ii) managements' discussion and analysis of financial condition and results of operations;
    - (iii) relevant sections of the annual report, annual information form and management information circular containing financial information;
    - (iv) forecasted financial information and forward looking statements; and
    - (v) all press releases and other documents in which financial statements, earnings forecasts, results of operations or other financial information is disclosed; and
  - (b) approve dividends and distributions, material financings, transactions affecting authorized capital or the issue and repurchase of shares and debt securities, and all material divestitures and acquisitions.

#### Materials

14. The Board shall have access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.

#### Advisors

15. The Board has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Board in the discharge of its duties.

#### Annual Review

16. Assess, on an annual basis, the adequacy of this Mandate of the Board.