STEP energy services

Notice of annual meeting of shareholders to be held on June 6, 2024

and

Management information circular dated April 8, 2024

In this document:

- *you*, *your* and *shareholder* mean a holder of common shares of STEP Energy Services Ltd.
- *we*, *us*, *our, Company* and *STEP* mean STEP Energy Services Ltd.
- unless stated otherwise, *STEP shares*, *shares* and *common shares* mean common shares of STEP Energy Services Ltd., which are traded on the Toronto Stock Exchange ("TSX") under the symbol "STEP"
- unless stated otherwise, all dollar amounts are in Canadian dollars, and
- unless stated otherwise, information in this document is as of April 8, 2024.

LETTER TO SHAREHOLDERS

April 8, 2024

Dear Shareholder:

We are pleased to invite you to attend the annual meeting of common shareholders of STEP Energy Services Ltd. ("STEP" or the "Company") at 3 p.m. mountain daylight time on June 6, 2024 (the "Meeting"), either in person or online. You can attend the Meeting in person at the Northcote Conference Room, Bow Valley Square II, +30 Level, 205 – 5th Avenue SW, Calgary, Alberta. You may also attend online as in previous years.

As shareholder engagement is important to STEP, all shareholders will have the opportunity to ask questions at the Meeting. Shareholders may ask questions verbally through the virtual meeting platform or in person, or by submitting them in writing in advance of the Meeting along with the control number from their form of proxy or voting instruction form to investor_relations@step-es.com by 3 p.m. mountain daylight time on June 4, 2024. Registered shareholders and duly appointed proxyholders will also be able to vote online and in person and ask questions during the Meeting. If Management is unable to respond to a question at the Meeting, STEP will make available answers to questions after the Meeting through STEP's website at www.stepenergyservices.com.

Shareholders are strongly encouraged to submit their proxies well in advance of the deadline indicated on their proxy or voting instruction form. Your attendance at the Meeting, either in person or online, provides a chance to learn more about our performance in 2023 and our business strategy for the future. The attached management information circular ("Circular") contains important information about the Meeting and how to vote. Please read the document and then vote. If you are unable to attend the Meeting, we encourage you to vote by proxy. More information about STEP is available in the annual disclosure documents on our website (www.stepenergyservices.com) and SEDAR+ (www.sedarplus.ca).

This year we were pleased to welcome Ms. Rachel Moore and Mr. Ed LaFehr as independent directors of the board of directors of STEP (the "Board"), effective October 1, 2023 and November 1, 2023, respectively. We would also like to thank Ms. Donna Garbutt and Mr. Jason Skehar, who retired from our Board in 2023, for their tremendous contributions, unwavering commitment, and prudent guidance to our organization during their years of service. This year our Board continues to focus on managing through economic uncertainty, optimizing profitability, and continuing to strengthen the Company's balance sheet. I would also like to acknowledge STEP's outstanding professionals who remain committed to the highest standards of safety and operational execution.

Thank you for investing in STEP. We look forward to seeing you at the Meeting on June 6, 2024.

Sincerely,

SIGNED "Douglas C. Freel"

Douglas C. Freel
CHAIR OF THE BOARD

SIGNED "Stephen Glanville"

Stephen Glanville
DIRECTOR, PRESIDENT AND CHIEF EXECUTIVE OFFICER

NOTICE OF 2024 ANNUAL MEETING

You are invited to our 2024 annual meeting of common shareholders (the "Meeting"):

Meeting Date: Thursday, June 6, 2024 at 3:00 p.m. mountain daylight time (MDT).

Record Date: April 17, 2024

Only shareholders of record as of the close of business on April 17, 2024 (the "Record Date") will receive notice of, and be entitled to participate and vote at, the Meeting.

MEETING DETAILS:

In Person: Northcote Conference Room
Bow Valley Square II
+30 Level, 205 – 5th Avenue SW,
Calgary, Alberta T2P 2V7

Virtual: Virtual, audio only, live webcast online at https://virtual-meetings.tsxtrust.com/1602

Password: step2024 (case sensitive)

The meeting will begin promptly at 3:00 p.m. (MDT)

Items of Business:

At the Meeting, shareholders will be asked to:

1. receive our audited consolidated financial statements for the year ended December 31, 2023, together with the auditors' report thereon
2. fix the number of directors
3. elect the directors
4. appoint the auditors and authorize directors to set their compensation, and
5. consider other business that is properly brought before the Meeting or any meeting that is reconvened if the Meeting is adjourned.

Registered shareholders and duly appointed proxyholders who attend the Meeting, either in person or online, will have the opportunity to participate in the question and answer session and vote their shares at the Meeting, provided they follow the instructions in the accompanying management information circular ("Circular") and, if attending online, remain connected to the Internet at all times during the Meeting. Non-registered (beneficial) shareholders who do not duly appoint themselves as proxyholder in accordance with the instructions in the Circular and provided by their intermediary, will be able to participate as guests at the Meeting. Guests will be able to listen to the proceedings of the Meeting but cannot vote or ask questions. Shareholders that usually vote by proxy ahead of the Meeting will be able to do so in the same manner as previous shareholder meetings. The Circular accompanying this Notice contains important instructions and details on how to participate at the Meeting and vote your shares by proxy or online during the Meeting. The specific details of the matters proposed to be put before the Meeting are also set forth in the Circular.

The notice of meeting and Circular dated April 8, 2024 in respect of the Meeting, and the annual financial statements for the year ended December 31, 2023 along with the related management discussion and analysis (collectively, the "Meeting Materials") have been posted and are available for review on our website (www.stepenergyservices.com) and filed on SEDAR+ (www.sedarplus.ca).

STEP has elected to use the notice and access provisions under National Instrument 54-101, *Communications with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102, *Continuous Disclosure Obligations* to send the Meeting Materials to beneficial shareholders and registered shareholders. The notice and access provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

Shareholders who wish to receive a paper copy of the Meeting Materials should contact our transfer agent, TSX Trust Company, at 416.361.0930 or toll free at 866.600.5869, or by sending an email to tsxtis@tmx.com. Requests may be made up to one year from the date the Circular was filed on SEDAR+. Requests by shareholders must be made to TSX Trust Company by 3 p.m. mountain daylight time, May 28, 2024 in order to receive a paper copy of the Meeting Materials before the Meeting on June 6, 2024. If you have questions about notice and access, please call our transfer agent, TSX Trust Company, at 416.361.0930 or toll free at 866.600.5869.

Please take some time to read the attached Circular. All shareholders are strongly encouraged to vote prior to the Meeting by any of the means described in the *Voting* section of the Circular. Shareholders are also encouraged to return their form of proxy or voting instruction form as soon as possible. As an alternative, shareholders may choose to vote by telephone or on the Internet as provided for on the form of proxy or voting instruction form. In order to be valid and acted upon at the Meeting, the form of proxy or voting instruction form must be received no later than 3 p.m. mountain daylight time on June 4, 2024 or no later than 48 hours (excluding weekends and holidays) before the time set for any postponement or adjournment of the Meeting. If a shareholder transfers any shares after the Record Date and the transferee of those shares establishes that the transferee owns the shares and demands, not less than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such shares at the Meeting.

By order of the Board of STEP Energy Services Ltd.,

SIGNED "Stephen Glanville"

Stephen Glanville
DIRECTOR, PRESIDENT AND CHIEF EXECUTIVE OFFICER
April 8, 2024
Calgary, Alberta

ABOUT THE MEETING

The 2024 Meeting will be a hybrid meeting. Shareholders may attend the Meeting in person or online. STEP believes hosting a hybrid meeting will help to promote shareholder engagement and participation by appealing to those shareholders who wish to connect in person, and to those for whom virtual attendance is more convenient. Registered shareholders and duly appointed proxyholders who attend the Meeting either in person or online will have the opportunity to participate in the question and answer session and to vote.

Shareholders can vote in person or online at the Meeting, or by proxy ahead of the Meeting through all of the voting channels that have been available for previous meetings. Non-registered (beneficial) shareholders who do not appoint themselves as their proxyholder will not be able to vote in person or online at the Meeting, but will be able to attend the Meeting and observe proceedings as guests. Guests cannot vote or ask questions but will be able to listen to the proceedings of the Meeting. To vote online during the Meeting, see *Registered shareholder voting – Voting online during the Meeting* or *Non-registered (beneficial) shareholder voting – Voting online during the Meeting,* as applicable to you.

Attendees attending online can login to the Meeting by following the instructions below:

- Login online at: https://virtual-meetings.tsxtrust.com/1602. STEP recommends that you log in at least 15 minutes before the Meeting starts.
- Click "Login" and then enter your 12-digit Control Number located on the form of proxy, and Password: "step2024" (case sensitive).

OR

- Click "Guest" and then complete the online form to access the Meeting.

If you attend the Meeting online, it is important to remain connected to the Internet at all times in order to vote when balloting commences. It is your responsibility to ensure Internet connectivity is maintained for the duration of the Meeting.

DELIVERY OF MEETING MATERIALS

As of April 8, 2024, there were 71,701,987 STEP common shares ("shares") outstanding. If you are a shareholder of record of STEP as at the April 17, 2024 Record Date, you are entitled to receive notice of, attend and vote your shares online at the Meeting. If a shareholder transfers any shares after the Record Date and the transferee of those shares establishes that the transferee owns the shares and demands, not less than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such shares at the Meeting.

The items of business for the Meeting are discussed in the *Business of the meeting* section.

This solicitation is made on behalf of management of STEP. The costs incurred in the preparation and mailing of the proxy-related materials for the Meeting will be borne by STEP. We are sending the securityholder materials directly to registered shareholders and non-objecting beneficial shareholders, and we will also provide the materials to brokers, custodians, nominees and other fiduciaries to forward them to objecting beneficial shareholders. The solicitation of proxies will primarily be by mail, but proxies may also be solicited personally or by telephone, facsimile, or other electronic means by directors, officers, employees or agents of STEP, who will not be specifically remunerated therefor.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Notice and access

We are using the notice and access provisions under National Instrument 54-101, *Communications with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102, *Continuous Disclosure Obligations* to deliver the Meeting materials, including this Circular and the annual financial statements for the year ended December 31, 2023 along with the related Meeting Materials, to our registered and beneficial shareholders. This means that STEP will post the Meeting Materials online for our shareholders to access electronically. You will receive a package in the mail with a notice ("Notice") explaining how to access and review the Meeting Materials electronically and how to request a paper copy free of charge. The package you receive will also contain a form of proxy or voting instruction form so you can vote your shares.

Since notice and access reduces printing, paper and postage, it is an environmentally friendly and cost-effective way to distribute the Meeting Materials to shareholders. The Meeting Materials are available on SEDAR+ (www.sedarplus.ca) and on our website (www.stepenergyservices.com).

Shareholders can request a paper copy of the Meeting Materials, at no charge, for up to one year from the date this Circular was filed on SEDAR+. Requests by shareholders must be made to TSX Trust Company in accordance with the Notice by 3 p.m. mountain daylight time, May 28, 2024 in order to receive a paper copy of the Meeting Materials before the Meeting on June 6, 2024. You will not receive a new form of proxy or voting instruction form if you request a paper copy of the Meeting Materials, so it is important that you keep the original form sent to you in order to vote.

If you have questions about notice and access, please call our transfer agent, TSX Trust Company, at 416.361.0930 or toll free at 866.600.5869.

Quorum

The quorum for the transaction of business is two people holding, or representing by proxy, not less than 15% of shares entitled to vote at the Meeting.

VOTING

Each share carries the right to one vote on any item of business that properly comes before the Meeting and any meeting that is reconvened if the Meeting is postponed or adjourned. Subject to our majority voting policy for director election (see the *Governance – About our governance philosophy and practices – Majority voting policy* section), we require a simple majority of votes at the Meeting (50% plus one) for all items to be approved by shareholders.

REGISTERED SHAREHOLDER VOTING

You are a registered shareholder if your shares are registered in your name. Voting options for registered shareholders are outlined below.

Voting in person at the Meeting

If you plan to attend the Meeting in person and want to vote your shares in person, do not complete or return the enclosed form of proxy. Your vote will be taken and counted at the Meeting. Please register with TSX Trust Company upon arriving at the Meeting.

Voting online during the Meeting

If you plan to attend the Meeting and want to vote your shares online at the Meeting, do not complete or return the enclosed form of proxy. Your vote will be taken and counted at the Meeting by completing a ballot online during the Meeting. Please ensure you login to the Meeting using the following instructions:

- Login online at: https://virtual-meetings.tsxtrust.com/1602. STEP recommends that you log in at least 15 minutes before the Meeting starts.
- Click ''Login'' and then enter your 12-digit Control Number located on the form of proxy, and Password: ''step2024'' (case sensitive).

Voting by proxy

Whether or not you attend the Meeting, you can appoint someone else to attend and vote as your proxyholder. To vote by proxy, use the form of proxy provided with the Notice. The people named in the form of proxy are directors or officers of STEP. **You have the right to appoint a person other than the persons designated in the form of proxy enclosed with the Notice mailed to you (who does not need to be a shareholder of STEP) to represent you at the Meeting, either in person or online.** To appoint another person, insert that person's name in the blank space provided on the form of proxy, sign it, and deliver the completed form to STEP's transfer agent and registrar, TSX Trust Company. In order to participate in the Meeting online, proxyholders MUST obtain a control number by emailing TSX Trust Company at tsxtis@tmx.com, the "Request a Control Number" form, which can be found here: https://tsxtrust.com/resource/en/75. Requests for control numbers must be made at least 48 hours before the time of the Meeting. If a proxyholder does not obtain a control number, they will not be able to login and vote online during the Meeting.

If you specify how you want to vote on your form of proxy, your proxyholder must vote in accordance with such instructions. All shares represented at the Meeting by properly executed forms of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for. **In the absence of any instruction, the STEP appointees whose names appear on the form of proxy will vote your shares in favour of each of the matters to be acted on.** If you appoint another proxyholder and do not indicate how you want to vote, that proxyholder will decide how to vote your shares.

You may revoke your proxy at any time before it is acted on. To revoke your proxy, (i) deliver a written statement revoking your proxy to TSX Trust Company on or before June 4, 2024 (or the last business day before the Meeting if it is postponed or adjourned), (ii) deliver a written statement revoking your proxy to the chair of the Meeting, c/o Vice President, Legal and General Counsel, STEP Energy Services Ltd., Bow Valley Square II, 1200, 205-5th Ave SW, Calgary, Alberta, T2P 2V7 on or before 3 p.m. mountain daylight time on June 6, 2024 (or the day of the Meeting if it is postponed or adjourned), or (iii) by voting either in person or online during the Meeting.

Voting by mail, fax, or email

Fax your completed form of proxy to 416.595.9593, or scan and email to tsxtis@tmx.com. Mail your completed form of proxy to TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario, Canada, M5H 4H1.

Voting by Internet

You may vote through the Internet at www.voteproxyonline.com. Please follow the instructions carefully and ensure you have your proxy in hand as you will be required to enter the 12-digit control number located on your proxy no later than 3 p.m. mountain daylight time on June 4, 2024, or no later than 48 hours (excluding weekends and holidays) before the time set for any postponement or adjournment of the Meeting.

NON-REGISTERED (BENEFICIAL) SHAREHOLDER VOTING

You are a non-registered shareholder if your bank, trust company, securities broker, trustee, or other financial institution (your nominee) holds your shares in their name or the name of another intermediary. Shares registered in the names of intermediaries can only be voted by those intermediaries at the direction of the beneficial shareholders who beneficially own the shares. Without specific instructions, intermediaries are prohibited from voting shares for an intermediary's clients. Therefore, beneficial shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person well in advance of the Meeting.

There are two kinds of beneficial shareholders: (i) objecting beneficial shareholders ("OBOs") – those who object to their name being made known to the issuers of shares which they own; and (ii) non-objecting beneficial shareholders ("NOBOs") – those who do not object to their name being made known to the issuers of the shares which they own.

Securities regulation requires brokers or agents to seek voting instructions from OBOs in advance of the Meeting. OBOs should be aware that brokers or agents can only vote shares if instructed to do so by the OBO. Your broker or agent will have provided you with a voting instruction form or form of proxy for the purpose of obtaining your voting instructions. Every broker has its own mailing procedures and provides instructions. You must follow those instructions carefully to ensure your shares are voted online at the Meeting.

If you are an OBO receiving a voting instruction form or form of proxy from a broker or agent, you cannot use that form to vote online at the Meeting. To vote your shares at the Meeting, the voting instruction form or form of proxy must be returned as instructed by the broker well in advance of the meeting. If you wish to attend and vote your shares online at the Meeting or if you wish to revoke your voting instructions before they are acted on, follow the instructions for doing so provided by your broker or agent.

NOBOs will receive a voting instruction form from our registrar and transfer agent, TSX Trust Company. This is to be completed and returned to TSX Trust Company as directed on the voting instruction form provided with the Notice. In addition, TSX Trust Company provides Internet voting as described on the voting instruction form provided with the Notice.

Voting in person at the Meeting

If you plan on attending the Meeting and want to vote your shares in person, insert your own name in the space on the voting instruction form or form of proxy provided with the Notice, sign it and deliver the completed form in accordance with the instructions on such form. Your vote will be taken and counted at the Meeting, so do not indicate your votes on the form. Please register with TSX Trust Company upon arriving at the Meeting to ensure your vote will be counted.

Voting online during the Meeting

If you plan to attend the Meeting and want to vote your shares online at the Meeting, insert your own name in the space on the voting instruction form or form of proxy provided with the Notice, sign it, and deliver the completed form in accordance with the instructions on such form. Your vote will be taken and counted at the Meeting, so do not indicate your votes on the form. In order to participate in the Meeting online, proxyholders (including beneficial shareholders appointing themselves as proxyholder) MUST obtain a control number by emailing TSX Trust Company at tsxtrustproxyvoting@tmx.com, the "Request a Control Number" form, which can be found here: https://tsxtrust.com/resource/en/75. Requests for control numbers must be made at least 48 hours before the time of the Meeting. If a proxyholder (including beneficial shareholders appointing themselves as proxyholder) does not obtain a control number, they will not be able to login and vote online during the Meeting.

Voting by proxy

Whether or not you attend the Meeting, you can appoint someone else to attend and vote as your proxyholder. To vote by proxy, use the voting instruction form or form of proxy provided with the Notice. The people named in the voting instruction form or form of proxy are directors or officers of STEP. **You have the right to appoint a person other than the persons designated in the enclosed voting instruction form or form of proxy (who need not be a shareholder of STEP) to represent you, either in person or online, at the Meeting.** In order to appoint another person, insert that person's name in the blank space provided on the enclosed voting instruction form or form of proxy, sign it, and deliver the completed voting instruction form or form of proxy in accordance with the instructions on such form. In order to participate in the Meeting online, proxyholders MUST obtain a control number by emailing TSX Trust Company at tsxtrustproxyvoting@tmx.com, the "Request a Control Number" form, which can be found here: https://tsxtrust.com/resource/en/75. Requests for control numbers must be made at least 48 hours before the time of the Meeting. If a proxyholder does not obtain a control number, they will not be able to login and vote online during the Meeting. Your votes will only be counted if the person you appointed attends the Meeting and votes on your behalf.

If you have voted on the voting instruction form or form of proxy, you may (but are not obliged to) revoke any and all previously submitted proxies by completing an online ballot during the Meeting, so long as you have obtained a control number by emailing TSX Trust Company at tsxtrustproxyvoting@tmx.com, the "Request a Control Number" form, which can be found here: https://tsxtrust.com/resource/en/75. Requests for control numbers must be made at least 48 hours before the time of the Meeting. You may also revoke your voting instructions before they are acted on by following the procedures provided in the voting instruction form or form of proxy.

If you specify how you want to vote on your voting information form or form of proxy, your proxyholder must vote in accordance with such instructions. All shares represented at the Meeting by properly executed voting instruction forms will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for. **In the absence of any instruction, the STEP appointees whose names appear on the voting instruction form or form of proxy will vote your shares in favour of each of the matters to be acted on.** If you appoint another proxyholder and do not indicate how you want to vote, that proxyholder will decide how to vote your shares.

Voting by mail, fax, or email

If you are a NOBO and received the TSX Trust Company voting information form, fax your completed voting instruction form to 416.595.9593, or scan and email to TMXEInvestorServices@tmx.com. Mail your completed voting instruction form to TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario, Canada, M5H 4H1.

Voting by Internet

If you are a NOBO and received the TSX Trust Company voting information form, see the voting instruction form provided with the Notice for instruction.

HOW VOTES ARE COUNTED

Our transfer agent, TSX Trust Company counts and tabulates the votes on our behalf to ensure the votes are kept confidential. They show us the ballot or proxy form if:

- it is required by law
- there is a proxy contest, or
- there are written comments on the proxy form.

BUSINESS OF THE MEETING

The Meeting will cover the following items of business:

1. FINANCIAL STATEMENTS

Our 2023 annual audited consolidated financial statements and the auditors' report are available on SEDAR+ (www.sedarplus.ca) and on our website (www.stepenergyservices.com). The Notice you receive will explain how to access these documents electronically, and how to request a paper copy. No formal action will be taken at the Meeting to approve the annual consolidated financial statements, which have already been approved by the board of directors of STEP (the "Board").

2. FIXING THE NUMBER OF DIRECTORS

You will vote on fixing the number of directors to be elected at the Meeting at seven. STEP's articles allow for a maximum of eleven directors. There are presently seven directors and it is proposed that seven directors be elected to the Board at the Meeting.

The Board recommends you vote ***for*** fixing the number of directors to be elected at the meeting at seven.

RESOLVE to fix the number of directors to be elected at the Meeting at seven.

3. DIRECTORS

You will vote on electing seven directors to the Board. The director profiles can be found in *The nominated directors* section and give important information about each nominated director, including his or her background, experience and memberships on other public company boards he or she serves on. All of the nominated directors currently serve on our Board. The director profiles below include each nominee's 2023 meeting attendance, and the value of STEP shares or deferred share units ("DSUs") they currently hold. See the *Governance – About our governance philosophy and practices – Majority voting policy* section to learn more about our majority voting policy.

All nominees have consented to stand for election or re-election, as applicable, and serve as directors if elected. Each elected director will hold office until the close of the next annual meeting of shareholders or until his or her successor is duly elected or appointed. The director nominees are:

1. Evelyn M. Angelle
2. Douglas C. Freel
3. Jeremy Gackle
4. Stephen Glanville
5. James Harbilas
6. Edward LaFehr
7. Rachel Moore

The Board recommends you vote ***for*** each of the nominated directors:

RESOLVE to elect each of the directors listed in STEP's Circular dated April 8, 2024 to hold office until the next annual meeting of shareholders or until their successors are earlier elected or appointed.

4. AUDITORS

You will vote on appointing the auditors of STEP and authorizing the directors to set the auditors' compensation. The auditors will hold office until the close of our next annual meeting of shareholders. The Board recommends that KPMG LLP ("KPMG") be appointed as auditors.

KPMG has been our external auditors since 2011, and KPMG has confirmed they are independent with respect to STEP within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations. For details concerning fees paid to KPMG by STEP, see the *External audit service fees* section in our annual information form ("AIF") for the year ended December 31, 2023, which is available on our website (www.stepenergyservices.com) and on SEDAR+ (www.sedarplus.ca).

The Board recommends you vote ***for*** appointing KPMG as our auditors to hold office until the close of our next annual meeting of shareholders:

RESOLVE to appoint KPMG as auditors of STEP until the close of the next annual meeting of shareholders and authorize the directors to fix their remuneration.

5. OTHER MATTERS

As of the date of this Circular, STEP is not aware of any amendments or variations to the items of business or of any other matters that may properly come before the Meeting. If there are amendments or variations to the items of business or other matters that properly come before the Meeting, shareholders or their proxyholders have the discretionary authority to vote as they see fit.

THE NOMINATED DIRECTORS

Our articles currently state that the Board must have a minimum of one and a maximum of eleven directors. It is proposed that seven directors will be elected this year. The Board believes that all the nominated directors are well qualified to serve on the Board.

Evelyn M. Angelle
Houston, Texas, U.S.
Age: 56
Director since: March 2019
Independent

Ms. Angelle is an independent corporate director. She currently serves as a director of Forum Energy Technologies, Inc. (NYSE: FET), since February 2011, where she chairs the audit committee and is a member of the nominating, governance and sustainability committee. In May 2022, Ms. Angelle joined the board of managers of Amp Americas II Holdings LLC, a privately held renewable natural gas company, where she chairs the audit committee. From November 2017 to the present, and from January 2015 to December 2016, Ms. Angelle has been a private investor and philanthropist. Her executive roles include serving as Executive Vice President and Chief Financial Officer ("CFO") of BJ Services Company LLC, a provider of North American land pressure pumping services, from January 2017 to November 2017. Earlier, from January 2014 through January 2015, she held the position of Senior Vice President, Supply Chain for Halliburton Company, overseeing global procurement, materials, logistics and manufacturing. From April 2003 through December 2013, she served in various finance and accounting roles for Halliburton, including Senior Vice President and Chief Accounting Officer, and Vice President of Investor Relations. Before joining Halliburton, Ms. Angelle worked for 15 years in the audit department of Ernst & Young LLP, specializing in serving large, multinational public companies. She is a graduate of St. Mary's College (Notre Dame), a certified public accountant in Texas, and a certified management accountant. Additionally, she holds a certificate in Cyber Security Oversight from Carnegie Mellon University. Beyond her corporate roles, Ms. Angelle is actively engaged in charitable organizations, serving on the board of directors and executive committees of Junior Achievement of Southeast Texas and Junior Achievement USA. Ms. Angelle is a member of the National Association of Corporate Directors ("NACD") distinguished Board Leadership Fellows and is NACD Directorship Certified™.

Board/Committee membership	2023 meeting attendance	Percentage of 2023 meetings attended
Board	6/6	100%
Audit Committee	4/4	100%
Overall attendance	10/10	100%
Securities held	**April 8, 2024**	
DSUs	453,717	
Shares	67,400	
Total value of equity holdings	$2,167,847[1]	
Meets minimum share ownership guidelines	Yes[2]	
Other public company boards and board committees	Forum Energy Technologies, Inc. (NYSE), Chair of the Audit Committee, and member of the Nominating, Governance and Sustainability Committee	
Annual general meeting voting results	**Votes in favour**	**Votes withheld**
2023	46,058,335 (99.87%)	58,203 (0.12%)

Notes
(1) *Total value of equity holdings is calculated based on the closing share price on April 8, 2024 of $4.16.*
(2) *See the Director share ownership guidelines section to learn more about our share ownership guidelines for directors.*

Douglas Freel
Calgary, Alberta, Canada
Age: 61
Director since: March 2011
Independent(1)

Mr. Freel is an independent corporate director. He was a Managing Director at ARC Financial Corp. from 2016 until his retirement on December 31, 2022. Mr. Freel joined ARC Financial Corp. in 1998, with over two decades of oilfield services industry experience in engineering and investment roles, including nine years with Schlumberger Ltd. In addition, Mr. Freel serves on the boards of various private companies. Mr. Freel received a Bachelor of Science in Engineering from Queen's University and a Master of Business Administration from the University of Toronto.

Board/Committee membership	2023 meeting attendance	Percentage of 2023 meetings attended
Board (Chair)	6/6	100%
Health, Safety and Environment ("HSE Committee")(2)	1/1	100%
Overall attendance	7/7	100%
Securities held	**April 8, 2024**	
DSUs	544,730(3)	
Shares	10,000	
Total value of equity holdings	$2,307,677(4)	
Meets minimum share ownership guidelines	Yes(5)	
Other public company boards and board committees	–	
Annual general meeting voting results	**Votes in favour**	**Votes withheld**
2023	45,998,409 (99.63%)	118,129 (0.36%)

Notes

(1) *The Board has determined that Mr. Freel is independent within the meaning set out in NI 58-101, effective May 1, 2023, but is subject to a one-year cooling off period ending May 1, 2024. Further information can be found in Governance – About our Board – Board independence section.*

(2) *Mr. Freel was appointed chair of the HSE Committee from September 30, 2023 to November 1, 2023 following the retirement of Ms. Garbutt from the board of directors and HSE Committee chair position. As of November 1, 2023, Mr. Edward LaFehr was appointed HSE Committee chair with Mr. Freel continuing to serve as a member of the HSE Committee.*

(3) *Mr. Freel is a nominee of the ARC Group pursuant to the Investment Rights Agreement and until December 31, 2022 was employed by ARC Financial Corp. All director compensation attributed to Mr. Freel until April 30, 2023 was for the benefit of the ARC Group, and DSUs granted to Mr. Freel were, and continue to be, held for the benefit of the ARC Group. Effective May 1, 2023, Mr. Freel is paid his director compensation directly. Further information can be found in the Governance – About our Board – Board independence section. ARC Group, and Investment Rights Agreement are defined in that section as well.*

(4) *Total value of equity holdings is calculated based on the closing share price on April 8, 2024 of $4.16.*

(5) *See the Director share ownership guidelines section to learn more about our share ownership guidelines for directors.*

Jeremy Gackle
Calgary, Alberta, Canada
Age: 42
Director since: March 2011
Non-Independent

Mr. Gackle is a Managing Director at ARC Financial Corp. and leads its oilfield service and energy transition investment teams. Since joining ARC Financial Corp. in 2004, Mr. Gackle's role has transitioned from analytical support roles to responsibilities ranging from deal origination and structuring to due diligence, execution, strategic development and investment monitoring. Mr. Gackle serves on the boards of various private energy service and manufacturing companies as well as KidSport Society of Calgary. He holds a Bachelor of Commerce in Finance from the University of Calgary (2005), is a Chartered Financial Analyst charter holder and is a certified director from the Institute of Corporate Directors.

Board/Committee membership	2023 meeting attendance	Percentage of 2023 meetings attended
Board Compensation and Corporate Governance Committee ("C&CG Committee") (Chair) Overall attendance	6/6 3/3 9/9	100% 100% 100%
Securities held	**April 8, 2024**	
DSUs Shares Total value of equity holdings	472,554(1) – $1,965,824(2)	
Meets minimum share ownership guidelines	Yes(3)	
Other public company boards and board committees	–	
Annual general meeting voting results	**Votes in favour**	**Votes withheld**
2023	45,948,610 (99.63%)	167,928 (0.36%)

Notes

(1) *Mr. Gackle is a nominee of the ARC Group pursuant to the Investment Rights Agreement and is employed by ARC Financial Corp. All director compensation attributed to Mr. Gackle in this Circular is for the benefit of the ARC Group. DSUs granted to Mr. Gackle are held for the benefit of the ARC Group. The current number of shares held by ARC Energy Fund 6 and ARC Energy Fund 8, respectively, can be found in the Other Information – Controlling shareholder section. ARC Energy Fund 6 and ARC Energy Fund 8 are defined in that section as well.*

(2) *Total value of equity holdings is calculated based on the closing share price on April 8, 2024 of $4.16.*

(3) *See the Director share ownership guidelines section to learn more about our share ownership guidelines for directors.*

Stephen Glanville
Calgary, Alberta, Canada
Age: 52
Director since: October 1, 2022
Non-independent

Mr. Glanville has served as STEP's President and CEO since October 1, 2022. From the Company's inception in March 2011, he held the role of COO and was appointed president in July 2021. Mr. Glanville is a co-founder of STEP and is a certified engineering technologist with 30 years of oilfield experience. Mr. Glanville's background includes 10 years with Schlumberger Limited working with the company's North American oilfield services divisions, and seven years with Sanjel managing the Canadian coiled tubing and nitrogen business unit. Most recently, he spent two years with Calfrac as manager of the Canadian coiled tubing division. Mr. Glanville currently sits on the board of the Enserva Association ("Enserva") and serves as a director of Enserva's Stars and Spurs Gala in support of STARS Air Ambulance. He is a former president of Intervention & Coiled Tubing Association Canadian Chapter. Mr. Glanville received his diploma from the Southern Alberta Institute of Technology.

Board/Committee membership	2023 meeting attendance	Percentage of 2023 meetings attended
Board	6/6	100%
HSE Committee	2/2	100%
Overall attendance	8/8	100%
Securities held	**April 8, 2024**	
PSUs(1)	86,964	
RSUs	122,049	
Options	434,895	
Shares	223,680	
Total value of equity holdings	$2,941,751(2)	
Meets minimum share ownership guidelines	Yes(3)	
Other public company boards and board committees	–	
Annual general meeting voting results	**Votes in favour**	**Votes withheld**
2023	46,036,700 (99.82%)	79,838 (0.17%)

Notes

(1) *The number of PSUs shown as of April 8, 2024 assumes a multiplier of 1.0x on a possible performance multiplier range of 0.0 to 2.0x, where the performance multiplier has not yet been determined. The PSUs held at April 8, 2024 include (i) 25,019 units vesting on May 19, 2025 and (ii) 61,945 units vesting on March 10, 2026. Refer to the Components and pay mix - long-term incentive plan section for details.*

(2) *Total value of equity holdings is calculated based on the closing share price on April 8, 2024 of $4.16.*

(3) *See the Executive share ownership guidelines section to learn more about our share ownership guidelines for executives.*

James Harbilas
Cochrane, Alberta, Canada
Age: 54
Director since: April 2017
Independent

Mr. Harbilas is the Executive Vice President and CFO at AltaGas Ltd. ("AltaGas") (energy infrastructure) since June 2019 and is responsible for AltaGas' risk, finance, treasury, strategy, investor relations, corporate development and capital market functions. Prior to joining AltaGas, Mr. Harbilas was the Executive Vice President and CFO at Enerflex Ltd. ("Enerflex") and its predecessor (oil and gas) from 2007 to May 2019, responsible for overseeing and providing leadership and all financial affairs, reporting and corporate governance of Enerflex. Prior to joining Enerflex, Mr. Harbilas was Vice-President, Finance and CFO of FortisAlberta Inc. (utilities). Previously, he held senior positions in various financial capacities at SNC-Lavalin Group (engineering and construction) and AltaLink Management Ltd. (utilities). Mr. Harbilas holds a Bachelor of Commerce and graduate diploma in accounting from Concordia University (1996). He is a chartered accountant and a member of the Chartered Professional Accountants of Alberta, the Ordre des comptable agrees du Québec and Financial Executive Institute.

Board/Committee membership	2023 meeting attendance	Percentage of 2023 meetings attended
Board	6/6	100%
Audit Committee (Chair)	4/4	100%
C&CG Committee	3/3	100%
Overall attendance	13/13	100%
Securities held	**April 8, 2024**	
DSUs	386,811	
Shares	46,000	
Total value of equity holdings	\$1,800,492(1)	
Meets minimum share ownership guidelines	Yes(2)	
Other public company boards and board committees	–	
Annual general meeting voting results	**Votes in favour**	**Votes withheld**
2023	45,989,406 (99.72%)	127,132 (0.27%)

Notes
(1) *Total value of equity holdings is calculated based on the closing share price on April 8, 2024 of \$4.16.*
(2) *See the Director share ownership guidelines section to learn more about our share ownership guidelines for directors.*

Edward (Ed) LaFehr
Littleton, Colorado, U.S.
Age: 64
Director since:
November 1, 2023
Independent

Edward LaFehr has 40 years of experience in the energy industry managing large and complex onshore and offshore exploration and production assets with Amoco, BP, Talisman, TAQA and Baytex Energy Ltd. (“Baytex”), holding senior management positions in North America, Europe and the Middle East. He currently serves as a director of VAALCO Energy, Inc. (“VAALCO”), a position he has held since VAALCO’s combination with TransGlobe Energy in October 2022. Mr. LaFehr was appointed to TransGlobe Energy’s board in March 2019. Mr. LaFehr served as the President and Chief Executive Officer of Baytex for six years before retiring in January 2023. From 2014 to 2016, Mr. LaFehr served as Chief Operating Officer for TAQA, globally, and from 2012 to 2014 he was president of TAQA North America in Calgary. Prior to 2012, Mr. LaFehr was Senior Vice President for Talisman in Calgary. Mr. LaFehr began his career making exploration and development drilling proposals across the Mid-Continent and Rocky Mountain regions of the US, while also holding assignments in the corporate planning groups of Amoco and BP. Mr. LaFehr served on the board of directors of the Explorers and Producers Association of Canada from 2018 through January of 2023. He also served on the Canadian Association of Petroleum Producers (“CAPP”) board of governors from 2012 to 2014 and was chairman of CAPP’s Alberta Executive Policy Group in 2013. Mr. LaFehr holds a Master’s degree in geophysics from Stanford University, a Master’s degree in mineral economics from the Colorado School of Mines, and a Bachelor of Science in geophysics from the University of Utah. He is a member of the American Association of Petroleum Geologists, the Society of Exploration Geophysicists, and the International Association of Energy Economists.

Board/Committee membership[1]	2023 Meeting Attendance	Percentage of 2023 meetings attended
Board	1/1	100%
HSE Committee (Chair)	N/A	N/A
Overall attendance	1/1	100%
Securities held	**April 8, 2024**	
DSUs[3]	3,650	
Shares	35,000	
Total value of equity holdings	$160,784[2]	
Meets minimum share ownership guidelines	Yes[3]	
Other public company boards and board committees	VAALCO Energy, Inc. (NYSE), Director and member of the compensation committee	
Annual general meeting voting results	**Votes in favour**	**Votes withheld**
2023	N/A	N/A

Notes

(1) *Mr. LaFehr was appointed as an independent director of the board of directors, effective November 1, 2023, following the retirement of Mr. Jason Skehar the same day. Mr. LaFehr was appointed to the HSE Committee as chair, effective November 1, 2023.*

(2) *Total value of equity holdings is calculated based on the closing share price on April 8, 2024 of $4.16.*

(3) *See the Director share ownership guidelines section to learn more about our share ownership guidelines for directors.*

Rachel Moore
Calgary, Alberta, Canada
Age: 52
Director since: October 1, 2023
Independent

Rachel Moore has served as Executive Vice President, Corporate Services of Ovintiv Inc. ("Ovintiv") since January 2020, responsible for managing Ovintiv's human resources, information technology, communications, sustainability, and administrative services. She previously served as Ovintiv's Vice President, Human Resources since January 2015. Prior to joining Ovintiv, Ms. Moore held a variety of senior leadership positions including Executive Vice President, Human Resources, Savanna Energy Services Corporation, and Vice President, Human Resources, Enerflex. Her two decades of experience in corporate services, within a variety of industries, provided a critical foundation for Ms. Moore to develop and implement successful strategies in areas such as total compensation, organizational effectiveness, workforce planning, systems implementations, change management, communications and diversity, equity and inclusion. Ms. Moore currently serves on the Board of Directors for the Wilder Institute (Calgary Zoo) in support of wildlife conservation, and she previously served as the chair of the board for the United Way of Calgary and Area and served on their strategic planning and governance committee. Ms. Moore holds a Bachelor of Arts degree in political science and a Master of Business Administration from the University of Calgary.

Board/Committee membership(1)	2023 Meeting Attendance	Percentage of 2023 meetings attended
Board	3/3	100%
Audit Committee	N/A	N/A
C&CG Committee	N/A	N/A
Overall attendance	3/3	100%
Securities held	**April 8, 2024**	
DSUs	4,024	
Shares	10,000	
Total value of equity holdings	$58,340(2)	
Meets minimum share ownership guidelines	In-progress(3)	
Other public company boards and board committees	–	
Annual general meeting voting results	**Votes in favour**	**Votes withheld**
2023	N/A	N/A

Notes

(1) *Ms. Moore was appointed as an independent director of the board of directors, effective October 1, 2023, following the retirement of Ms. Garbutt effective September 30, 2023. Ms. Moore was also appointed to the Audit and C&CG Committees effective November 1, 2023.*

(2) *Total value of equity holdings is calculated based on the closing share price on April 8, 2024 of $4.16.*

(3) *See the Director share ownership guidelines section to learn more about our share ownership guidelines for directors.*

GOVERNANCE

OVERVIEW OF OUR CORPORATE GOVERNANCE

Our Board is responsible for the supervision of STEP's executive team and stewardship of STEP. As a public company listed on the TSX, our corporate governance practices comply with the governance rules of the TSX and Canadian Securities Administrators ("CSA"), including:

- National Instrument 52-110, *Audit Committees* ("NI 52-110")
- National Instrument 58-101, *Disclosure of Corporate Governance Practices* ("NI 58-101"), and
- National Policy 58-201, *Corporate Governance Guidelines*.

Our Board and executive team are committed to the highest standards of ethical conduct and corporate governance. The C&CG Committee is responsible for oversight of STEP's corporate governance policies, programs and practices. More specifically, the responsibilities of the C&CG Committee include:

- facilitates the independent functioning of the Board
- seeks to maintain an effective relationship between the Board and executive team of STEP
- annually reviews the mandates of the Board and its committees, the position descriptions for the Chair of the Board and the Chair of each committee, recommending to the Board appropriate changes
- annually reviews the effectiveness of the Board as a whole, the Chair of the Board and all committees of the Board, making recommendations where appropriate that a sitting director be removed or not be re-appointed, and
- is responsible for establishing a process for direct communications with shareholders and other stakeholders, including through STEP's whistleblower policy.

This section provides a description of our Board and discusses our approach to corporate governance.

ABOUT OUR BOARD

Size and composition

STEP's articles state that the Board must have a minimum of one and a maximum of eleven directors. Our Board believes its current size of seven directors is appropriate based on the scope of our business, the skills and experience of the nominated directors and the three standing committees, and to achieve effective decision-making.

Quorum for the transaction of business at any meeting of the Board is a majority of directors. In the case of an equality of votes, the Chair of the Board is not entitled to a second or casting vote.

The C&CG Committee is responsible for reviewing the size and composition of the Board, making recommendations as to the number of independent directors and advising the Board on filling vacancies. The C&CG Committee is also responsible for recommending suitable candidates for nomination for election or appointment as director and recommending the criteria governing the overall composition of the Board and governing the desirable characteristics for directors. We believe our Board must consist of directors who are qualified and knowledgeable and include directors with direct experience in the oil and gas industry.

Board and executive team diversity

We are committed to maintaining a qualified and knowledgeable Board and consider a variety of diversity criteria in bringing expertise and perspectives to the Board. Our Board considers diversity in terms of gender, age, ethnicity, business experience, professional expertise, personal skills, and stakeholder perspectives.

STEP has not adopted formal targets regarding the number of women to be elected to the Board and does not have written policies regarding the identification and nomination of female director candidates for election to the Board. The C&CG Committee considers the level of representation of women on the Board as one of many factors when seeking candidates for nomination. The C&CG Committee is focused on finding the most qualified individuals available with skills and experience that will complement the Board and assist in providing strong stewardship for STEP, with gender being only one of the many factors taken into consideration when evaluating individuals as potential directors. Currently there are two women on the Board, representing 29% of STEP's directors.

Our executive team includes our President and CEO, CFO, COO, Vice President, Human Resources, Vice President, Legal and General Counsel, Vice President, Sustainability and Communications, Vice President, Business Development and Innovation, and Vice President, Finance. The executive team reviews and discusses STEP's talent pool regularly, and the C&CG Committee annually reviews STEP's initiatives to provide development opportunities for high potential and diverse candidates below the executive level. STEP has not adopted formal targets regarding the number of women to be appointed to executive officer positions and does not have written policies regarding the identification and nomination of female executive officer candidates for appointment to the executive team. The Board reviews all appointments to the executive team and encourages the inclusion of women candidates for consideration for all leadership positions. As of the date of this Circular, two of STEP's executive officers are female, representing 25% of STEP's executive officers.

Board independence

The majority of our directors must be independent in accordance with applicable Canadian legal requirements and guidelines. The Board has determined that five of the seven nominated directors are independent for the purposes of NI 58-101 for the reasons outlined below. Other than Messrs. Glanville and Gackle, none of the directors have a direct or indirect material relationship with STEP that could reasonably be expected to interfere with the exercise of his or her independent judgment. The C&CG Committee and the Board review the independence of each candidate and Board member on an annual basis.

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of NI 52-110. Pursuant to NI 52-110, the independent director is a director who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment. Based on information provided by each director concerning his or her background, employment and affiliations, the Board has determined that the majority of the Board is independent, whereby: (i) Mr. Freel, Mr. Harbilas, Mr. LaFehr, Ms. Moore, and Ms. Angelle are independent within the meaning set out in NI 58-101, (ii) Mr. Glanville is not independent within the meaning set out in NI 58-101 as he is the President and CEO of STEP, and (iii) Mr. Gackle is not independent within the meaning set out in NI 58-101 as he is a Managing Director of ARC Financial Corp. and of the general partners of the limited partnerships comprising ARC Energy Fund 6 (as defined in the *Other information – Controlling shareholder section*) and ARC Energy Fund 8 (as defined in the *Other information – Controlling shareholder section*). The Board determined that Mr. Freel became independent within the meaning set out in NI 58-101 effective as of May 1, 2023 but is subject to a one-year cooling off period (which expires May 1, 2024). Prior to December 31, 2022, Mr. Freel was not independent within the meaning set out in NI 58-101 as he was a Managing Director of ARC Financial Corp. and of the general partners of the limited partnerships comprising ARC Energy Fund 6. ARC Energy Fund 6 and ARC Energy Fund 8 hold an aggregate of 59% of the issued and outstanding shares of STEP.

The Board believes that given its size and structure, it is organized properly, functions effectively, and is able to facilitate independent judgment in carrying out its responsibilities, including those set forth in the mandate of the Board. To enhance such independent judgement, at the end of, or during, each Board meeting, Mr. Glanville and executive team will leave the meeting in order to allow the non-executive directors to discuss any necessary matters without executives being present.

Chair Independence and Lead Director

A Lead Director is appointed when the chair of the Board is not independent. As discussed above, the Board determined Mr. Freel, the Chair of the Board, was independent as of May 1, 2023 but is subject to a one-year cooling-off period (which expires May 1, 2024). Prior to May 1, 2023, Mr. Freel was not considered independent by the Board and Ms. Garbutt served as STEP's Lead Director. Following Ms. Garbutt's retirement, Ms. Angelle was appointed as the Lead Director by the Board effective November 1, 2023. The Lead Director, if one is required, is responsible for ensuring that the directors who are independent have opportunities to meet without executives and non-independent directors, as required. The Lead Director, if one is required, will be appointed and replaced from time to time by a majority vote of independent directors and will be an independent director. If applicable, discussions among the independent directors will be led by the Lead Director who will provide feedback subsequently to the Chair.

Independent advice

The Board and each of its three standing committees are empowered to retain independent advisors to assist in carrying out their duties and responsibilities.

ABOUT OUR GOVERNANCE PHILOSOPHY AND PRACTICES

Ethical business conduct

STEP has a set of guiding principles and policies outlining the basis on which we operate to the highest degree of integrity and corporate responsibility.

Code of business conduct and ethics ("Code")

We are committed to conducting our business and affairs in accordance with our core values, vision, purpose and the highest ethical standards. As part of these efforts, STEP maintains a written Code, applicable to directors, officers, employees, consultants and contractors. The Code provides guidance on areas such as conflict of interest, outside employment and directorships, confidential information, protection and proper use of corporate assets, fair dealings with our shareholders, customers, suppliers and competitors, corporate communications, compliance with applicable laws, and reporting illegal or unethical behavior. The Code is posted on our website (www.stepenergyservices.com).

All professionals (including executive officers) and directors must certify their compliance with the Code annually. Any waiver of the Code for our executives and directors must be approved by the Board, or the appropriate committee. There were no material departures from the Code in 2023. The Code is reviewed annually by the C&CG Committee and the Board and was most recently reviewed by the Board in November 2023. The Board, through the Audit Committee, receives regular reports regarding compliance with the Code.

Conflicts of interest

A director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by the Board or any committee on which he or she serves, such director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors are also required to comply with the relevant provisions of the *Business Corporations Act* (Alberta) and the Code regarding conflicts of interest.

Serving on other boards

When assessing candidates and Board members, the C&CG Committee considers whether serving on the boards of, or acting as officers or in another capacity for, other entities pose any conflict to act in our best interests, and/or interferes with any of our directors' ability to fulfill their Board duties and responsibilities. The Board reviews these relationships annually to determine that they do not interfere with any of our director's ability to act in our best interests. We endeavor to ensure that such other directorships, officerships and/or business associations do not hinder the ability as a STEP director or the Board's overall performance. We discuss time commitments in addition to duties and responsibilities with every candidate to ensure that they have a full understanding of the role and expectations associated with serving on our Board.

STEP does not have a formal policy on board interlocks. A board interlock occurs when two of STEP's directors also serve together on the board of another reporting issuer. As of the date of this Circular, there are no board interlocks among the Board members.

Whistleblower policy and hotline

STEP has adopted a whistleblower policy which provides employees, clients, contractors, and others with the ability to report to STEP's third-party reporting service, on a confidential and anonymous basis, any violation within STEP including, but not limited to, criminal conduct, falsification of financial records or unethical conduct. The Board believes that providing a forum for employees, clients, contractors, officers and directors to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct. The Audit Committee receives regular compliance reports with respect to the whistleblower policy and hotline.

STEP has also established a toll-free, anonymous telephone, electronic mail, and web-based compliance hotline, which can be used by employees and others to report suspected accounting or auditing irregularities and unethical behaviour impacting STEP. Our whistleblower policy is available on our website (www.stepenergyservices.com). The hotline telephone number is 866.921.6714 and the website address is www.integritycounts.ca/org/stepenergyservices.

Insider trading

STEP has adopted a formal Disclosure, Trading and Confidentiality Policy. The policy covers topics such as insider trading prohibitions, blackout periods and trading windows, tipping, insider reporting, and general trading restrictions. Specifically, the Disclosure, Trading and Confidentiality Policy outlines the regular blackout periods (in advance of the release of quarterly and annual financial results) when trading is not allowed and the timing of trading windows. STEP insiders are notified by email of each blackout period and trading window.

Our Disclosure, Trading and Confidentiality Policy includes an anti-hedging policy preventing directors, officers and employees of STEP from using derivatives in other instruments to insulate them from movements in our share price. See the *Compensation –Executive compensation discussion and analysis – Compensation risk management* section to learn more about our anti-hedging policy.

Auditor independence

In accordance with ensuring the independence of our external auditor, the Audit Committee mandate provides that the Audit Committee is responsible for reviewing and approving any proposed hiring policies for partners, employees and former partners and employees of our current and former external auditors. The Audit Committee also has a pre-approval policy with respect to permitted non-audit services.

Our AIF includes more information about the Audit Committee. The 2023 AIF is available on our website (www.stepenergyservices.com) and on SEDAR+ (www.sedarplus.ca).

Majority voting policy

STEP has adopted a majority voting policy, which requires that any nominee for director who receives a greater number of votes withheld than for his or her election shall tender his or her resignation to the Chair of the Board following the meeting of shareholders at which the directors were elected. This policy applies only to uncontested elections, meaning elections where the number of nominees for director is equal to the number of directors being elected. The C&CG Committee and the Board shall consider the resignation, and whether or not it should be accepted. In doing so, the C&CG Committee may consider any stated reasons as to why shareholders withheld votes from the election of the relevant director, the qualifications of the director, the director's contributions to STEP, the effect such resignation may have on STEP's ability to comply with any applicable governance rules and policies, the dynamics of the Board, and any other factors that the members of the C&CG Committee consider relevant. The nominee shall not participate in the Board's or the C&CG Committee's consideration regarding whether to accept the tendered resignation, however, shall remain active and engaged in all other committee and Board activities and deliberations in the interim period. Resignations are expected to be promptly accepted except in situations where extraordinary circumstances warrant the applicable director continuing to serve as a member of the Board. The Board shall disclose its election decision, via press release, within 90 days of the applicable meeting at which directors were elected. If a resignation is accepted, the Board may appoint a new director to fill the vacancy created by the resignation. If a director nominee that is an employee of STEP receives a greater number of votes withheld than in favour during an uncontested election of directors and is required to tender his or her resignation as a director pursuant to the majority voting policy, then to the extent that no events or circumstances have otherwise occurred that would be grounds for termination for cause, such individual may opt to be deemed to have been terminated from his or her employment without cause and be entitled to the rights and benefits arising under the terms of his or her employment agreement or that may otherwise arise pursuant to applicable laws.

Share ownership guidelines

We have share ownership guidelines for our directors and executives to align their interests with those of our shareholders. The C&CG Committee reviews share ownership levels for each director and executive every year.

See the *Director share ownership guidelines* and *Executive share ownership guidelines* sections in addition to the profiles in *The nominated directors* and *Named executive biographies* sections, respectively, for more information about our share ownership guidelines for directors and executives and share ownership levels.

ROLE OF THE BOARD

Positions and descriptions

The Board, either directly or through its committees, is responsible for the supervision of executives of STEP's business and affairs with the objective of enhancing shareholder value. Each standing committee of the Board has also adopted a mandate that outlines its purpose, organization, duties and responsibilities. The mandates are reviewed annually to ensure that they reflect current developments in corporate governance and the Board approves any necessary change. At each regularly scheduled Board and committee meeting an in-camera session is held with and without management and, the Board holds in-camera sessions of independent directors only. In 2023, the Board held six meetings. A summary of particulars relating to each standing committee of the Board is below.

The Board's mandate describes the composition and organization of the Board, its duties and responsibilities for managing the affairs of the Corporation and oversight responsibilities for executives and human resources, strategic planning, financial and corporate issues, policies and procedures, compliance reporting and corporate communications. The mandate also provides for the Board's oversight responsibilities with respect to business and risk management, including compensation risk, and other general legal obligations such as its ability to retain independent advisors as necessary.

The Board has also developed position descriptions for the CEO, the Chair of the Board and the Lead Director, which are part of their terms of reference. Position descriptions for the Chair of each standing committee were also approved by the Board.

See *Schedule A* for a copy of the Board mandate. The Board mandate, standing committee mandates and position descriptions for the Chair of the Board and the Lead Director are available on our website (www.stepenergyservices.com).

Strategic planning

The Board works with STEP's executive team to develop STEP's strategic direction, including developing and reviewing the strategic plans, setting performance metrics, and establishing annual budgets and financial plans. STEP's executive team is responsible for preparing information on these areas and presenting it to the Board.

The Board holds strategic planning sessions with the executive team once every year for in-depth discussions and analysis. The executive team also presents strategic issues to the Board throughout the year based on the business climate and other current developments. The executive team also updates the Board on the execution of STEP's corporate strategies and goals at every regularly scheduled Board meeting. The Board raises various issues and topics for discussion as part of STEP's overall strategic planning process.

Risk oversight

The Board monitors risk across the organization. The executive team is responsible for identifying, prioritizing and monitoring risks, including identifying the scope of each risk, upward and downward trends, and the mitigation strategies in place. These risks are discussed at executive team meetings, and as required, presented to the Board for further review and discussion. The Board is actively engaged in the monitoring and supervision of risk through oversight of the risk management process, and as part of Board meetings and strategic planning sessions.

The chart below shows the area of oversight responsibility of the Board and each committee:

Board	Responsibility for all risk management oversight and specific responsibilities for strategic business risks.
Audit Committee	Oversees financial risks.
C&CG Committee	Oversees governance and risk management process in addition to compensation, talent management, and succession risk.

HSE Committee	Oversees health, safety and environment risk and the relationship of STEP with the communities nearest its operations.

BOARD COMMITTEES AND RESPONSIBILITIES

The Board has three standing committees:

- Audit Committee
- C&CG Committee, and
- HSE Committee.

Board committee structure

Effective as of April 8, 2024, STEP's Board standing committee structure is as follows:

Director	Audit Committee	C&CG Committee	HSE Committee
Evelyn Angelle (Lead Director)	✓		
Douglas Freel (Chair)			✓
Jeremy Gackle		Chair	
Stephen Glanville			✓
James Harbilas	Chair	✓	
Ed LaFehr			Chair
Rachel Moore	✓	✓	

Effective October 1, 2023, Ms. Moore replaced Ms. Garbutt following her retirement as a member of the Board on September 30, 2023. On November 1, 2023, Mr. LaFehr replaced Mr. Skehar following his retirement as a member of the Board on the same day. Following Ms. Garbutt and Mr. Skehar's resignations from the Board and their committee appointments, Ms. Moore was appointed to the Audit and C&CG committees, Mr. LaFehr was appointed to the HSE committee as Chair, and Ms. Angelle assumed the position of Lead Director on the board of directors, all effective November 1, 2023.

Each committee has a documented mandate and a role description for its respective committee Chair approved by the Board. The committees provide recommendations to the Board on matters within their respective responsibilities which helps to facilitate the Board's decision-making. The Board may, from time to time, establish ad hoc committees for specific matters which are short-term or not continual in nature.

A summary of particulars relating to each standing committee concerning composition and standing committee mandates is below.

Audit Committee

Members	James Harbilas (Chair) Evelyn Angelle Rachel Moore Note: Effective November 1, 2023, Ms. Moore was appointed a member of the Audit Committee following Mr. Skehar's retirement from the Board.
Meetings	Four meetings held in 2023.
Independence	Three independent directors, all financially literate within the meaning of NI 52-110.
In-camera sessions	The Audit Committee meets in-camera at the end of each meeting, with and without management. The Audit Committee and/or Chair also meets separately with the external auditors.
Mandate	The Audit Committee is responsible for (among other things), reviewing STEP's financial statements and public disclosure documents containing financial information and reporting on such review to the Board, ensuring STEP's compliance with legal and regulatory requirements, overseeing qualifications, engagement, compensation, performance and independence of STEP's external auditors and reviewing, evaluating and approving the internal control and risk assessment systems that are implemented and maintained by the executive team. Our AIF includes more information about the Audit Committee, including relevant education and experience of Audit Committee members, its mandate, and STEP's policy with respect to the pre-approval of non-audit services. The AIF is available on our website (www.stepenergyservices.com) and on SEDAR+ (www.sedarplus.ca). The mandate is available on our website (www.stepenergyservices.com).

HSE Committee

Members	Ed LaFehr (Chair) Douglas Freel Stephen Glanville Note: Effective October 1, 2023, Mr. Freel replaced Ms. Garbutt as Chair of the HSE Committee following Ms. Garbutt's retirement from the Board. Effective November 1, 2023, following Mr. Skehar's retirement form the Board, Mr. LaFehr was appointed to STEP's Board and to the HSE Committee as Chair. Mr. Freel remains a member of the HSE Committee.
Meetings	Two meetings held in 2023.
Independence	Two independent directors, 67% independent within the meaning of NI 52-110.
In-camera sessions	The HSE Committee meets in-camera at the end of each meeting, with and without management.
Mandate	The HSE Committee's mandate is to oversee STEP's policies and management systems, which are designed to cause it to comply with applicable laws and regulations, and evaluate the performance of STEP with respect to: (i) the protection of the health and safety of all persons associated with STEP's operations, (ii) the protection of the biological and physical environments, and (iii) the relationship of STEP with the communities nearest its operations. The mandate is available on our website (www.stepenergyservices.com). For information relating to the skills and experience of the HSE Committee members refer to the profiles in *The nominated directors* section above.

C&CG Committee

Members	Jeremy Gackle (Chair) James Harbilas Rachel Moore Note: Effective November 1, 2023, Ms. Moore was appointed a member of the Audit Committee following Mr. Skehar's retirement from the Board.
Meetings	Three meetings held in 2023.
Independence	Two independent directors, 67% independent within the meaning of NI 52-110.
In-camera sessions	The C&CG Committee meets in-camera at the end of each meeting, with and without management.
Mandate	The C&CG Committee is responsible for oversight of STEP's corporate governance policies, programs and practices. The C&CG Committee also provides the Board with an appropriate level of insight and transparency into compensation governance reviews and makes recommendations to the Board on compensation-related matters. The mandate is available on our website (www.stepenergyservices.com).

Orientation and continuing education

STEP uses several different methods to provide orientation and continuing education to the Board. The C&CG Committee is responsible for the orientation and continuing education programs for new and continuing members of the Board. New Board members are provided with an orientation which includes written information about the duties and obligations of directors and the business and operations of STEP, documents from recent Board meetings and opportunities for meetings and discussion with the executive team and other Board members. They are provided with access to relevant industry information and given access to background documents of STEP, including policies, governance documents, Board and committee mandates, position descriptions, corporate records, and prior Board minutes and materials. New Board members are encouraged to meet with members of the executive team at STEP for orientation with respect to STEP's business. They are also invited to attend all meetings of committees of the Board. Field visits may also be arranged for new Board members. The C&CG Committee reviews the orientation and continuing education programs every year to ensure that the needs of new and continuing directors are met.

The Board receives continuing education in a variety of ways. Specifically, at each regularly scheduled meeting of the Board, the executive team provides an update on health and safety metrics, general economic trends, business operations, and other matters of Board concern. Directors also receive updates and articles related to topical issues. The Board and its committees receive updates at regularly scheduled meetings pursuant to each of the three standing committees' agendas. For example, the Audit Committee receives accounting and regulatory updates at each quarterly meeting. The C&CG Committee receives legislative updates as required. The C&CG Committee meets with appropriate independent consulting firms such as Southlea Group LP ("Southlea") on an as-needed basis and receives market data on an on-going basis from independent consulting firms and members of STEP's executive team with respect to compensation trends and initiatives. From time to time, various members of STEP's executive team and other third parties provide updates to the Board through ad hoc presentations during regularly scheduled meetings in the following areas: insurance, risk, and financing markets, etc. Board members are also encouraged to attend seminars and conferences related to their duties, and STEP supports its directors and their participation in certain approved third-party educational opportunities and memberships.

The Board holds at least one strategic planning session each year to allow directors to gain a better understanding of STEP's operations, business opportunities, and risks. At the Board's strategic planning session held in October 2023, the Board met with key personnel and executives, discussed strategic plans, and considered current and future business prospects and opportunities.

In addition, STEP holds meetings at various STEP sites to allow directors to gain a better understanding of STEP's operations, business opportunities, and risks.

Board assessments

Each year, the C&CG Committee evaluates the performance and effectiveness of the Board, its committees and the contributions of individual directors. The assessments are expected to address individual director independence and skills, in addition to overall Board skills and individual director financial literacy. The Board will review and consider the recommendations from the C&CG Committee regarding the results of such evaluations.

Board term limits and tenure

STEP does not have a term limit or retirement policy for directors or other mechanisms of board renewal. The C&CG Committee seeks to maintain the composition of the Board in a way that provides an appropriate mix of skills and experience to provide for STEP's overall stewardship. Each year, the C&CG Committee is responsible for conducting an assessment of the Board, each committee and each director regarding his, her or its effectiveness and performance, and reports evaluation results to the Board for review and discussion. For more about Board composition, refer to the *About our Board – Size and composition* section.

The chart below shows the composition of our Board by years of service as of the date of this Circular, assuming that all of the nominated directors are elected. The longest tenured Director at STEP since the Company was incorporated in 2011 is thirteen years.

	0 – 3 years	4 – 7 years	8+ years
Number of directors	3	2	2

Board composition, renewal and director candidates

With respect to Board composition, renewal and director candidate assessment, the C&CG Committee assesses qualifications and independence in addition to the skills and experience set of current Board members, the structure and composition of the committees and director tenure. The C&CG Committee is responsible for determining a mix of skills and experience conducive to the effective functioning of our Board, and facilitating STEP's business strategy and long-term growth. The C&CG Committee has identified key areas of expertise considered when determining Board composition.

The chart below shows the key expertise areas of each of the current directors, which are factors considered when discussing Board composition, renewal and director candidates.

Director	Evelyn Angelle	Douglas Freel	Jeremy Gackle	Stephen Glanville	James Harbilas	Ed LaFehr	Rachel Moore
Finance/accounting/audit	✓	✓	✓		✓		
Senior management/strategy/leading growth	✓	✓	✓	✓	✓	✓	✓
Corporate governance or legal expertise	✓	✓	✓		✓	✓	✓
Human resources & compensation			✓		✓	✓	✓
Operations/health, safety & environment	✓	✓		✓		✓	✓
Industry experience	✓	✓	✓	✓	✓	✓	✓

Executive talent management and succession planning

Building leadership capabilities and strengthening overall succession is a priority at STEP. The Board is responsible for succession planning in respect of key management positions at STEP, including the creation and review of new executive positions. Through the C&CG Committee, the Board is able to focus on identifying, assessing, and developing personnel in key leadership positions and high potential talent.

STEP's strategy is to develop and promote from within to strengthen our values and culture, assist in the retention of talent, and provide more options for succession. This strategy is complemented by the practice of hiring external personnel, which enables us to build a team with diverse proficiencies, experiences and perspectives. The C&CG Committee is responsible for reviewing and discussing the executive team succession plans annually. This entails a review of contingency and long-term succession plans for the CEO and all members of our executive team, including the identification of key succession candidates' strengths and gaps, and overall development progress and development plans. STEP has engaged a consulting firm specialized in leadership development to assess and facilitate executive development.

Access to management

The Board has complete access to the executive team, but reasonable advance notice is given in order to avoid disrupting STEP's day-to-day business and operations. The Board and committee Chairs liaise with relevant members of the executive team as needed.

The Board encourages the executive team to include key managers in Board and committee meetings for purposes of sharing their expertise with respect to specific matters. This approach provides the Board with an opportunity to meet individuals who have the potential to advance to more senior positions in the future, and for these individuals to gain exposure to the Board.

COMPENSATION

OVERVIEW OF OUR COMPENSATION GOVERNANCE

The C&CG Committee is responsible for the oversight and review of STEP's philosophy, policies, programs and practices concerning compensation and corporate governance matters, and to make recommendations to the Board, with regard to their creation, adoption, implementation and maintenance. Each of the C&CG Committee members has served as a senior officer and/or as a director of numerous organizations, has direct experience in executive and corporate compensation programs, and therefore has the necessary background and skills to provide effective oversight of executive and director compensation and ensure that sound risk management principles are being adhered to in order to align executives' and shareholders' interests. See *The nominated directors* section for the profiles of each of the Board members that serve on the C&CG Committee.

DIRECTOR COMPENSATION DISCUSSION AND ANALYSIS

STEP's director compensation program has been designed to attract and retain qualified individuals to serve on the Board. The C&CG Committee is responsible for reviewing any changes to director compensation, as well as reviewing and recommending to the Board any changes to director compensation plans.

Non-executive directors receive retainers for their services in order to help ensure unbiased decision-making. Refer to the *Components of director compensation* below. The Board may from time to time approve additional compensation for directors in respect of incremental responsibilities undertaken at the request of the Board or additional ad hoc committee services.

Non-executive directors are eligible to participate in STEP's deferred share unit plan ("DSU Plan") which was implemented in connection with STEP's initial public offering ("IPO") and updated effective as of August 2, 2023, as well as the board of directors' phantom restricted share unit plan ("Director Phantom RSU Plan") and updated effective as of May 7, 2020, if their share ownership guideline requirements have been met. Non-executive directors are not eligible to participate in the Corporation's Stock Option Plan updated effective June 2023 ("Option Plan") nor the Performance and Restricted Share Unit Plan updated effective June 22, 2023 ("PRSU Plan"), both of which were originally implemented in connection with the IPO.

Benchmarking

In determining director compensation and to help ensure we can attract and retain qualified directors, the C&CG Committee reviews and considers director compensation levels at a group of industry-specific, publicly traded, close operating peers for reference, and applies judgment in developing compensation considering the relative size and complexity of STEP as compared to such peers. The Board generally targets total compensation at the median of benchmarking peers.

The following companies comprise STEP's 2023 director compensation peer group:

- Akita Drilling Ltd.
- Calfrac Well Services Ltd.
- Essential Energy Services Ltd.(1)
- Precision Drilling Corporation
- Source Energy Services Inc.
- Total Energy Services Inc.
- Trican Well Service Ltd.
- Western Energy Services Corp.

Notes

(1) *Essential Energy Services Ltd.'s 2022 compensation data was available and included in our benchmarking prior to its acquisition in November 2023.*

In addition to benchmarking to peers, the C&CG Committee considers governance best practices and seeks independent advice as deemed appropriate.

Components of director compensation

STEP's non-executive directors receive cash retainers for Board and Committee memberships, as well as a share-based award.

The C&CG Committee considers the volatility in the industry as part of the process of setting director compensation, including benchmarking to peers and past share-based grant practices. A review of director compensation was completed to analyze STEP's pay structure and competitiveness before setting 2023 director compensation. As a result of this review, the C&CG Committee determined that it was appropriate to adjust their pay mix aligning closer to our peers and provide a market adjustment to remain competitive. Non-executive directors are also reimbursed for transportation and other out-of-pocket expenses reasonably incurred for attending Board and committee meetings and in connection with the performance of their duties. Continuing education for directors is important to STEP, and membership costs for certain professional organizations and educational programs may be reimbursed, as determined on a case-by-case basis.

The table below outlines the non-executive director compensation program for the year ended December 31, 2023. Executive directors do not receive any compensation for their services as directors.

Component	Roles	Amount ($)[1] Effective January 1, 2023
Board retainer	Board Chair	107,750
	Board member	62,850
	Lead Director[2]	24,000
	Audit Committee Chair	24,000
	C&CG Committee Chair	18,000
	HSE Committee Chair	16,000
Committee retainer	Audit Committee member	9,000
	C&CG Committee member	3,000
	HSE Committee member	6,000
Share-based Award[3]	Board Chair	76,000
	Board member	68,400

Notes

(1) *As non-Canadian resident directors, Ms. Angelle and Mr. LaFehr are paid the stated amounts in USD.*

(2) A retainer for the Lead Director position was instituted effective November 1, 2023.

(3) *Directors may elect DSUs or Director Phantom RSUs for their share-based award, in any mix as long as directors have fully met their share ownership guideline.*

(4) *The share-based award is granted after the annual general meeting of shareholders. The number of DSUs and Director Phantom RSUs granted is determined using the market share price, being the five-day VWAP prior to grant date. The market share price in 2023 ranged from $3.04 to $4.25.*

Share-based awards

Director compensation includes a share-based award in the form of either DSUs and/or Director Phantom RSUs, pursuant to the DSU Plan and Director Phantom RSU Plan, respectively. However, a non-executive director is only eligible to elect to receive Director Phantom RSUs if their share ownership guideline requirement has been met.

DSUs vest immediately upon grant and their value fluctuates with the current market share price, however a director can only redeem and convert DSUs to cash when the director ceases to be a member of the Board. Once a director ceases to be a member of the Board, their DSUs will be settled by STEP making a cash payment equal to the number of DSUs multiplied by the closing share price on the TSX on the day preceding the date the payment is made. This cash payment must occur no later than the last business day of the first calendar year commencing after the director ceases to be a member of the Board. Director Phantom RSUs are granted in accordance with STEP's typical RSU grant practice, whereby grants vest in thirds over three years, however, vesting will accelerate should the director cease to be a member of the Board. The vest value of Director Phantom RSUs is based on the five-day VWAP of the shares prior to the vest date, and is paid in cash within the time periods specified by the Director Phantom RSU plan.

Both DSUs and Director Phantom RSUs are eligible to earn dividends at the same rate as any dividends declared by STEP on its common shares. A director's DSU and/or Phantom RSU account will be credited with additional share units in the form of dividend DSUs or dividend Phantom RSUs, as applicable, on each dividend payment date in respect of which dividends are paid on STEP's common shares. Such dividend DSUs and dividend Director Phantom RSUs are computed as the amount of any such dividend declared and paid per share multiplied by the number of DSUs and/or Director Phantom RSUs recorded in the participant's DSU and/or Director Phantom RSU account on the record date for the payment of such dividend, divided by the market share price as at the dividend payment date. The payment terms of such dividend units are the same as the relevant units, DSUs and/or Director Phantom RSUs.

In addition to share-based awards, directors receive their board and committee member retainers in cash. The table below details each non-executive director's total compensation for the year ended December 31, 2023.

Director	Share-based Award[1][2] ($)				Cash Retainers ($)			Total ($)
			Share-based instrument					
	Chair	Board member	DSUs ($)	Director Phantom RSUs ($)	Board Chair, Lead Director, or Committee Chair	Board member	Committee member	
Evelyn Angelle[3]	–	90,288	–	90,288	5,383	84,908	12,155	192,734
Douglas Freel[4]	76,000	–	76,000	–	107,750	–	1,500	185,250
Jeremy Gackle[5]	–	68,400	68,400	–	18,000	62,850	–	149,250
James Harbilas	–	68,400	34,200	34,200	24,000	62,850	3,000	158,250
Ed LaFehr[3][6]		15,404	15,404		3,514	13,804		32,722
Rachel Moore[7]		17,100	17,100			15,713	3,000	35,813
Donna Garbutt[8]	–	68,400	–	68,400	12,000	47,138	–	127,538
Jason Skehar[9]	–	68,400	68,400	–	–	52,603	15,065	136,068

Notes

(1) *Directors may elect DSUs or Director Phantom RSUs for the share-based award, in any mix as long as their share ownership guideline is met.*

(2) *DSUs and Director Phantom RSUs are granted annually after the Annual General Meeting ("AGM") or appointment to the board. The number of DSUs and Director Phantom RSUs granted was determined using the grant date market share price, defined as the five-day VWAP, on June 30, 2023 of $3.04, October 3, 2023 of $4.25 and November 10, 2023 of $4.22.*

(3) *As U.S. residents, Ms. Angelle and Mr. LaFehr are compensated in USD. For purposes of this table, all fees earned by Ms. Angelle were converted to CAD using the exchange rate on the payment or grant date, ranging between USD 1.00:CAD 1.32 to 1.38. For Mr. LaFehr all fees earned were converted to CAD using the exchange rate on the payment or grant date, ranging between USD 1.00:CAD 1.35 to 1.37.*

(4) *Mr. Freel is a nominee of the ARC Group pursuant to the Investment Rights Agreement and, until December 31, 2022, was employed by ARC Financial Corp. All director compensation attributed to Mr. Freel in this Circular until April 30, 2023 was for the benefit of the ARC Group, and DSUs granted to Mr. Freel were held for the benefit of the ARC Group. Effective May 1, 2023, Mr. Freel is paid his director compensation directly. Further information can be found in the Governance – About our Board – Board independence section.*

(5) *Compensation received by Mr. Gackle is held for the benefit of ARC Financial Corp. or its affiliates pursuant to a written agreement between Mr. Gackle and ARC Financial Corp.*

(6) *Mr. LaFehr's appointment to the Board was effective November 1, 2023.*

(7) *Ms. Moore's appointment to the Board was effective October 1, 2023.*

(8) *Ms. Garbutt retired from the Board effective September 30, 2023.*

(9) *Mr. Skehar retired from the Board effective November 1, 2023.*

Director share ownership guidelines

STEP has adopted share ownership guidelines for non-executive directors to demonstrate their commitment to the achievement of long-term success and alignment of their interests with shareholders. The Company's non-executive directors are required to hold, directly or indirectly, shares and/or DSUs with an aggregate value equal to three times their total annual compensation (including Board and committee member retainers and share-based award). For clarity, Director Phantom RSUs do not count towards meeting the non-executive director share ownership guidelines requirement. Shares or DSUs held for purposes of the share ownership guidelines are valued at the higher of the (i) value at the time of award or acquisition and (ii) the current market share price. Each director will have five years from the later of the introduction of the share ownership guidelines (February 7, 2017) and the date of their election or appointment as a director to achieve this minimum share ownership requirement.

The table below outlines each non-executive director's share ownership guideline and ownership attained as at the date of this Circular. Refer to the *Compensation – Executive compensation discussion and analysis* section for share ownership guidelines for executive directors.

Director	Share ownership guideline		Total ownership attained (as of April 8, 2024)	
	Multiple of Total Annual Compensation	Amount ($)[1]	Amount ($)[2]	Attained[3]
Evelyn Angelle	3x	578,202	2,167,847	Yes
Douglas Freel[4]	3x	555,750	2,478,402	Yes
Jeremy Gackle[5]	3x	447,750	2,115,472	Yes
James Harbilas	3x	474,750	1,897,309	Yes
Ed LaFehr	3x	98,167	162,499	Yes
Rachel Moore	3x	107,438	58,702	In-progress

Notes

(1) *The director share ownership guidelines are based on the stated multiple of the Board member's total annual compensation (including Board and committee member retainers and share-based awards). For the purposes of this table, all fees earned by Ms. Angelle and Mr. LaFehr were converted to CAD using the exchange rate on the payment or grant date. Exchange rates ranged between USD 1.00:CAD 1.32 to 1.37.*
(2) *For the purposes of the share ownership guidelines, shares and DSUs are valued at the higher of the (i) value at the time of award or acquisition and (ii) the closing market share price on April 8, 2024 of $4.16.*
(3) *To achieve the minimum share ownership guideline, each director has five years from the later of the introduction of the share ownership guidelines (February 7, 2017) and the date of their election or appointment as a director.*
(4) *Mr. Freel is a nominee of the ARC Group pursuant to the Investment Rights Agreement and until December 31, 2022 was employed by ARC Financial Corp. All director compensation attributed to Mr. Freel until April 30, 2023 was for the benefit of the ARC Group, and DSUs granted to Mr. Freel were, and continue to be, held for the benefit of the ARC Group. Effective May 1, 2023, Mr. Freel is paid his director compensation directly. Further information can be found in the Governance – About our Board – Board independence section.*
(5) *Mr. Gackle is a nominee of the ARC Group pursuant to the Investment Rights Agreement and is employed by ARC Financial Corp. All director compensation attributed to Mr. Gackle in this Circular is for the benefit of the ARC Group. The current number of shares held by ARC Energy Fund 6 and ARC Energy Fund 8, respectively, can be found in the Other Information – Controlling shareholder section. Director compensation – 2023 details.*

Director compensation tables

The table below outlines all amounts of compensation provided to non-executive directors for the year ended December 31, 2023.

Director[1]	Fees earned ($)	Share-based awards ($)[2]	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Evelyn Angelle[3]	102,446	90,288	–	–	–	–	192,734
Douglas Freel[4]	109,250	76,000	–	–	–	–	185,250
Jeremy Gackle[5]	80,850	68,400	–	–	–	–	149,250
James Harbilas	89,850	68,400	–	–	–	–	158,250
Ed LaFehr[3]	17,318	15,404	–	–	–	–	32,722
Rachel Moore	18,713	17,100	–	–	–	–	35,813
Donna Garbutt	59,138	68,400	–	–	–	–	127,538
Jason Skehar	67,668	68,400	–	–	–	–	136,068

Notes
(1) *Mr. Glanville did not receive compensation for his role as a director.*
(2) *Amounts reflect the grant date fair value of DSUs and/or Director Phantom RSUs.*
(3) *As U.S. residents, Ms. Angelle and Mr. LaFehr are compensated in USD. For purposes of this table, all fees earned by Ms. Angelle and Mr. LaFehr were converted to CAD using the exchange rate on the cash payment or grant date. Exchange rates varied between USD 1.00:CAD 1.32 to 1.37.*
(4) *Mr. Freel is a nominee of the ARC Group pursuant to the Investment Rights Agreement and until December 31, 2022 was employed by ARC Financial Corp. All director compensation attributed to Mr. Freel until April 30, 2023 was for the benefit of the ARC Group, and DSUs granted to Mr. Freel were, and continue to be, held for the benefit of the ARC Group. Effective May 1, 2023, Mr. Freel is paid his director compensation directly. Further information can be found in the Governance – About our Board – Board independence section.*
(5) *Compensation received by Mr. Gackle is held for the benefit of ARC Financial Corp. or its affiliates pursuant to a written agreement between Mr. Gackle and ARC Financial Corp.*

Outstanding share-based awards and option-based awards

The table below outlines all outstanding awards for each non-executive director as at December 31, 2023.

	Option-based awards				Share-based awards		
Director	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)[1]
Evelyn Angelle	–	–	–	–	45,056	176,620	1,778,571
Douglas Freel[2]	–	–	–	–	–	–	2,135,342
Jeremy Gackle[3]	–	–	–	–	–	–	1,852,372
James Harbilas	–	–	–	–	17,219	67,498	1,516,299
Ed LaFehr	–	–	–	–	–	–	14,308
Rachel Moore	–	–	–	–	–	–	15,774
Donna Garbutt[4]	–	–	–	–	–	–	485,323
Jason Skehar[4]	–	–	–	–	–	–	861,651

Notes

(1) *DSUs vest immediately upon grant and are payable when the individual ceases to be a director of STEP for any reason, provided the individual did not cease to be a director as a result of or following any misconduct or fraudulent act. DSUs are settled in cash based on the market share price immediately prior to payment. Director Phantom RSUs vest in thirds over three years and are settled in cash based on the market share price at time of vest. The market or payout value above is calculated using the December 29, 2023 closing share price of $3.92. The Director Phantom RSU Plan allows for accelerated vesting if an individual ceases to be a director of STEP.*

(2) *Mr. Freel is a nominee of the ARC Group pursuant to the Investment Rights Agreement and was employed by ARC Financial Corp until December 31, 2022. All director compensation attributed to Mr. Freel until April 30, 2023 was for the benefit of the ARC Group, and DSUs granted to Mr. Freel were held for the benefit of the ARC Group. Effective May 1, 2023, Mr. Freel is paid his director compensation directly. Further information can be found in the Governance - About our Board - Board independence section.*

(3) *Mr. Gackle is a nominee of the ARC Group pursuant to the Investment Rights Agreement and is employed by ARC Financial Corp. All director compensation attributed to Mr. Gackle in this Circular is for the benefit of the ARC Group. The current number of shares held by ARC Energy Fund 6 and ARC Energy Fund 8, respectively, can be found in the Other Information - Controlling shareholder section.*

(4) *The values represented are DSUs not yet redeemed by Ms. Garbutt and Mr. Skehar as of December 31, 2023. They are valued at the market value using the December 29, 2023 closing price of $3.92.*

Incentive plan awards – value vested or earned during the year

The table below outlines the value of awards vested in accordance with their terms for each non-executive director during the year ended December 31, 2023.

Director	Option-based awards (value vested during the year) ($)	Share-based awards (value vested during the year) ($)(1)	Non-equity incentive plan compensation (value earned during the year) ($)
Evelyn Angelle	–	22,753	–
Douglas Freel(2)	–	76,000	–
Jeremy Gackle(3)	–	68,400	–
James Harbilas	–	43,043	–
Ed LaFehr	–	15,404	–
Rachel Moore	–	17,100	–
Donna Garbutt(4)	–	164,047	–
Jason Skehar	–	68,400	–

Notes

(1) *Amounts include DSUs granted during the year and Director Phantom RSUs that vested during the year. DSUs vest immediately upon grant and are therefore valued at the grant date fair value; DSUs will be settled in cash based on the market share price when the individual ceases to be a director of STEP for any reason, provided the individual did not cease to be a director as a result of or following any misconduct or fraudulent act. Vested Director Phantom RSUs are valued at the market share price at time of vest.*

(2) *Mr. Freel is a nominee of the ARC Group pursuant to the Investment Rights Agreement and until December 31, 2022 was employed by ARC Financial Corp. All director compensation attributed to Mr. Freel until April 30, 2023 was for the benefit of the ARC Group, and DSUs granted to Mr. Freel were, and continue to be, held for the benefit of the ARC Group. Effective May 1, 2023, Mr. Freel is paid his director compensation directly. Further information can be found in the Governance – About our Board – Board independence section.*

(3) *Mr. Gackle is a nominee of the ARC Group pursuant to the Investment Rights Agreement and are employed by ARC Financial Corp. All director compensation attributed to Mr. Gackle in this Circular is for the benefit of the ARC Group. The current number of shares held by ARC Energy Fund 6 and ARC Energy Fund 8, respectively, can be found in the Other Information - Controlling shareholder section.*

(4) *Ms. Garbutt's second tranche of 5,968 units from her June 28, 2022 Phantom RSU grant vested and were settled on June 28, 2023 using a five-day VWAP of $2.96. Due to Ms. Garbutt's retirement from the Board, all unvested Phantom RSUs vested and were settled on October 3, 2023 using a five-day VWAP of $4.25.*

EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

Executive summary

STEP believes a high performing culture is critical to the long-term success of the company. STEP's executive compensation program is designed to attract and retain high performing executives whose pay is linked to the achievement of goals that align with our business strategy. The Board and the C&CG Committee are responsible for the integrity of our compensation governance. The following discussion and analysis provides an overview of STEP's executive compensation philosophy, practices and processes, including:

- 2023 business highlights
- principles and objectives of our executive compensation program
- details of our annual incentive plan ("AIP") and long-term incentive plan ("LTIP"), including a discussion of each compensation component, and
- details of our executive share ownership guidelines.

The C&CG Committee met three times in 2023. Its activities during the year included reviewing and/or approving the following:

- Executive compensation design review (salaries, AIP, LTIP and allowances)

- 2024 executive and director compensation, including peers used for benchmarking
- 2022 AIP scorecard results
- Executive and director performance assessments
- 2023 management information circular
- 2023 and 2024 AIP scorecard metrics, including peers used for relative performance metrics
- 2023 LTIP grants to executives and staff
- 2023 share-based compensation grants to directors
- Reviewed the Option Plan and PRSU Plan prior to seeking shareholder approval at the 2023 AGM
- The promotion of Ms. Crawford to Vice President, Sustainability and Communications
- proposing new nominees for appointment to the Board and orienting new directors, and
- The transfer of TSX reserves from our prior options plan and Performance Warrants to our PRSU Plan.

For the year ended December 31, 2023, STEP's named executive officers ("NEOs") were:

Executive Officer	Title
Stephen Glanville	President and Chief Executive Officer ("CEO")
Klaas Deemter	Chief Financial Officer ("CFO")
Rory Thompson	Chief Operating Officer ("COO")
Michael Burvill	Vice President, Business Development and Innovation
Bradley McFarlane	Vice President, Finance

The profile for each NEO, including relevant employment history, can be found in the *Named executive biographies* section below.

Compensation highlights

As a part of our annual commitment, STEP benchmarked executive compensation to our compensation peer group. As a result, a number of targeted adjustments were made to ensure market competitiveness. Salaries for select roles were aligned to market and/or internal peers, and the weighting between AIP and LTIP was aligned to market. Details of compensation changes for our NEOs are described in the *Components and pay mix section*.

Approach to executive compensation

STEP's success as an integrated fracturing and coiled tubing services provider is a result of attention to safety, execution, and technology, as well as by having an engaging culture with core values focused on best practices in all aspects of our business. The C&CG Committee strongly believes these values should be reflected in STEP's governance practices and compensation program design.

The Board recognizes the importance of appointing knowledgeable and experienced individuals to the C&CG Committee. In fulfilling its duties and responsibilities, the C&CG Committee exercises its discretion to seek input, advice and recommendations from various sources, including the Board, executives and external independent compensation consultants, as deemed appropriate.

Decision-making process

The C&CG Committee annually reviews the appropriateness of STEP's compensation policies, practices and pay components.

Each year, the C&CG Committee is responsible for setting the goals and assessing the performance and compensation of the CEO, as well as overseeing the performance and compensation of the other executive officers. The CEO is actively engaged in STEP's compensation programs, other than with respect to his own compensation. The CEO conducts an annual evaluation of each NEO's performance and recommends salary adjustments and individual AIP performance scores to the C&CG Committee. When determining levels of compensation, the C&CG Committee considers the CEO's recommendations, performance, level of responsibility and relevant market data.

The Board reviews all recommendations of the C&CG Committee before giving final approval. Any director who is also an executive of STEP is excused from the Board meeting during any discussion of their compensation.

The Board retains the discretion to make adjustments, upward or downward, to the formulaic results of STEP's compensation plan payouts based on broader performance, market conditions and shareholder experience. The Board considers that this informed judgement is important for establishing an alignment between overall pay and performance, and to ensure that incentive awards achieve the intended result and avoid unintended consequences. In determining whether exercising informed judgement is warranted, the Board considers each component of compensation, a NEO's total compensation, as well as the performance of the Company, business unit or individual, as applicable. The Board may exercise judgment in assessing corporate performance, and may alter, cancel or defer amounts payable under the AIP and LTIP to ensure the reasonableness of any incentive award.

Compensation Benchmarking

To ensure market competitiveness and reasonableness of STEP's pay programs, the C&CG Committee refers to the executive compensation levels, pay mix and plan features of similar industry peers in terms of size and scale of operations, then applies judgment having considered the relative size and complexity of STEP compared to such peers. After a fulsome review to ensure relevance of constituent companies, the following companies comprise STEP's 2023 executive compensation peer group:

Canadian companies	U.S. companies
Akita Drilling Ltd.	KLX Energy Services Holdings, Inc.
Calfrac Well Services Ltd.	Mammoth Energy Services Inc.
Essential Energy Services Ltd.(1)	Ranger Energy Services, Inc.
Precision Drilling Corporation	Nine Energy Service
Source Energy Services Ltd.	
Trican Well Service Ltd.	
Total Energy Services Inc.	
Western Energy Services Corp.	

Notes

(1) *Essential Energy Services Ltd.'s 2022 compensation data was available and included in our benchmarking prior to its acquisition in November 2023.*

Independent advice

The C&CG Committee has sole authority to retain services and approve fees for any compensation consultant to assist in the evaluation of executive and director compensation.

Since late 2021, the C&CG Committee has retained Southlea as an independent compensation advisor for research and analysis on the Company's executive compensation. During 2023, Southlea assessed market competitiveness of total compensation for the executive team including incentive pay design and a review of peer groups, and as a result, STEP adjusted the pay mix by increasing emphasis on AIP versus LTIP to better align with the market. A summary of their fees billed in 2022 and 2023 are outlined below:

Executive Compensation Fees ($)	2023	2022
Southlea Group LP	39,394	109,767

Principles and objectives

Compensation plays an important role in achieving and optimizing short- and long-term business objectives that ultimately drive STEP's success.

The primary objectives of STEP's executive compensation program are to:

- attract, retain, motivate and reward talented executives to plan and execute STEP's business strategy
- encourage appropriate levels of risk-taking by ensuring a significant portion of executive compensation is tied to corporate performance and value creation over the short- and long-term
- align pay outcomes with shareholder interests, and
- ensure the cost of the compensation plan is reasonable and sustainable over the long-term.

To ensure executive pay is aligned with STEP's business strategy, the executive compensation program is driven by a set of core principles. While actual performance targets may vary each year, these principles remain constant.

Build shareholder value	Focus on key financial metrics that drive shareholder value, such as Adjusted EBITDA (as defined in the *Other information – Non-IFRS measures* section) margin and Return on Capital Employed ("ROCE") (as defined in the *Other information – Non-IFRS measures* section). Furthermore, these metrics are assessed relative to peers and are used in both AIP and PSUs.
Performance-based	Strong link between pay and performance outcomes such that realized pay varies each year depending on corporate performance, share price and individual achievements.
At-risk	AIP and LTIP awards are at-risk in that performance or financial thresholds must be met and will vary depending on actual results.
Build the business	The LTIP includes components with a three-year vest profile (both cliff and ratable vesting) to focus on achieving corporate objectives over the medium- to long-term.
Health and safety	Safety is embedded in STEP's core values and TRIF (as defined below) is a metric used in both AIP and PSUs.
Understandable and influenceable	A limited number of impactful quantitative metrics are used to maximize understandability and encourage executives to focus on controllable lead measures.
Teamwork	Teamwork across the Company is required to operate safely and achieve financial success.

Compensation risk mitigation	Include both fixed and variable pay with performance metrics that align with STEP's business strategy. Incentive awards are capped, a clawback policy is in place and executives are required to meet share ownership guidelines.

Executive share ownership guidelines

In recognition of the importance of aligning the interests of executives and shareholders, STEP has equity ownership guideline for our executives. Such guidelines are expressed as multiples of each executive's salary.

Executive officers are subject to the following ownership guidelines, which may be satisfied by shares (held directly or indirectly) or RSUs (both equity and cash-settled), or a combination of the two: the CEO is required to hold 3x salary, the CFO and COO are required to hold 2x salary and other executive officers are required to hold 1x salary. In 2021, the Board approved the inclusion of RSUs given that RSUs provide similar alignment to share price as shares, as well as to closer align with our industry peers. To address volatility in our share price and to reflect the investments made to acquire shares, shares and RSUs are valued at the higher of: (i) value at the time of acquisition or award, and (ii) the current market share price. Each officer will have five years from the later of the introduction of the share ownership guidelines (February 7, 2017) and the date of their appointment as an executive officer to achieve this minimum share ownership requirement.

The table below outlines each NEO's share ownership guideline and ownership attained as at December 31, 2023. This table reflects the Board-approved incremental increase approach for STEP's executive officer share ownership guidelines in situations where an executive officer has been promoted from within the Company and was already subject to share ownership guidelines.

Executive Officer	Share ownership guideline			Ownership attained
	Multiple of base pay	$[(1)]	$[(2)]	Attained[(3)]
Stephen Glanville (President and CEO)	3x	1,380,000	1,552,373	Yes
Klaas Deemter (CFO)	2x	660,000	438,558	In-progress
Rory Thompson (Chief Operating Officer)	2x	660,000	655,685	In-progress
Michael Burvill (VP, Business Development and Innovation)	1x	368,550	585,917	Yes
Bradley McFarlane (VP, Finance)	1x	337,500	266,788	In-progress

Notes

(1) *Share ownership guideline is based on the NEO's annual salary as at December 31, 2023. Refer to the Named executive biographies section below for the base salary of each NEO. For purposes of this table, Messrs. Burvill and McFarlane's salary is reported at the 2023 average exchange rate of USD 1.00:CAD 1.35.*

(2) *Common shares and RSUs are valued at the higher of the value at the time of acquisition or award and the December 29, 2023 closing market share price of $3.92.*

(3) *Each NEO has five years from the later of the introduction of the share ownership guidelines (February 7, 2017) and the date of their appointment as an executive to achieve this minimum share ownership guideline.*

Compensation risk management

STEP's executive compensation program is designed to incentivize the achievement of near- and long-term objectives, without taking unnecessary risk.

The Board provides regular oversight of STEP's risk management practices, and delegates to the C&CG Committee the responsibility to provide risk oversight of STEP's compensation policies and practices, and to identify and mitigate compensation policies and practices that could encourage inappropriate or excessive risk-taking.

The Board and the C&CG Committee noted the following executive compensation policies and practices designed to prevent inappropriate risk-taking:

- compensation oversight is enhanced by having cross-membership between the C&CG and Audit committees to ensure the C&CG have an in-depth understanding of the risks associated with our business
- the C&CG Committee and Board follow a formal review and decision-making process
- executive compensation is reviewed annually, including benchmarking to peers and understanding best practices
- compensation components reward the achievement of both annual and long-term objectives
- the Board retains the ability to exercise informed judgment to adjust incentive awards, ensuring payouts are aligned to performance in the event of extraordinary circumstances
- cap on AIP payments, subject to the Board's ability to exercise its informed judgement

- incentive pay mix is diverse in terms of metrics, performance periods, valuation and form of payment
- minimum share ownership guidelines
- anti-hedging policy (details below)
- Clawback Policy (details below), and
- use of independent compensation advisor, as appropriate.

The Board and the C&CG Committee firmly believe that STEP's executive compensation program does not encourage officers to take unnecessary or excessive risk.

Anti-hedging policy

STEP is of the view that our securities should be purchased for investment purposes only. Pursuant to STEP's Disclosure, Trading and Confidentiality policy, transactions that could be perceived as speculative or influenced by positive or negative perceptions of STEP's prospects, including the use of puts, calls, collars, spread bets, contracts for difference and hedging transactions are not considered to be in STEP's best interests and must be avoided. In particular, directors, officers and employees of STEP are prohibited from engaging in hedging activities of any kind respecting STEP's securities or related financial instruments including, without limitation, selling a call or buying a put on STEP's securities or purchasing Company securities with the intention of reselling them within six months or selling Company securities with the intention of buying them within six months (other than the sale of Company securities shortly after they were acquired pursuant to the vesting of share-based compensation).

Clawback policy

The Board has adopted a Clawback Policy specifying the consequences with respect to incentive compensation in the event of gross negligence, fraud or willful misconduct resulting in a restatement of STEP's financial statements. The Clawback Policy provides that where there is a restatement of the financial results of STEP for any reason other than a restatement caused by a change in applicable accounting rules or interpretations, and, in connection with such restatement, an officer engaged in gross negligence, fraud or willful misconduct, the Board or the C&CG Committee may: (i) require that an officer return or repay to STEP, or reimburse STEP for, all or part of the after-tax portion of any excess compensation, and/or (ii) cause all or part of any awarded and unpaid or unexercised performance-based compensation (whether vested or unvested) that constitutes excess compensation for an officer to be cancelled. In determining whether to require any cancellation, repayment or reimbursement under the Clawback Policy, the Board or the C&CG Committee shall have regard to, in its sole discretion and in light of the circumstances, the best interests of STEP. In making such determination, the Board may take into account any considerations it deems appropriate, including, without limitation: (i) the applicable governing law including the likelihood of success and the cost of pursuing recovery, (ii) any prejudice to the interests of STEP, including in any related proceeding or investigation, and (iii) the participation of the officer in the circumstances relating to the financial restatement, including his or her involvement in any gross negligence, fraud or willful misconduct. For purposes of the Clawback Policy, excess compensation means the difference between the amount of any incentive compensation actually paid or awarded to an officer and the amount that would have been paid as calculated based on the restated financial statements. Performance–based compensation includes all bonuses and other incentive compensation that is paid or awarded to any officer, the award, amount, payment and/or vesting of which was calculated having regard to or based in whole or in part on the application of performance criteria or financial metrics measured during the three years preceding the applicable restatement and includes incentive compensation awarded or paid in any form, including cash or equity-based, whether vested or unvested.

For clarity, incentive compensation subject to STEP's Clawback Policy includes amounts paid, awarded, granted or vested, both cash and equity-settled, regardless of whether or not there are performance conditions applied to vesting, under all the Company's incentive plans available to officers (AIP, Option Plan, PRSU Plan, Phantom PRSU Plan, FALTIP), as may be adopted, amended or supplemented from time to time. STEP's Clawback Policy applies to current and former executive officers of the Company, including the CEO.

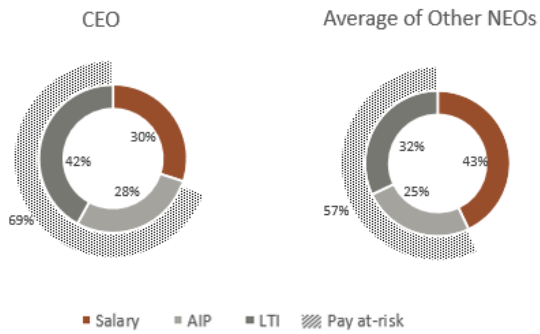
Components and pay mix

STEP's compensation philosophy is to align pay with performance, be affordable over the long term while remaining market competitive to ensure we can attract and retain top executive talent. Accordingly, our executive compensation plan is designed to position salary at the market's 50^{th} percentile, while allowing the opportunity to realize total direct compensation levels at or above the market's 75^{th} percentile commensurate with performance.

STEP's executive compensation structure consists of four components:

- salary
- AIP
- LTIP, and
- benefits and perquisites, though these are not expected to be a significant component of executive compensation.

The following charts outline the target pay mix for STEP's CEO and the average of other NEOs including target pay mix and the relative proportion of pay at-risk.



Salary

Salary is fixed, based on the role and used to recognize the experience, skills, knowledge and responsibilities of NEOs.

Salaries are reviewed annually by the C&CG Committee, considering the responsibilities, performance and experience of the executive, historical compensation, the competitive market for talent, peer compensation data, industry conditions, STEP's financial position and the recommendations of the CEO (for NEOs other than himself). The C&CG Committee does not assign specific weighting to any of the above factors. The CEO's salary is reviewed and recommended for adjustment, if any, by the C&CG Committee. NEO salaries are ultimately approved by the Board.

Annual incentive plan

AIP is at-risk based on corporate and individual performance. It is designed to motivate NEOs to meet annual financial, safety and individual objectives aligned with the execution of STEP's long-term strategy and focused on core values. Each year, the C&CG Committee reviews the corporate performance metrics to ensure that it appropriately incents the achievement of metrics key to STEP's success, as well as each NEO's individual performance of specific goals. Ultimately, the AIP scorecard and any resulting award is approved by the Board.

STEP’s 2023 AIP scorecard metrics remain the same as the prior year:

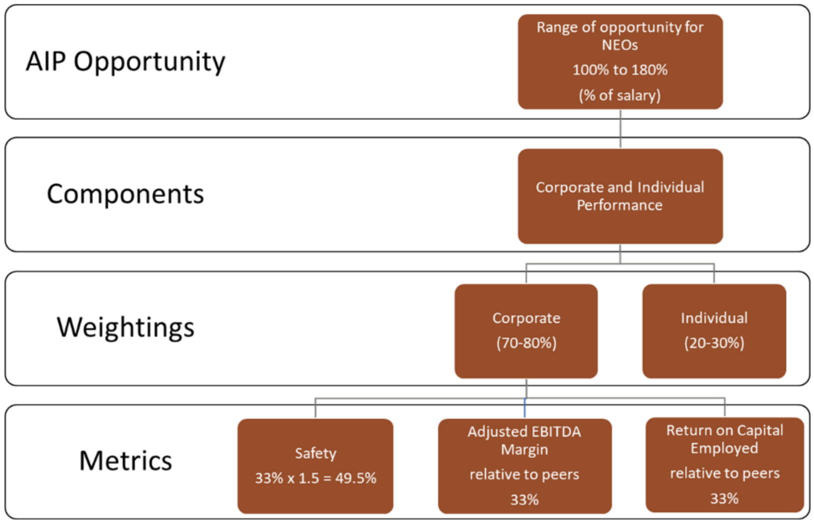
- 33% Safety with a 1.5x multiplier opportunity measured by total recordable incident frequency or "TRIF”. Any safety component payout is nullified in the event of a fatality and increased by 1.5x (33% x 1.5 = 49.5%) for achieving goal zero (TRIF = nil). If there is a fatality, the safety metric payout is nil for the C-Suite and those in the business unit that the fatality occurred
- 33% Adjusted EBITDA margin relative to peers, and
- 33% Return on Capital Employed relative to peers.

Key Features:

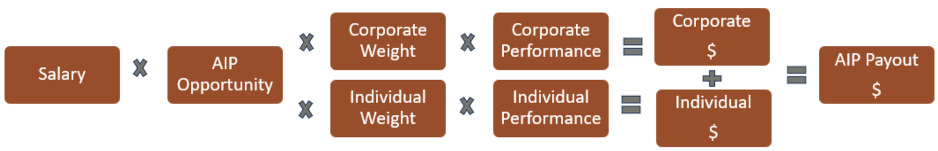
- two components: corporate and individual, with heavier emphasis on corporate performance for NEOs
- corporate performance is measured against threshold, target and maximum performance goals, and
- financial metric targets are set to the 50th percentile of the performance peer group.

The AIP maximum opportunity, payout range and weightings for the CEO and other NEOs are as follows:

Named executive	AIP opportunity (% of salary)	2023 Performance weighting (%)	
		Corporate	Individual
Stephen Glanville (President and CEO)	180	80	20
Klaas Deemter (CFO)	130	75	25
Rory Thompson (COO)	130	75	25
Michael Burvill (VP, Business Development and Innovation)	100	70	30
Bradley McFarlane (VP, Finance)	100	70	30



AIP is first determined with a formulaic calculation using the actual corporate scorecard achievement and individual performance scores, then is reviewed by the C&CG Committee for appropriateness given corporate performance relative to overall market conditions and any other factors deemed relevant at the time.



The Board may exercise its discretion to allow for reduced or additional awards in conjunction with performance or other factors, such as to align with shareholder experience.

AIP Corporate Scorecard

To ensure that it appropriately incents the achievement of metrics key to STEP's success, in 2021, the Company introduced benchmarking two financial metrics (Adjusted EBITDA margin and ROCE) relative to a peer group consisting of market-relevant companies (based on size and complexity of operations, service lines, operating regions and enterprise value) against whom STEP directly competes.

The 2023 Corporate Scorecard Peer Group consists of:

Canadian companies	U.S. companies
Calfrac Well Services Ltd.	KLX Energy Services LLC
Essential Energy Services Ltd.(1)	Nine Energy Service, Inc.
Source Energy Services Ltd.	ProPetro Holding Corp.
Total Energy Services Inc.	Ranger Energy Services, Inc.
Trican Well Service Ltd.	

Notes

(1) *Essential Energy Services Ltd.'s financial results for the four quarters ending June 30, 2023 were included in our scorecard.*

STEP's corporate performance scorecard shown below is used to calculate the 2023 AIP award.

	2023 Corporate performance scorecard (%)				
Metric	Weighting (%)	Range (1)		Actual result	Contribution to corporate score (%)
		(Low)	(High)		
Safety(2)	33.3	0	150	117.5	39.2
Adjusted EBITDA margin relative to peers(3)	33.3	10.7	24.9	17.5	17.0
ROCE relative to peers(3)	33.3	1.8	34.3	16.9	15.1
Total 2023 corporate performance score					71.3%

Notes

(1) *The range represents the min / max of the disclosed industry peer group with contribution to corporate score reflecting our linear percentile positioning in that range multiplied by the weighting.*

(2) *Safety performance is measured by TRIF. TRIF targets are not disclosed in this Circular for competitive reasons.*

(3) *The constituents of the 2023 Corporate Scorecard Peer Group are listed above.*

The following table details the 2023 AIP calculations and final award to each NEO. The total AIP score relative to the max opportunity demonstrates the correlation between pay and performance for each NEO.

The Company's practice is to limit the aggregate AIP award to 7.5% of Adjusted EBITDA (the "7.5% limit"), and any amounts, whether at, below or above are subject to review and approval by the Board. 2023 was a solid year for STEP in terms of both financial and operational performance, and resulted in the AIP corporate scorecard of 71.3% and average individual performance of 100%.

Named executive	AIP opportunity (% of salary)	Corporate results (%) (AIP opportunity x corporate weight x corporate score)	Individual performance evaluation (%)	Individual results[1] (%) (AIP opportunity x individual weight x individual score)	Total AIP Award (%) (% of salary)[1]	Total AIP Award ($)
Stephen Glanville (President and CEO)	180	180x80x71.3	100	180x20x100	139	637,900
Klaas Deemter (CFO)	130	130x75x71.3	100	130x25x100	102	337,200
Rory Thompson (COO)	130	130x75x71.3	100	130x25x100	102	337,200
Michael Burvill (VP, Business Development and Innovation)	100	100x70x71.3	100	100x30x100	80	294,300
Bradley McFarlane (VP, Finance)	100	100x70x71.3	83	100x30x83	75	251,910

Notes

(1) *AIP opportunity percentage is applied to actual 2023 salary paid to each NEO. Refer to the Summary compensation table for the 2023 salary earnings of each NEO.*

Long-term incentive plan

STEP's LTIP is designed to strengthen the alignment between executive compensation and the long-term interests of our shareholders.

STEP's LTIP is currently comprised of the following components, though not every component is granted each year:

- equity-settled RSUs and PSUs, pursuant to the PRSU Plan
- cash-settled Phantom RSUs and PSUs, pursuant to the Phantom Long-Term Incentive Plan ("Phantom PRSU Plan")
- options, pursuant to the Option Plan, and
- fixed cash awards, pursuant to the Fixed Award Long-Term Incentive Plan ("FALTIP"), a fixed cash plan approved by the Board on June 1, 2021.

The value of the above LTIP components, except the FALTIP, is at-risk given the realizable value is not guaranteed.

The aggregate number of shares reserved for issuance under all security-based compensation agreements (as defined in the Option Plan and PRSU Plan) is 9.5 percent of the issued and outstanding shares, subject to a five percent limit on the number of shares reserved for issuance under the PRSU Plan. Shares reserved for issuance pursuant to share units or options that are terminated or are cancelled without having been redeemed or exercised, as applicable, will again be available for issuance under the PRSU Plan or the Option Plan, respectively.

More specifically, the long-term incentive plan provides that:

- the maximum number of shares issuable to a reporting insider (as defined in the Canadian Securities Administrators National Instrument 55-104, *Insider Reporting Requirements and Exemptions*) within one year or at any time under all security-based compensation arrangements of STEP shall not exceed five percent of the issued and outstanding shares from time to time (calculated on a non-diluted basis), provided that for the purpose of the foregoing limit any securities issued under any incentive plan of STEP prior to the holder becoming a reporting insider shall be excluded for the purposes the foregoing limit; and

- the maximum number of shares issuable to any one eligible holder (including a reporting insider) at any time under all security-based compensation arrangements of STEP shall not exceed five percent of the issued and outstanding shares from time to time (calculated on a non-diluted basis).

The table below details the number of shares underlying outstanding grants of, and available for grant under, each type of share-based compensation plan on December 31, 2023.

Security	Number of shares underlying grants	Percentage of shares underlying grants (%)[1]	Number of shares available to grant	Percentage of shares available to grant (%)
PRSU Plan[2]	2,456,927	3.4		
Option Plan	3,059,429	4.2		
Total	5,516,356	7.6%	1,345,785	1.9%

Notes

(1) *Amounts reflect undiluted percentages of the number of shares issued and outstanding December 31, 2023 of 72,233,064.*

(2) *The multiplier used for calculating the number of shares underlying the PSUs is the target multiplier of 1x.*

Benefits and perquisites

The C&CG Committee annually reviews the benefits provided to NEOs, which are generally the same as those provided to other employees of STEP. We offer perquisites to the NEOs when we believe such perquisites are market-competitive and promote the retention of or promote the enhanced performance by the NEOs.

In 2023, NEO perquisites and benefits included a company vehicle or allowance, parking, fitness membership subsidy, health and dental benefits and retirement savings contributions.

STEP does not have a pension plan.

Former long-term incentive plan components

In 2017 STEP discontinued the use of performance warrants and its prior option plan and introduced the Option Plan and PRSU Plan. All performance warrants and prior options expired as of November 13, 2023.

Plan	Pre-IPO up to May 1, 2017	After May 2, 2017
Prior options	Granted to provide an incentive to directors, executives and employees to achieve the longer-term objectives of STEP and attract and retain the talent required for STEP to execute the long-term strategy. **Quantity**: based on individual position, performance, market conditions, stock price and availability for grant. **Term**: five years for Canadian holders; seven years for U.S. holders. **Vest**: one-third on each of the first three anniversaries of grant date. **Adjustments made**: • the expiry dates of prior options that were set to expire in 2016 were extended to April 2, 2020, and • the expiry dates of prior options that were set to expire prior to November 2017 were extended to November 7, 2017.	No further grants and any outstanding prior options vested and were exercisable based on terms of the prior option plan. Prior options were exercisable on a cashless basis, either through a broker-initiated short sale process or by surrendering their prior options and receiving shares for the in-the-money value. For clarity, as of November 13, 2023, there were no prior options outstanding as all such units expired.
Performance warrants	Performance warrants were historically granted in order to attract, retain and motivate directors, the executive team and employees to grow the equity of STEP by providing an opportunity to acquire an interest in STEP subject to a high level of share price performance. Each performance warrant is exercisable upon vesting for a common share upon payment of the applicable exercise price. **Quantity**: based on individual position, performance, market conditions, stock price and availability for grant. **Term**: five years for Canadian holders; seven years for U.S. holders. **Vest:** one-fifth on each of the first five anniversaries of grant dates. **Adjustments Made:** • the expiry dates of performance warrants that were set to expire in 2016 were extended to April 2, 2020, and • the expiry dates of performance warrants that were set to expire prior to November 2017 were extended to November 7, 2017.	No further grants and any outstanding performance warrants vested and were exercisable based on terms of the applicable performance warrant agreement. Performance warrants were also exercisable on a cashless basis where the holder surrendered their performance warrants and received shares for the in-the-money value. For clarity, as of November 13, 2023, there were no performance warrants outstanding as all such units expired.

Current Long-term incentive plan components

Option Plan

In connection with the IPO, STEP adopted the Option Plan, which superseded the prior option plan and allows for the grant of options to executives, employees and consultants of STEP. The objective of the Option Plan is continuing to provide an incentive to achieve the longer-term objectives of STEP and attract and retain the talent required to execute our strategy.

The Board has the authority to determine the terms and conditions of the Option Plan or any option granted thereunder, as outlined in table below.

	Option Plan
Eligibility	Any officer, employee or consultant of STEP or a subsidiary of STEP as determined by the Board. Non-executive directors are not eligible to receive options.
Granting	**Price**: provided that the exercise price per share of each option must not be less than the market price of the common shares at the time of the grant. **Cashless options:** Options may be exercised on a cashless basis whereby the holder surrenders their options and receives shares for the in-the-money value. **Term**: unless an earlier expiry date is determined by the Board, all options will expire on the fifth anniversary of the date of grant, subject to earlier termination in the event the holder ceases to be an executive team member, employee or consultant of STEP or if the Board determines, in its sole discretion, to accelerate the expiry time in connection with a "change of control" (as defined in the Option Plan). **Vesting**: options will vest as to one-third of the total grant on each of the first three anniversaries of the grant date, or as otherwise set out by the Board in the applicable grant agreement. **Accelerated vesting**: except as otherwise provided by the Option Plan, upon the occurrence of a change of control, vesting of options will accelerate only if: (i) the continuing or successor entity fails to substitute or replace the options with stock options of such continuing or successor entity on the same terms and conditions as the options, or (ii) within 12 months of the change of control, the service, consulting arrangement or employment is terminated other than for cause or the holder of the options resigns for good reason. **Status changes**: vested options held by a holder who ceases to be an eligible participant under the Option Plan: (i) due to termination for cause, terminate 10 days after the last date the holder was actively at work for STEP, (ii) due to death or disability, terminate 180 days after the last date the holder was actively at work for STEP, and (iii) for any reason other than termination for cause, death or disability, terminate 30 days after the last date the holder was actively at work for STEP.
Administration	The Option Plan is reviewed by the Board, which may delegate authority over the administration and operation of the Option Plan to a committee.
Plan Limits	The number of shares reserved for issuance under the Option Plan and all other security-based compensation arrangements shall not exceed 9.5 percent of the issued and outstanding shares on a non-diluted basis at any time.
Insider Participation Limits	The maximum number of shares issuable to insiders under the Option Plan and all other security-based compensation arrangements at any time and within any one-year period is 9.5 percent, provided that the maximum number of shares issuable to any one participant at any time under the Option Plan and all other security-based compensation arrangements is five percent.

	Option Plan
Amendments without shareholder approval	Subject to the applicable rules of the TSX, the Board may, from time to time, in its absolute discretion and without the approval of the shareholder, make amendments to the Option Plan or any option including, without limitation, any amendment: • to the vesting provisions of the Option Plan and any option agreement, including to accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of an option • to the Option Plan or an option as necessary to comply with applicable law or the requirements of the TSX or any other regulatory body having authority over STEP, the Option Plan or the shareholders • to the Option Plan and any option agreement to permit the conditional exercise of any option, on such terms as it sees fit • of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Option Plan, correct or supplement any provision of the Option Plan that is inconsistent with any other provision of the Option Plan, correct any grammatical or typographical errors or amend the definitions in the Option Plan regarding administration of the Option Plan • respecting the administration of the Option Plan, and • in connection with a change of control so as to assist the holders to tender the underlying common shares to, or participate in, the actual or potential event or to obtain the advantage of holding the underlying common shares during such event and to terminate, following the successful completion of such event, on such terms as it sees fit, the options not exercised prior to the successful completion of such event.
Amendments requiring shareholder approval	Approval of the shareholders will be required for the following amendments to the Option Plan or any option: • any increase in the number of common shares reserved for issuance under the Option Plan • any amendment to increase or remove the insider participation limits set forth in the Option Plan • any reduction in the exercise price per common share of a option, cancellation and reissue of options or substitution of options with cash or other awards on terms that are more favourable to the holders • any extension of the expiry of an option, except as otherwise provided by the Option Plan • any amendment that would permit options to be transferable or assignable other than for normal estate settlement purposes • any amendment that would materially modify the eligibility requirements for participation in the Option Plan, and • any amendment with respect to any of the amending provisions of the Option Plan.

Subject to the foregoing amendment provisions, the Board may, at any time and from time to time, without the approval of the holders of shares, suspend, discontinue or amend the Option Plan or an option, provided that unless grantees holding at least 75% of the options then issued and outstanding otherwise consent in writing, the Board may not suspend, discontinue or amend the Option Plan or amend any outstanding option in a manner that would materially adversely affect any option previously granted to a grantee under the Option Plan, and any such suspension, discontinuance or amendment of the Option Plan or amendment to an option shall apply only in respect of options granted on or after the date of such suspension, discontinuance or amendment.

Performance and restricted share unit plans

The PRSU Plan and the Phantom PRSU Plan are similar in that they both govern the granting of PSUs and RSUs, however, the units granted under the PRSU Plan are equity-settled and the units granted under the Phantom PRSU Plan are cash-settled. The Board may, from time to time, determine those eligible persons of STEP who will receive a grant of units under these plans, however non-executive Board members do not participate in these plans.

STEP's PRSU Plan and Phantom PRSU Plan objectives include:

- support the achievement of STEP's annual and long-term performance objectives
- ensure that interests of participants are aligned with the long-term success of STEP
- provide compensation opportunities to attract, retain and motivate key personnel critical to the long-term success of STEP, and
- mitigate excessive risk-taking by STEP's key employees.

The specifics of the Board authority related to the PRSU Plan are outlined in the table below.

	PRSU Plan
Eligibility	Any employee or officer of STEP and any of its affiliates, as designated by the Board from time to time.
Administration	The PRSU Plan is administered by the Board. The Board has full and final discretion to interpret the provisions of the PRSU Plan and to prescribe, amend, rescind and waive any rules and regulations implemented by the Board to govern the administration and operation of the PRSU Plan, subject to any other limitations on STEP. Notwithstanding the foregoing or any other provision contained herein, the Board has the right to delegate the administration and operation of the PRSU Plan to a committee of directors appointed from time to time by the Board.
Plan Limits	The number of shares reserved for issuance under the PRSU Plan shall not exceed five percent of the issued and outstanding shares on a non-diluted basis at any time.
Insider Participation Limits	The maximum number of shares issuable to insiders under the PRSU Plan and all other security-based compensation arrangements at any time and within any one-year period is 9.5 percent, provided that the maximum number of shares issuable to any one participant at any time under the PRSU Plan and all other security-based compensation arrangements is five percent.
Amendments without shareholder approval	The Board has authority to make amendments with respect to the following matters without shareholder approval, subject to TSX requirements: • correcting any defect or supply any omission or reconcile any inconsistency in the PRSU Plan • amending, suspending or terminating the PRSU Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX) • any amendment to the vesting provisions of the PRSU Plan and any grant agreement, including to accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of a share unit • any amendment to the PRSU Plan or a share unit as necessary to comply with applicable law or the requirements of the TSX or any other regulatory body having authority over STEP, the PRSU Plan or the shareholders • any amendment to the PRSU Plan and any grant agreement to permit the conditional redemption of any share unit • any amendment of a housekeeping nature, including, without limitation, to clarify the meaning of an existing provision of the PRSU Plan, correct or supplement any provision of the PRSU Plan that is inconsistent with any other provision of the PRSU Plan, correct any grammatical or typographical errors or amend the definitions in the PRSU Plan regarding administration of the PRSU Plan • any amendment respecting the administration of the PRSU Plan, and • any other amendment that does not require the approval of the shareholders including, for greater certainty, an amendment in connection with a change of control to assist the participants of the PRSU Plan to tender the underlying common shares to, or participate in, the actual or potential event or to obtain the advantage of holding the underlying common shares during such event, and to terminate, following the successful completion of such event, on such terms as it sees fit, the share units not redeemed prior to the successful completion of such event.
Amendments requiring shareholder approval	Approval of the shareholders will be required for the following amendments: • any increase in the maximum number of shares reserved for issuance under the PRSU Plan • any amendment to increase or remove the insider participation limits • any amendment expanding the categories of eligible person • any amendment extending the term of a share unit or any rights pursuant thereto held by an insider beyond its original expiry date • any amendment that would permit share units to be transferable or assignable other than for normal estate settlement purposes, and • amendments to the amending provision within the PRSU Plan.
Adjustments	The Board may make such proportionate adjustments as it deems appropriate to the number and kind of shares authorized by the PRSU Plan, to the kind of shares or other securities covered by grants of share units under the PRSU Plan and in the number of share units and dividend share units provided in the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than

	PRSU Plan
	nominal cash dividends) of STEP's assets to shareholders, or any other change in the capital of STEP affecting common shares, provided that no substitution or adjustment will obligate STEP to issue or sell fractional shares.

Subject to the foregoing amendment provisions and applicable law, the Board may amend, suspend or terminate the PRSU Plan or any portion thereof. If the PRSU Plan is terminated, the provisions of the PRSU Plan and any administrative guidelines, and other rules adopted by the Board and in force at the time of the PRSU Plan, will continue in effect as long as a share unit or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the PRSU Plan, the Board may make any amendments to the PRSU Plan or the share units it would be entitled to make if the PRSU Plan were still in effect.

The Board may also amend or modify any outstanding share unit in any manner to the extent that the Board would have had the authority to initially grant the award as so modified or amended; provided that, where such amendment or modification is materially adverse to the holder, the consent of the holder is required to effect such amendment or modification.

The specifics of the Board authority related to the Phantom PRSU Plan are outlined in the table below.

	Phantom PRSU Plan
Administration	The Phantom PRSU Plan is administered by the Board. The Board has full and final discretion to interpret the provisions of the Phantom PRSU Plan and to prescribe, amend, rescind and waive any rules and regulations implemented by the Board to govern the administration and operation of the Phantom PRSU Plan, subject to any other limitations on STEP. Notwithstanding the foregoing or any other provision contained herein, the Board has the right to delegate the administration and operation of the Phantom PRSU Plan to a committee of directors appointed from time to time by the Board.
Amendments	The Board has authority to amend, suspend or terminate the Phantom PRSU Plan, or any portion thereof, at any time, provided that any such amendment, suspension or termination that would impair the rights of any participant shall not be effective without the written consent of the affected participant. If the Phantom PRSU Plan is terminated, the provisions of the Phantom PRSU Plan and any administrative guidelines, and other rules adopted by the Board and in force at the time of the Phantom PRSU Plan, will continue in effect as long as a phantom share unit or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Phantom PRSU Plan, the Board may make any amendments to the Phantom PRSU Plan or the phantom share units it would be entitled to make if the Phantom PRSU Plan were still in effect. The Board may also amend or modify any outstanding phantom share unit in any manner to the extent that the Board would have had the authority to initially grant the award as so modified or amended; provided that, where such amendment or modification is materially adverse to the holder, the consent of the holder is required to effect such amendment or modification.
Adjustments	The Board may make such proportionate adjustments as it deems appropriate to the number and kind of shares or other securities on which the value of the phantom share units and dividend phantom share units are based in the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of STEP's assets to shareholders, or any other change in the capital of STEP affecting common shares.

The table below outlines STEP's PSU program and applies to grants under the PRSU Plan and the Phantom PRSU Plan.

	PSU program
Purpose	PSUs provide a tool to directly link pay and performance over the longer term.
Eligibility	PSUs can be awarded to NEOs and individuals holding a Vice President title.
Vesting	Three-year cliff vesting.
Accelerated vesting	Except as otherwise provided by the PRSU Plan or Phantom PRSU Plan, upon the occurrence of a change of control, vesting of PSUs will accelerate only if: (i) the continuing or successor entity fails to substitute or replace the PSUs with units of such continuing or successor entity on the same terms and conditions as the PSUs, or (ii) within 12 months of the change of control, the service, consulting arrangement or employment is terminated other than for cause or the holder of the PSUs resigns for good reason.

Status changes	Vested PSUs held by a holder who ceases to be an eligible participant under the PRSU Plan or Phantom PRSU Plan: (i) due to termination for cause: terminate 10 days after the last date the holder was actively at work for STEP, (ii) due to death or disability: terminate 180 days after the last date the holder was actively at work for STEP, and (iii) for any reason other than termination for cause, death or disability: terminate 30 days after the last date the holder was actively at work for STEP.
Award cycle	Board will determine annual grants following the release of year-end financial statements.
Performance multiplier	The performance multiplier applied to vested PSUs is based on the following performance criteria: PSUs granted in 2019 and prior originally applied an adjustment factor to the three-year average corporate performance score. If the three-year average corporate score was: (i) <50%, then a 1.0x adjustment factor was applied to the three-year average to obtain the multiplier, (ii) >= 50% and <75%, then a 1.5x adjustment factor was applied to the three-year average to obtain the multiplier, and (iii) >=75%, then a 2.0x adjustment factor was applied to the three-year average to obtain the multiplier. In 2020, the Board reviewed the corporate scorecard measures, historical performance, ability to meet the targeted performance levels, and the impact on the multiplier. The formulaic calculation with the adjustment factor was deemed too punitive to the multiplier effect. Therefore, effective for grants 2018 and forward, the Board approved removal of the adjustment factor. A 2.0x factor is applied to the three-year average corporate performance score, to obtain a linear performance multiplier of 0 to 200%. Beginning in 2020, the corporate scorecard metrics of Adjusted EBITDA margin and ROCE measured relative to STEP's AIP Corporate Scorecard Peer Group. Safety will continue to be measured against internal targets approved by the Board.
Details and expiry	Each unit granted to a participant under the PRSU Plan or Phantom PRSU Plan is credited to the participant's unit account on the grant date. Share units and Phantom Share Units are exercised and automatically expire on the vesting date.
Dividend PSU	From time to time, a participant's unit account will be credited with additional units in the form of Dividend PSUs on each dividend payment date in respect of which dividends are paid in the ordinary course on common shares. Such Dividend PSUs are computed as the amount of any such dividend declared and paid per common share multiplied by the number of PSUs recorded in the participant's unit account on the record date for the payment of such dividend, divided by the market share price as at the dividend payment date. Dividend PSUs are deemed to have a performance multiplier of 1.0x.
PRSU Plan - other	Canadian participants may elect at any time to redeem vested units on any date or dates after the date the units become vested and on or before the expiry date. U.S. participants shall elect to redeem vested units in accordance with the terms of the PRSU Plan or Phantom PRSU Plan. For so long as the rules of the TSX so require, all unallocated share units will be subject to renewal approval by the holders of the common shares at an annual general meeting of such shareholders held within three years following the listing of the common shares on the TSX and at each annual general meeting of such shareholders every three years after such meeting. The next such vote will be no later than the annual meeting of the shareholders in 2026.

The table below outlines STEP's RSU program and applies to grants under the PRSU Plan and the Phantom PRSU Plan.

	RSU program
Purpose	STEP offers RSUs for select eligible employees which provides a competitive LTIP for purposes of retention and alignment with share price performance.
Eligibility	Executives, management and certain other corporate and field management professionals.
Vesting	Three-year ratable vesting, one-third of the total grant on each of the first three anniversaries of the grant date. Dividend RSUs vest at the same time and in the same proportion as the associated RSUs.
Accelerated vesting	Except as otherwise provided by the PRSU Plan, upon the occurrence of a change of control, vesting of RSUs will accelerate only if: (i) the continuing or successor entity fails to substitute or replace the RSUs with share units of such continuing or successor entity on the same terms and conditions as the RSUs, or (ii) within 12 months of the change of control, the service, consulting arrangement or employment is terminated other than for cause or the holder of the RSUs resigns for good reason.

	RSU program
Status changes:	Vested RSUs held by a holder who ceases to be an eligible participant under the PRSU Plan: (i) due to termination for cause terminate 10 days after the last date the holder was actively at work for STEP, (ii) due to death or disability terminate 180 days after the last date the holder was actively at work for STEP, and (iii) for any reason other than termination for cause, death or disability terminate 30 days after the last date the holder was actively at work for STEP.
Award cycle	Board will determine annual grants following the release of year-end financial statements.
Dividend RSU	From time to time, a participant's share unit account will be credited with additional share units in the form of Dividend RSUs on each dividend payment date in respect of which dividends are paid in the ordinary course on common shares. Such Dividend RSUs are computed as the amount of any such dividend declared and paid per common share multiplied by the number of RSUs recorded in the participant's share unit account on the record date for the payment of such dividend, divided by the market share price as at the dividend payment date.

Fixed award long-term incentive plan (FALTIP)

The Board adopted the FALTIP pursuant to which the Board may, from time to time, determine those eligible persons of STEP who will receive a FALTIP grant, however non-executive Board members do not participate in this plan.

The FALTIP has the following objectives:

- provide compensation opportunities to attract, motivate, and retain personnel key to the long-term success of STEP
- ensure that interests of participants are aligned with the success of STEP, and
- mitigate risk of compensation affordability in connection with the potential for a fluctuating share price.

The specifics of the Board authority related to the FALTIP are outlined in the table below.

	FALTIP
Administration	The FALTIP is administered by the Board. The Board has full and final discretion to interpret the provisions of the FALTIP and to prescribe, amend, rescind and waive any rules and regulations implemented by the Board to govern the administration and operation of the FALTIP, subject to any other limitations on STEP. Notwithstanding the foregoing or any other provision contained herein, the Board has the right to delegate the administration and operation of the FALTIP to a committee of directors appointed from time to time by the Board.
Amendments	The Board has authority to amend, suspend or terminate the FALTIP, or any portion thereof, at any time, provided that any such amendment, suspension or termination that would impair the rights of any participant shall not be effective without the written consent of the affected participant. If the FALTIP is terminated, the provisions of the FALTIP and any administrative guidelines, and other rules adopted by the Board and in force at the time of the FALTIP, will continue in effect as long as any FALTIP or rights pursuant thereto remain outstanding. However, notwithstanding the termination of the FALTIP, the Board may make any amendments to the FALTIP, or FALTIP granted thereunder, it would be entitled to make if the FALTIP were still in effect. The Board may also amend or modify any outstanding FALTIP in any manner to the extent that the Board would have had the authority to initially grant the award as so modified or amended; provided that, where such amendment or modification is materially adverse to the holder, the consent of the holder is required to effect such amendment or modification.

The table below outlines STEP's FALTIP program.

	FALTIP
Purpose	FALTIP awards provide a tool to attract, motivate, and retain personnel.
Eligibility	Executives, management and certain other corporate and field management professionals.

	FALTIP
Vesting and Expiry	Vesting of the FALTIP awards occurs on the date (or dates) stipulated in the applicable grant agreement. In certain circumstances the Board may grant participants an option to elect from a number of stipulated vesting schedules. For example, the Board may allow a participant to choose between: (i) an award of a stipulated amount that fully vests on the first anniversary of the grant date, or (ii) an award that is a higher amount (than the stipulated one-year award amount), but which vests over a period of three years (40%, 30%, 30% of the increased amount per year). In the event of a change of control, all FALTIP grants then outstanding will be assumed by the surviving corporation, and if the continuing entity has failed to assume the FALTIP or if a change of control occurs on account of the consummation by the Company of a liquidation, dissolution or winding-up of the Company, then all outstanding FALTIP will become fully vested and nonforfeitable upon the occurrence of the change of control, and payment with respect to all such outstanding FALTIP will be made in a lump sum cash payment, less applicable withholdings, within 30 days of the occurrence of the change of control. If within 12 months of the change of control, STEP or the continuing entity terminates the participant's employment without just cause, or the participant resigns from their employment for good reason, all outstanding FALTIP then held by such participant will become fully vested and nonforfeitable and payment with respect to all such outstanding FALTIP will be made in a lump sum cash payment, less applicable withholdings.
Award cycle	Board will determine annual grants following the release of year-end financial statements.

Long-term incentive plan – 2023 award components

The following table details the actual LTIP awards during 2023. The LTIP award levels and mix were designed to manage consumption of the available equity pool. The 2023 LTIP mix was 40% equity-settled RSUs, 40% equity-settled PSUs, and 20% options.

Named executive	LTIP (% of base salary) (%)(1)	RSU grant (units)(2)	RSU grant ($)	Options granted (units)(3)	Options granted ($)	PSU grant (units)(4)	PSU Grant ($)
Stephen Glanville((President and CEO)	135	61,945	248,400	48,898	124,200	61,945	248,400
Klaas Deemter(6) (CFO)	100	32,918	132,000	25,984	66,000	32,918	132,000
Rory Thompson (COO)	100	32,918	132,000	25,984	66,000	32,918	132,000
Michael Burvill (VP, Business Development and Innovation)	50	18,654	74,800	14,725	37,401	18,654	74,800
Bradley McFarlane (VP Finance)	50	17,082	68,500	13,484	34,250	17,082	68,500

Notes

(1) *Refer to the Named executive biographies section for the 2023 base salary of each NEO. For Messrs. Burvill and McFarlane, the LTIP award values are converted to CAD at the grant date.*

(2) *The number of RSUs granted was determined by dividing the target award value by the grant date fair value of the common shares, being the five-day VWAP on March 10, 2023 of $4.01.*

(3) *The number of options granted was determined using the Black-Scholes pricing model with an expected life of five years, the five-year volatility of our closest industry peers yielding a volatility factor of 75.19% and a risk-free rate of 3.57%. The Black-Scholes values on grant date March 10, 2023 was $2.54.*

(4) *The number of PSUs granted was determined by dividing the target award value by the grant date fair value of the common shares, being the five-day VWAP on March 10, 2023 of $4.01.*

Phantom PSUs granted in prior years

The performance multiplier for the 2020 Corporate PSUs that cliff-vested on May 28, 2023, based on performance for 2020, 2021 and 2022 was 157.86%, as follows:

	3-year average of corporate score (%)	Adjustment Factor	2020 Corporate PSUs Performance Multiplier(1) 0 - 200%
Year			
2020(2)	52.30%		
2021(3)	84.00%		
2022(4)	100.50%		
	78.93%	2.0	157.86%

Notes

(1) *The Performance Multiplier is calculated in a linear fashion from 0 to 200%.*

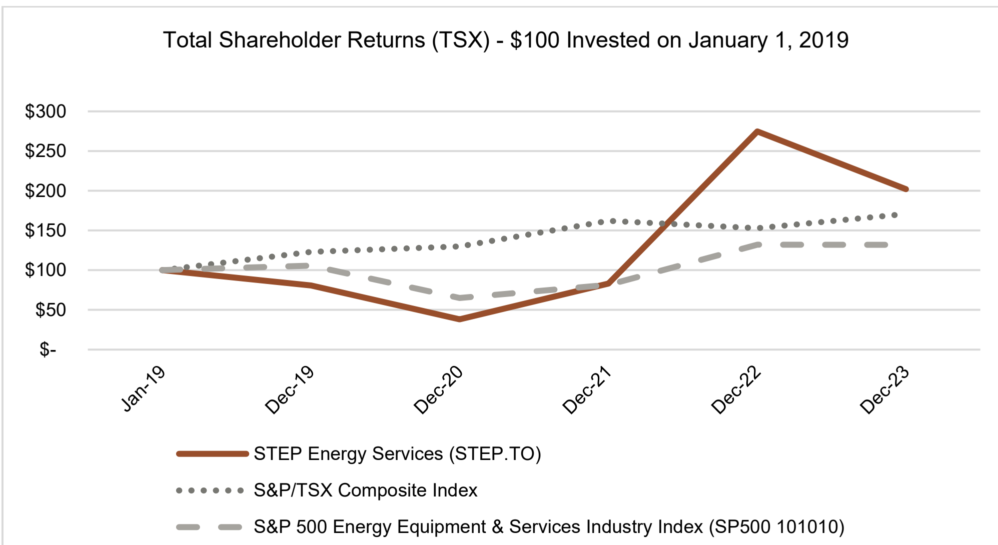
(2) *See STEP's management information circular dated March 23, 2021 for more information.*

(3) *See STEP's management information circular dated April 25, 2022 for more information.*

(4) *See STEP's management information circular dated April 20, 2023 for more information.*

Total shareholder return

The following graph shows the total cumulative return on a $100 investment in STEP shares compared to the cumulative total return of the S&P/TSX Composite and S&P 500 Energy Equipment & Services Industry indices over the five-year period from January 1, 2019 to December 31, 2023.



The majority of STEP's executive compensation is designed to be in the form of AIP and LTIP and is at-risk depending on the achievement of performance metrics which are designed to incentivize achievement of STEP's strategic objectives and to ensure executive compensation reflects STEP's performance relative to its peer group. STEP considers it appropriate that such performance metrics reflect those aspects of STEP's financial, operational and safety performance that best align with the long-term success of STEP. While these metrics may not always be reflected in or directly correlated to the trading price of STEP's shares, STEP's safety (TRIF) and financial performance (Adjusted EBITDA margin relative to peers and ROCE relative to peers) are heavily emphasized in the corporate scorecard performance metrics. The AIP awards reflect actual corporate performance and the LTIP grant values have varied over the past few years in line with corporate and industry performance, therefore as a result, the value of executive compensation generally fluctuates with STEP's financial performance. December 2019 saw the start of the global pandemic, which severely impacted global energy demand. This resulted in depressed share prices until late 2021 when energy demand surged, leading to strong share performance in 2022. The increase in the 2021 NEO total compensation reflects the partial reinstatement of salaries, AIP and LTIP awards due to the improvement in both STEP's financial performance as well as the recovery in the North American oil and gas sector. In 2022, STEP had the best performance of our peer group for ROCE and was second for Adjusted EBITDA margin, hence the relative increase in incentive pay. By early 2023 we saw energy supply and demand come closer to balance and equity valuations retreat, and in turn, STEP's 2023 NEO total compensation has slightly decreased. Refer to the *Executive Compensation Discussion and Analysis – Components and pay mix* section for additional details regarding the performance metrics applicable to STEP's executive compensation.

EXECUTIVE COMPENSATION – 2023 DETAILS

Overview

In assessing the performance of each NEO for 2023, the President and CEO as well as the C&CG Committee considered the following performance criteria:

- NEO's contributions to the development and execution of STEP's business plans and strategies
- performance of the NEO's functional area
- achievement of the NEO's top priorities
- level and scope of responsibility
- demonstrated leadership ability
- demonstrated commitment to STEP 's vision and values, and
- work ethic.

Summary of 2023 goals and achievements

The Board worked with STEP's CEO to set specific strategic goals for 2023. In addition to providing leadership and oversight to the numerous accomplishments in the calendar year, highlights of NEO performance and the execution of our strategic initiatives, which are aligned with our core values, are as follows:

Corporate Goal	2023 Achievements
SAFETY: STEP will foster a safety-first culture in our relentless pursuit of safe operations and commitment to achieving goal zero.	Ended the year with exceptional safety metrics, reducing Total Recordable Incident Rate by ~12% year over year as we continue to strive for Goal Zero. • Reduction of corporate TRIF/TRIR from 0.74 with 3.77-million-man hours (2022) to 0.65 with 3.96-million-man hours (2023)
TRUST: STEP will be an employer of choice, attract and retain our talented professionals and implement initiatives to ensure all professionals feel a genuine connection to their jobs, our company and each other.	Dedicated to nurturing our workforce to attract and retain highly skilled professionals: • Emphasized ongoing efforts to minimize turnover, maintaining consistent headcount year over year and decreasing voluntary turnover from 30% to 24% in 2023. • Conducted a comprehensive employee engagement survey, unveiling positive aspects of our culture and pinpointing areas for enhancement. The successful results led to STEP being Great Place to Work® certified in both countries. • Ongoing commitment to Class 1 driver training and leadership development, with a particular focus on our core value of Execution this year. • Analyze market compensation data annually and stay current with industry trends to ensure we provide a competitive compensation package for our professionals. • Increased our reach to potential candidates through social media channels such as Facebook, LinkedIn, Instagram, X, and TikTok. • Systems upgrades to enhance the Exceptional Employee Experience (EEE).
EXECUTION: STEP will increase utilization, diversify our service offerings, and continue to deliver exceptional services that exceed our clients' expectations.	Expanded service offerings, delivered best-in-class service to clients, and diversified our client base across different service offerings, in both Canada and U.S.: • STEP expanded its fleet with three additional coiled tubing units, managing 21 crews across Canada and the U.S. In 2023, the fleet achieved record depths in both countries, reaching 8,101 meters (26,578 feet) in Canada and 8,252 meters (27,075 feet) in the U.S. • Operating eight fracturing crews in North America. In Q4 2023 STEP successfully transferred fracturing equipment from its U.S. operations to Canada in order to meet the fracturing demand in Canada in Q1 2024. • Successfully expanded market share within the midstream and industrial services sector. • Introduced real-time data acquisition technologies, STEP-conneCT and e-coil, to the U.S. market, gaining significant traction with clients who continue to integrate the technology into their coiled tubing campaigns. • Emphasized a commitment to quality and execution, resulting in enhanced operational efficiencies and minimized non-productive time.

POSSIBILITIES: STEP will leverage possibility thinking and technology to reduce costs, improve efficiencies and help our clients achieve their operational and sustainability targets, while maintaining our diligent focus on debt reduction.

Explored opportunities to participate in the energy transition to improve sustainability, reduce the carbon intensity of our operations and enhance our reputation as a responsible energy services provider:

- Expanded our commitment to lowering the carbon intensity of our operations; by year-end, STEP's fleet of dual-fuel equipment (including Tier 2 and Tier 4) represented 62% of total horsepower.
- Trialed electric fracturing equipment on a client site in the Permian Basin. STEP consistently assesses next-generation technology which reflects our commitment to lower emissions, fuel consumption and overall carbon footprint while improving efficiencies within our operations.

Successfully maneuvered through a demanding inflationary climate that affected every aspect of the value chain:

- Worked closely with clients to swiftly adapt program costs, proactively overseeing internal expenses and discovering efficiencies to mitigate rising costs.
- Enhanced the implementation of quality management systems throughout the organization, extending to the supply chain to enhance efficiencies, enhance process control, and lower costs within our value chain.
- Expanded the scale of Canadian logistics operations to facilitate internal handling and hauling of proppant. This optimizes field efficiencies for logistics-intensive operations, reducing reliance on third-party hauling and minimizing non-productive time.

Maintained a diligent focus on capital discipline throughout the year and achieving debt reduction and advanced our multiphase shareholder return strategy:

- Significant progress was made on debt reduction, reducing net debt to $87.8 million at December 31, 2023, compared to $142.2 million at December 31, 2022, while also investing into the long-term sustainability of the business.
- During the fourth quarter of 2023, the Company received approval from the TSX to proceed with a Normal Course Issuer Bid (“NCIB”) for a twelve-month period ending December 18, 2024. Under the NCIB, the Company can repurchase and cancel 3.6 million shares, representing five percent of Company’s issued and outstanding shares.

Named executive biographies

The profiles below for each NEO provide a summary of total direct compensation awarded in 2023:

Stephen Glanville
President and Chief Executive Officer
Calgary, Alberta, Canada
Age: 52
Date of hire: March 21, 2011

As the CEO of STEP, Mr. Glanville is responsible for the overall leadership of STEP and, in collaboration with the Board, for setting the strategic direction and vision, managing STEP's reputation and relationships with stakeholders and for the overall performance and long-term sustainable success of the Company. Also refer to Mr. Glanville's profile in *The nominated directors* section.

Compensation	2023	2022
Salary	$460,000(1)	$412,692(1)
Pay at risk		
AIP	$637,900(2)	$601,700(2)
LTIP – PSUs	$248,400	$115,471
LTIP – RSUs	$248,400	$346,404
LTIP – options	$124,200	$115,706
Total direct compensation	$1,718,900	$1,591,973
Share ownership guidelines(3)		

Ownership under the guidelines			
Minimum level of ownership	Minimum value(4)	Actual value(5)	Total ownership as a multiple of base salary
3x	$1,380,000	$1,552,373	3.4x

Notes
(1) *Denotes actual 2022 and 2023 base earnings.*
(2) *2023 AIP award was earned in 2023 and paid in Q2 2024. 2022 AIP award was earned in 2022 and paid in Q2 2023.*
(3) *See the Executive share ownership guidelines section for more details.*
(4) *Calculated using a base salary of $460,000 as at December 31, 2023.*
(5) *Shares and RSUs held for purposes of the share ownership guidelines are valued at the higher of the value at the time of acquisition and the closing market share price on December 29, 2023 of $3.92.*

Klaas Deemter
Chief Financial Officer
Calgary, Alberta, Canada
Age: 49
Date of hire: October 12, 2021

Mr. Deemter has served as STEP's CFO since November 4, 2021, prior to which he held the title senior vice president, finance from October 12 to November 3, 2021. Prior to joining STEP, Mr. Deemter spent 12 years with Trican Well Service Ltd. and held progressively senior roles, including senior finance director, corporate controller, and as interim CFO in the first and second quarters of 2021. Previously, Mr. Deemter worked with two of Canada's chartered banks in various account management and risk management roles from 2001 to 2009. Mr. Deemter has a Bachelor of Management from the University of Lethbridge and is a member of the Chartered Professional Accountants of Alberta.

Compensation	2023	2022
Salary	$330,000(1)	$301,731(1)
Pay at risk		
AIP	$337,200(2)	$363,300(2)
LTIP – PSUs	$132,000	$67,597
LTIP – RSUs	$132,000	$202,797
LTIP – options	$66,000	$67,742
Total direct compensation	$997,200	$1,003,167
Share ownership guidelines(3)		

Ownership under the guidelines			
Minimum level of ownership	Minimum value(4)	Actual value(5)	Total ownership as a multiple of base salary
2x	$660,000	$438,558	1.3x

Notes
(1) *Denotes actual 2022 and 2023 base earnings.*
(2) *2023 AIP award was earned in 2023 and paid in Q2 2024. 2022 AIP award was earned in 2022 and paid in Q2 2023.*
(3) *Mr. Deemter has until October 12, 2026 to meet the ownership guidelines. See the Executive share ownership guidelines section for more details.*
(4) *Calculated using annual base salary of $330,000 as at December 31, 2023.*
(5) *Shares and RSUs held for purposes of the share ownership guidelines are valued at the higher of the value at the time of acquisition and the closing market share price on December 29, 2023 of $3.92.*

Rory Thompson
Chief Operating Officer
Rimbey, Alberta, Canada
Age: 48
Date of hire: June 20, 2011

Mr. Thompson has served as the chief operating officer since October 2022. Previously, he held roles of increasing responsibility in the Canadian operations region including operations manager, director of operations, vice president, coiled tubing services and most recently, president, Canadian operations. Mr. Thompson has over 25 years of North American oilfield experience. Prior to joining STEP, Mr. Thompson worked for Technicoil Corporation from 2001 to 2011, where he held various operations roles, including senior field superintendent. Before entering the coiled tubing industry, Mr. Thompson was in the drilling sector with Layne Christensen Company and started out his oilfield career as a drilling roughneck.

Compensation	2023	2022
Salary	$330,000 (1)	$306,346(1)
Pay at risk		
AIP	$337,200 (2)	$325,500(2)
LTIP – PSUs	$132,000	$70,678
LTIP – RSUs	$132,000	$212,029
LTIP – options	$66,000	$70,821
Total direct compensation	$997,200	$985,374

Share ownership guidelines(3)

Ownership under the guidelines			
Minimum level of ownership	Minimum value(4)	Actual value(5)	Total ownership as a multiple of base salary
2x	$660,000	$655,685	1.99x

Notes
(1) *Denotes actual 2022 and 2023 base earnings.*
(2) *2023 AIP award was earned in 2023 and paid in Q2 2024. 2022 AIP award was earned in 2022 and paid in Q2 2023.*
(3) *See the Executive share ownership guidelines section for more details.*
(4) *Calculated using annual base salary of $330,000 as at December 31, 2023.*
(5) *Shares and RSUs held for purposes of the share ownership guidelines are valued at the higher of the value at the time of acquisition and the closing market share price on December 29, 2023 of $3.92.*

Michael Burvill
VP, Business Development and Innovation
Spring, Texas, U.S.
Age: 49
Date of hire: April 20, 2015

Mr. Burvill has served as the vice president, business development and innovation since July 2019. He served as the president, U.S. operations of STEP from August 2018 to July 2019, was the senior vice president, fracturing and cased hole wireline services from April to August 2018, and the vice president, fracturing services from April 2015 to April 2018. Mr. Burvill has 30 years of experience in the oil and gas service industry. Prior to joining STEP, Mr. Burvill worked at Trican for 18 years, the last eight of which he was corporate service line manager, during which time he led Trican's global fracturing and nitrogen services exclusively. Prior to that he managed Trican's Central Alberta district that deployed coiled tubing, nitrogen, cementing, fracturing, and acidizing services, and downhole tools.

Compensation	2023	2022
Salary	$367,875 (1)	$337,500(1)
Pay at risk		
AIP	$294,300 (2)	$237,120(2)
LTIP – PSUs	$74,800	$46,579
LTIP – RSUs	$74,800	$139,732
LTIP – options	$37,401	$46,674
Total direct compensation	$849,176	$807,605

Share ownership guidelines(3)

Ownership under the guidelines			
Minimum level of ownership	Minimum value(4)	Actual value(5)	Total ownership as a multiple of base salary
1x	$368,550	$585,917	1.6x

Notes
(1) *Denotes actual 2023 and 2022 base earnings. Mr. Burvill's salary is paid in U.S dollars, therefore, for the purposes of this table, base earnings is converted to CAD at the average annual exchange rate (2023 USD 1.00:CAD 1.35; 2022 USD 1.00:CAD 1.30).*
(2) *2023 AIP award was earned in 2023 and paid in Q2 2024. 2022 AIP award was earned in 2022 and paid in Q2 2023.*
(3) *See the Executive's share ownership guidelines section for more details.*
(4) *Calculated using annual base salary of $368,550 CAD ($273,000 USD) as at December 31, 2023, using an average exchange rate for 2023 of USD 1.00:CAD 1.35.*
(5) *Shares and RSUs held for purposes of the share ownership guidelines are valued at the higher of the value at the time of acquisition and the closing market share price on December 29, 2023 of $3.92.*

Bradley McFarlane
VP, Finance
New Braunfels, Texas, U.S.
Age: 47
Date of hire: November 2014

Mr. McFarlane has served as vice president, finance, since January 2023. He is a chartered accountant with over 20 years of financial and leadership experience, focusing on oil and gas services for the last 15 years. Mr. McFarlane has held progressively senior roles since joining STEP in 2014, serving as controller in both Canada and the U.S., director, finance, U.S. from 2019 to 2021, and most recently as vice president, finance, U.S. from 2021 to 2022. Mr. McFarlane graduated from the University of Alberta with a bachelor's degree in Commerce and is a member of the Chartered Professional Accountants of Alberta.

Compensation	2023	2022
Salary	$336,202(1)	$292,500(1)
Pay at risk		
AIP	$251,910(2)	$169,910
LTIP – PSUs	$68,500	$40,310
LTIP – RSUs	$68,500	$120,924
LTIP – options	$34,250	$40,393
Total direct compensation	$759,362	$664,037
Share ownership guidelines(3)		

Ownership under the guidelines			
Minimum level of ownership	Minimum value(4)	Actual value(5)	Total ownership as a multiple of base salary
1x	$337,500	$266,788	0.8x

Notes

(1) *Denotes actual 2023 and 2022 base earnings. Mr. McFarlane's salary is paid in U.S dollars, therefore, for the purposes of this table, base earnings is converted to CAD at the average annual exchange rate (2023 USD 1.00:CAD 1.35; 2022 USD 1.00:CAD 1.30).*

(2) *2023 AIP award was earned in 2023 and paid in Q2 2024. 2022 AIP award was earned in 2022 and paid in Q2 2023.*

(3) *Mr. McFarlane has until January 1, 2028 to meet the ownership guidelines. See the Executive's share ownership guidelines section for more details.*

(4) *Calculated using annual base salary of $337,500 CAD ($250,000 USD) as at December 31, 2023, using an average exchange rate for 2023 of USD 1.00:CAD 1.35.*

(5) *Shares and RSUs held for purposes of the share ownership guidelines are valued at the higher of the value at the time of acquisition and the closing market share price on December 29, 2023 of $3.92.*

Summary compensation table

The following table provides a summary of compensation paid to our NEOs for the years ended December 31, 2023, 2022 and 2021.

					Non-equity incentive plan compensation				
Named executive	Year	Salary ($)	Share-based awards ($)[1][2]	Option-based awards ($)[3]	Annual incentive plans ($)[4]	Long-term incentive plans[5]	Pension value	All other ($)[6]	Total compensation ($)
Stephen Glanville	2023	460,000	496,800	124,200	637,900	–	–	52,830	1,771,730
(President and	2022	412,692	461,875	115,706	601,700	–	–	245,478	1,837,451
CEO)[7]	2021	367,373	126,821	126,821	334,576	108,703	–	18,020	1,082,314
Klaas Deemter	2023	330,000	264,000	66,000	337,200	–	–	41,732	1,038,932
(CFO)	2022	301,731	270,394	67,742	363,300	–	–	28,930	1,112,097
	2021	34,462	46,517	46,517	39,336	39,871	–	221,821	428,524
Rory Thompson	2023	330,000	264,000	66,000	337,200	–	–	18,925	1,016,125
(COO)	2022	306,346	282,707	70,821	325,500	–	–	144,516	1,129,890
	2021	276,827	96,250	96,250	172,832	82,500	–	12,544	737,203
Michael Burvill	2023	367,875	149,600	37,401	294,300	–	–	32,299	881,475
(VP, Business	2022	337,500	186,311	46,674	237,120	–	–	175,111	982,716
Development and Innovation)	2021	296,501	45,809	45,809	154,001	39,265	–	25,760	607,145
Bradley McFarlane[8]	2023	336,202	137,000	34,250	251,910	–	–	35,347	794,709
(VP, Finance)	2022	292,500	161,234	40,393	169,910	–	–	333,462	997,499
	2021	236,478	31,048	10,467	75,923	73,318	–	52,295	479,529

Notes

(1) *Share-based awards in 2023 consist of equity-settled PSUs and equity-settled RSUs. Amounts presented are calculated as the number of units multiplied by the grant date fair value per common share, defined as the five-day VWAP. The five-day VWAP as at March 10, 2023 was $4.01.*

(2) *Consists of RSUs in 2021, 2022 and 2023 and PSUs in 2022 and 2023.*

(3) *Option-based awards were granted using the Black-Scholes pricing model at grant date, an expected life of five years, the five-year volatility of our closest industry peers yielding a volatility factor of 75.19 percent and a risk-free rate of 3.57 percent. The Black-Scholes values as at March 10, 2023 was $2.54.*

(4) *Reflects cash bonuses earned in the applicable year and paid in the following year.*

(5) *Consists of FALTIP grants – see further details in Long-term Incentive Plan section above.*

(6) *Denotes all other compensation including but is not limited to an automobile allowance, parking, savings plan contributions, executive benefits and discretionary/retention bonuses.*

(7) *Mr. Glanville does not receive any additional compensation in his capacity as a director of STEP.*

(8) *Mr. McFarlane was promoted to an Executive Officer on January 1, 2023; prior to his promotion, Mr. McFarlane held the non-Executive Officer position of Vice President, Finance, U.S.*

Incentive plan awards

Outstanding share-based awards and option-based awards

The following table provides, for each NEO, the outstanding share-based and option-based awards as at December 31, 2023.

	Option-based awards (prior and options)				Share-based awards (PSUs and RSUs)		
Named executive	Number of securities underlying unexercised options	Option Exercise price ($)	Expiration date of options	Aggregate value of unexercised in-the-money options ($)[1]	Number of shares or units of shares that have not vested[2]	Market or payout value of share-based awards that have not vested ($)[3]	Market or payout value of vested share-based awards not paid out or distributed
Stephen Glanville	179,852	2.14	May 15, 2024	320,137	229,661	900,271	–
(President and	185,000	0.42	May 28, 2025	647,500			
CEO)	144,513	1.34	Jun 1, 2026	372,844			
	14,639	1.77	July 1, 2026	31,474			
	39,172	4.62	May 19, 2027	–			
	2,673	4.55	October 3, 2027	–			
	48,898	4.01	March 10, 2028	–			

	Option-based awards (prior and options)				Share-based awards (PSUs and RSUs)		
Named executive	Number of securities underlying unexercised options	Option Exercise price ($)	Expiration date of options	Aggregate value of unexercised in-the-money options ($)(1)	Number of shares or units of shares that have not vested(2)	Market or payout value of share-based awards that have not vested ($)(3)	Market or payout value of vested share-based awards not paid out or distributed
Klaas Deemter (CFO)	38,303 23,939 588 25,984	2.13 4.62 4.55 4.01	November 11, 2026 May 19, 2027 October 3, 2027 March 10, 2028	68,562 – – –	117,022	458,726	–
Rory Thompson (COO)	116,034 120,000 93,234 19,814 21,762 3,788 25,984	2.14 0.42 1.34 2.13 4.62 4.55 4.01	May 15, 2024 May 28, 2025 June 1, 2026 November 11, 2026 May 19, 2027 October 3, 2027 March 10, 2028	206,541 420,000 240,544 35,467 – – –	133,604	523,728	–
Michael Burvill (VP, Business Development and Innovation)	90,000 59,165 16,911 14,725	0.42 1.34 4.62 4.01	May 28, 2025 June 1, 2026 May 19, 2027 March 10, 2028	315,000 152,646 – –	78,979	309,598	–
Bradley McFarlane (VP, Finance)	1,801 31,200 11,314 14,635 13,484	1.51 0.42 1.61 4.62 4.01	August 15, 2024 May 28, 2025 December 15, 2026 May 19, 2027 March 10, 2028	4,340 109,200 26,135 – –	67,641	265,153	–

Notes

(1) *The value of the unexercised in-the-money options is an aggregate amount using the difference between the December 29, 2023 closing share price of $3.92 and the applicable exercise price of the options.*

(2) *Includes PSUs and RSUs; see further details in the Components and pay mix section.*

(3) *PSU value calculated using the December 29, 2023 closing share price of $3.92 and a multiplier of 1.0x on a possible range of 0.0 to 2.0x. Actual PSU payout may differ depending on achievement of different performance targets as noted in the Components and pay mix section.*

Incentive plan awards – value vested or earned during the year

The below table includes all Options, PSUs and RSUs that vested in 2023 and are valued at the vest date value, or, in the event the PSU or RSU vest date was during blackout, they are valued at the elected date of redemption during a fixed period following blackout. The non-equity incentive plan compensation value earned in the year reflects the 2023 AIP component.

Named executive	Option-based awards – value vested during the year ($)(1)	Share-based awards – value vested during the year ($)	Non-equity incentive plan compensation – value earned during the year ($)(2)
Stephen Glanville(3) (President and CEO)	234,640	656,009	637,900
Klaas Deemter (CFO)	26,430	67,869	337,200
Rory Thompson(3) (COO)	160,914	417,767	337,200
Michael Burvill(3) (VP, Business Development and Innovation)	105,302	340,609	294,300
Bradley McFarlane (VP, Finance)	37,165	71,842	251,910

Notes

(1) *Value of vested options represents the difference between the closing market share price on the date of vesting less the option exercise price.*

(2) *Includes AIP amounts earned in 2023 and paid in Q2 2024.*

(3) *For Messrs. Glanville, Thompson and Burvill, their Executive PSUs cliff-vested after three years on May 28, 2023, with a performance multiplier of 1.5786 and fair market value of $3.20 per unit.*

Termination and change of control benefits

STEP has entered into employment agreements with all officers, and the table below summarize the circumstances that trigger payments and benefits to each NEO as at December 31, 2023.

Named executive	Element of compensation[1]	Termination without cause[2] OR change of control[3]	Change of control payout is conditional upon:[4]
Stephen Glanville (President and CEO)	Severance	An amount equal to 24 months of current base salary, plus an amount in equal to the value of any unvested units granted pursuant to STEP's equity and phantom share-based incentive plans that would have otherwise vested during the 24 month period immediately following the termination date; provided that any such incentive plan units whose vesting is accelerated and/or exercisable pursuant to the terms of the applicable incentive plan (such as may occur upon a change of control), shall not be included in the payment calculation.	Termination of role in connection with change of control AND good reason.
	Salary	Accrued and unpaid base salary up to the termination date.	
	AIP	An amount equal to the average paid or declared bonuses in two calendar years preceding the termination date divided by 12; multiplied by 24.	
	Benefits	10% of amount equal to 24 months of current base salary.	
	Options	If vested, exercisable for 30 days after departure; if unvested, terminate immediately on departure. Unvested units are subject to accelerated vesting under certain circumstances involving a change of control.[5]	
	PSUs/RSUs	If vested, exercisable for 30 days after departure; if unvested, terminate immediately on departure. Unvested units are subject to accelerated vesting under certain circumstances involving a change of control.[6]	
	FALTIP	The FALTIP participant must be actively employed on the vesting date, or no FALTIP award is payable. Awards are subject to accelerated vesting under certain circumstances involving a change of control.[7]	
Klaas Deemter (CFO)	Severance	An amount equal to the product of: (x) the annual salary (as at the Termination Date) divided by 12 and (y) 12 months plus an additional two months for each completed year of service, up to a combined maximum of 18 months (the "Severance Period"), plus an amount in equal to the value of any unvested units granted pursuant to STEP's equity and phantom share-based incentive plans that would have otherwise vested during the Severance Period immediately following the termination date; provided that any such incentive plan units whose vesting is accelerated and/or exercisable pursuant to the terms of the applicable incentive plan (such as may occur upon a change of control), shall not be included in the payment calculation.	Termination of role in connection with change of control AND good reason.
	Salary	Accrued and unpaid base salary up to the termination date.	
	AIP	Any declared but unpaid AIP.	
	Options	If vested, exercisable for 30 days after departure; if unvested, terminate immediately on departure. Unvested units are subject to accelerated vesting under certain circumstances involving a change of control.[5]	
	Benefits	10% of amount equal to current base salary.	

Named executive	Element of compensation[1]	Termination without cause[2] OR change of control[3]	Change of control payout is conditional upon:[4]
	PSUs/RSUs	If vested, exercisable for 30 days after departure; if unvested, only subject to accelerated vesting under certain circumstances following change of control.[6]	
	FALTIP	The FALTIP participant must be actively employed on the vesting date, or no FALTIP award is payable. Awards are subject to accelerated vesting under certain circumstances involving a change of control.[7]	
Rory Thompson (Chief Operating Officer)	Severance	An amount equal to 18 months of current base salary; plus an amount in equal to the value of any unvested units granted pursuant to STEP's equity and phantom share-based incentive plans that would have otherwise vested during the 18 month period immediately following the termination date; provided that any such incentive plan units whose vesting is accelerated and/or exercisable pursuant to the terms of the applicable incentive plan (such as may occur upon a change of control), shall not be included in the payment calculation.	Termination of role in connection with change of control AND good reason.
	Salary	Accrued and unpaid base salary up to the termination date.	
	AIP	An amount equal to the average paid or declared bonuses in two calendar years preceding the termination date divided by 12; multiplied by 18.	
	Benefits	10% of amount equal to 18 months of current base salary.	
	Options	If vested, exercisable for 30 days after departure; if unvested, terminate immediately on departure. Unvested units are subject to accelerated vesting under certain circumstances involving a change of control.[5]	
	PSUs/RSUs	If vested, exercisable for 30 days after departure; if unvested, terminate immediately on departure. Unvested units are subject to accelerated vesting under certain circumstances involving a change of control.[6]	
	FALTIP	The FALTIP participant must be actively employed on the vesting date, or no FALTIP award is payable. Awards are subject to accelerated vesting under certain circumstances involving a change of control.[7]	
Michael Burvill (VP, Business Development and Innovation)	Severance	An amount equal to the current base salary.	Termination of role in connection with change of control AND good reason.
	Salary	Accrued and unpaid base salary up to the termination date.	
	AIP	Any declared but unpaid AIP.	
	Benefits	10% of amount equal to current base salary.	
	Options	If vested, exercisable for 30 days after departure; if unvested, terminate immediately on departure. Unvested units are subject to accelerated vesting under certain circumstances involving a change of control.[5]	
	PSUs	If vested, exercisable for 30 days after departure; if unvested, terminate immediately on departure. Unvested units are subject to accelerated vesting under certain circumstances involving a change of control.[6]	
	FALTIP	The FALTIP participant must be actively employed on the vesting date, or no FALTIP award is payable. Awards are subject to accelerated vesting under certain circumstances involving a change of control.[7]	

Named executive	Element of compensation(1)	Termination without cause(2) OR change of control(3)	Change of control payout is conditional upon:(4)
Bradley McFarlane (VP, Finance)	Severance	An amount equal to current base salary.	Termination of role in connection with change of control AND good reason.
	Salary	Accrued and unpaid base salary up to the termination date.	
	AIP	Any declared but unpaid AIP.	
	Options	If vested, exercisable for 30 days after departure; if unvested, terminate immediately on departure. Unvested units are subject to accelerated vesting under certain circumstances involving a change of control.(5)	
	PSUs	If vested, exercisable for 30 days after departure; if unvested, terminate immediately on departure. Unvested units are subject to accelerated vesting under certain circumstances involving a change of control.(6)	
	FALTIP	The FALTIP participant must be actively employed on the vesting date, or no FALTIP award is payable. Awards are subject to accelerated vesting under certain circumstances involving a change of control.(7)	

Notes

(1) *Refer to the Components and pay mix section for further details on compensation components.*

(2) *Assumes termination by STEP other than termination for just cause or in connection with death or disability.*

(3) *Change of control is defined to include:*

- (a) *the acquisition by a person or persons acting jointly or in concert and their respective affiliates and associates, other than the ARC Group, of more than 50% of the votes that may be cast to elect directors (assuming the conversion or exercise of all convertible securities held by such persons, but otherwise on a non-diluted basis)*
- (b) *an amalgamation, arrangement, merger or other consolidation with another company pursuant to which the shareholders immediately prior thereto do not hold more than 50% of the votes that may be cast to elect directors of the successor or continuing entity*
- (c) *a liquidation, dissolution or winding-up of STEP, or*
- (d) *a sale, lease or other disposition of all or substantially all of the assets of STEP, but explicitly excluding an initial public offering, reverse take-over pursuant to which the shareholders will hold more than 50% of the votes that may be cast to elect directors of the successor or continuing entity and any internal reorganization where beneficial ownership remains unchanged.*

(4) *In the event that there is a change of control and, within 90 days of the change of control, good reason exists, the executive may elect to terminate the employment agreement and receive the severance amounts set out in the table. Good reason is defined to include, subject to certain exceptions and certain variations between the agreements: (i) a material decrease in title, position or responsibilities, (ii) an individual material reduction in salary, (except as part of a general reduction of the salaries of all or substantially all of the senior executives); and (iv) for the VP Finance: (1) relocation more than 60 miles away from their principal place of employment without consent, or (2) following a change of control, a surviving, continuing, successor, or purchasing corporation or such entity's parent corporation, as the case may be, has failed to either (a) assume STEP's rights and obligations with respect to the VP Finance's outstanding Options, RSUs, PSUs, and FALTIP grants; (b) substitute such granted units with units under the acquiring corporation's plan(s) having reasonably equivalent fair market value; or (c) make a cash payment to the VP Finance equal to the fair market value of such outstanding units as of the date of the change of control.*

(5) *Conditions triggering accelerated vesting of Options are outlined in the Components and pay mix – Current long-term incentive plan components – Option Plan section.*

(6) *Conditions triggering accelerated vesting of PSUs and RSUs are outlined in the Components and pay mix– Current long-term incentive plan components – Performance and restricted share units section.*

(7) *Conditions triggering accelerated vesting of FALTIP are outlined in the Components and pay mix – Current long-term incentive plan components – Fixed award long-term incentive plan (FALTIP) section.*

Non-competition and non-solicitation

In the event of Mr. Glanville's termination of employment, he would be entitled to receive the severance payments set forth below and would be subject to a 24-month non-solicitation and non-competition period. If Mr. Glanville was not entitled to severance, he would be subject to a 12-month non-solicitation and 12-month non-competition period.

In the event of Mr. Thompson's termination of employment, he would be entitled to receive the severance payments set forth below and would be subject to an 18-month non-solicitation and non-competition period. If Mr. Thompson was not entitled to severance, he would be subject to a 12-month non-solicitation and 12-month non-competition period.

In the event of Mr. Deemter's termination of employment, he would be entitled to receive the severance payments set forth below and would be subject to a non-solicitation and non-competition period equal to 12 months plus an additional 2 months for each completed year of service, up to a combined maximum of 18 months. If Mr. Deemter was not entitled to severance, he would be subject to a 12-month non-solicitation and 12-month non-competition period.

In the event of the termination of employment of Messrs. Burvill and McFarlane, they would be entitled to receive the severance payments set forth below, and they would be subject to a 12-month non-solicitation and non-competition period. If Messrs. Burvill and McFarlane were not entitled to severance, they would be subject to a 12-month non-solicitation and six-month non-competition.

The table below summarizes the incremental payments that would be received by each NEO in each circumstance in which the named executive ceases to be employed by STEP, calculated using the one-day VWAP on December 29, 2023 of $3.89.

Named executive	Triggering event			
	Retirement ($)	Death or Disability ($)	Change of control termination[1] ($)	Termination without cause[2] ($)
Stephen Glanville (President and CEO)				
Salary, AIP, Benefits[3]	–	–	2,164,900	2,164,900
PSUs (equity-settled)[4]	–	–	371,380	130,414
RSUs (equity-settled)[5]	–	–	555,091	474,767
Options[6]	–	–	133,182	133,182
FALTIP[7]	–	–	32,611	–
Total obligation	**–**	–	**3,257,164**	**2,903,263**
Klaas Deemter (CFO)				
Salary, AIP, Benefits[3]	–	–	756,000	756,000
PSUs (equity-settled)[4]	–	–	204,348	76,297
RSUs (equity-settled)[5]	–	–	270,227	227,542
Options[6]	–	–	22,472	22,472
FALTIP[7]	–	–	53,118	–
Total obligation	**–**	**–**	**1,306,165**	**1,082,311**
Rory Thompson (COO)				
Salary, AIP, Benefits[3]	–	–	1,012,425	1,012,425
PSUs (equity-settled)[4]	–	–	207,981	79,930
RSUs (equity-settled)[5]	–	–	332,019	289,334
Options[6]	–	–	90,874	90,874
FALTIP[7]	–	–	24,750	–
Total obligation	**–**	**–**	**1,668,049**	**1,472,563**
Michael Burvill (VP, Business Development and Innovation)				
Salary, AIP, Benefits[3]	–	–	405,405	405,405
PSUs (equity-settled)[4]	–	–	125,117	–
RSUs (equity-settled)[5]	–	–	195,445	–
Options[6]	–	–	50,291	–
FALTIP[7]	–	–	13,208	–
Total obligation	**–**	**–**	**789,466**	**405,405**
Bradley McFarlane (VP, Finance)				
Salary, AIP, Benefits[3]	–	–	337,500	337,500
PSUs (equity-settled)[4]	–	–	111,929	–
RSUs (equity-settled)[5]	–	–	162,734	–
Options[6]	–	–	8,600	–
FALTIP[7]	–	–	24,403	–
Total obligation	**–**	**–**	**645,166**	**337,500**

Notes

(1) *Assumes the change of control results in a termination with good reason (double trigger).*

(2) *Assumes the change of control is also deemed a liquidity event, and any instruments that are unvested will vest immediately.*

(3) *Salary, AIP and Benefit amounts reflect the amount the NEO would have been entitled to receive as at December 31, 2023. For Messrs. Burvill and McFarlane, severance value is calculated using the 2023 average exchange rate of USD 1.00:CAD 1.35.*

(4) *PSUs are valued using a 1.0x multiplier of a possible range of 0.0 to 2.0x, and the one-day VWAP on December 29, 2023 of $3.89.*

(5) *RSUs are valued using the one-day VWAP on December 29, 2023 of $3.89.*

(6) *Options are valued at the difference between the exercise price and the one-day VWAP on December 29, 2023 of $3.89.*

(7) *FALTIP values are in CAD. For Messrs. Burvill and McFarlane, the FALTIP is valued using the 2023 average exchange rate of USD 1.00:CAD 1.35.*

OTHER INFORMATION

CONTROLLING SHAREHOLDER

Pursuant to an investment rights agreement ("Investment Rights Agreement") dated February 7, 2017 between STEP, ARC Energy Fund 6 and ARC Energy Fund 8: (i) for so long as ARC Energy Fund 6 and ARC Energy Fund 8 and the investors therein and other related funds advised by ARC Financial Corp. (collectively, the "ARC Group") owns or exercises control or direction over 10% or more of the outstanding shares, the ARC Group will have the right to nominate one representative to stand for appointment and election as a director of STEP, (ii) for so long as the ARC Group owns or exercises control or direction over 25% or more of the outstanding shares, the ARC Group will have the right to nominate two representatives to stand for appointment and election as directors of STEP, (iii) and for so long as the ARC Group owns or exercises control or direction over 45% or more of the outstanding shares, the ARC Group will have the right to nominate three representatives to stand for appointment and election as directors of STEP; such nominees will be included in any slate of directors proposed by STEP. The ARC Group nominees for the Meeting are Douglas Freel and Jeremy Gackle.

To the knowledge of STEP's directors and executive officers, no person, firm or corporation directly or indirectly, beneficially owns, or controls or directs, more than 10% of the shares, except as set out below:

Name	Number and class of voting shares	Percentage of outstanding shares (%) as of April 8, 2024
ARC Energy Fund 6[(1)]	13,588,546 shares	18.95%
ARC Energy Fund 8[(2)]	26,654,454 shares	37.17%

Notes

(1) *ARC Energy Fund 6 is comprised of ARC Energy Fund 6 Canadian Limited Partnership, ARC Energy Fund 6 United States Limited Partnership, ARC Energy Fund 6 International Limited Partnership and ARC Capital 6 Limited Partnership (collectively, "ARC Energy Fund 6").*

(2) *ARC Energy Fund 8 is comprised of ARC Energy Fund 8 Canadian Limited Partnership, ARC Energy Fund 8 United States Limited Partnership, ARC Energy Fund 8 International Limited Partnership and ARC Capital 8 Limited Partnership (collectively, "ARC Energy Fund 8").*

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any informed person of STEP, any proposed director of STEP or any associate or affiliate of any informed person or proposed director of STEP, in any transaction during 2023 or in any proposed transaction which has materially affected or would materially affect STEP.

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

Management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, senior officer, or anyone who has been a director or senior officer of STEP at any time since January 1, 2023, or of any associate or affiliate of any of the foregoing individuals, in any matter to be acted on at the Meeting, other than the election of directors or the appointment of auditors, except for as set forth in this Circular.

MANAGEMENT CONTRACTS

No management functions of STEP are performed by a person or corporation other than the directors or executive officers of STEP.

STEP'S EQUITY COMPENSATION PLANS

Securities authorized for issuance under equity compensation plans

The following table sets forth, as at December 31, 2023, information regarding compensation plans under which equity securities have been authorized for issuance from treasury. STEP's current equity compensation plans, and any new equity compensation plans that may be adopted by STEP in the future, are subject to all applicable requirements of the TSX including, without limitation, the requirement to obtain shareholder approval for amendments when required by the plan and the requirement to obtain periodic shareholder approval for all unallocated options, rights or other entitlements under security-based compensation agreements.

The aggregate number of shares reserved for issuance under all security-based compensation agreements (as defined in the Option Plan and PRSU Plan) is 9.5 percent of the issued and outstanding shares, subject to a 5 percent limit on the number of shares reserved for issuance under the PRSU Plan. Shares reserved for issuance pursuant to share units or options that are terminated or are cancelled without having been redeemed or exercised, as applicable, will again be available for issuance under the PRSU Plan or the Option Plan, respectively.

As at December 31, 2023	Number of common shares to be issued upon exercise of outstanding options, PSUs and RSUs[1] (a)	Weighted-average exercise price of outstanding options, PSUs and RSUs[1] (b)	Number of common shares remaining available for future issuance under equity compensation plans (excluding common shares reflected in column (a)) (c)
Equity compensation plans approved by securityholders:			
PRSU Plan[2]	2,456,927	–	
Option Plan[3]	3,059,429	$1.71	
Total[4]	5,516,356	$1.71	1,345,785

Notes

(1) *As at December 31, 2023 there were no prior options or performance warrants.*

(2) *As at December 31, 2023 there were 2,456,927 unvested equity-settled PRSUs that are included in the definition of "Security Based Compensation Arrangement" under both of the Company's current security-based plans. The PRSUs have a weighted average remaining term of 1.76 years.*

(3) *As at December 31, 2023 there were 3,059,429 outstanding options that are included in the definition of "Security Based Compensation Arrangement" under both of the Company's current security-based plans. The option awards have a weighted average exercise price of $1.71 and a weighted average remaining term of 1.84 years.*

(4) *As at December 31, 2023, the aggregate number of 1,345,785 represents the remaining common shares available to issue of the 9.5 percent of the issued and outstanding shares reserve limit under the PRSU Plan and Option Plan combined. There is also a 5 percent sub limit for shares reserved for issuance under the PRSU Plan, which at December 31, 2023 was 1,154,726.*

Dilution impact

STEP monitors the outstanding number of options and share units ("dilution") and the number of options and share units issued each year ("burn rate"). The table below shows these measures.

	2023 (%)	2022 (%)	2021 (%)
Dilution[1]			
Option Plan	4.25	4.47	5.66
PRSU Plan	3.41	2.62	1.03
Burn rate[2]			
Option Plan	0.40	0.36	1.42
PRSU Plan	2.12	2.10	1.12

Notes

(1) *The total number of options or share units issued and outstanding that have not yet been exercised, expressed as a percentage of the basic weighted average number of shares issued and outstanding for 2023, 2022 and 2021 of 71,970,634, 69,412,087, and 68,007,878, respectively.*

(2) *The total number of options or share units granted during the years 2023, 2022 and 2021, which for options were 285,539, 249,001, and 967,374, respectively, and for share units were 1,528,208, 1,456,975, and 761,827 respectively, expressed as a percentage of the basic weighted average number of shares issued and outstanding for 2023, 2022 and 2021 of 71,970,634, 69,412,087, and 68,007,878, respectively.*

CEASE TRADE ORDERS, BANKRUPTCIES, SANCTIONS AND PENALTIES

To the knowledge of STEP, none of the proposed directors: (i) are, or have been within the past 10 years, a director or officer of any company (including STEP) that was the subject of a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order"), that was issued while the director or officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an Order that was issued after the director or officer 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.

To the knowledge of STEP, none of the proposed directors: (i) are, or have been within the past 10 years, a director or officer of any company (including STEP) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within the past 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

To the knowledge of STEP, none of the proposed directors (nor any personal holding company of any of such persons) have been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or have 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 investor in making an investment decision.

LOANS TO DIRECTORS AND EXECUTIVES

STEP is not aware of any individuals who are either current or former officers, directors or employees of STEP, or any of its subsidiaries and who have indebtedness outstanding as at the date hereof (whether entered into in connection with the purchase of securities of STEP or otherwise) that is owing to: (i) STEP or any of its subsidiaries, or (ii) another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by STEP or any of its subsidiaries.

Except for: (i) indebtedness that has been entirely repaid on or before the date of this Circular, and (ii) routine indebtedness (as defined in Form 51-102F5 of the Canadian Securities Administrators), STEP is not aware of any individuals who are, or who at any time since inception were, a director or officer of STEP, a proposed nominee for election as a director or an associate of any of those directors, officers or proposed nominees who are, or have been since the beginning of the most recently completed financial year, indebted to STEP or any of its subsidiaries, or whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by STEP or any of its subsidiaries.

NON-IFRS MEASURES

This Circular includes the following terms or performance measures commonly used in the oilfield services industry that are not defined under IFRS: "Adjusted EBITDA" and "ROCE". The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These non-IFRS measures have no standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. These non-IFRS measures should be read in conjunction with the Company's audited and unaudited Financial Statements and the accompanying Notes thereto.

"Adjusted EBITDA" is a financial measure not presented in accordance with IFRS and is equal to net (loss) income before finance costs, depreciation and amortization, (gain) loss on disposal of property and equipment, current and deferred income tax provisions and recoveries, share-based compensation, transaction costs, foreign exchange forward contract (gain) loss, foreign exchange (gain) loss, and impairment losses. "Adjusted EBITDA margin" (also referred to as "Adjusted EBITDA %") is a non-IFRS ratio and is calculated as Adjusted EBITDA divided by revenue. Adjusted EBITDA and Adjusted EBITDA margin are presented because they are widely used by the investment community as they provide an indication of the results generated by the Company's normal course business activities prior to considering how the activities are financed and the results are taxed. The Company uses Adjusted EBITDA and Adjusted EBITDA margin internally to evaluate operating and segment performance, because management believes they provide better comparability between periods. A chart showing the reconciliation of the non-IFRS financial measure of Adjusted EBITDA to the IFRS financial measure of net income (loss) can be found in *Other information – Non-IFRS measures* section of STEP's management's discussion and analysis ("MD&A") for the year ended December 31, 2023.

"Return on Capital Employed" or "ROCE" is a financial measure not presented in accordance with IFRS and is used as a reference to measure the management of capital deployed, for the AIP and performance share calculations. This non-IFRS measure has no standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. ROCE is calculated as income before tax adjusted for finance costs, share-based compensation, impairments, gain/loss on disposal of property and equipment and foreign exchanges gain/losses including foreign exchange contract gains/losses divided by capital employed. Capital employed is the average of the sum of loans and borrowings, lease obligations and shareholders' equity less cash over the measurement period.

ADDITIONAL INFORMATION & TRANSFER AGENT

Additional information relating to STEP is available on SEDAR+ at (www.sedarplus.ca). For financial information, see our most recent annual audited consolidated financial statements and MD&A. Copies of these documents are available on our website (www.stepenergyservices.com).

Shareholders can request a free paper copy of this Circular, and the AIF, annual audited consolidated financial statements and MD&A for STEP's financial year ended December 31, 2023, by contacting STEP's transfer agent:

TSX Trust Company
301 – 100 Adelaide Street West
Toronto, Ontario, Canada
M5H 4H1

Telephone: 1.416.361.0930
Toll Free: 1.866.600.5869
Fax: 1.416.595.9593
Email: Tsxtis@tmx.com

For all other investor-related inquiries, please contact: investor_relations@step-es.com.

BOARD OF DIRECTORS

You may contact the Board directly by writing to:

Chair of the Board of Directors
c/o Vice President, Legal and General Counsel
STEP Energy Services Ltd.
Bow Valley Square II
1200, 205–5th Ave SW
Calgary, Alberta, Canada
T2P 2V7

CORPORATE HEAD OFFICE

STEP Energy Services Ltd.
Bow Valley Square II
1200, 205–5th Avenue SW
Calgary, Alberta, Canada
T2P 2V7

SHAREHOLDER PROPOSALS

Shareholder proposals must be submitted no later than March 8, 2025 to be considered for inclusion in next year's management information circular for the purposes of STEP's annual meeting of shareholders to be held in 2025.

CURRENCY OF INFORMATION & DIRECTORS' APPROVAL

Except where otherwise expressly stated, the information contained in this Circular is stated in Canadian Dollars and given as of the date below.

The Board has approved the contents and the sending of this Circular to the shareholders.

Dated as of April 8, 2024.

SCHEDULE

SCHEDULE A — STEP ENERGY SERVICES LTD. BOARD OF DIRECTORS — MANDATE

1. Introduction

The members of the board of directors (respectively, the "**Directors**" and the "**Board**") have the responsibility to oversee the conduct of the business of STEP Energy Services Ltd. ("**STEP**") and to oversee the activities of management who are responsible for the day-to-day conduct of the business.

2. Composition

The Board shall be comprised of at least three independent Directors unless an exemption contained in National Instrument 52-110 – *Audit Committees of the Canadian Securities Administrators* ("**NI 52-110**") is available. The definition of independence is as provided by applicable law and stock exchange listing standards. No Director will be considered independent unless the Director has no "material relationship" (as such term is defined in NI 52-110) with STEP, either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with STEP.

The Board shall appoint a Chair from among its members. The role of the Chair is to act as the leader of the Board, to manage and coordinate the activities of the Board and to oversee execution by the Board of this written mandate. If the Chair is not independent, a majority of the Board's independent Directors shall appoint an independent lead Director (the "**Lead Director**") from among the Directors, who will be responsible for ensuring that the Directors who are not independent and management have opportunities to meet without management and non-independent Directors, as required, and will assume such other responsibilities as the independent directors may designate in accordance with any applicable position descriptions or other applicable guidelines that may be adopted by the Board from time to time.

The Board may, from time to time, engage consultants or members of STEP's management team that are not directors of STEP and these persons may attend meetings or portions of meetings as invited guests of the Board. Otherwise, the Board will consist only of Directors and only Directors and a Corporate Secretary, appointed by the Board, may attend meetings of the Board.

3. Operation

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including, subject to the terms of any agreement relating to board nomination rights between STEP and any of its shareholders, selecting its Chair, nominating candidates for election to the Board, constituting committees of the full Board and determining Director compensation. Subject to the articles and by-laws of STEP and the *Business Corporations Act* (Alberta), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to Committees of the Board.

The full Board considers all major decisions of STEP, except that certain analyses and work of the Board will be performed by standing committees empowered to act on behalf of the Board. STEP has a number of standing committees, including the Audit Committee, the Compensation and Corporate Governance Committee and the Health, Safety and Environment Committee, and has the authority to appoint other committees to steward certain other matters. Each standing committee must have a mandate that has been approved by the Board.

Each committee shall operate according to the mandate approved by the Board and outlining its duties and responsibilities and the limits of authority delegated to it by the Board. The Board shall review and reassess the adequacy of the mandate of each committee on a regular basis and, with respect to the Audit Committee, at least once a year.

The Chair of the Board shall annually propose the leadership and membership of each committee. In preparing recommendations, the Chair of the Board will take into account the preferences, skills and experience of each Director. Committee Chairs and members are appointed by the Board at the first Board meeting after the annual shareholder meeting or as needed to fill vacancies during the year.

The Board will hold four regularly scheduled meetings each year. The Board shall meet at the end of its regular quarterly meetings without members of management being present. Special meetings will be called as necessary. Directors are expected to attend all Board meetings and all Board committee meetings where such Director is a member of such committee, although it is understood that conflicts may occasionally arise that prevent a Director from attending a meeting. Attendance at Board meetings and Board committee meetings in person is preferred, but attendance by teleconference or other electronic communication established by the Board or such Board committee is permitted. In advance of each regular Board and Board committee meeting and, to the extent feasible each special meeting, information and presentation materials relating to matters to be addressed at the meeting will be distributed to each Director. It is expected that each Director will review presentation materials in advance of a meeting.

The Chair of the Board presides at all meetings of the Board and shareholders. Minutes of each meeting shall be prepared by the Corporate Secretary (or in his or her absence a secretary who has been appointed for the purposes of the meeting). The Chief Executive Officer ("**CEO**"), if he or she is not a Director, shall be available to attend all meetings of the Board or Committees of the Board upon invitation by the Board or any such Committee. Members of management and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board. Following each meeting, the Corporate Secretary will promptly report to the Board by way of providing draft copies of the minutes of the meetings. Supporting schedules and information reviewed by the Board at any meeting shall be available for examination by any Director upon request to the CEO or Corporate Secretary.

4. Responsibilities

The Board is responsible under law to supervise the management of the business and affairs of STEP. In broad terms the stewardship of STEP involves the Board in strategic planning, risk identification, management and mitigation, senior management determination and succession planning, communication planning and internal control integrity.

5. Specific Duties

Without limiting the foregoing, the Board shall have the following specific duties and responsibilities:

A. Legal Requirements

I. The Board has the oversight responsibility for meeting STEP's legal requirements and for approving and maintaining STEP's documents and records;

II. The Board has the statutory responsibility to:

- manage or supervise the management of the business and affairs of STEP;
- act honestly and in good faith with a view to the best interests of STEP;
- exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
- act in accordance with its obligations contained in the Business Corporations Act (Alberta) and the regulations thereto, STEP's articles and other relevant legislation and regulations.

III. The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:

- any submission to the shareholders of a question or matter requiring the approval of the shareholders;
- the filling of a vacancy among the Directors;
- the issuance of securities;
- the declaration of dividends;
- the purchase, redemption or any other form of acquisition of shares issued by STEP;
- the payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase shares of STEP from STEP or from any other person, or procuring or agreeing to procure purchasers for any such shares;
- the approval of management proxy circulars;
- the approval of any take-over bid circular or directors' circular; and
- the approval of financial statements of STEP.

B. Strategy Determination

I. The Board has the responsibility to adopt a strategic planning process for STEP and to participate, on at least an annual basis, with management directly or through its Committees in approving goals and the strategic plan for STEP by which STEP proposes to achieve its goals. The strategic plan will take into account, among other things, the opportunities and risks of STEP's business. The Board shall monitor the implementation and execution of the tasks constituent to the corporate strategy.

II. To be effective, the strategy will result in creation of value over the long term while always preserving STEP's license to conduct its business among its various stakeholders. For the purpose of this clause, "stakeholder" will mean any party, group or institution whose reasonable approval is required for STEP to execute its Board-approved strategy.

C. Managing Risk

I. The Board has the responsibility to identify and understand the principal risks of the business in which STEP is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to establish systems to monitor and manage those risks with a view to the long-term viability of STEP. These risks include (without limitation), environment, climate-related and social risks, and the implementation of policies, processes and systems to manage or mitigate the risks to achieve an appropriate balance between the risks incurred and potential benefits to the STEP's stakeholders. It is the responsibility of management to ensure that the Board and its Committees are kept well informed of changing risks. The principle mechanisms through which the Board reviews risks are through the execution of the duties of the Audit Committee, the Compensation and Corporate Governance Committee and the Health and Safety Committee and through the strategic planning process. It is important that the Board understands and supports the key risk decisions of management.

D. Appointment, Training and Monitoring Senior Management

I. The Board has the responsibility:

- to appoint the CEO and establish a position description of the CEO's responsibilities and other senior management's responsibilities, to monitor and assess the CEO's performance, to determine the CEO's compensation, and to provide advice and counsel in the execution of the CEO's duties;
- to approve the appointment and remuneration of STEP's senior management;
- to establish provisions for the training and development of management and for the orderly succession of management;
- terminate the CEO if the Board deems the CEO to be less than fit for duty other than as a result of a temporary absence due to illness or compassionate leave; and
- if the Board deems it appropriate, to direct the termination of any of STEP's senior management.

E. Reporting and Communication

I. The Board has the responsibility:

- to ensure compliance with the reporting obligations of STEP, including that the financial performance of STEP is properly reported to stakeholders, including shareholders, other security holders and regulators on a timely and regular basis;
- to recommend to shareholders of STEP a firm of chartered accountants to be appointed as STEP's auditors;
- to ensure that the financial results of STEP are reported fairly and in accordance with generally accepted accounting principles;
- to ensure the timely reporting of any change in the business, operations or capital of STEP that would reasonably be expected to have a significant effect on the market price or value of the securities of STEP;
- to establish a process for direct communications with shareholders and other stakeholders through appropriate Directors, including through the Whistleblower Policy;
- to ensure that STEP has in place a policy to enable STEP to communicate effectively with its shareholders and the public generally; and
- to report annually to shareholders on its stewardship of the affairs of STEP for the preceding year.

F. Monitoring and Acting

I. The Board has the responsibility:

- to establish policies and processes for STEP to operate at all times within applicable laws and regulations to the highest ethical and moral standards (advancing the interests of STEP, including the pursuit of differentiating performance in meeting the reasonable needs of all stakeholders of STEP);
- to ensure that management has and implements procedures to comply with, and to monitor compliance with, significant policies and procedures by which STEP is operated;
- to promote, and to ensure that management promotes, high environmental standards in STEP's operations in compliance with environmental laws and legislation;
- to ensure that management establishes appropriate programs and policies for the health and safety of STEP's employees in the workplace;
- to monitor STEP's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- to take action when performance falls short of its goals and objectives or when other special circumstances warrant or when changing circumstances in the business environment create risks or opportunities for STEP;
- to approve annual (or more frequent as the Board feels to be prudent from time to time) operating and capital budgets and review and consider amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business that may significantly impact the value of or opportunities available to STEP; and
- to implement internal control and information systems and to monitor the effectiveness of same so as to allow the Board to conclude that management is discharging its responsibilities with a high degree of integrity and effectiveness. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.

G. Governance

I. The Board has the responsibility:

- to develop STEP’s approach to corporate governance including (without limitation) developing a set of corporate governance principles and guidelines;
- to develop a position description for the Chair of the Board;
- to facilitate the continuity, effectiveness and independence of the Board by, among other things:
    - appointing from amongst the Directors an Audit Committee, a Compensation and Corporate Governance Committee, and a Health, Safety and Environment Committee and such other Committees of the Board as the Board deems appropriate;
    - defining the mandate, including both responsibilities and delegated authorities, of each Committee of the Board;
    - establishing a system to enable any Director to engage an outside adviser at the expense of STEP;
    - ensuring that processes are in place and are utilized to assess the effectiveness of the Chair of the Board, the Board as a whole, each Director, each Committee of the Board and each Committee's Chair;
    - reviewing annually the composition of the Board and its Committees and assess Directors' performance on an ongoing basis, and propose new members to the Board;
    - identifying and providing continuing education for the Directors so that the Directors may maintain or enhance their skills and abilities as Directors, as well as to ensure their knowledge and understanding of STEP's business remains current; and
    - reviewing annually the adequacy and form of the compensation of the Directors.

H. New Director Orientation

I. New Directors will be provided with an orientation which will include written information about the duties and obligations of Directors and the business and operations of STEP, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other Directors.

II. While not an absolute requirement, certification of directors through the Institute of Corporate Directors ("ICD") or other such competent body that educates and assesses directors for competence to direct Canadian corporations is preferred.

I. Conflicts of Interest

I. Directors have a duty to act honestly and in good faith with a view to the best interests of STEP and to exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances.

II. Each Director serves in his or her personal capacity and not as an employee, agent or representative of any other company, organization or institution, even if the Director is employed by a shareholder or any other entity which does business with STEP. In providing direction to STEP, Directors acknowledge that the wellbeing of STEP is their sole concern. Any Director must not be affected in his or her deliberations and decision-making by any relationship with any outside person or party including any specific shareholder no matter which one and no matter what the relationship between the Director and that Shareholder. Directors shall not allow personal interests to conflict with their duties to STEP and shall avoid and refrain from involvement in situations of conflict of interest.

III. A Director shall disclose promptly any circumstances such as an office, property, a duty or an interest, which might create a conflict or perceived conflict with that Director's duty to STEP.

IV. A Director shall disclose promptly any interest that Director may have in an existing or proposed contract or transaction of or with STEP.

V. The disclosures contemplated in paragraphs (II) and (III) above shall be immediate if the perception of a possible conflict of interest arises during a meeting of the Board or any Committee of the Board, or if the perception of a possible conflict arises at another time then the disclosure shall occur by e-mail to the other Directors immediately upon realization of the conflicting situation and then confirmed at the first Board and/or Committee meeting after the Director becomes aware of the potential conflict of interest that is attended by the conflicted Director.

VI. A Director's disclosure to the Board or a Committee of the Board shall disclose the full nature and extent of that Director's interest either in writing or by having the interest entered in the minutes of the meeting of the Board or such Committee of the Board.

VII. A Director with a conflict of interest or who may be perceived as being in a conflict of interest with respect to STEP shall abstain from discussion and voting by the Board or any Committee of the Board on any motion to recommend or approve the subject matter of such conflict unless the matter relates primarily to the Director's remuneration or benefits or as otherwise permitted by applicable law or regulation. If the conflict of interest is obvious and direct, the Director shall withdraw while the item is being considered.

VIII. Without limiting the generality of "conflict of interest", it shall be deemed a conflict of interest if a Director, a Director's relative, a member of the Director's household in which any relative or member of the household is involved has a direct or indirect financial interest in, or obligation to, or a party to a proposed or existing contract or transaction with STEP.

IX. Directors shall not use information obtained as a result of acting as a Director for personal benefit or for the benefit of others.

X. Any Director shall not use or provide to STEP any information known by the Director that through a relationship with a third party the Director is not legally able to use or provide.

XI. Directors shall maintain the confidentiality of all information and records obtained as a result of acting as a Director.

J. Mandate Review

I. This Mandate shall be reviewed and approved by the Board each year after the annual general shareholder meeting of STEP.

K. General

I. The Board may perform any other activities consistent with this Mandate, STEP's articles and by-laws and any governing laws as the Board deems necessary or appropriate.