

WESTERN ENERGY SERVICES CORP.

STOCK OPTION PLAN

1. Purpose of Plan

The purpose of this plan (the "**Plan**") is to develop the interest of existing or proposed Directors, Employees and Consultants of Western Energy Services Corp. (the "**Corporation**") and its subsidiaries and other persons who provide or are proposed to provide ongoing management or consulting services to the Corporation or its subsidiaries in the growth and development of the Corporation by providing them with the opportunity through share purchase options to acquire an increased proprietary interest in the Corporation.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation (the "**Board**"), or if appointed, by a committee of directors appointed from time to time by the Board (such committee, or if no such committee is appointed, the Board is hereinafter referred to as the "**Committee**") pursuant to rules of procedure fixed by the Board.

3. Granting of Options

The Committee may from time to time designate existing or proposed Directors, Employees and Consultants of the Corporation and its subsidiaries or any Insider or other Service Provider to the Corporation and its subsidiaries (collectively, the "**Optionees**") to whom options ("**Options**") to purchase common shares ("**Common Shares**") of the Corporation may be granted and the number of Common Shares to be optioned to each and may grant such Options, provided that:

- (a) the number of Common Shares reserved for issuance on exercise of all Options outstanding under the Plan at any time shall not exceed 10% of the Outstanding Common Shares at the time in question (the "**Common Share Maximum**") subject to adjustment as set forth in Section 10 and as hereinafter provided;
- (b) the number of Common Shares reserved for issuance under the Plan to any one Optionee shall not exceed 5% of the Outstanding Common Shares;
- (c) the number of Common Shares issuable to Insiders, at any time, under all Share Compensation Arrangements, shall not exceed 10% of the Outstanding Common Shares;
- (d) the number of Common Shares issued to Insiders, within any one year period, under all Share Compensation Arrangements, shall not exceed 10% of the Outstanding Common Shares;
- (e) the number of Common Shares reserved for issuance to any one Consultant in a 12 month period shall not exceed 2% of the number of Outstanding Common Shares;
- (f) the number of Common Shares reserved for issuance to Optionees employed to provide Investor Relations Activities shall not exceed, in any 12 month period, in the aggregate, 2% of the number of Outstanding Common Shares;
- (g) a grant of Options pursuant to this Plan shall constitute a representation by the Corporation that the Optionee is a bona fide Director, Employee or Consultant; and

- (h) the maximum number of Common Shares reserved for issuance to Non-Employee Directors under this Plan shall be 1% of the Outstanding Common Shares, and the total annual grant to any one Non-Employee Director should not exceed an annual equity value of \$100,000 to each Non-Employee Director (based on a Black-Scholes calculation). Grants of Options and grants under all other Share Compensation Arrangement to Non-Employee Directors should not exceed an annual equity value of \$150,000 to each Non-Employee Director (based on a Black-Scholes calculation).

The Common Shares that are reserved for issuance on exercise of Options granted pursuant to this Plan that are cancelled, terminated or expire prior to the exercise of all or a portion thereof shall be available for a subsequent grant of Options pursuant to this Plan to the extent of any Common Shares issuable thereunder that are not issued under such cancelled, terminated or expired Options.

Subject to all necessary regulatory approvals, the Common Share Maximum, once in effect, may be increased by the Board with the approval of the shareholders of the Corporation and, if required, by the stock exchanges (if any) upon which the Common Shares are then listed.

Notwithstanding anything else in this Plan, all grants of Options made pursuant to this Plan shall be subject to the Corporation's Incentive Compensation Clawback Policy.

4. Vesting

- (a) The Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist. In the absence of any determination by the Committee as to vesting, vesting shall be as to 1/3rd of the number of Options granted on the date of grant, as to 1/3rd of the number of Options on the first anniversary of the date of grant and as to 1/3rd of the number of Options granted on the second anniversary of the date of grant.
- (b) Notwithstanding any other provision of this Plan or the terms of any written option agreement as described in Section 12 hereof, if an Optionee ceases to be a participant of this Plan as a result of a Change of Control (whether or not such Change of Control occurs as a result of a transaction described in Section 9 hereof) and the termination of such Optionee's employment with the Corporation either (i) by the Corporation without Just Cause, or (ii) by the Optionee for Good Reason, in either case in connection with or within 12 months of such Change of Control, the vesting date for all outstanding Options held by such Optionee shall be deemed to have occurred on the date notice of termination of employment of the Optionee is given to the Optionee by the Corporation or on the date notice of termination of employment of the Optionee is given to the Corporation by the Optionee.
- (c) Subject to Subsection 4(b), the Committee may, at its sole discretion at any time or in the option agreement in respect of any Options granted, accelerate or provide for the acceleration of, vesting of Options previously granted.
- (d) Notwithstanding anything in this Section 4, in the case of Options granted to Optionees employed to provide Investor Relations Activities, such Options shall vest in stages over yearly stages with no more than 1/4 of such Options vesting in any three month period.

5. Exercise Price

The exercise price (the "**Exercise Price**") of an Option granted under the Plan shall be as determined by the Committee 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. In the case of a reduction to the Exercise Price of Options held by Insiders, disinterested shareholder approval shall be obtained where the Optionee

is an Insider of the Corporation at the time of the proposed reduction to the Exercise Price of such Options.

6. Option Terms

The period during which an Option is exercisable shall, subject to the provisions of the Plan requiring acceleration of rights of exercise, be such period as may be determined by the Committee at the time of grant provided that no Option may be exercised beyond five (5) years from the date of grant. Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee and shall not be assignable. In addition, each Option shall provide that:

- (a) upon the death of the Optionee, the Option shall terminate on the date determined by the Committee which shall not be more than twelve (12) months from the date of death and, in the absence of any determination by the Committee, will be the date that is six (6) months following the date of death;
- (b) Subject to Subsection 4(b), if the Optionee shall no longer be a director or officer of, be in the employ of or be providing ongoing management or consulting services to the Corporation, the Option shall terminate on the expiry of the period (the "**Termination Date**") not in excess of six (6) months prescribed by the Committee at the time of grant, following the date that the Optionee ceases to be a director, officer or employee of the Corporation, or ceases to provide ongoing management or consulting services to the Corporation, as the case may be and, in the absence of any determination by the Committee, the Termination Date will be 90 days following the date the Optionee shall no longer be a director or officer of, be in the employ of or be providing ongoing management or consulting services to the Corporation; and
- (c) in the case of an Option granted to an Optionee employed to provide Investor Relations Activities, such Option shall expire within 30 days after the Optionee ceases to be employed to provide Investor Relations Activities;

provided that the number of Common Shares that the Optionee (or his heirs or successors) shall be entitled to purchase until the Termination Date shall be the number of Common Shares which the Optionee was entitled to purchase on the date of death or the date the Optionee ceased to be an officer, director or employee of, or ceased providing ongoing management or consulting services to, the Corporation, as the case may be.

7. Exercise of Option

Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its head office or such other place as may be specified by the Corporation, of a written notice of exercise specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the shares then being purchased.

8. Surrender Offer

In the event of a Change of Control, an Optionee may make an offer (the "**Surrender Offer**") to the Corporation, at any time, for the disposition and surrender by the Optionee to the Corporation (and the termination thereof) of any of the Options granted hereunder for an amount (not to exceed fair market value) specified therein by the Optionee and the Corporation may, but is not obligated to, accept the Surrender Offer, subject to any regulatory approval required. If the Surrender Offer, either as made or as renegotiated, is accepted, the Options in respect of which the Surrender Offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant the Optionee any further rights thereunder upon payment of the amount of the agreed Surrender Offer by the Corporation to the Optionee.

9. Mergers, Amalgamation and Sale

If the Corporation shall become merged (whether by plan of arrangement or otherwise) or amalgamated in or with another corporation or entity or shall sell the whole or substantially the whole of its assets and undertakings for shares or securities of another corporation or other entity, the Corporation shall, subject to this Section 9, make provision that, upon exercise of an Option after the effective date of such merger, amalgamation or sale, the Optionee shall receive such number of shares of the continuing successor corporation or other entity in such merger or amalgamation or the securities or shares of the purchasing corporation or other entity as the Optionee would have received as a result of such merger, amalgamation or sale if the Optionee had purchased the shares of the Corporation immediately prior thereto for the same consideration paid on the exercise of the Option and had held such shares on the effective date of such merger, amalgamation or sale and, upon such provision being made, the obligation of the Corporation to the Optionee in respect of the Common Shares subject to the Option shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof. Adjustments under this section or any determinations as to fair market value of any securities shall be made by the Committee, and any reasonable determination made by the Committee shall be binding and conclusive.

10. Acceleration of Vesting and Termination of Option in the Event of Approved Take-Over Bid

In the event of an Approved Take-Over Bid, Optionees shall have the right to exercise Options granted hereunder to purchase all of the Common Shares which have not been previously purchased under such Options, but any such Common Shares not otherwise vested and exercisable may only be purchased for tender pursuant to such Approved Take-Over Bid. If for any reason such Common Shares are not so tendered or, if tendered, are not for any reason taken up and paid for by the offeree pursuant to such Approved Take-Over Bid, any such Common Shares so purchased by an Optionee shall be and be deemed to be cancelled and returned to treasury of the Corporation, shall be added back to the number of Common Shares, if any, remaining unexercised under the applicable Option and, upon presentation to the Corporation of share certificates representing such shares properly endorsed for transfer back to the Corporation, the Corporation shall refund to the Optionee all consideration paid on the exercise thereof. In the event an Approved Take-Over Bid is made and Common Shares are taken up and paid for pursuant to such Approved Take-Over Bid, the Corporation shall have the right to satisfy any obligations to an Optionee in respect of any Options not exercised by paying to the Optionee, in cash, the difference between the Exercise Price of unexercised Options and the fair market value of the securities to which the Optionee would have been entitled upon exercise of the unexercised Options on such date, which determination of fair market value shall be conclusively made by the Committee. Upon payment as aforesaid, the Options shall terminate and be at an end and the Optionee shall cease to have any further rights in respect thereof.

11. Alterations in Shares

In the event, at any time or from time to time, that the share capital of the Corporation shall be consolidated or subdivided prior to the exercise by the Optionee, in full, of any Option in respect of all of the Common Shares granted or the Corporation shall pay a dividend (other than in the ordinary course) upon the Common Shares by way of issuance to the holders thereof of additional Common Shares, securities or other assets, or other relevant changes in the share capital of the Corporation, Options with respect to any Common Shares which have not been purchased at the time of any such consolidation, subdivision, stock dividend or other change shall be proportionately adjusted (including as to the number of Common Shares subject to the Option and the exercise price thereof, as applicable) so that the Optionee shall from time to time, upon the exercise of an Option, be entitled to receive the number of shares, securities or other property of the Corporation he would have held following such consolidation, subdivision, stock dividend or other change if the Optionee had purchased the shares and had held such shares immediately prior to such consolidation, subdivision, stock dividend or other change. Upon any such adjustments being made, the Optionee

shall be bound by such adjustments and shall accept the terms of such Options in lieu of the Options previously outstanding.

12. Option Agreements

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to Option, the Exercise Price, provisions as to vesting and expiry and any other terms approved by the Committee, all in accordance with the provisions of this Plan. The agreement will be in such form as the Committee may from time to time approve or authorize the officers of the Corporation to enter into and may contain such terms as may be considered necessary in order that the Option will comply with this Plan, any provisions respecting Options in the *Income Tax Act* (Canada) or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen and the rules of any regulatory body having jurisdiction over the Corporation.

13. Regulatory Authorities Approvals

The Plan shall be subject to the approval, if required, of any stock exchange on which the Common Shares are listed for trading. Any Options granted prior to such approval, if required, shall be conditional upon such approval being given and no such Options may be exercised unless such approval, if required, is given.

14. Amendment or Discontinuance of the Plan

The Board may at any time or from time to time, in its sole and absolute discretion, suspend, terminate or discontinue the Plan and may amend the terms and conditions of options granted pursuant to the Plan, subject to any required approval of any regulatory authority or 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 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 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 shares or a reorganization, amalgamation, consolidation, merger, takeover bid or similar transaction involving the Corporation (for this purpose, cancellation or termination of an Option of a Plan participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option);
- (c) extend the expiry date of an outstanding Option or amend the Plan to permit the grant of an Option with an expiry date of more than five years from the grant date (except where an expiry date would have fallen within a blackout period, as such period is defined in the insider trading policy of the Corporation);
- (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 Plan;
- (f) amend the Plan to remove or exceed participation limits of Non-Employee Directors set forth in Subsection 3(h) hereof; or
- (g) amend the Plan to provide for other types of compensation through equity issuance.

Without limiting the generality of the foregoing, some of the examples of the types of changes to the Plan or options granted under it that the Board could make without shareholder approval include:

- (a) housekeeping changes (such as a change to correct an immaterial inconsistency or clerical omission or a change to update a routine administrative provision such as contact information);
- (b) a change to the termination provisions for the Plan or for an Option as long as the change does not permit the Board, or any committee thereof, to grant an Option with an expiry date of more than five years or extend an outstanding Option's expiry date;
- (c) certain changes to provisions on the transferability of Options, namely, a transfer from an Option holder to an entity or trust controlled by the Option holder or a family member, a charity, or for estate planning or estate settlement purposes;
- (d) a change deemed necessary or desirable to comply with applicable law or regulatory requirements.

15. Common Shares Duly Issued

Common Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefor in accordance with the terms of the Option and the issuance of Common Shares thereunder will not require a resolution or approval of the Board.

16. Options to Companies

The provisions herein in respect of the grant of Options shall apply, with appropriate modifications, to the grant of Options to a company either: (i) wholly-owned by any person whom Options may otherwise be granted hereunder; or (ii) controlled by any person to whom Options may otherwise be granted hereunder (and the shares of which are held directly or indirectly by any such person and such person's spouse, minor children and/or minor grandchildren), subject to any requirements of any applicable regulatory authority having jurisdiction, including any stock exchange on which the Common Shares are listed for trading.

17. Definitions

In this Plan, capitalized terms not otherwise defined in this Plan have the meanings set forth below. Notwithstanding the foregoing, where defined terms used herein are also defined in the policies of the TSX and there are discrepancies between said defined terms, the defined term used in the policies of the TSX shall prevail over the defined term used in this Plan during such period of time as the Corporation's Shares are listed on the TSX.

- (a) A Company is an "**Affiliate**" of another Company if:
 - (i) one of them is the subsidiary of the other; or
 - (ii) each of them is controlled by the same Company or individual.
- (b) "**Approved Take-Over Bid**" means a take-over bid (as defined in the *Securities Act* (Alberta)), which is not exempt from the take-over bid requirements of Part 14 of the *Securities Act* (Alberta) (or its replacement of successor provisions) made for the Common Shares or other Voting Shares of the Corporation with the approval or consent of the Board pursuant to which, if the Approved Take-Over Bid is successful, will result in a Holder beneficially owning, or exercising control or

direction over, Voting Shares or Convertible Securities such that, assuming only the conversion of the Convertible Securities beneficially owned or over which control or direction is exercised by the Holder, the Holder would beneficially own, or exercise control or direction over, Voting Shares that have the right to cast more than 50% of the votes attached to all Voting Shares;

- (c) **"Associate"** has the meaning ascribed thereto by the *Securities Act* (Alberta) as from time to time amended, supplemented or re-enacted;
- (d) **"Change of Control"** means and it shall be deemed to have taken place if any of the following shall have occurred:
 - (i) the purchase or acquisition, without the approval or consent of the Board, of any Voting Shares or Convertible Securities by a Holder which results in the Holder beneficially owning, or exercising control or direction over, Voting Shares or Convertible Securities such that, assuming only the conversion of Convertible Securities beneficially owned or over which control or direction is exercised by the Holder, the Holder would beneficially own, or exercise control or direction over, Voting Shares carrying the right to cast more than 30% of the votes attaching to all Voting Shares; or
 - (ii) the Corporation completes an amalgamation, arrangement, merger or other consolidation or combination of the Corporation with another corporation or entity which requires approval of the shareholders of the Corporation pursuant to its statute of incorporation, such that assuming only the conversion of Convertible Securities beneficially owned or over which control or direction is exercised by the Holder, the Holder would beneficially own, or exercise control or direction over, Voting Shares carrying the right to cast more than 50% of the votes attaching to all Voting Shares, and immediately following the event described in this paragraph, the directors of the Corporation immediately prior to such event do not constitute a majority of the Board (or equivalent) of the successor or continuing corporation or entity immediately following such event; or
 - (iii) the election at a meeting of the Corporation's shareholders of that number of persons which would represent a majority of the Board, as directors of the Corporation who are not included in the slate for election as directors proposed to the Corporation's shareholders by the Corporation; or
 - (iv) the liquidation, dissolution or winding-up of the Corporation; or
 - (v) the sale, lease or other disposition of all or substantially all of the assets of the Corporation (other than pursuant to an internal reorganization); or
 - (vi) a determination by the Board that there has been a change, whether by way of a change in the holding of the Voting Shares of the Corporation or otherwise, in the ownership of the Corporation's assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Corporation;

- (e) **"Company"**, unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity, other than an individual;
- (f) **"Consultant"** means, in relation to the Corporation, an individual or Consultant Company, other than an Employee or a Director of the Corporation, that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and
 - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.
- (g) **"Consultant Company"** means, for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- (h) **"Convertible Securities"** means any securities convertible or exchangeable into Voting Shares or carrying the right or obligation to acquire Voting Shares;
- (i) **"Directors"** means directors, senior officers and Management Company Employees of the Corporation, or directors, senior officers and Management Company Employees of the Corporation's subsidiaries to whom Options can be granted in reliance on a prospectus exemption under applicable securities laws;
- (j) **"Employee"** means:
 - (i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Corporation or its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Corporation or its subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.

- (k) **"Good Reason"** means the occurrence of any one or more events that would constitute constructive dismissal at common law or, where applicable, would constitute "Good Reason" or other analogous term as defined in any written employment agreement between the Corporation and an Optionee;
- (l) **"Holder"** means a person, a group of persons or persons acting jointly or in concert, or persons associated or affiliated, within the meaning of the *Securities Act* (Alberta), with any such person, group of persons or any of such persons acting jointly or in concert;
- (m) **"Insider"** of the Corporation means:
 - (i) an insider as defined in the *Securities Act* (Alberta) as from time to time amended, supplemented or re-enacted, other than a person who falls within that definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation; and
 - (ii) an Associate of any person who is an insider by virtue of paragraph (i);
- (n) **"Investor Relations Activities"** means any activities, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - A. to promote the sale of products or services of the Corporation; or
 - B. to raise public awareness of the Corporation;that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
 - (ii) activities or communications necessary to comply with the requirements of:
 - A. applicable securities laws; or
 - B. of any stock exchange on which the Common Shares are listed for trading, or the by-laws, rules or other regulatory instruments of any other self-regulatory body or stock exchange having jurisdiction over the Corporation;
 - (iii) communications by a publisher of; or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - A. the communication is only through the newspaper, magazine or publication; and
 - B. the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or

- (iv) activities or communications that may be otherwise specified by the TSX.
- (o) "**Just Cause**" means any matter that would constitute just cause for termination at law or, where applicable, would constitute "Cause", "Just Cause" or other analogous term as defined in any written employment agreement between the Corporation and an Optionee;
- (p) "**Management Company Employee**" means an individual employed by a Company or individual providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Company or individual engaged in Investor Relations Activities.
- (q) "**Market Value**" means any date when the market value of Common Shares of the Corporation is to be determined, the closing price on the trading day prior to the date of grant on the principal stock exchange on which Common Shares are listed, or if the Common Shares of the Corporation are not listed on any stock exchange, the Market Value shall be determined by the Board, acting reasonably and in good faith;
- (r) "**Non-Employee Director**" means any Director of the Corporation who is not also an officer, Employee or Consultant of the Corporation;
- (s) "**Outstanding Common Shares**" at the time of any share issuance or grant of Options means the aggregate number of Common Shares and non-voting common shares that are outstanding immediately prior to the share issuance or grant of Options in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including any stock exchange on which the Common Shares are listed for trading;
- (t) "**Service Provider**" means a person or company engaged, or proposed to be engaged, by the Corporation to provide services for an initial, renewable or extended period of 12 months or more;
- (u) "**Share Compensation Arrangement**" means (i) a stock option plan for the benefit of Employees, Insiders, Service Providers or any one of such groups, (ii) individual stock options granted to Employees, Insiders or Service Providers if not granted pursuant to a plan previously approved by the Corporation's securityholders, (iii) stock purchase plans where the Corporation provides financial assistance or where the Corporation matches a whole or a portion of the securities being purchased, (iv) stock appreciation rights involving issuances of securities from treasury, (v) any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Corporation, and (vi) security purchases from treasury by an Employee, Insider or Service Provider which is financially assisted by the Corporation by any means whatsoever. For greater certainty, arrangements which do not involve the issuance from treasury or potential issuance from treasury of securities of the Corporation are not security based compensation arrangements;
- (v) "**subsidiary**" has the meaning assigned thereto under the *Securities Act* (Alberta) as from time to time amended, supplemented or re-enacted;
- (w) "**TSX**" means the Toronto Stock Exchange; and

- (x) **"Voting Shares"** means any securities of the Corporation ordinarily carrying the right to vote at elections of Directors.

18. No Effect on Employment or Retainer

Participation in the Plan by an Optionee is entirely voluntary and does not affect the Optionee's employment or continued retainer by, or other engagement with, the Corporation. Neither this Plan nor the granting to an Optionee of an Option hereunder of itself gives such Optionee any right to continue to be a director, officer, employee or consultant of the Corporation. None of the terms and conditions governing an Option shall be affected by any change in the terms of the Optionee's employment or by engagement with the Corporation so long as the Optionee continues to hold Options. The terms of this Plan or any option agreement shall not affect in any manner whatsoever the terms or validity of any employment agreement to which the Corporation is a party.

19. Decisions Final and binding

All decisions and interpretations by the Committee respecting this Plan or Options granted hereunder, including decisions as to adjustments in the number of Common Shares to be received upon exercise of an Option or the exercise price thereof in accordance with Section 10 shall be final and binding on the Corporation and all Optionees and their respective successors.

20. Effective Date

This Plan is effective from June 8, 2006, as amended effective as of January 5, 2009, May 10, 2012 and May 1, 2017.