



# 2024

## MANAGEMENT INFORMATION CIRCULAR

Notice of Annual Meeting of  
Shareholders: May 13, 2025





**Dear Share owner:**

We are pleased to invite you to attend the annual meeting (the "Meeting") of shareholders of AKITA Drilling Ltd. We will hold the Meeting in a virtual only format via live webcast on Tuesday, May 13, 2025 at 10:00 a.m. Mountain Daylight Time. Details on how to access the Meeting can be found on pages 5 to 9 in the accompanying management proxy circular.

In addition to the formal business of the Meeting, you will hear management's review of AKITA's 2024 operational and financial performance and you will have the opportunity to ask questions and participate during the Meeting.

Your Meeting materials are enclosed. If you are an owner of Class B Common Shares and are unable to participate in the Meeting, please complete and sign the proxy and return it in the envelope provided for that purpose. Alternatively, registered Class B Common shareholders may submit a form of proxy online or by telephone. We would also encourage all owners of Class A Non-Voting Shares to participate in the Meeting.

**Sincerely,**

*[Signed by L.A. Southern-Heathcott]*

**L. A. Southern-Heathcott  
Chairman of the Board**

*[Signed by C.A. Dease]*

**C.A. Dease  
President and Chief Executive  
Officer**

**Calgary, Alberta  
March 5, 2025**



## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The annual meeting (the “Meeting”) of the shareholders of AKITA DRILLING LTD. (“AKITA” or the “Company”) will be held in a virtual only format via a live webcast at <https://meetings.lumiconnect.com/400-831-007-745> on Tuesday, May 13, 2025 at 10:00 a.m. Mountain Daylight Time for the following purposes:

1. to receive and consider the consolidated financial statements of the Company for the year ended December 31, 2024, as approved by the directors, together with the report of the auditors thereon;
2. to elect directors for the ensuing year or until their successors are elected or appointed;
3. to appoint the auditor for the ensuing year; and
4. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

All holders of Class A Non-Voting Shares and Class B Common Shares are invited to attend. Only holders of Class B Common Shares are entitled to vote at the Meeting or to appoint proxyholders.

Holders of Class B Common Shares who are unable to attend the Meeting may vote by proxy. A form of proxy should be completed and returned in the prepaid envelope to be received by AKITA Drilling Ltd., c/o Odyssey Trust Company, not later than 5:00 p.m. Eastern Daylight Time on Friday, May 9, 2025. Alternatively, registered shareholders may submit a form of proxy by fax, telephone or online. Instructions are set out on the reverse of the form of proxy and are contained in the information circular.

By order of the Board of Directors.

*[Signed by D. Reynolds]*

Darcy Reynolds  
Vice President and Chief Financial Officer

Calgary, Alberta  
March 5, 2025



# MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular is provided in connection with the solicitation by AKITA management of proxies to be used at the annual meeting of shareholders (the “Meeting”) for the items described in the accompanying notice.

All information in this Management Information Circular is as of March 5, 2025, unless otherwise indicated.

In this document, “*you*” and “*your*” refer to AKITA Drilling Ltd. shareholders. In this document, “*Company*” and “*AKITA*” refer to AKITA Drilling Ltd. and its subsidiaries, where applicable.

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## THE ANNUAL MEETING

### Virtual Meeting

This year, the Meeting will be held in a virtual only format via live webcast via <https://meetings.lumiconnect.com/400-831-007-745>

### Who can Vote

AKITA has Class A Non-Voting Shares and Class B Common Shares. The Class B Common Shares are the only shares entitled to be voted at the Meeting. Each Class B Common Share you own as of the close of business on March 28, 2025, entitles you to one vote. The holders of the Class A Non-Voting Shares are invited to attend and participate in discussions at shareholder meetings, but are not entitled to vote.

### Instructions on Voting at the Meeting

Registered shareholders and duly appointed proxyholders will be able to attend the virtual Meeting, ask questions and vote at the specified times, provided they are connected to the internet and follow the instructions in this circular. Non-registered shareholders who have not duly appointed themselves as proxyholders will be able to view the Meeting as guests but will not be able to vote at the Meeting.

Shareholders who wish to appoint a person other than the management nominees identified in the form of proxy or voting instruction form (including a non-registered shareholder who wishes to appoint themselves to attend the virtual Meeting) must carefully follow the instructions in this circular and on their form of proxy or voting instruction form. These instructions include the additional step of registering such proxyholder with our transfer agent, Odyssey Trust Company, after submitting the form of proxy or voting instruction form (“VIF”). **Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving a control number to participate in the virtual Meeting and only being able to attend as a guest. Guests include Class B Common shareholders without a control number, Class A Non-Voting shareholders and other interested parties without a control number will be able to listen to the virtual Meeting but will not be able to vote.**

### Share Ownership Rights

Each Class B Common Share may be converted into one Class A Non-Voting Share at the holder’s option.

The holders of Class A Non-Voting Shares have no right to participate if a takeover bid is made for Class B Common Shares unless:

- an offer to purchase Class B Common Shares is made to all or substantially all holders of Class B Common Shares;

- at the same time, an offer to purchase Class A Non-Voting Shares on the same terms and conditions is not made to the holders of Class A Non-Voting Shares; and
- holders of more than 50% of the Class B Common Shares do not reject the offer in accordance with the terms of AKITA's articles of incorporation.

If these three pre-conditions are met, then the holders of Class A Non-Voting Shares will be entitled to exchange each Class A Non-Voting Share for one Class B Common Share for the purpose of depositing the resulting Class B Common Shares pursuant to the terms of the takeover bid.

The Class A Non-Voting Shares and Class B Common Shares rank equally in all other respects.

## Principal Shareholder

As at March 5, 2025, there were 1,653,784 Class B Common Shares outstanding. To the knowledge of the directors and officers of the Company, the only person who beneficially owns, controls or directs, either directly or indirectly, 10% or more of the Class B Common Shares is Sentgraf Enterprises Ltd. ("Sentgraf"). Sentgraf owns 1,426,790 Class B Common Shares representing 86% of the outstanding Class B Common Shares. Sentgraf is controlled by the Sentgraf Spousal Trust (the "Spousal Trust"). Ms. Nancy Southern, Ms. Linda Southern-Heathcott and Mrs. Margaret E. Southern are the trustees of the Spousal Trust.

The Spousal Trust also owns 68,684 Class A Non-Voting Shares and 2,200 Class B Common Shares of AKITA. Collectively, the Spousal Trust and Sentgraf shareholdings represented 15% of the total outstanding equity ownership in the Company, including 86% of the Class B Common Shares, as at March 5, 2025.

## Questions and Answers on Proxy Voting

### **Am I entitled to vote?**

You are entitled to vote if you were a holder of Class B Common Shares at the close of business on March 28, 2025. Each Class B Common Share entitles its holder to one vote.

### **What will I be voting on?**

You are voting on the following matters that are to be addressed at the Meeting:

- the election of each of eight directors to AKITA's Board of Directors (the "Board"); and
- the appointment of the auditor.

### **How will these matters be decided at the Meeting?**

A simple majority of the votes cast, in person or by proxy, will constitute approval of these matters.

### **If I give my proxy, how will my shares be voted?**

The shares represented by your proxy will be voted as you have instructed. If you properly complete and return your form of proxy but do not specify how you wish the votes cast, your shares will be voted as your proxyholder sees fit.

If neither you nor your proxyholder gives specific instructions, your shares will be voted as follows:

- FOR the election as directors of each of those nominees set out in this Management Information Circular; and
- FOR the appointment of PricewaterhouseCoopers LLP as AKITA's auditor.

### **What if amendments are made to these matters or if other matters are brought before the Meeting?**

The persons named in the form of proxy will have discretionary authority to vote on amendments or variations to matters identified in the notice of the Meeting, and on other matters which may properly come before the Meeting. If any matters which are not known should properly come before the Meeting, the persons named in the enclosed form of proxy will vote on such matters in accordance with their best judgment.

As of the date of this Management Information Circular, management is not aware of any amendments or other matters expected to come before the Meeting.

### **How do I contact the transfer agent?**

Questions may be directed to our transfer agent, Odyssey Trust Company

<https://odysseytrust.com/ca-en/help/>, at:

E-mail : [shareholders@odysseytrust.com](mailto:shareholders@odysseytrust.com)

Facsimile: 1(800) 517-4553

Telephone:

Within Canada and the U.S.:

1(888) 290-1175

In the Calgary area, or from any other country:

(587) 885-0960

## **How to Vote as a Registered Shareholder**

You have two ways to vote your shares:

- by submitting your proxy as per instructions indicated
- during the Meeting by online ballot through the live webcast platform.

Registered shareholders and duly appointed proxyholders (including non-registered shareholders who have duly appointed themselves as proxyholder) that attend the meeting online will be able to vote by completing a ballot online during the meeting through the live webcast platform.

Guests (including non-registered shareholders who have not duly appointed themselves as proxyholder) can log into the meeting as set out below. Guests will be able to listen to the meeting but will not be able to vote during the meeting.

- Step 1: Log in online at <https://meetings.lumiconnect.com/400-831-007-745>
- Step 2: Follow these instructions:

**Registered Class B Common shareholders:** Enter your 12 digit control number and password "akita2025" (case sensitive). The control number located on the form of proxy or in the email notification you received from Odyssey Trust Company is your control number. If you use your control number to log in to the meeting, any vote you cast at the meeting will revoke any proxy you previously submitted. If you do not wish revoke a previously submitted proxy, you should not vote during the meeting.

**Duly appointed proxyholders:** Enter your control number and password "akita2025" (case sensitive). Proxyholders who have been duly appointed and registered with Odyssey Trust Company as

described in this circular will receive a control number by email from Odyssey Trust Company after the proxy voting deadline has passed.

**Guests:** Click “Guest” and then complete the online form.

It is your responsibility to ensure internet connectivity for the duration of the Meeting and you should allow ample time to log in to the Meeting online before it begins.

Make sure the browser on your device is compatible. You will need the latest version of Chrome, Safari, Edge, or Firefox. Internet Explorer is not supported.

Caution: Internal network security protocols including firewalls and VPN connections may block access to the Lumi platform for your meeting. If you are experiencing any difficulty connecting or watching the meeting, ensure your VPN setting is disabled or use computer on a network not restricted to security settings of your organization. You may also contact Odyssey Trust directly using the information provided above.

**Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting MUST submit their form of proxy or voting instruction form (as applicable), appointing that third-party proxyholder AND register that third-party proxyholder online, as described below. Registering your third-party proxyholder is an additional step to be completed AFTER you have submitted your form of proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a control number that is required for them to vote at the Meeting.**

- **Step 1: Submit your form of proxy or voting instruction form:** To appoint a third-party proxyholder, insert such person’s name in the blank space provided in the form of proxy or voting instruction form and follow the instructions for submitting such proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.
- **Step 2: Register your proxyholder:** To register a third-party proxyholder, shareholders must contact Odyssey Trust Company by sending an email to [appointee@odysseytrust.com](mailto:appointee@odysseytrust.com) by 5:00 p.m. Eastern Daylight Time on May 9, 2025, or, if the meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time and date of the adjourned or postponed Meeting, and provide Odyssey Trust Company with the required proxyholder contact information so that Odyssey Trust Company may provide the proxyholder with a control number via email. Without a control number, proxyholders will not be able to vote or ask questions at the Meeting but will be able to participate as a guest.

**If you are a non-registered shareholder and wish to vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder, as described above.** By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary.

Failing to register your proxyholder with Odyssey Trust Company will result in the proxyholder not receiving a control number, which is required to vote at the Meeting.

Non-registered shareholders who have not duly appointed themselves as proxyholder will not be able to vote at the Meeting but will be able to participate as a guest.

#### United States Beneficial Shareholders

To attend and vote at the Meeting, Beneficial Shareholders in the United States must first obtain a valid legal proxy from their broker, bank or other agent and then register in advance to attend the Meeting. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of your legal proxy to Odyssey. Requests for registration should be directed to:

Email at [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com)

OR

Odyssey Trust Company  
Traders Bank Building  
702, 67 Yonge Street  
Toronto, ON M5E 1J8

#### **What if my shares are registered in more than one name?**

If the shares are registered in more than one name, all those persons in whose name the shares are registered must sign the form of proxy.

#### **How do I vote shares registered in the name of a corporation or in a name other than my own?**

If the shares are registered in the name of a corporation or any name other than your own, you should provide documentation that proves you are authorized to sign the form of proxy on behalf of that company or name. If you have any questions as to what supporting documentation is required, contact Odyssey Trust Company prior to submitting your form of proxy. These shares cannot be voted by telephone or via the internet.

#### **Can I vote online?**

Yes, provided your shares are not registered in the name of a corporation or any name other than your own. Access <https://vote.odysseytrust.com> and follow the instructions provided. You will need to enter the 12 digit Control Number located on the reverse of the enclosed form of proxy in order to enter your voting instructions. All required information must be entered before 5:00 p.m. Eastern Daylight Time on May 9, 2025. You may appoint anyone as a proxyholder using this internet address.

#### **Can I vote by fax?**

Yes. Fax **both sides** of your signed properly completed form of proxy to Odyssey Trust Company at 1 (800)517-4553. All required information must be received before 5:00 p.m. Eastern Daylight Time on May 9, 2025.

**Can I vote by e-mail?**

Yes. Sign, scan and e-mail **both sides** of your properly completed form of proxy to Odyssey Trust Company at [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com). All required information must be received before 5:00 p.m. Eastern Daylight Time on May 9, 2025.

**Who votes my shares if I sign a form of proxy?**

By signing the enclosed form of proxy you are authorizing Darcy Reynolds, Vice President, Finance and Chief Financial Officer, to vote your shares at the Meeting.

**Where do I send my completed form of proxy?**

Please return your properly completed form of proxy to our transfer agent in the postage paid envelope provided or mail it to Odyssey Trust Company, Attention: Proxy Department, Traders Bank Building, 702, 67 Yonge Street, Toronto, ON M5E 1J8. To ensure your vote is recorded, your completed form of proxy must reach the transfer agent no later than 5:00 p.m. Eastern Daylight Time on May 9, 2025.

**Can I change my mind once I have submitted my vote to the Company?**

Yes, you can complete another form of proxy in the manner and time specified on the form of proxy. The later-dated form of proxy will replace the one submitted earlier. You can also revoke your proxy by preparing a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing. If the shareholder is a corporation the statement must be signed by a duly authorized officer or attorney of the corporation. This statement should be delivered to:

- AKITA's Corporate Secretary at either Odyssey Trust Company, Attention: Proxy Department, Traders Bank Building, 702, 67 Yonge Street, Toronto, ON M5E 1J8 or the registered office of the Company at 1000, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1 at any time up to and including the last business day preceding the day of the Meeting or any adjournment of the Meeting; or
- the Chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment of the Meeting.

**What if I want to change my vote?**

If you are a non-registered shareholder, you should contact your nominee for instructions on how to revoke your voting instructions.

**Delivery of Meeting Materials**

We are using the notice-and-access process ("Notice-and-Access") to deliver this Management Information Circular to our shareholders. Pursuant to the Notice-and-Access requirements, we will post this Management Information Circular online for our shareholders to access electronically. Shareholders will also receive a package in the mail with a notice explaining how to access and review this Management Information Circular electronically, and how to request a paper copy at no charge. In addition, shareholders who own Class B Shares will receive a form of proxy in the mail. Notice-and-Access is an environmentally-friendly and cost-effective way to distribute this Management Information Circular because it reduces printing, paper and postage. Class A and Class B shareholders will receive a paper copy of this Management Information Circular if they have already provided instructions indicating that they would prefer a paper copy. This Management Information Circular is available on the System for Electronic Document Analysis and Retrieval ("SEDAR")

website ([www.sedar.com](http://www.sedar.com)) and at <https://odysseytrust.com/client/akita/>. In order to allow shareholders a reasonable time to receive paper copies of the Management Information Circular and related materials prior to providing their voting instructions in respect of their Class B Shares, any shareholders wishing to request paper copies as described above should ensure that such request is received by April 30, 2025. Shareholders may request a copy of this Management Information Circular at no charge until March 31, 2026. For more information regarding notice-and-access or to obtain a paper copy of the Materials you may contact our transfer agent, Odyssey Trust Company, via <https://odysseytrust.com/notice-and-access/> or by phone at 1 (888) 290-1175 (toll-free within North America) or 1 587 885-0960 (direct from outside North America).

## BUSINESS OF THE MEETING

### Financial Statements

AKITA's consolidated financial statements for the year ended December 31, 2024, together with the auditor's report have been filed with the Canadian securities regulatory authorities and have been sent to the registered shareholders and to those beneficial shareholders who requested them. The statements are also available on the Company's website at [www.akita-drilling.com](http://www.akita-drilling.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). The consolidated financial statements will be reviewed at the Meeting and you will have the opportunity to discuss the results with management.

### Election of Directors

At the Meeting, it is proposed that eight directors be elected until the next annual meeting or until their successors are elected or appointed. The term of office for each director will expire at the close of the next annual meeting of shareholders of the Company. Management does not contemplate that any of the eight director nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, proxies will not be voted with respect to such vacancy. The eight nominees proposed for election as directors of AKITA are listed beginning on page 12.

**The Board recommends that shareholders vote FOR the election of each of these eight nominees. If you do not specify on the proxy form how you want to vote your shares and you do not appoint a proxyholder, the persons named in the form will vote FOR the election of these nominees.**

### Position on Majority Voting

The Toronto Stock Exchange ("TSX") Company Manual generally requires TSX listed issuers to adopt a majority voting policy for uncontested director elections. A majority voting policy typically requires that any nominee for director of an issuer who receives a greater number of votes "withheld" than "for" their election, must tender their resignation for consideration by the board of the issuer.

AKITA is a majority controlled company as defined in the TSX Company Manual, with the Spousal Trust through its controlling interest in Sentgraf controlling 86% of the outstanding Class B Common Shares. As a majority controlled company, AKITA is not subject to the general requirement in the TSX Company Manual to adopt a majority voting policy for uncontested director elections, and the Company has not adopted a policy. AKITA is of the view that a majority voting policy would not be effective, as the controlling shareholder can still effect the election of directors with its votes and the implementation of such a policy would not result in any meaningful change to the outcome of director elections, and could create confusion or uncertainty for shareholders, as well as introducing unnecessary complexity into the director election process.

At the Meeting, the director nominees will be voted on individually by proxy and in person and the voting results for each nominee will be publicly disclosed in a news release on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

## Appointment of Auditors

The Board, on the recommendation of the Audit Committee, proposes that PricewaterhouseCoopers LLP (“PwC”) be appointed as auditor to hold office until the next annual meeting of shareholders. PricewaterhouseCoopers LLP, has been AKITA’s auditor since the Company’s inception. Representatives of PwC plan to participate in the Meeting and will be available to answer your questions.

**The Board recommends that shareholders vote FOR the appointment of PwC as auditor. If you do not specify on the proxy form how you want to vote your shares and you do not appoint a proxyholder, the persons named in the form will vote FOR the appointment of PwC.**

## Director Nominees

OF the nine directors serving as of the date of this Management Information Circular, eight have been nominated for a further one-year term and one will retire. Upon election, each director will hold office until the next annual meeting of shareholders or until a successor is elected or appointed.

The Chair, together with members of the Board, is responsible for identifying potential candidates for nomination to the Board. The recommendation of potential Board members is undertaken with a view to ensuring overall diversity of experience, backgrounds and skills of Board members. The Corporate Governance, Nomination, Compensation and Succession Committee (“GOCOM”) receives advice from the Board regarding individuals best suited to serve as directors, and maintains its own standing list of appropriate candidates for directorships. GOCOM has reviewed each of the nominees and determined that they have the necessary skills and experience to satisfy the Board composition requirements.

The director biographies on pages 12 to 19 highlight the specific experience and attributes of each nominated director. The biographies include the following information as at March 5, 2025:

- Name;
- Age;
- Residency;
- Independence status;
- Principal occupation or employment;
- Business experience and directorships;
- Areas of skills and experience;
- Positions and offices held;
- Board and Committee meeting attendance;
- Shareholdings; and
- Total compensation.

Additional detailed information on director independence, attendance, equity at risk and compensation is provided in separate tables.



**Loraine M. Charlton, ICD.D**

Calgary, Alberta, Canada

Director since 2006

Age 68

Independent

Prior to her retirement in November 2022, Ms. Charlton was Vice President and Chief Financial Officer of Lintus Resources Limited, a private oil and gas company with interests across Western Canada. With over three decades of experience in the oil and gas industry, Ms. Charlton has held various positions involving responsibility for directing overall management, including financial reporting, banking, debt and treasury management, investor relations, risk management, human resources, operations and strategy.

Ms. Charlton is also a director of Canadian Utilities Limited and CU Inc. Ms. Charlton graduated from the University of Calgary with a Bachelor of Commerce degree in Finance, and holds the Corporate Director Designation (ICD.D) from the Institute of Corporate Directors.

<b>Skills and experience</b>		
Management		Compensation
Energy		Governance
Finance and Economics		Corporate Social Responsibility
Risk Management		
<b>AKITA Board/Committee memberships in 2024</b>		
	<b>Attendance</b>	<b>Percentage of meetings attended</b>
Board	4 of 4	100%
Audit Committee	4 of 4	100%
GOCOM	3 of 3	100%
<b>Other public company boards and committee memberships</b>		
<b>Company</b>	<b>Since</b>	<b>Position</b>
Canadian Utilities Limited	2006	Director and Member of Audit & Risk and GOCOM Committees
CU Inc.	2008	Director and Chair of Audit Committee
<b>Securities held</b>		
Class A Non-Voting Shares	33,404	
Options to purchase Class A Non-Voting Shares	-	
Class B Common Shares	-	
<b>Total compensation</b>		
\$53,750		



**Douglas A. Dafoe, CPA, CA, C.DIR**

Calgary, Alberta, Canada

Director since 2018

Age 70

Independent

Mr. Dafoe has more than thirty years of industry experience in financial and operating positions of increasing responsibility. Mr. Dafoe was President and Chief Executive Officer of Ember Resources Inc. (“Ember”), a private company focused on natural gas exploration and production primarily from coal bed methane in Alberta, Canada until his retirement in January of 2025. Prior to joining Ember, Mr. Dafoe was President and Chief Executive Officer of Thunder Energy Inc., a company he co-founded in 1996 which was the predecessor company to Ember. Mr. Dafoe has served on the Board of Governors of the Canadian Association of Petroleum Producers (CAPP) and several TSX-listed companies. He served as Chairperson of the Board for Xtreme Drilling Corp. until it was acquired by AKITA on September 11, 2018, at which time Mr. Dafoe was invited to join the AKITA Board.

Mr. Dafoe has a Bachelor of Science and Bachelor of Business Administration from the University of North Dakota, is a Chartered Professional Accountant and a Chartered Director, The Directors College, JV of McMaster University/Conference Board of Canada.

<b>Skills and experience</b>		
CEO Experience		Management
Energy		Governance
Finance and Economics		Compensation
International Business		Corporate Social Responsibility
<b>AKITA Board/Committee memberships in 2024</b>		
	<b>Attendance</b>	<b>Percentage of meetings attended</b>
Board	4 of 4	100%
Audit Committee	4 of 4	100%
HSE Committee (Chair)	2 of 2	100%
<b>Other public company boards and committee memberships</b>		
<b>Company</b>	<b>Since</b>	<b>Position</b>
Orphan Well Association	2020	Director
<b>Securities held</b>		
Class A Non-Voting Shares	31,047	
Options to purchase Class A Non-Voting Shares	-	
Class B Common Shares	-	
<b>Total compensation</b>		
	\$52,500	



**Linda A. Southern-Heathcott, ICD.D,  
Honorary Lieutenant-Colonel, King's  
Own Calgary Regiment**

Calgary, Alberta, Canada  
Director since 1993  
Age 62  
Not independent

Ms. Southern-Heathcott is not considered independent because she is the Executive Chair of the Board.

Ms. Southern-Heathcott is a founding director of the Company and was the Chief Executive of the Company from May of 2021 until May of 2023. She has been Chair of the Board since May 2006 and was Deputy Chair from May 2004 until April 2006. Ms. Southern-Heathcott is President & Chief Executive Officer of Spruce Meadows Ltd., an internationally recognized equestrian facility in Calgary, Alberta. A former professional equestrian rider, Ms. Southern-Heathcott was a member of the Canadian Equestrian Team for ten years and competed in the 1996 Olympic Summer Games in Atlanta, Georgia. Ms. Southern-Heathcott brings significant management and business experience to the Board. Ms. Southern-Heathcott is also Vice Chair of ATCO Ltd., Canadian Utilities Limited and CU Inc., Chair of Sentgraf Enterprises Ltd. and Chair of Travel Alberta. Ms. Southern-Heathcott obtained her ICD.D certification from the Directors Education Program at the Institute of Corporate Directors in 2010. Ms. Southern-Heathcott was appointed Honorary Lieutenant-Colonel of the King's Own Calgary Regiment. In 2020, Ms. Southern-Heathcott was awarded a British Empire Medal by Her Majesty Queen Elizabeth II for services to British Equestrian, Military and Commercial interests in Alberta, Canada.

<b>Skills and experience</b>		
CEO Experience	Compensation	
Energy	Governance	
Management	Corporate Social Responsibility	
International Business	Risk Management	
<b>AKITA Board/Committee memberships in 2024</b>		
	<b>Attendance</b>	
	<b>Percentage of meetings attended</b>	
Board (Chair)	4 of 4	
	100%	
<b>Other public company boards and committee memberships</b>		
<b>Company</b>	<b>Since</b>	<b>Position</b>
ATCO Ltd.	2012	Director and Vice Chair
Canadian Utilities Limited	2000	Director, Vice Chair and Member of Pension Committee
CU Inc.	2017	Director and Vice Chair
<b>Securities held</b>		
Class A Non-Voting Shares	1,683,557 <sup>1</sup>	
Options to purchase Class A Non-Voting Shares	1,275,000	
Class B Common Shares	50 <sup>1</sup>	
<b>Total compensation</b>		
\$605,000		

<sup>1</sup>Ms. Southern-Heathcott is one of three trustees of the Spousal Trust. See "Principal Shareholder" on page 5.



**Harish K. Mohan, CPA, CA**

Calgary, Alberta, Canada

Director since 2011

Age 72

Independent

Mr. Mohan joined the Board in 2011. Mr. Mohan has 15 years of experience in the oil and gas drilling industry in Canada, the United States and overseas. Mr. Mohan was employed by the ATCO Group of Companies for 33 years in various senior manager capacities including his most recent role as Senior Vice President, Finance and Group Controller for ATCO Structures & Logistics Ltd. from 2008 until 2011. Mr. Mohan is a member of the Chartered Professional Accountants of Alberta.

<b>Skills and experience</b>		
Management		Compensation
Energy		Governance
Finance and Economics		Risk Management
International Business		Corporate Social Responsibility
<b>AKITA Board/Committee memberships in 2024</b>		
	<b>Attendance</b>	<b>Percentage of meetings attended</b>
Board	4 of 4	100%
Audit Committee (Chair)	4 of 4	100%
Pension Committee	1 of 1 <sup>1</sup>	100%
GOCOM	3 of 3	100%
<b>Other public company boards and committee memberships</b>		
<b>Company</b>	<b>Since</b>	<b>Position</b>
None	-	-
<b>Securities held</b>		
Class A Non-Voting Shares	27,160	
Options to purchase Class A Non-Voting Shares	-	
Class B Common Shares	100	
<b>Total compensation</b>		
	\$66,250	

<sup>1</sup> Mr. Mohan was chair of the Pension Committee until May of 2024.



**Robert J. Peabody**  
 Calgary, Alberta, Canada  
 Director since 2022  
 Age 68  
 Independent

Mr. Peabody was President and Chief Executive Officer and member of the Board of Directors of Husky Energy. Mr. Peabody joined Husky as Chief Operating Officer in 2006 and was appointed CEO in 2016 where he played a key role in the transformation of the Company into a major integrated North American energy company with a substantial Asia Pacific presence. Mr. Peabody retired in January 2021 on the completion of the Husky/Cenovus combination.

Prior to joining Husky, Mr. Peabody worked for BP for 26 years where he held leadership positions in Canada, the U.K. and the U.S. that included upstream development and production in the North Sea, Natural Gas Marketing, Oil Trading, Chemicals and Group Strategy, Planning and Performance Management.

Mr. Peabody holds a Master of Science in Management from Stanford University (Sloan Fellow) and a Bachelor of Science in Mechanical Engineering from the University of British Columbia.

Mr. Peabody also serves as the Board Chair of the Calgary Health Foundation and is an Associate with the Creative Destruction Lab (University of Calgary). He is also a past member of the Business Council of Canada and served on the Board of the Post Hotel in Lake Louise.

<b>Skills and experience</b>		
CEO Experience	International Business	Risk Management
Management	Finance and Economics	Compensation
Energy	Corporate Social Responsibility	Governance
Climate Change and Environment		
<b>AKITA Board/Committee memberships in 2024</b>		
	<b>Attendance</b>	<b>Percentage of meetings attended</b>
Board	4 of 4	100%
GOCOM	3 of 3	100%
Pension Committee (Chair)	1 of 1 <sup>1</sup>	100%
HSE Committee	2 of 2	100%
<b>Other public company boards and committee memberships</b>		
<b>Company</b>	<b>Since</b>	<b>Position</b>
None	-	-
<b>Securities held</b>		
Class A Non-Voting Shares	5,652	
Options to purchase Class A Non-Voting Shares	-	
Class B Common Shares	-	
<b>Total compensation</b>		
\$51,250		

<sup>1</sup> Mr. Peabody was appointed chair of the Pension Committee in May of 2024.



**Nancy C. Southern**

Calgary, Alberta, Canada

Director since 1993

Age 68

Not independent

Ms. Southern is not considered independent because she is the Deputy Chair of the Board.

Ms. Southern is a founding director and Deputy Chair of the Company, as well as the Chair and Chief Executive Officer of ATCO Ltd. and of Canadian Utilities Limited. Ms. Southern was formerly the Chief Executive Officer of Canadian Utilities Limited from 2003 to 2019, President of Canadian Utilities Limited from 2003 to 2015, and President of ATCO from 2003 until 2018. Previously, she was Deputy Chair of each of ATCO and Canadian Utilities Limited from 2008 until 2012, Co-Chair and Co-Chief Executive Officer of each company from 2000 until 2002, Deputy Chief Executive Officer of each company from 1998 to 1999, and Deputy Chair of each company from 1996 to 1999.

Ms. Southern is a member of The U.S. Business Council, a member of the American Society of Corporate Executives, and a Canadian Member of the Trilateral Commission. She is also a member of the Business Council of Canada, the Rideau Hall Foundation Board of Directors, the University of Calgary School of Public Policy Advisory Council, and the South Australian Minerals and Petroleum Expert Group. Ms. Southern is a Companion of the Canadian Business Hall of Fame. Ms. Southern was awarded a British Empire Medal by Her Majesty Queen Elizabeth II for services to British Equestrian, Military and Commercial interests in Alberta, Canada

**Skills and experience**

CEO Experience	Compensation
Energy	Governance
Finance and Economics	Management
Corporate Social Responsibility	Climate Change and Environment
International Business	

**AKITA Board/Committee memberships in 2024**

	Attendance	Percentage of meetings attended
Board	4 of 4	100%

**Other public company boards and committee memberships**

Company	Since	Position
ATCO Ltd.	1989	Director and Chair
Canadian Utilities Limited	1990	Director and Chair
CU Inc.	1999	Director and Chair

**Securities held**

Class A Non-Voting Shares	41,523 <sup>1</sup>
Options to purchase Class A Non-Voting Shares	-
Class B Common Shares	. <sup>1</sup>

**Total compensation**

\$50,000

<sup>1</sup> Ms. Southern is one of three trustees of the Spousal Trust. See "Principal Shareholder" on page 5.



**Henry G. Wilmot, ICD.D**  
 Calgary, Alberta, Canada  
 Director since 2014  
 Age 71  
 Independent

Mr. Wilmot has broad based business experience including 40 years with the ATCO Group of Companies. During that time he held progressively senior positions and was most recently Chief Operating Officer, Energy and Industrials, ATCO Group. Mr. Wilmot also has 13 years of senior management experience in the energy service industry in Canada and Australia. Mr. Wilmot holds the Corporate Director Designation (ICD.D) from the Institute of Corporate Directors.

<b>Skills and experience</b>		
Management		Compensation
Energy		Governance
Finance and Economics		International Business
Corporate Social Responsibility		
<b>AKITA Board/Committee memberships in 2024</b>		
	<b>Attendance</b>	<b>Percentage of meetings attended</b>
Board	4 of 4	100%
Audit Committee	2 of 2	100%
Pension Committee	1 of 1 <sup>1</sup>	100%
HSE Committee	2 of 2	100%
<b>Other public company boards and committee memberships</b>		
<b>Company</b>	<b>Since</b>	<b>Position</b>
None	-	-
<b>Securities held</b>		
Class A Non-Voting Shares	18,362	
Options to purchase Class A Non-Voting Shares	-	
Class B Common Shares	-	
<b>Total compensation</b>		
	\$46,250	

<sup>1</sup> Mr. Wilmot was appointed to the Pension Committee in May of 2024 at this time he came off the Audit Committee.



**D. Neil Yeates**

Ottawa, Ontario, Calgary

Director since 2024

Age 66

Independent

Neil Yeates is a semi-retired Federal and Provincial Deputy Minister whose career spanned more than 30 years in the Government of Canada and in the Government of Saskatchewan. Graduating from Queen’s University, Neil began his career as a policy analyst with the Saskatchewan Department of Health eventually serving as the Associate Deputy Minister. He also worked for a number of years in Saskatchewan Social Services in the young offenders and child welfare programs and later as the Assistant Deputy Minister for all programs. He became a Deputy Minister in Post-Secondary Education and Skills Training, and also served at that level in the then newly-formed Department of Corrections and Public Safety. Moving to the Government of Canada Neil worked in Industry Canada, Health Canada, Indian and Northern Affairs and most recently served for four years as the Deputy Minister of Citizenship and Immigration Canada. Neil has had a lifelong interest in accountability regimes, planning and the role of the public service. He is currently a board member at Bow Valley College in Calgary, Co-Chair of the Human Capital Council at the C.D. Howe Institute, a member of the Audit Committee of Global Affairs Canada, the Chair of the Audit Committee of Immigration, Refugees and Citizenship Canada and serves on the Governance Committee of the Alpine Club of Canada. He has served as an advisor to the federal Treasury Board Secretariat, Immigration, Refugees and Citizenship Canada, Public Services and Procurement Canada and the National Research Council.

<b>Skills and experience</b>		
CEO Experience		Compensation
Corporate Social Responsibility		Governance
Finance and Economics		Management
Risk Management		Government Relations
<b>AKITA Board/Committee memberships in 2024</b>		
	<b>Attendance</b>	<b>Percentage of meetings attended</b>
Board <sup>1</sup>	3 of 3	100%
Audit Committee	3 of 3	100%
HSE Committee	1 of 1	100%
<b>Other public company boards and committee memberships</b>		
<b>Company</b>	<b>Since</b>	<b>Position</b>
None	-	-
<b>Securities held</b>		
Class A Non-Voting Shares	3,516	
Options to purchase Class A Non-Voting Shares	-	
Class B Common Shares	-	
<b>Total compensation</b>		
\$33,750		

<sup>1</sup> Mr. Yeates was appointed to the Board in May of 2024 as well as the Audit and HSE Committees

## GOVERNANCE

The Board views effective corporate governance as an essential element for the ongoing success of AKITA and its shareholders. It strives to ensure that its corporate governance practices provide for effective stewardship of AKITA and evaluates its practices on an ongoing basis.

### Board Structure

#### Summary of director skills and experience

GOCOM ensures that the Board includes members with a broad range of experience and expertise so that it is able to effectively carry out its mandate. The matrix below shows the experience and expertise that each director nominee brings to the Board.

	Loraine M. Charlton	Douglas A. Dafoe	Linda A. Southern-Heathcott	Harish K. Mohan	Robert J. Peabody	Nancy C. Southern	Henry G. Wilmot	Neil Yeates
<b>Primary industry background</b>								
Energy	✓	✓	✓	✓	✓	✓	✓	
Management	✓	✓	✓	✓	✓	✓	✓	✓
<b>Functional Experience</b>								
<b>CEO Experience</b>								
Experience as a CEO for a publicly listed company or a major organization with international operations or similar complexity.		✓	✓		✓	✓		✓
<b>Governance</b>								
Significant experience overseeing corporate governance practices.	✓	✓	✓	✓	✓	✓	✓	✓
<b>Compensation</b>								
Significant experience overseeing corporate compensation design. Demonstrated understanding of the various components of executive compensation and how they inter-relate when attracting, motivating and retaining top candidates.	✓	✓	✓	✓	✓	✓	✓	✓
<b>International Business</b>								
Significant experience managing a global enterprise across multiple jurisdictions with exposure to a range of political, cultural and business environments.		✓	✓	✓	✓	✓	✓	
<b>Finance &amp; Economics</b>								
Significant financial experience as a senior officer responsible for an organization or experience working as a senior officer in financial	✓	✓		✓	✓	✓	✓	✓

accounting, reporting and corporate finance with knowledge of internal controls.								
	Lorraine M. Charlton	Douglas A. Dafoe	Linda A. Southern-Heathcott	Harish K. Mohan	Robert J. Peabody	Nancy C. Southern	Henry G. Wilmot	D. Neil Yeates
<b>Risk Management</b>								
Significant experience as a senior executive overseeing the various risks facing an organization with oversight of appropriate policies and procedure to effectively manage risk.	✓	✓	✓	✓	✓	✓	✓	✓
<b>Climate Change and Environment</b>								
Significant experience with regulations, best practices and strategic business initiatives related to environmental issues.		✓			✓	✓		
<b>Corporate Social Responsibility</b>								
Significant experience in the areas of corporate responsibility and community relations.	✓	✓	✓	✓	✓	✓	✓	✓
Experience building partnerships and positive relationships with Indigenous groups and enhance economic and social development.	✓	✓	✓	✓	✓	✓	✓	✓

### Director independence

GOCOM and the Board of Directors annually review the status of each director to determine whether they are independent based on the criteria of the Canadian Securities Administrators as set out in National Instrument 52-110 - Audit Committees (“NI 52-110”). In 2024, this review included the completion of self-assessment questionnaires by each of the directors and a detailed review of such questionnaires by the Company.

In determining the independence of the members of the Board, the following criteria are assessed:

- Direct or indirect material relationships with AKITA which could interfere with the exercise of independent judgment;
- Employment by, or other relationship with, AKITA or its external auditor, in which case the member will be deemed not independent until the prescribed period of three years has elapsed since the end of the service;
- Immediate family member relationships with AKITA employees or employees of its external auditor; and
- Any payment of fees by AKITA of more than \$75,000, exclusive of Board fees, during any 12-month period within the last three years to the member or to a member of their immediate family who is an executive officer of the Company.

As deemed necessary, the Board conducts meetings or portions of meetings without the presence of senior management in order to promote candid discussion. Individual directors, Committees and the

full Board are entitled to engage outside advisors from time to time as they deem necessary, at the Company's expense, subject to the approval of GOCOM.

The following table summarizes the independence status of each director nominee of the Board and, where applicable, the reasons for the Board's determination that a particular director is not independent.

Director	Independent	Not Independent	Reason for non-Independent status
Loraine M. Charlton	√		
Douglas A. Dafoe	√		
Linda A. Southern-Heathcott		√	As Executive Chair of the Board, has a material relationship with the Company.
Harish K. Mohan	√		
Robert J. Peabody	√		
Nancy C. Southern		√	As Deputy Chair of the Board, has a material relationship with the Company.
Henry G. Wilmot	√		
Charles W. Wilson <sup>1</sup>			
D. Neil Yeates	√		

<sup>1</sup> Mr. Wilson is not standing for re-election

Two of the eight proposed directors are not considered independent directors within the meaning of NI 52-110. Although these individuals are not considered to be independent directors under NI 52-110, these directors, like all directors, are required by law at all times to act in good faith with a view to the best interests of the Company. As is the case with the Company's independent directors, these directors are sensitive to conflicts of interest and excuse themselves from deliberations and voting in the appropriate circumstances. Their extensive knowledge of the Company's business is extremely beneficial to the other directors and to the Company, and their participation as directors is an important element in the overall effectiveness of the Board.

### Chair

The Chair of the Board, Linda A. Southern-Heathcott, is not an independent director under NI 52-110. The Company's business approach, strategies, practices and culture develop and evolve as a result of the leadership demonstrated by its Chair. All meetings of the Board are conducted in a manner which provides all directors, whether they are classified under NI 52-110 as independent or not, with an opportunity to contribute in an open and candid manner.

### Gender diversity

AKITA believes that an effective functioning board is critical to the success of the Company, and that the Board must have the flexibility to adopt director election and composition practices that suit its unique needs and circumstances.

AKITA seeks the most qualified persons, regardless of gender or other characteristics unrelated to expertise and performance, when seeking new directors. Accordingly, the Company has not adopted a written policy specifically addressing the identification and nomination of women directors in order to achieve gender diversity. AKITA's approach enables it to make decisions regarding the composition of its Board and senior management team based on what is in the best interests of the Company and

its shareholders. Currently, the Company has not set any formal targets or objectives for achieving gender diversity at either the Board or executive level. At the date of this Management Information Circular, the Company has three female directors.

### **Director term limits**

AKITA attributes high value to relevant industry experience, continuity and a solid track record of service in its directors. AKITA has found that having long-standing directors on its Board does not negatively affect board effectiveness, but instead contributes to boardroom dynamics that have resulted in a consistently high performing board. Accordingly, the Company has not adopted term limits for directors. GOCOM's mandate includes responsibility for board renewal mechanisms such as board and director evaluations as well as identifying potential director candidates, and the Committee spends a considerable amount of time on such matters.

### **Concluding commentary on director independence, gender bias and term limits**

Although the Board considers independence and gender as factors in assessing the qualification of potential candidates, the Board's primary objective is to ensure that the Company's directors are the most qualified candidates available and are selected on the basis of their overall qualifications and ability to contribute to the effective governance of the Company. All of the Company's directors make a valuable contribution to the Board, the Company and its share owners, and the directors are at all times mindful of the interests of the minority share owners.

The Board also makes evaluations of its own effectiveness as well as the effectiveness of individual Board members to ensure that it can most effectively achieve its mandate and provide optimal benefit for the Company's shareholders.

### **Summary of director attendance**

The Board met four times in 2024. The Board generally meets four times a year and additionally during the year as the need arises. The frequency and length of meetings and the nature of agenda items depend upon the circumstances. Meetings are generally lengthy, detailed, well attended and conducted in an atmosphere that encourages participation and independent thinking. The Board also conducts annual strategy sessions with senior management where the Board reviews and assesses the performance of the Company, reviews business plans, sets short and long-term objectives for the Company and discusses and implements strategies to meet these objectives.

The following table sets out the attendance of the Board of Directors at Board meetings and at Committee meetings during 2024. The Executive Chair is a member of the Pension Committee and also attends other Committee meetings as required. Other directors may attend meetings of Committees of which they are not members at the request of the respective Committee Chair.

Director	Board of Directors		Audit Committee		GOCOM		Pension Committee		HSE Committee		Total
Lorraine M. Charlton	4 of 4	100%	4 of 4	100%	3 of 3	100%	-	-	-	-	100%
Douglas A. Dafoe	4 of 4	100%	4 of 4	100%	-	-	-	-	2 of 2	100%	100%
Linda A. Southern-Heathcott	4 of 4	100%	-	-	-	-	-	-	-	-	100%
Harish K. Mohan	4 of 4	100%	4 of 4	100%	3 of 3	100%	1 of 1	100%	-	-	100%
Robert J. Peabody	4 of 4	100%	-	-	3 of 3	100%	1 of 1	100%	2 of 2	100%	100%
Nancy C. Southern	4 of 4	100%	-	-	-	-	-	-	-	-	100%
Henry G. Wilmot	4 of 4	100%	1 of 1	100%	-	-	1 of 1	100%	2 of 2	100%	100%
Charles W. Wilson <sup>1</sup>	3 of 4	75%	-	-	3 of 3	100%	-	-	-	-	86%
D. Neil Yeates	3 of 3	100%	3 of 3	100%	-	-	-	-	1 of 1	100%	100%

<sup>1</sup> Mr. Wilson is not standing for re-election

All directors are expected to attend meetings of the Board and the Committees on which they serve. Attendance of directors at meetings of the Board and Committees, however, is not strictly indicative of the contribution made by each director and absence from a meeting may have resulted from a variety of extenuating circumstances including family bereavement or health issues. The Company is supportive and understanding of such circumstances. If a director's attendance is deemed to be unsatisfactory, however, interviews will be conducted by the Chair and a clear understanding of the Company's expectations for attendance will be formally communicated to ensure optimal attendance in subsequent reporting periods.

### Serving on other public company boards

The Company considers outside directorships as a factor in the evaluation of potential director nominees. The previously reported biographies for each director nominee include details regarding directorships for other reporting issuers. The Chair of the Board and GOCOM recognize the time and diligence that directors devote to their duties and responsibilities and do not feel that directors' board memberships for other reporting issuers impair their commitments or contributions to AKITA's Board.

### Board and Committee mandates

The Board has four Committees: the Audit Committee, GOCOM, the Pension Committee and the Health, Safety and Environment ("HSE") Committee. The Board annually appoints Committee members. Mandates for the Board and each Committee are reviewed annually by GOCOM and approved by the Board.

The mandates of the Board and its Committees include working plans that allocate duties, which allow the Board and Committees to plan and monitor the fulfillment of their respective mandates throughout the year. The Board mandate, attached to this Management Information Circular as Schedule A, outlines the roles and responsibilities of the Board. Schedule B provides reports on the activities of each Committee.

### Position descriptions

The Board has developed a written position description for the Chair of the Board, as well as for the chair of each Committee. The Board has also developed a written position description for the President and Chief Executive Officer.

## The Board of Directors and its Committees

1. The Board is responsible for authorizing and approving the Company's annual business plans, material contracts, strategic transactions, financings and major capital expenditures.
2. The Audit Committee oversees the accounting and financial reporting processes of the Company. Each Committee member is financially literate within the meaning of the term as defined in NI 52-110. Douglas A. Dafoe, Loraine M. Charlton, Harish K. Mohan and D. Neil Yeates are independent within the meaning of NI 52-110.

Information about the Audit Committee required pursuant to NI 52-110 is disclosed on pages 23 to 24 of the Company's Annual Information Form, and a copy of the Audit Committee mandate is attached as Appendix "A" to the Company's Annual Information Form which has been filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

3. GOCOM is responsible for the oversight of the Company's corporate governance. Loraine M. Charlton, Harish K. Mohan, Robert J. Peabody and Charles W. Wilson are considered independent directors within the meaning of National Policy 58-201 - Corporate Governance Guidelines. In addition to appraising individual and combined directors' performances, Committee members are responsible for succession planning, assessing compensation and performance of senior executive officers and identifying and recommending potential director candidates to the Board.

Charles W. Wilson has been the Chair of GOCOM since 2006. In addition to his experience serving as the Chair of GOCOM for the Company, Mr. Wilson was the Chair of Corporate Governance - Nomination, Compensation and Succession committees for ATCO Ltd. and Canadian Utilities Limited and was formerly the CEO of Shell Canada Limited. Mr. Wilson was also a member of the Big Rock Brewery Income Trust Corporate Governance Committee from 2006 until its conversion into a public company in 2011. In his positions on the governance committees of these companies, Mr. Wilson has gained significant experience to enable him to effectively chair GOCOM. Mr. Wilson has been a director of the Company since 2002 and has significant experience dealing with all matters of the Company's overall business as well as significant experience evaluating the capabilities and performance of the members of the Company's executive. His experience has added meaningful input to the deliberations of GOCOM, particularly as they relate to compensation. Mr. Wilson is not standing for re-election at the Meeting.

Loraine M. Charlton has been a member of GOCOM since 2011 and has been a member of the Board since 2006. In addition, Ms. Charlton has received her certification from the Directors Education Program at the Institute of Corporate Directors. Ms. Charlton is familiar with all matters of the Company's overall business and has sufficient experience regarding the capabilities and performance of the members of the Company's executive to add meaningful input to the deliberations of GOCOM, particularly as they relate to compensation.

Harish K. Mohan has been a member of GOCOM since 2016 and brings a wealth of management experience to the Committee. Mr. Mohan is familiar with all matters of the Company's overall business and through his previous senior management experience he provides meaningful input to GOCOM deliberations.

Robert J. Peabody has been a member of GOCOM since May of 2022 when he joined the Board. Mr. Peabody has in depth knowledge of all aspects of the energy industry including the

Company's business. Mr. Peabody has extensive experience in executive compensation from his previous roles and brings meaningful input into all aspects of the GOCOM mandate.

4. The Pension Committee's principal purpose is to oversee the effective stewardship of the Company's Defined Contribution Pension Plan which is available to all Canadian employees of the Company upon meeting eligibility through term of service.
5. The HSE Committee's primary role is to assist the Board in fulfilling its responsibilities in relation to health, safety and environment matters and ensuring employees are provided a safe working environment.

The Board annually appoints Committee members to the Audit Committee, GOCOM, Pension and the HSE Committee. The following table lists the members of each Committee as of March 5, 2025:

Director	Audit	GOCOM	Pension <sup>1</sup>	HSE <sup>2</sup>
Loraine M. Charlton	√	√		
Douglas A. Dafoe	√			Chair
Linda A. Southern-Heathcott				
Harish K. Mohan	Chair	√		
Robert J. Peabody		√	Chair	√
Henry G. Wilmot			√	√
Charles W. Wilson <sup>3</sup>		Chair		
D. Neil Yeates	√			√

<sup>1</sup> The Pension Committee also includes three non-director members from AKITA's management.

<sup>2</sup> The HSE Committee also includes one non-director member from AKITA's management.

<sup>3</sup> Mr. Wilson is not standing for re-election.

All Committee Chairs provide regular reports to the Board. Copies of the Committee mandates are available on the Company's website at [www.akita-drilling.com](http://www.akita-drilling.com).

### Continuing education and development

All directors are provided with a director's manual, which includes a copy of all Board and Committee mandates and policies and the Company's by-laws, and are introduced to senior management and the other directors. Newly elected directors participate in an orientation and education program during which they are briefed about all aspects of the Company's operations by senior management.

Comprehensive information packages are distributed to all directors in advance of meetings of the Board and Committees and prior to strategic planning sessions, and presentations are made at each meeting of the Board by management on new developments which may affect the Company and its business.

In addition to education that is specific to the operations of the Company, directors attend and participate in seminars and other continuing education programs as deemed necessary. Loraine M. Charlton, Henry G. Wilmot and Linda A. Southern-Heathcott have attained the professional ICD.D designation from the Institute of Corporate Directors. Doug D. Dafoe completed the Chartered Director Program from the Directors College.

## **Assessment**

The Board, its Committees and its individual directors are assessed on an annual basis. This function is facilitated by GOCOM. Board and Committee performance evaluation questionnaires are distributed to each director and Committee member. The questionnaires provide the directors with the opportunity to examine their effectiveness and identify areas for improvement. The questionnaires address director skills and experience, preparation, attendance and availability at meetings, communication and interaction, business, company and industry knowledge and provide an overall effectiveness assessment. The responses are conveyed to GOCOM. Each Board member receives a full report of the tabulated results of the Board questionnaire. Each Committee member receives a complete report of the tabulated results on each Committee questionnaire for each Committee on which they sit. Directors are encouraged to comment broadly so the effectiveness of the Board and each Committee can continually improve.

The Chair of GOCOM meets with the Chair of the Board to discuss the performance of directors and other issues relating to Board, Committee and director performance.

## **Director selection**

GOCOM, in conjunction with recommendations made by the Chair of the Board, is responsible for identifying and recommending potential candidates for the Board. GOCOM annually reviews the size and composition of the Board and makes recommendations to the Board when it believes that a change in size would be in the best interests of the Company. Further, GOCOM reviews the overall profile of the Board to ensure that it includes members with a reasonable diversity of experience, backgrounds and skills who collectively possess the competencies identified by GOCOM as being critical to the effectiveness of the Board as a whole. GOCOM also reviews each Committee of the Board and its mandate, making appropriate recommendations as required.

The mandate of GOCOM includes responsibility for governance issues including: size, composition and effectiveness of the Board, Committee structure and mandate, Chief Executive Officer succession planning, and making recommendations to the Board with respect to the nominees to the Board. Nominee recommendations are based on GOCOM's objective assessment of the Board's needs with respect to skill, expertise, experience, gender, background and attitude.

## **Communicating with the Board**

Interested parties may communicate directly with the Board through the Chair of the Board by writing to:

Chair of the Board of Directors  
c/o Corporate Secretary  
AKITA Drilling Ltd.  
1000, 333 - 7th Avenue S.W.  
Calgary, Alberta  
T2P 2Z1

## Code of Business Conduct

The Company has a written Code of Business Conduct (the “Code”) that governs the Board, its officers and employees. A copy of the Code may be found on the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). The Board monitors compliance with the Code by requiring each director, officer and employee to annually sign a certificate confirming his or her compliance with the Code. To the knowledge of the Board, there have been no departures from the Code that would necessitate the filing of a material change report.

The Board is of the view that a culture of strong corporate governance and ethical business conduct must be endorsed by the Board and the Company’s officers and employees. The Code addresses many areas of business conduct and provides a procedure for employees to raise concerns or questions regarding the conduct of the Company’s directors, officers and employees.

The Code and the Company’s By-laws set out the framework for dealing with conflict of interest situations. The Business Corporations Act (Alberta) (“ABCA”), the Code and the Company’s By-laws provide that directors have a fiduciary interest in promoting the interests of the Company. In any situation that involves, or may reasonably be expected to involve, a conflict between a director’s personal interests and the interests of the Company or in any other case in which a director may otherwise be in a conflict of interest, such director is required to disclose the nature and extent of such director’s interest at the time and in the manner provided by the ABCA. In such cases, the director or directors shall be requested to leave the meeting and may not vote on any resolution to approve any action by the Company where a conflict exists except as provided by the ABCA.

AKITA did not file any material change reports in 2024 relating to a director’s or officer’s departure from the Code. Further, no waivers of the Code have ever been granted to any AKITA director, officer or other employee.

The Company has a confidential whistleblower reporting system in place that employees can use to express concerns about inappropriate business conduct. Concerns can be reported confidentially and anonymously online or by phone. Non-employees may also submit complaints online, by phone or by mail to any member of the Audit Committee.

## Disclosure Policy

AKITA is committed to providing accurate, timely and fair disclosure of corporate information to the public. The Company must comply with all laws and regulations and ensure that communications to the public are disseminated according to applicable legal and regulatory requirements. The Company’s Disclosure Policy applies to all AKITA directors, officers and employees, including those authorized to communicate to the public on the Company’s behalf. It covers written and oral communications provided to the investing public, including:

- Written financial and non-financial documents;
- Annual reports;
- Interim reports;
- News releases;
- Letters to shareholders;
- Presentations and speeches by senior management;
- Corporate web site and other communications;
- Documents filed with securities regulators and the TSX;
- Oral statements made with financial analysts and the public;

- Interviews with the media; and
- News conferences.

The Disclosure Policy takes into consideration securities law governing corporate disclosure, confidentiality and employee trading.

### **Additional disclosure relating to directors**

Except as otherwise disclosed below, as of March 5, 2025, based upon information provided by the nominees for election to the Board of Directors, in the last 10 years no nominee has been a director or executive officer of any company that 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.

- Nancy C. Southern was, until her resignation on August 24, 2020, a director and President of Swizzlesticks Enterprises Ltd., a private Alberta corporation operating a salon and spa in Calgary, Alberta, which on August 24, 2020, commenced proposal proceedings pursuant to the Bankruptcy and Insolvency Act (Canada) by a filing a notice of intention to make a proposal. The corporation was declared bankrupt and a trustee appointed on August 25, 2020. An application for the discharge of the Trustee was approved December 14, 2021.
- Doug Dafoe was, until his resignation on November 26, 2019, a director of Point Loma Resources Ltd., a publicly traded Canadian oil and gas company headquartered in Calgary, Alberta . Point Loma went into receivership and a trustee was appointed on June 8, 2020. An application for the discharge of the trustee was approved on August 26, 2021.

## **DIRECTOR COMPENSATION**

GOCOM is responsible for assessing the compensation of the directors of the Company annually using information from other corporations and published data, and from time to time retains independent compensation consultants to undertake market comparisons and provide advice on developing appropriate compensation programs. GOCOM's approach when setting director compensation is to align the directors' interests with the interests of the Company's shareholders and to fairly and competitively compensate directors in order to attract and retain skilled and dedicated Board members. Director compensation is reviewed to determine whether such compensation is appropriate for the responsibilities, time commitment and risks assumed by the directors, as well as applicable market conditions.

## Fees and retainers

The following table sets forth the annual retainers and attendance fees paid to members of the Board in 2024. The retainers for Board Chairs, Committee chairs and members are paid in addition to the annual director retainer of \$25,000. In 2020, all director fees were reduced by 50% to help offset weak market conditions and this reduction was maintained throughout 2023. In 2024, director fees were returned to 2022 levels.

Directors' remuneration	2024 (\$)
Annual retainers	
Director - cash portion	25,000
Director - supplemental fee <sup>(1)</sup>	10,000
Chair of the Board	100,000
Deputy Chair	10,000
Audit Committee Chair	20,000
GOCOM Chair	5,000
HSE Chair	5,000
Pension Committee Chair	5,000
Meeting fees	
Board Meeting, Committee Meeting and Strategy Session per day	1,250
Board or Committee Meeting where nature of discussion is brief	400

<sup>(1)</sup> during 2024, each director received a supplemental fee totaling \$10,000, of which \$7,000 was used to purchase class A Non-Voting Shares and \$3,000 was remitted in respect of income tax.

Directors are reimbursed for travel and other expenses incurred for attendance at Board and Committee meetings.

The following table summarizes the total compensation that was paid to each director for the year ended December 31, 2024.

Name	Fees earned (\$)	Share- based awards (\$)	Option- based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Loraine M. Charlton	53,750	-	-	-	-	-	53,750
Douglas A. Dafoe	52,500	-	-	-	-	-	52,500
Linda A. Southern-Heathcott	110,000	150,000	345,000	-	-	-	605,000
Harish K. Mohan	66,250	-	-	-	-	-	66,250
Robert J. Peabody	51,250	-	-	-	-	-	51,250
Nancy C. Southern	50,000	-	-	-	-	-	50,000
Henry G. Wilmot	46,250	-	-	-	-	-	46,250
Charles W. Wilson	50,000	-	-	-	-	-	50,000
D. Neil Yeates	33,750	-	-	-	-	-	33,750
<b>Total</b>	<b>513,750</b>	<b>150,000</b>	<b>345,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,008,750</b>

The following table provides a detailed breakdown of the fees and retainers paid to AKITA's directors for the year ended December 31, 2024. Fees and retainers are paid quarterly.

Name	Cash portion of director retainer (\$)	Chair, Deputy	Board attendance fee (\$)	Committee attendance fee (\$)	Supplemental Fee (\$)	Total fees earned (\$)
		Chair or Committee Chairman retainer (\$)				
Lorraine M. Charlton	25,000	5,000	5,000	8,750	10,000	53,750
Douglas A. Dafoe	25,000	5,000	5,000	7,500	10,000	52,500
Linda A. Southern-Heathcott	-	100,000	-	-	10,000	110,000
Harish K. Mohan	25,000	16,250	5,000	10,000	10,000	66,250
Robert J. Peabody	25,000	3,750	5,000	7,500	10,000	51,250
Nancy C. Southern	25,000	10,000	5,000	-	10,000	50,000
Henry G. Wilmot	25,000	-	5,000	6,250	10,000	46,250
Charles W. Wilson	25,000	5,000	3,750	6,250	10,000	50,000
D. Neil Yeates	18,750	-	3,750	3,750	7,500	33,750
<b>Total</b>	<b>193,750</b>	<b>145,000</b>	<b>37,500</b>	<b>50,000</b>	<b>87,500</b>	<b>513,750</b>

### Director share ownership

The following table sets out each director's or Board nominee's equity ownership in AKITA at March 21, 2024 and any change in ownership interest up to March 5, 2025.

Name	Equity ownership as at March 21, 2024		Equity ownership as at March 5, 2025		Net change in ownership		Equity at risk <sup>(1)</sup>
	Class A Non-Voting Shares	Class B Common Shares	Class A Non-Voting Shares	Class B Common Shares	Class A Non-Voting Shares	Class B Common Shares	Value (\$)
Lorraine M. Charlton	28,752	-	33,404	-	4,652	-	48,770
Douglas A. Dafoe	26,395	-	31,047	-	4,652	-	45,329
Linda A. Southern-Heathcott <sup>2</sup>	1,678,905	50	1,683,557	50	4,652	-	2,458,118
Harish K. Mohan	22,508	100	27,160	100	4,652	-	39,904
Robert J. Peabody	-	-	4,652	-	4,652	-	6,792
Nancy C. Southern <sup>2</sup>	36,909	-	41,561	-	4,652	-	60,679
Henry G. Wilmot	13,710	-	18,362	-	4,652	-	26,809
Charles W. Wilson	53,045	-	57,697	-	4,652	-	84,238
D. Neil Yeates	-	-	3,516	-	3,516	-	5,133
<b>Total</b>	<b>1,860,224</b>	<b>150</b>	<b>1,900,956</b>	<b>150</b>	<b>40,732</b>	<b>-</b>	<b>2,775,771</b>

<sup>1</sup> Equity at risk is shown as at March 5, 2025, and is the market value determined by reference to the closing price of Class A Non-Voting Shares (\$1.46) and Class B Common Shares (\$2.50) on the TSX as well as to option strike prices at the dates such options were granted.

<sup>2</sup> As at March 5, 2025, the Spousal Trust owned 68,684 Class A Non-Voting Shares and 2,200 Class B Common Shares. The Spousal Trust is also the controlling shareholder of Sentgraf, which owns 4,474,258 Class A Non-Voting Shares and 1,426,790 Class B Common Shares. Ms. Nancy Southern, Ms. Linda Southern-Heathcott and Mrs. Margaret E. Southern are the trustees of the Spousal Trust.

Directors are eligible to receive grants of options and share appreciation rights and performance share units under the Company's long-term incentive plans. The following table lists all options that were granted to directors during 2024. Further, during 2024 and to date in 2025, there were no

outstanding share appreciation rights. Option pricing was determined using the binomial methodology. The option was valued at 25% at the time of the grant, based on a plan design with an eight-year term and vesting over five years. This method and assumptions have been consistently applied. The value vested during the year on incentive plan awards to directors is included in the following table.

Stock Options Granted 2024					Vested Options at December 31, 2024	
Name	Date Granted	Expiry Date	Grant Price (\$)	Number Granted (#)	Number Vested (#)	Value (\$)
Linda A. Southern-Heathcott	December 16, 2024	December 15, 2032	1.62	300,000	60,000	-

Performance Share Units Granted in 2024			
Name and Position	Date Granted	Value Granted (\$)	Number Granted (#)
Linda A. Southern-Heathcott Executive Chair	December 16, 2024	150,000	92,593

The following table lists all outstanding options held by the directors at December 31, 2024.

Name	Option Based Awards					Share Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option grant date	Option expiration date	Value of unexercised in-the-money options <sup>1</sup> (\$)	Number of shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>2</sup> (\$)	Market or payout value of vested share-based awards that have not been paid out or distributed (\$)
Linda A. Southern-Heathcott	125,000	3.93	Mar 7, 2019	Mar 6, 2029	Nil	166,122	265,795	N/A
	150,000	0.44	Jun 26, 2020	Jun 25, 2028	174,000			
	300,000	1.01	Apr 1, 2021	Mar 31, 2029	177			
	300,000	1.69	Dec 15, 2022	Dec 14, 2030	Nil			
	300,000	1.36	Dec 15, 2023	Dec 14, 2031	72,000			
	300,000	1.62	Dec 15, 2024	Dec 15, 2032	Nil			

<sup>1</sup> The value of unexercised "in-the-money" options has been determined by subtracting the exercise price of the options from the closing price of the Class A Non-Voting Shares on December 31, 2024 of \$1.60, as reported by the TSX, and multiplying by the number of Class A Non-Voting Shares that may be acquired upon the exercise of the options.

<sup>2</sup> Market value based on closing price of the Class A Non-Voting Shares on December 31, 2024 of \$1.60.

During 2024, no options or share based awards were exercised by directors of the Company.

## COMPENSATION DISCUSSION & ANALYSIS

### Compensation Governance

GOCOM reviews and determines the overall compensation program for all officers of the Company, including base salary, short-term incentives and long-term incentives. GOCOM's approach when setting executive compensation is to align the executives' interests with the interests of the Company's share owners and to fairly and competitively compensate executives in order to attract and retain skilled and dedicated executives. While GOCOM is responsible for recommending executive compensation to the Board, the Board reserves the right to exercise discretion to reduce or increase executive compensation based upon specific circumstances.

### Committee Process

GOCOM recognizes the importance of maintaining sound governance practices for the administration of executive total compensation programs. To ensure GOCOM has the ability to effectively perform its responsibilities, the following procedures have been established:

- In camera sessions are held at each meeting to address executive compensation items;
- A compensation matrix is reviewed for all executives that includes a three-year history of base pay changes, incentive plan payments, discretionary payments, perquisites, share plan ownership and grants and pension and other benefits;
- The granting of stock options, share appreciation rights, performance share units and deferred share units is generally considered annually during concurrent deliberation of Total Direct Compensation ("TDC"), which is defined as base pay plus target bonus plus the expected value of long-term incentives;
- Management is directed to provide an initial analysis and commentary on a range of compensation matters; this material is reviewed along with other information received from external advisors before considering and/or rendering decisions; and
- GOCOM has full discretion to adopt management recommendations or to alter them and consult its own external advisors.

### Independent advice

From time to time, GOCOM reviews compensation surveys prepared by independent compensation consultants to undertake market competitive compensation analysis of executive positions, to provide information on current market practices and to provide advice in structuring or restructuring executive compensation programs. GOCOM may also seek independent legal advice on securities law, matters related to executive compensation or any other governance related issue.

### Executive compensation advisory surveys and related fees

GOCOM annually reviews market comparisons and provides advice on developing appropriate compensation programs, based on information from other corporations in the Canadian drilling and oilfield services industry and typically utilizes the Enserva Survey.

The Company has been using the Enserva Survey since the inception of the Company. This is the only service provided to the Company by Enserva. The cost for this survey in 2024 was \$1,950.

### **GOCOM decision-making criteria**

GOCOM reviews and approves each individual executive's TDC annually. Several factors are considered in totality, together with any other considerations determined to be relevant, in making compensation recommendations. These factors include:

- Market data that shows how the executive is paid in relation to the market (50<sup>th</sup> percentile) for base salary, short-term incentives and long-term incentives;
- Individual performance measures that indicate the executive's demonstrated delivery of results and alignment to the values and direction of the Company, and the ability to mentor other high-potential employees; and
- Company performance against a range of financial, operational, leadership and long-term sustainable growth targets.

### **Philosophy, objectives and principles**

The Company's compensation philosophy is to provide "competitive pay for competitive performance". This philosophy is designed to closely align the interests of executives and share owners and to support the continued success of the Company. GOCOM approves compensation principles and objectives designed to ensure the achievement of this approach.

The objectives of the Company's executive compensation plan are as follows:

- Attract and retain talented executives in a competitive business environment; and
- Compensate executives in a way that creates sustained share owner value by:
  - Ensuring all executives have an "at risk" component of total compensation that reflects their ability to influence business outcomes and financial performance;
  - Linking short-term incentives to prudent company performance and paying the "at-risk" component of compensation only in the event that prescribed targets or objectives are met or exceeded;
  - Aligning the performance of the executive to the strategic plan of the Company; and
  - Linking long-term incentives to sustainable profitable growth.

The Company's compensation principles are as follows:

- Establish TDC, pension benefits and perquisites at the median of the relevant comparator markets;
- Provide a significant portion of TDC based on company and individual performance which is to be paid only in the event that prescribed targets are met or exceeded;
- Utilize relevant peer companies from industry that may be of similar size and scope of operations or for which the data is adjusted to reflect the appropriate size and scope through linear regression analysis. Comparator company data is obtained from the Enserva Survey; and
- Test the total potential payment to ensure it is not a significant portion of the Company's earnings.

The comparator groups used for market competitiveness are as follows:

<b>Industry</b>	Oil and gas services
<b>Locations</b>	Alberta

<b>Relevance</b>	Companies are selected based on their comparability to the Company's operations. Consideration is given to size using revenue, number of employees and market capitalization.
<b>2024 Enserva Survey participant companies</b>	AKITA Drilling Ltd. Ensign Energy Services Inc. Precision Drilling Corporation Plus 29 additional Canadian oilfield services companies that do not have drilling operations

### **Managing risk**

In 2024, GOCOM considered the extent to which annual performance metrics, as opposed to multi-year targets, could potentially incentivize inappropriate or unnecessary risk-taking or short-term decision making. GOCOM concluded that the balance of multi-year targets and annual performance metrics did not lead to the assumption of undue risk in 2024 relative to the Company's intended overall risk profile. The ability for short-term decisions to drive excessive compensation is limited because the performance awards are subject to "caps" (maximum amounts of compensation) that can be received in the event the Company's performance exceeds established performance targets. Such caps on performance-related compensation minimize any incentive to enter into large transactions with excessive risk for the purpose of attempting to generate substantial short term gains.

GOCOM also considered whether the awarding of long-term compensation could potentially encourage inappropriate or excessive risk taking. As part of its consideration, GOCOM recognized the Board's practice of evaluating and approving each aspect of long term strategic decisions on a variety of metrics including its anticipated long and short term rewards with consideration given to the corresponding levels of associated risks. Therefore, GOCOM concluded that such Board oversight and approval over the Company's long term strategic decisions was a practice that minimized the risk of long-term compensation driving excessive or unnecessary risk taking in 2024. When the aforementioned requisite Board approval of long term strategic decisions is coupled with the oversight of the Company's Risk Management Committee, which is tasked with identifying, assessing and mitigating risks material to the Company and which reports directly to the Board, GOCOM concluded that adequate safeguards are in place to minimize the risk of excessive risk taking to achieve long term compensation targets. GOCOM also considered the use of five year vesting periods for options issued to management as a risk mitigating strategy.

## **Executive Compensation Program Elements**

### **Base salary**

The base pay program provides a fixed level of income based on the market value of the position. All executive roles are matched to similar positions in the comparator group. Base salaries are generally targeted near the 50<sup>th</sup> percentile; however, salaries up to the 75<sup>th</sup> percentile are provided to reward sustained individual performance which is above the expectations of the role. GOCOM may make adjustments in an individual's salary during the year based on changes in the executive's responsibilities.

### **Short-term incentive plan**

The Company has officers' bonus plans pursuant to which annual bonuses of up to 100% of salary are payable for a financial year based on the net income and other metrics of the Company achieved in such year.

### **Long-term incentive plan**

Summary of stock option plan

The Stock Option Plan was initially adopted by the Company at inception, subsequently amended and restated three times and approved by the shareholders on May 14, 1998, May 7, 2007 and again on May 10, 2022.

GOCOM, subject to Board approval, may designate directors, officers, employees and other persons providing services to the Company to be offered options to purchase Class A Non-Voting Shares of the Company at an exercise price equal to the weighted average trading price of the shares on the TSX for the five trading days immediately preceding the date of grant. Vesting provisions and the exercise period of the Options are determined by GOCOM at the date of grant, provided the exercise period shall not exceed eight years. Determinations with respect to the grant of options are influenced by the factors previously identified in the discussion of base salary determinations.

As of March 5, 2025, options to issue 2,438,500 Class A Non-Voting Shares are outstanding under the Stock Option Plan, representing 6% of the Company's issued and outstanding share capital. The aggregate maximum number of Class A Non-Voting Shares which may be issued pursuant to the options granted under the Stock Option Plan may be equal to, but not greater than, 6,500,000 Class A Non-Voting Shares. As of March 5, 2025, 6,500,000 Class A Non-Voting Common Shares represents 16% of the Company's issued and outstanding share capital. A summary of activities under the Stock Option Plan up to the date of this Management Information Circular is contained in the accompanying table. All balances included have been adjusted to reflect the two-for-one stock split implemented on June 8, 2005 in accordance with the terms of the Stock Option Plan.

The number of Class A Non-Voting Shares which may be issuable to insiders of the Company, within any one year period, and at any time under the Stock Option Plan, together with all of the Company's other previously established or proposed other security based compensation arrangements, in aggregate, may not at any time exceed 10% of the Company's issued and outstanding securities. The number of Class A Non-Voting Shares which may be issued to any one optionee under the Stock Option Plan is not otherwise restricted.

Options granted under the Stock Option Plan may only be exercised by the participant. Stock options granted under the Stock Option Plan prior to June of 2020, terminate on the earlier of the date of expiration of the option period and 90 days from the date a participant ceases to hold the office of director, officer, employee or consultant or, in the case of death, permanent disability or normal retirement, the earlier of the date of expiration of the option period and twelve months after the date of death, permanent disability or normal retirement. Stock options granted under the Stock Option Plan after June of 2020, terminate on the earlier of the date of expiration of the option period and 90 days from the date a participant ceases to hold the office of director, officer, employee or consultant or, in the case of death, or permanent disability, the earlier of the date of expiration of the option period and twelve months after the date of death or permanent disability. In the case of normal retirement, however, the original term of options granted after June of 2020 survive until their date of expiration.

Options granted under the Stock Option Plan are non-assignable and non-transferable, other than in the event of death or permanent disability, and in such circumstances only in accordance with the participant's will or applicable law and only to the extent the participant was entitled to exercise the

option as at the date of his or her death or permanent disability. In the event of normal retirement, the original term of the options is not affected. In the event of a sale of all or substantially all of the assets of the Company or a change of control, a participant under the Stock Option Plan will be entitled to exercise (partially or in full) each option granted under the Stock Option Plan, whether vested or not, until the earlier of: (i) the last day of the applicable option period; and (ii) the 90th day after the date of termination of the participant's status (i.e., as a director, officer or employee) with the Company at the time and under which the option was granted. The Stock Option Plan also contains an adjustment mechanism to alter the exercise price or number of Class A Non-Voting Shares issuable under the Stock Option Plan upon a share reorganization or corporate reorganization.

Where options expire during a black out period imposed by the Company (the "Black Out Period"), then the option period of such options will be extended to the end of the day that is ten business days following the end of the applicable Black Out Period.

The Stock Option Plan provides that the Board may make certain amendments to the Stock Option Plan or any Options without shareholder approval, including:

- any amendment to the vesting provisions of the Stock Option Plan or any option;
- any amendment to the termination provisions of the Stock Option Plan or any option, provided that such amendment does not entail an extension beyond the expiry date of the Option;
- any amendment to the persons eligible to receive options or otherwise relating to the eligibility of anyone to receive options other than an amendment which would have the potential of broadening or increasing insider participation;
- any amendment with respect to the method or manner of exercise of any option;
- any amendment of a "housekeeping" nature; and
- any other amendment that under the rules of the TSX (or such other stock exchange on which the Class A Non-Voting Shares may be listed) does not require shareholder approval; provided that no such amendment shall in any manner materially adversely affect the rights of any participant under any options granted under the Stock Option Plan without such participant's consent.

The Board may also, at any time, suspend or terminate the Stock Option Plan. The Company will not facilitate the surrender of options for a cash payment equal to the in-the-money amount unless shareholder approval is sought and obtained for an amendment to the Stock Option Plan to provide for such a cashless exercise mechanism.

Pursuant to applicable TSX rules, the Company will require shareholder approval for: (i) amendments that increase the number of shares issuable under the Stock Option Plan; (ii) amendments that reduce the exercise price of an option benefiting an insider of the Company; (iii) an amendment to extend the term of a grant benefiting an insider of the Company; (iv) any amendment to remove or exceed the insider participation limit; and (v) amendments to an amending provision of the Stock Option Plan.

	Amended Stock Option Plan Including Amendments <sup>1</sup>	As a percentage to the issued and outstanding share capital
<b>Reserved</b>	<b>6,500,000</b>	<b>16%</b>
<b>Available for Issuance</b>	<b>2,533,500</b>	<b>6%</b>
<b>Options Outstanding</b>		
Granted	5,976,500	15%
Exercised	(1,528,000)	4%
Expired	(668,800)	2%
Surrendered for a cash payment equal to the in-the-money amount	(360,200)	1%
Cancelled	(981,000)	2%
<b>Outstanding as at March 5, 2025</b>	<b>2,438,500</b>	<b>6%</b>
<b>Total Reserved (Plan Maximum)</b>	<b>6,500,000</b>	<b>16%</b>
Weighted average exercise price of outstanding options	\$1.59	

<sup>1</sup>At inception of the plan, 1,650,000 shares were reserved under the plan for issuance. In 1998 1,450,000 additional shares were reserved to replenish the plan and in 2022 3,400,000 additional shares were reserved to replenish the plan.

### Annual Burn Rate

In accordance with the requirements of section 613 of the TSX Company Manual, the following table sets out the burn rate of the awards granted under the Company's share based compensation arrangements as of the end of the financial year ended December 31, 2024 and for the two preceding financial years. As at the date of this Circular, the only share based compensation arrangement is the Stock Option Plan. The table below sets out the burn rate for the options granted under the Plan for the years ended December 31, 2024, 2023, and 2022. The burn rate is calculated by dividing the number of options granted under the Stock Option Plan during the relevant fiscal year by the weighted average number of shares outstanding for the applicable fiscal year.

	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2022
<b>Options granted</b>	595,000	515,000	430,000
<b>Weighted average outstanding share capital</b>	39,729,731	39,658,520	39,622,805
<b>Annual burn rate</b>	1.49%	1.29%	1.09%

### Stock option hedging policy

The Company policy prohibits the hedging of equity-based compensation and other securities awarded to recipients.

### Stock options issued during 2024

The following table lists all options that were granted to named executive officers (“NEOs”) of the Company during 2024. During 2024 and to date in 2025, there were no outstanding share appreciation rights. Option pricing was determined using the binomial methodology. The option was valued at 25% at the time of the grant, based on a plan design with an eight-year term and vesting over five years. This method and assumptions have been consistently applied.

Name and Position	Date Granted	Expiry Date	Grant Price (\$)	Number Granted (#)	Vested Options at December 31, 2024	
					Number Vested (#)	Value (\$)
Colin A. Dease President and Chief Executive Officer	Dec 16, 2024	Dec 15, 2032	1.62	125,000	25,000	-
Darcy Reynolds Vice President, Finance and Chief Financial Officer	Dec 16, 2024	Dec 15, 2032	1.62	70,000	14,000	-

### Share Appreciation Rights, Performance Share Units and Deferred Share Units

In addition to stock options, share appreciation rights (SARs) may be granted to directors, officers and key employees of the Company. The vesting provisions and exercise period (which cannot exceed 8 years) are determined at the time of grant. The holder is entitled on exercise to receive a cash payment from the Company equal to any increase in the market price of the Class A Non-Voting Shares over the base value of the SARs exercised. The base value is equal to the closing price of the Class A Non-Voting Shares on the TSX on the day before the date of grant.

On November 12, 2013, the Board approved an executive Deferred Share Unit Plan (“DSU Plan”) whereby the Board or, if duly authorized by the Board, GOCOM may grant to eligible executives of the Company such number of Deferred Share Units (“DSUs”) as appropriate as a bonus in respect of services rendered to the Company. Unless otherwise specified at the time of grant, DSUs vest at the time of grant and are payable when the executive ceases to be an employee or a director of the Company. Recipients of DSUs are entitled to receive dividend equivalents based upon the payment of dividends to Class A Non-Voting shareholders. On December 16, 2024, 74,074 DSUs were issued to select employees (2023 - 88,235).

Deferred Share Units Granted in 2024			
Name and Position	Date Granted	Value Granted (\$)	Number Granted (#)
Colin A. Dease President and Chief Executive Officer	Dec 15, 2023	50,000	30,864
Darcy Reynolds Vice President, Finance and Chief Financial Officer	Dec 15, 2023	35,000	21,605

On November 17, 2022, GOCOM on behalf of the Board approved an executive Performance Share Unit Plan (“PSU Plan”) whereby the Board or, if duly authorized by the Board, GOCOM may grant to eligible executives of the Company and members of the Board, such number of Performance Share Units (“PSUs”) as appropriate as a medium term incentive plan for the eligible executives. PSUs vest at three years and have a payout ratio of 0 or 1 multiplied by the share price at the time of vesting. Units are settled in cash or equity at the Board’s discretion. On December 16, 2024, 277,778 PSUs were issued (2023 - 272,059).

### Performance Share Units Granted in 2024

Name and Position	Date Granted	Value Granted (\$)	Number Granted (#)
Colin A. Dease President and Chief Executive Officer	Dec 16, 2024	125,000	77,160
Darcy Reynolds Vice President, Finance and Chief Financial Officer	Dec 16, 2024	70,000	43,210

Unlike salary and bonuses, which are intended to compensate the Company's executive for the day to day administration of the Company as well as the achievement of annual targets, the use of stock options, SARs, PSUs and DSUs is intended to provide long-term incentives for the recipients to more closely align their interests with the interests of the shareholders. The recommendation of timing and amounts of each award is made based upon the circumstances at the time of such recommendation, but includes considerations regarding past performance, known and anticipated opportunities in the future and a desire to affect future performance for the Company.

Prior to the granting of stock options, SARs, PSUs or DSUs, in addition to the performance of the executive, consideration is given to the number of awards currently outstanding, both in total and to any prospective individual for whom additional grants might be considered as well as the number of awards that are available to be issued under the stock option plan.

### Value vested/earned during the year

The following table sets forth, for each NEO, the value vested or earned on all option-based awards, share-based awards and non-equity incentive plan compensation in 2024. Amounts presented below have been determined as of the effective date of vesting. No SARs have been issued by the Company.

Name	Option-based awards Value vested during 2024 (\$)	Share-based Awards Value vested during 2024 (\$)	Non-equity incentive plan compensation Value earned during 2024 (\$)
Colin A. Dease President and Chief Executive Officer	18,840	49,382	360,000
Darcy Reynolds Vice President, Finance and Chief Financial Officer	16,920	34,568	215,000

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

The following table lists all outstanding option based awards and share based awards held by the NEOs of the Company at December 31, 2024.

Name	Option Based Awards				Share Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units 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 that have not been paid out or distributed <sup>(2)</sup> (\$)
Colin A. Dease President and Chief Executive Officer	15,000	5.62	Sep 17, 2028	-	Nil	N/A	297,830
	30,000	3.93	Mar 6, 2029	-			
	30,000	0.44	Jun 25, 2028	34,800			
	60,000	1.01	Mar 31, 2029	35,400			
	50,000	1.69	Dec 14, 2030	-			
	100,000	1.36	Dec 14, 2031	24,000			
	125,000	1.62	Dec 15, 2032	-			
Darcy Reynolds Vice President, Finance and Chief Financial Officer	15,000	5.62	Sep 17, 2028	-	Nil	N/A	242,011
	30,000	3.93	Mar 6, 2029	-			
	30,000	0.44	Jun 25, 2028	34,800			
	60,000	1.01	Mar 31, 2029	35,400			
	50,000	1.69	Dec 14, 2030	-			
	60,000	1.36	Dec 14, 2031	14,400			
	70,000	1.62	Dec 15, 2032	-			

<sup>1</sup> The value of unexercised "in-the-money" options has been determined by subtracting the exercise price of the options from the closing price of the Class A Non-Voting Shares on December 31, 2024 of \$1.60, as reported by the TSX, and multiplying by the number of Class A Non-Voting Shares that may be acquired upon the exercise of the options.

<sup>2</sup> The market or payout value of vested share-based awards that have not been paid out or distributed has been determined by taking the number of DSUs awarded plus accrued dividends and multiplying the result by the closing price of the Class A Non-Voting Shares on December 31, 2024 of \$1.60, as reported by the TSX.

## Pension benefits

The Company has a defined contribution Pension Plan that covers substantially all of its Canadian employees as well as a group RRSP Plan that covers Canadian employees having five or more years of service. Under these plans, the Company makes a combined contribution, based on years of service, of up to 10% of regular earnings for eligible employees on a current basis. Colin A. Dease and Darcy Reynolds participate in these plans. Pension benefits and contributions granted under the defined contribution plan and group RRSP are subject to limits imposed by the *Income Tax Act* (Canada).

GOCOM, subject to Board approval, may approve supplemental benefits to directors, officers, employees and other persons providing services to the Company.

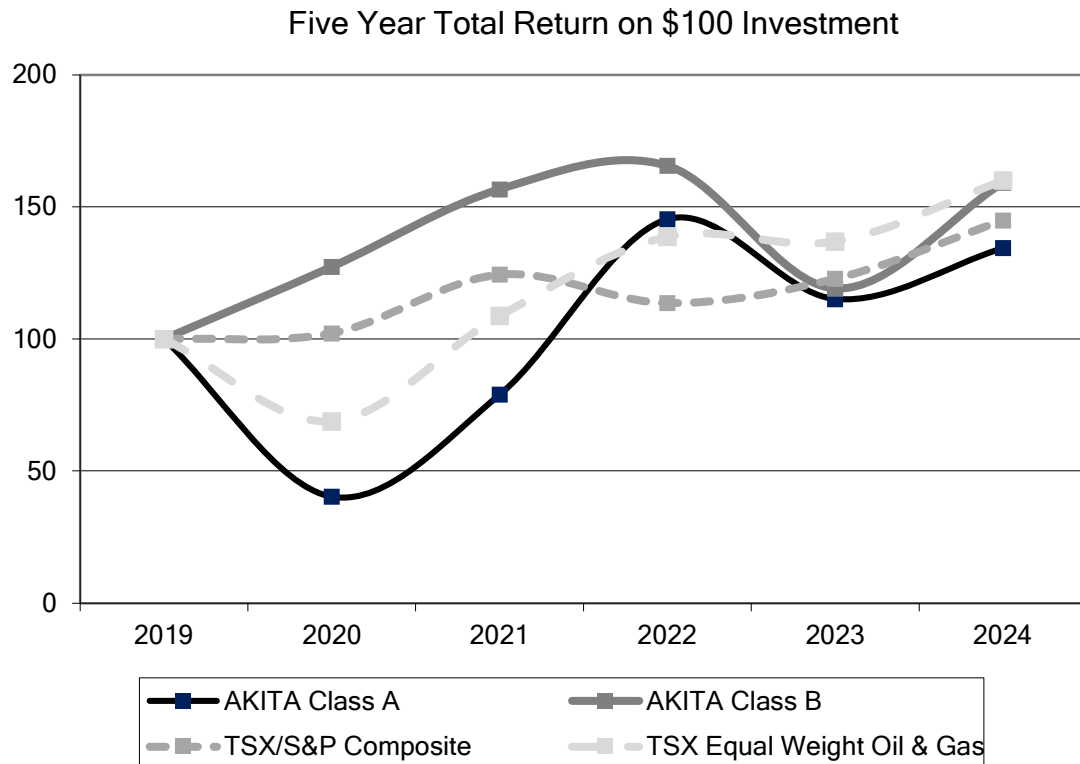
## Defined contribution plan table

The following table sets forth for each NEO all pension plans that provide for payments or benefits at, following, or in connection with retirement, excluding defined benefit plans. Annual payments made have been included under “All Other Compensation” of the Summary Compensation Table for NEOs.

Name and Position	Accumulated value at start of year (\$)	Compensatory (\$)	Non- compensatory (\$)	Accumulated value at end of year (\$)
Colin A. Dease President and Chief Executive Officer	212,255	21,042	23,615	256,911
Darcy Reynolds Vice President, Finance and Chief Financial Officer	192,419	16,667	21,333	230,419

## Compensation linked to shareholder return

The graph below compares the cumulative value of \$100 invested in AKITA Class A Non-Voting Shares and Class B Common Shares (assuming reinvestment of dividends) commencing December 31, 2019 and ending December 31, 2024, with the cumulative value of \$100 invested in the S&P/TSX 300 Composite Index and the TSX Energy Equipment and Services Sub-index over the same period.



	2019	2020	2021	2022	2023	2024
<b>AKITA Class A</b>	100	40	79	145	115	134
<b>AKITA Class B</b>	100	127	157	166	119	159
<b>TSX/S&amp;P Composite</b>	100	102	124	114	123	145
<b>TSX Equal Weight Oil &amp; Gas</b>	100	69	109	139	137	160



**Colin A. Dease ICD.D**  
 President and Chief Executive Officer

Age: 50  
 Location: Calgary, Canada  
 Years of service: 14

In April of 2023, Mr. Dease was appointed President and Chief Executive Officer of the Company. Prior he served as President and Chief Operating Officer, President of AKITA’s Canadian Division, Vice President, Canadian Operations and as Vice-President, Corporate Secretary and Legal Counsel. An experienced lawyer by profession, Mr. Dease is on the Board of the Canadian Association of Energy Contractors (“CAOEC”), Board of Energy Safety Canada and holds the Governance Fellows Designation from the National Association of Corporate Directors as well as the Corporate Director Designation from the Institute of Corporate Directors.

**2024 Compensation**

Mr. Dease’s compensation this year reflects AKITA’s performance, as well as his overall performance and contribution to the Company.

GOCOM approved the following compensation for Mr. Dease.

\$	2024	2023	2022
<b>Cash</b>			
Base salary	420,833	351,250	280,000
Short-term incentive	360,000	375,000	250,000
<b>Total cash compensation</b>	<b>780,833</b>	<b>726,250</b>	<b>530,000</b>
<b>Equity</b>			
Long-term incentives			
Stock options	143,750	100,000	62,500
PSUs	125,000	125,000	50,000
DSUs	50,000	50,000	60,000
<b>Total equity</b>	<b>318,750</b>	<b>275,000</b>	<b>172,500</b>
<b>Total direct compensation</b>	<b>1,099,583</b>	<b>1,001,250</b>	<b>702,500</b>

The following table provides a summary of securities beneficially owned, controlled or directed, directly or indirectly, by Mr. Dease as of March 5, 2025. The information as to securities beneficially owned or controlled or directed has been furnished by Mr. Dease. Securities information regarding shares purchased under the supplemental fee paid to each NEO was provided by the Company. See “2024 Compensation Details - Summary compensation table” on page 48.

<b>Securities held</b>	
Class A Non-Voting Shares	177,542
Class A Non-Voting Options	410,000
Class B Common Shares	100



**Darcy Reynolds, CPA, CA**  
 Vice President, Finance and Chief Financial Officer

Age: 49  
 Location: Calgary, Canada  
 Years of Service: 14

Mr. Reynolds has been Vice President, Finance and Chief Financial Officer of the Company since March 2017, was previously Vice President, Finance, March 2016 to February 2017 and has been with the Company since January 2011. As Vice President, Finance and Chief Financial Officer, Mr. Reynolds oversees AKITA’s Finance, Accounting, Treasury, Taxation, Information Technology and Risk Management functions and is involved in all major decisions of the company.

**2024 Compensation**

Mr. Reynolds’ compensation this year reflects AKITA’s performance, as well as his overall performance and contribution to the Company

GOCOM approved the following compensation for Mr. Reynolds.

\$	2024	2023	2022
<b>Cash</b>			
Base salary	333,333	303,750	270,000
Short-term incentive	215,000	235,000	225,000
<b>Total cash compensation</b>	<b>548,333</b>	<b>538,750</b>	<b>495,000</b>
<b>Equity</b>			
Long-term incentives			
Stock options	80,500	60,000	62,500
PSUs	70,000	70,000	40,000
DSUs	35,000	35,000	40,000
<b>Total equity</b>	<b>185,500</b>	<b>165,000</b>	<b>142,500</b>
<b>Total direct compensation</b>	<b>733,833</b>	<b>703,750</b>	<b>637,500</b>

The following table provides a summary of securities beneficially owned, controlled or directed, directly or indirectly, by Mr. Reynolds as of March 5, 2025. The information as to securities beneficially owned or controlled or directed has been furnished by Mr. Reynolds. Securities information regarding shares purchased under the supplemental fee paid to each NEO was provided by the Company. See “2024 Compensation Details - Summary compensation table” on page 48.

<b>Securities held</b>	
Class A Non-Voting Shares	99,183
Class A Non-Voting Options	315,000
Class B Common Shares	-

## 2024 COMPENSATION DETAILS

### Summary Compensation Table

The table below summarizes the total compensation for each of the NEOs that was received or awarded for the years ended December 31, 2024, 2023 and 2022.

	Salary (\$)	Share based awards (DSU,PSU) (\$)	Option based awards (\$)	Non-Equity Annual incentive plans (\$)	Pension value (\$)	All other compensation (\$)	Total Compensation (\$)
<b>Colin A. Dease</b>							
2024	420,833	175,000	143,750	360,000	21,042	23,195	1,143,820
2023	351,250	175,000	100,000	375,000	17,562	17,327	1,036,139
2022	280,000	110,000	62,500	250,000	14,000	13,228	729,728
<b>Darcy Reynolds</b>							
2024	333,333	105,000	80,500	215,000	16,667	27,794	778,294
2023	303,750	105,000	60,000	235,000	15,188	23,563	742,500
2022	270,000	80,000	62,500	225,000	13,500	13,387	664,387

<sup>1</sup> Ms. Southern-Heathcott's compensation consisted of director fees and the grant of options under the Company's Stock Option Plan.

### All Other Compensation

All other compensation" includes the Company's contributions to the group RRSP. For certain NEOs, "all other compensation" includes an automobile allowance, memberships, retirement allowance or taxable benefit on life insurance premiums or director fees. The following table includes the "all other compensation" amount for each NEO in 2024:

Name	Group RRSP	Auto Allowance	Member ships	ESP Benefit	Taxable Benefit	Director Fee	Total Other Compensation
Colin A. Dease	19,292	-	-	903	3,000	-	<b>23,195</b>
Darcy Reynolds	15,000	-	-	2,365	10,430	-	<b>27,794</b>

## Outstanding option-based and share-based awards

The table below shows the total holdings and value of options, PSUs and DSUs held by the NEOs at the end of the year.

	Options, SARs, PSUs and DSUs held on December 31, 2024				Options, PSUs and DSUs exercised in 2024	
	Number of unexercised options/SARs/PSUs/DSUs (#)		Value of unexercised in-the-money options/SARs/PSUs/DSUs (\$)		Securities acquired on exercise (#)	Aggregate value realized (\$)
	Exercisable	Unexercisable	Exercisable	Unexercisable		
<b>Colin A. Dease</b>						
Options	218,000	192,000	72,720	21,480	-	N/A
SARs	-	-	-	-	-	N/A
PSUs	-	199,012	-	318,419	-	N/A
DSUs	186,144	-	297,830	-	-	N/A
<b>Darcy Reynolds</b>						
Options	191,000	124,000	68,880	15,720	-	N/A
SARs	-	-	-	-	-	N/A
PSUs	-	118,633	-	189,813	-	N/A
DSUs	151,257	-	242,011	-	-	N/A

## OTHER INFORMATION

### Indebtedness of Officers and Directors

No officer or director of the Company had any indebtedness, whether routine or otherwise, to the Company at any time during the year, or to the date of this Management Information Circular.

### Directors and officers liability insurance

AKITA has purchased directors and officers liability insurance with an annual aggregate limit of \$45,000,000. Coverage for the Company, its directors and officers is \$45,000,000. AKITA paid an insurance premium of \$161,200 for the financial year ended December 31, 2024. No part of the premium was paid by a director or officer. AKITA is responsible for the first \$200,000 of any loss and there is no deductible in respect of claims against any director or officer.

### For more information

Additional information about AKITA is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Information about AKITA's business is provided in its Annual Information Form dated March 5, 2025. Financial information is provided in AKITA's financial statements and the management's discussion and analysis for the year ended December 31, 2024. Copies of these documents, AKITA's interim consolidated financial statements and additional copies of this Management Information Circular may be obtained upon request from the Corporate Secretary at 1000, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1.

Corporate information, is also available on AKITA's website: [www.akita-drilling.com](http://www.akita-drilling.com).

## Schedule A - Board of Directors Mandate

The board of directors (the "Board") of AKITA Drilling Ltd. (the "Corporation") is responsible for the stewardship of the Corporation and for overseeing the conduct of the business of the Corporation and the activities of management, who are responsible for the day-to-day conduct of the business. The Board is also responsible for appointing the chair, approving composition, size, director compensation and candidates to the boards of its two subsidiary corporations: AKITA Equipment Corp. and AKITA Drilling USA Corp.

### **Composition and Operation**

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

### **Responsibilities**

The Board's primary responsibilities are to enhance and preserve long-term shareholder value and to ensure that the Corporation meets its obligations on an on-going basis and operates in a reliable and prudent manner. In performing its duties, the Board should also consider the legitimate interests of other interested parties, such as employees, customers and communities, may have in the Corporation. In broad terms, the stewardship of the Corporation involves the Board in strategic planning, risk management and mitigation, senior management determination, communication planning, and internal control integrity. More specifically, the Board is responsible for:

- (a) satisfying itself as to the integrity of the Chief Executive Officer ("CEO") and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization;
- (b) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan for the Corporation which takes into account, among other things, the opportunities and risks of the business;
- (c) identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;
- (d) succession planning (including appointing and monitoring officers);
- (e) adopting a communication policy for the Corporation that includes measures for receiving feedback from interested parties;
- (f) the Corporation's internal control and management information systems;
- (g) developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation; and

- (h) on an individual basis, attending all Board meetings, reviewing meeting materials in advance of meetings, and complying with the other expectations and responsibilities of directors of the Corporation established by the Board.

#### Specific Duties

The Board's specific duties, obligations and responsibilities fall into the following categories.

#### 1. *Legal Requirements*

- (a) The Board has oversight responsibility for the Corporation's satisfaction of its legal obligations and for properly preparing, approving and maintaining the Corporation's documents and records.
- (b) The Board has the statutory obligation to:
  - (i) supervise the management of the business and affairs of the Corporation;
  - (ii) act honestly and in good faith with a view to the best interests of the Corporation;
  - (iii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
  - (iv) act in accordance with its obligations contained in the *Business Corporations Act* (Alberta) and the regulations thereunder, the Corporation's articles and by-laws, and other relevant legislation and regulations.
- (c) The Board has the statutory obligation to consider certain matters as a board of directors. The Board may not delegate to management or to a committee of the Board the authority to:
  - (i) submit to the shareholders any question or matter requiring the approval of the shareholders;
  - (ii) fill a vacancy among the directors or in the office of external auditor, or appoint additional directors;
  - (iii) issue securities except in the manner and on the terms authorized by the Board;
  - (iv) declare dividends;
  - (v) purchase, redeem or otherwise acquire shares issued by the Corporation, except in the manner and on the terms authorized by the Board;
  - (vi) pay a commission to any person in consideration of the person purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for shares of the Corporation;
  - (vii) approve any management proxy circular relating to a solicitation of proxies by or on behalf of the management of the Corporation;
  - (viii) approve any take-over bid circular or directors' circular;
  - (ix) approve any annual financial statements of the Corporation; or

- (x) adopt, amend or repeal by-laws.

2. *Independence*

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

3. *Strategic Planning*

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

4. *Risk Management*

The Board is responsible for understanding the principal risks of the business in which the Corporation is engaged, achieving a proper balance between risks incurred and the potential return to shareholders, and confirming that there are systems in place that effectively monitor and manage those risks with a view to the long-term viability of the Corporation.

5. *Appointment, Training and Monitoring of Senior Management*

The Board is responsible for:

- (a) appointing the CEO of the Corporation, monitoring and assessing the CEO's performance, determining the CEO's compensation, and providing advice and counsel to the CEO in the execution of the CEO's duties;
- (b) approving the appointment and remuneration of all officers of the Corporation; and
- (c) confirming that adequate provision has been made for the training and development of management and for the orderly succession of management.

6. *Reporting and Communication*

The Board is responsible for:

- (a) verifying that the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other interested parties and the public generally;
- (b) verifying that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- (c) verifying that the Corporation's financial results are reported fairly and in accordance with generally accepted accounting principles;
- (d) verifying the timely reporting of any other developments that have a significant and material effect on the value of the Corporation; and
- (e) reporting annually to shareholders on the Board's stewardship of the affairs of the Corporation for the preceding year.

7. *Monitoring and Acting*

The Board is responsible for:

- (a) verifying that the Corporation operates at all times within applicable laws and regulations to the highest ethical and moral standards;
- (b) approving and monitoring compliance with the significant policies and procedures by which the Corporation is operated;
- (c) verifying that the Corporation sets appropriate environmental standards in its operations and is in compliance with environmental laws and legislation;
- (d) verifying that the Corporation has in place appropriate programs and policies for the health and safety of its employees in the workplace;
- (e) monitoring the Corporation's progress toward its goals and objectives and revising and altering its direction through management in response to changing circumstances;
- (f) taking action when the Corporation's performance falls short of its goals and objectives or when other special circumstances warrant;
- (g) verifying that the Corporation has implemented adequate disclosure controls and procedures and internal control and information systems;
- (h) ensuring that the Board receives from senior management on a timely basis the information and input required to enable the Board to effectively perform its duties;
- (i) adopting a written code of business conduct and ethics and monitoring compliance with the code; and
- (j) conducting and acting upon annual assessments and evaluations of the Board, committees of the Board and individual directors.

8. *Other*

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

9. *Review of Mandate*

On an annual basis, the Board shall review its objectives and responsibilities, and consider any changes to its Mandate, as the Board deems necessary or as recommended by the Corporate Governance, Nomination, Compensation and Succession Committee, prior to approving same.

## Schedule B - Board Committee Reports

The following are reports of each Board Committee as of December 31, 2024. These reports provide details on the activities of each Committee.

### Audit Committee

Members: Harish K. Mohan (Chair), Douglas A. Dafoe, Loraine M. Charlton and D. Neil Yeates.

During 2024, the Audit Committee held four meetings and, in accordance with its mandate, achieved the following:

#### Financial Reports

- Reviewed and approved, as delegated by the Board of Directors, quarterly consolidated financial statements, management's discussion and analysis, and earnings news releases;
- Reviewed and recommended for Board approval the annual consolidated financial statements, management's discussion and analysis, annual information form and earnings news release;
- Reviewed and approved significant changes in the Company's accounting principles, practices or policies; and
- Received quarterly updates on changes to accounting standards.

#### Internal Controls

- Reviewed reports on the design and effectiveness of disclosure controls and procedures and internal control over financial reporting;
- Reviewed the procedures for the review and disclosure of financial information;
- Reviewed updates on selected asset balances;
- Reviewed the mandate of the Disclosure Committee and the Disclosure Policy prior to recommending adoption to GOCOM;
- Reviewed the mandate of the Risk Management Committee prior to recommending adoption to GOCOM;
- Reviewed the Company's evaluation of risk utilizing the *COSO* framework; and
- Received confirmation of Chief Executive Officer/Chief Financial Officer Certifications on a quarterly basis.

#### External Auditor

- Recommended for shareholder approval the appointment of the external auditor;
- Reviewed and approved the external auditor's plan for quarterly reviews and the annual audit;
- Reviewed and recommended for Board approval the external auditor's compensation;
- Reviewed and approved non-audit services by the external auditor;
- Reviewed the external auditor's report on its internal quality control procedures;
- Reviewed and assessed the external auditor's independence;
- Received reports from the external auditor on the quarterly consolidated financial statements and management's discussion and analysis;
- Received reports from the external auditor on the annual consolidated financial statements, management's discussion and analysis, and annual information form; and

- Met quarterly with the external auditor without the presence of management.

The following table shows the fees relating to services provided by PricewaterhouseCoopers for the past three years (\$ thousands).

For the year ended December 31	2024	2023	2022
Audit	325	325	324
Audit related	107	107	80
Tax	96	104	173
All Other Fees	4	5	5
<b>Total</b>	<b>532</b>	<b>541</b>	<b>582</b>

### Other

- Monitored the application of the procedures established by the Committee for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters;
- Reviewed policies regarding the Company's Code of Business Conduct; and
- Reviewed the mandate of the Audit Committee prior to recommending adoption to GOCOM.

The Committee is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2024.

## Corporate Governance, Nomination, Compensation and Succession Committee (GOCOM)

Members: Charles W. Wilson (Chair), Loraine M. Charlton, Harish K. Mohan and Robert J. Peabody.

The Committee held three meetings in 2024. During that meeting the Committee reviewed and made recommendations regarding the following:

- The senior executive officer's performance, related annual bonus and base salary;
- Remuneration targets and the senior executive officer objectives;
- Amendments to compensation plans;
- Officer appointments;
- Corporate governance disclosure;
- Grants of stock options and share appreciation rights;
- Officers' supplemental pension plan;
- Board Committee, Board and individual director evaluation processes;
- Board Committee and Board mandate evaluations;
- Nominees for directors, subject to the approval of the Board and election by the shareholders; and
- Directors' compensation.

The Committee is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2024.

## **Pension Committee**

Members: Robert J. Peabody (Chair), Harry G. Wilmot, Sarah T.C. Jones, Darcy Reynolds and Colin A. Dease.

The Committee held two meetings in 2024 and, in accordance with its mandate, achieved the following:

- Reviewed the investment performance within the Company Defined Contribution Pension Plan and determined the allocation of new and existing investments against targeted amounts;
- Reviewed reports on the macro investment climate including forecasted expectations;
- Reviewed and evaluated alternative investing strategies;
- Evaluated the effectiveness of communications programs to the members;
- Appointed and monitored the Company Defined Contribution Pension Plan's fund custodian and investment manager;
- Reviewed the effectiveness of complementary retirement programs; and
- Reviewed the mandate of the Pension Committee prior to recommending adoption to GOCOM.

The Committee is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2024.

## **Health, Safety and Environment (“HSE”) Committee**

Members: Doug A. Dafoe (Chair), Robert J. Peabody, Henry G. Wilmot, D. Neil Yeates, Colin A. Dease.

The HSE Committee held two meetings in 2023, where the Committee:

- Approved its mandate;
- Reviewed reporting process for safety incidents and effectiveness of safety program;
- Established framework for Management reports to the HSE Committee; and
- Discussed opportunities to improve safety program with Management.

The Committee is satisfied that is has appropriately fulfilled its mandate for the year ended December 31, 2024.

HEAD OFFICE  
AKITA Drilling Ltd., 1000, 333 - 7th Ave SW  
Calgary, Alberta T2P 2Z1 Canada  
[www.akita-drilling.com](http://www.akita-drilling.com)