

VERTEX RESOURCE GROUP LTD.

ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2023
Dated: March 26, 2024

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CURRENCY

All dollar amounts in this Annual Information Form (“AIF”) are in Canadian dollars, except where otherwise indicated.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute “forward-looking information”. When used in this document or by management of the Company (as defined below), the words “may”, “would”, “will”, “intend”, “plan”, “propose”, “anticipate” and “believe” are intended to identify forward-looking information. Such statements reflect the Company’s forecasts, estimates and expectations, as they relate to the Company’s current views based on its experience and expertise with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any expected future results, performance or achievement that may be expressed or implied by such forward-looking statements. In particular, this AIF contains or implies forward-looking statements pertaining to general market conditions; future market access; the oil and natural gas industry; demand for the Company’s services and the factors contributing thereto; corporate strategy; expansion strategy; future capital needs; access to capital; expectations with respect to future opportunities and stability; and acquisition strategy.

The forward-looking information and statements contained in this document reflect several material factors and expectations and assumptions of the Company including, without limitation: that the Company will continue to conduct its operations in a manner consistent with past operations; the general continuance of current or, where applicable, assumed industry conditions; the continuance of existing tax, royalty and regulatory regimes; future sources of funding for the Company’s capital program; the Company’s future debt levels; the impact of competition on the Company; the Company’s ability to obtain financing on acceptable terms; and certain cost assumptions.

The forward-looking information and statements included in this document are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: volatility of the oil and natural gas industry; dependence on customer contracts; market acceptance of the Company; availability of additional capital; failure to achieve anticipated results of the Company’s growth strategy; potential litigation claims; adverse litigation judgments, settlements and exposure to liability; government and regulatory approvals; ability to realize anticipated benefits of future acquisitions; Vertex’s indebtedness; competition in the industries in which the Company operates; downturns in general economic and market conditions and reduced demand for Vertex’s products and services; adequate insurance coverage; restrictive covenants in the Company’s borrowing arrangements; positive covenants in Vertex’s material contracts; third party credit risk; demand for hydrocarbons; loss of information and computer systems or cyber-attacks; director and officer conflicts of interest; a reassessment by tax authorities of Vertex’s income calculations; the presence of an active trading market for Vertex’s shares; volatility of the Company’s share price; reliance on industry partners; attracting and retaining skilled personnel; and other factors discussed under “*Risk Factors*”. Vertex’s business is subject to a number of risks and uncertainties. Readers are encouraged to review and carefully consider the risk factors described in this AIF, which risk factors are specifically incorporated by reference herein. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive.

The forward-looking statements contained in this AIF are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this AIF are made as of the date of this AIF. The Company does not intend and does not assume any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments, unless required by law.

CORPORATE STRUCTURE

Name The name of the corporation is: Vertex Resource Group Ltd.

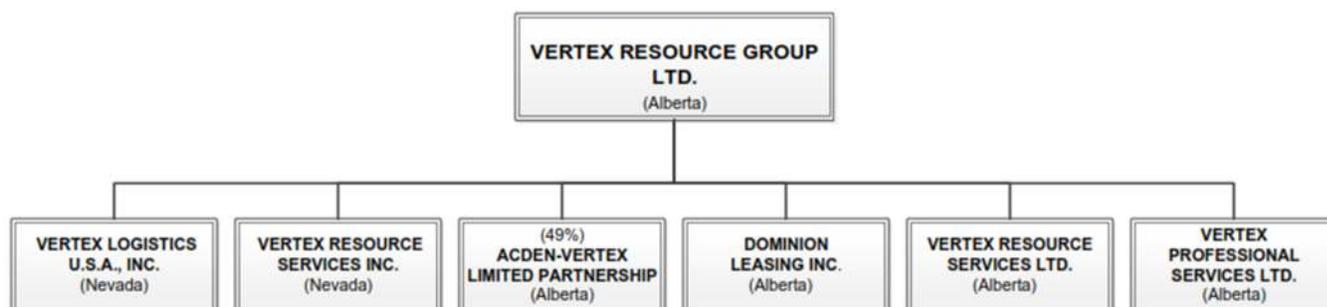
Address Head office: 161, 2055 Premier Way, Sherwood Park, Alberta, T8H 0G2
Registered office: 2200, 10235 – 101 Street N.W., Edmonton, Alberta, T5J 3G1

Incorporation

Vertex Resource Group Ltd. (“Vertex” or the “Company”) was amalgamated on May 26, 2005, pursuant to the *Business Corporations Act* (Alberta) (the “ABCA”) under the name “TWT Vegetation Management Ltd.” On June 26, 2012, Vertex changed its name to “Vertex Resource Group Ltd.” and on July 1, 2015, Vertex amalgamated with Blackjack Investments Ltd. On October 16, 2017, the Company completed a qualifying transaction (the “Transaction”) with VIER Capital Corp. (“VIER”), a Capital Pool Corporation as defined in Policy 2.4 of the TSX Venture Exchange (the “Exchange”) Corporate Finance Manual. On October 18, 2017, following the issuance by the Exchange of its final bulletin in respect of the Transaction, the Company began trading on the Exchange under the symbol “VTX”.

Intercorporate Relationships

The following table sets forth the material direct subsidiaries of Vertex as at December 31, 2023 and their related jurisdiction of incorporation:



Unless otherwise stated, the above legal organization chart reflects 100% of voting securities owned directly by Vertex.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Recent Developments

2023:

On April 13, 2023, the Company incorporated a wholly owned U.S. subsidiary in the state of Nevada, under the name Vertex Logistics U.S.A., Inc.

On August 25, 2023, Vertex announced that it received approval from the TSXV to commence a normal course issuer bid (“NCIB”), commencing August 30, 2023, to purchase for cancellation up to 5,781,045 Common Shares, representing approximately 5% of the issued and outstanding Common Shares as of August 18, 2023, in the open

market on or before August 29, 2024. As at December 31, 2023, the Company had repurchased and cancelled 1,126,800 Common Shares for \$452,390. All purchases were made in accordance with the NCIB at prevalent market prices as permitted by the TSXV. As of December 31, 2023, the Company had 114,494,090 Common Shares issued and outstanding.

The NCIB is being conducted with the purpose of enhancing shareholder value. All purchases will be made through the facilities of the TSXV at market price and otherwise in accordance with the rules and policies of the TSXV. The Corporation has appointed Acumen Capital Finance Partners Limited as its broker to conduct NCIB transactions.

Vertex has also entered into an automatic share purchase program (“ASPP”) with its broker, to allow for the repurchase of Common Shares at all times during the course of the NCIB including when the Company ordinarily would not be active in the market due to its own internal trading blackout periods, insider trading rules or otherwise. The funding for the purchase of Common Shares under the NCIB was financed out of the working capital of the Company. The ASPP could be cancelled at the discretion of Vertex at any time provided the Company is not in possession of material undisclosed information about itself or the Common Shares or any other of its securities.

Shareholders may obtain, without charge, a copy of the "Notice of Intention to Make a Normal Course Issuer Bid" filed by Vertex with the TSXV by contacting the Company.

On December 22, 2023, Vertex granted 2,290,000 stock options (“Options”) to its employees. The Options have an exercise price of \$0.45, vest over a period of three years and are exercisable until December 22, 2028.

2022:

On February 25, 2022, Vertex entered into an arrangement agreement to acquire Cordy Oilfield Services Inc., a provider of environmental and hydro-excavating services.

On March 7, 2022, the Company completed \$15.0M, issuance of convertible debentures, with a term of 5 years, 8.0% annual interest paid monthly, at a conversion price of \$0.65. Proceeds were used for general corporate purposes including acquisitions.

On April 25, 2022, the Company finalized the acquisition of Cordy Oilfield Services Inc. (“Cordy”), a provider of environmental and hydro-excavating services. The acquisition was structured as a three-cornered amalgamation pursuant to which the holders of common shares of Cordy received common shares of Vertex; and Vertex Energy Services Ltd., a wholly owned subsidiary of Vertex, amalgamated with Cordy, resulting in Vertex owing all of the issued and outstanding shares of the corporation following the amalgamation. Under the terms of the amalgamation, Cordy shareholders received 0.081818 Vertex shares for every one Cordy share held, resulting in the issuance of approximately 18,913,253 Vertex shares to Cordy shareholders, the aggregate deemed to be 17.2% of the issued and outstanding Vertex shares. As a condition of the amalgamation, Stuart King was appointed to the Board of Directors of Vertex on April 25, 2022.

On June 30, 2022, the Company extended the maturity date of its secured credit facilities to May 31, 2025, increased the revolving loan commitment by \$10 million and increased the syndicated term loan by \$10 million.

On September 29, 2022, Vertex acquired 100% of the outstanding shares of Young EnergyServe Inc. (“Young”), a provider of turnkey turnaround solutions, cutting-edge robotic tank cleaning services and various other industrial services throughout Canada. The total consideration of \$10.3 million was comprised of cash and working capital adjustment of \$3.8 million, an unsecured promissory note bearing interest at 4% with a face value of \$4.0 million, common shares issued at a fair value of \$2.5 million and the assumption of net debt of \$1.8 million.

2021

On January 14, 2021, Sherry Bielopotocky was appointed as Chief Financial Officer and Corporate Secretary.

On February 26, 2021, the Company acquired 100% of the outstanding shares of an industrial cleaning, waste management and hydro-excavating company serving the oil sands area of Alberta. The total consideration of \$7.2 million was comprised of cash of \$3.6 million, unsecured, non-interest-bearing promissory notes with a face value of \$3.6 million and the assumption of \$9.1 million in equipment loans and leases.

On June 29, 2021, Vertex amended its secured Credit Facilities, and the salient features were as follows: (a) the maturity date was extended to May 31, 2023 and; (b) ratios were revised for existing covenants.

On December 21, 2021, the Company granted 2,500,000 stock options (“Options”) to its employees. The Options have an exercise price of \$0.55, vest over a period of three years and are exercisable until December 21, 2026.

Significant Acquisitions

The Company did not complete any significant acquisitions during the year ended December 31, 2023, for which disclosure is required under Part 8 of NI 51-102.

DESCRIPTION OF THE BUSINESS**General**

Vertex’s history dates back to 1962 with the founding of Three Star Trucking Ltd. and later with Farmstead Buildings Ltd. and Pioneer Land Services Ltd., all of which subsequently formed part of Vertex’s business.

Vertex has grown to become a leading provider of environmental, industrial, consulting and engineering services through acquisitions and organic growth, including advisory services for new capital expenditure and asset development, environmental consulting and monitoring on existing assets, emission management solutions, sub-surface engineering, facility engineering, asset retirement and land reclamation services, fluid management and logistics, waste and recycling, industrial cleaning and maintenance, hydro-excavating, and site services.

Vertex is headquartered in Sherwood Park, Alberta. The Company serves a diverse customer base operating in industries including energy, mining, utilities, private development, public infrastructure, telecommunications, forestry, agriculture, and government. The Company operates principally in Canada (Alberta, British Columbia, Saskatchewan, Manitoba, Ontario) and has operations in select United States markets (Colorado, Minnesota, Montana, North Dakota, New Mexico, and Texas).

Vertex helps its clients achieve their developmental and operational goals through a versatile suite of integrated environmental consulting and services. From initial site selection, consultation, regulatory approval, estimating and design, through the construction, operation and maintenance phases, to conclusion and environmental cleanup, Vertex offers services throughout the life cycle of its clients’ projects. The Company services a wide array of high-quality customers in many different industries noted below.

Vertex has two reportable segments: environmental services (the “Environmental Services Segment”) and engineering and environmental consulting services (the “Environmental Consulting Segment”). Vertex’s financial statements also include information on non-reportable operating segments which are included on a combined basis as “Other”.

Environmental Services

The Environmental Services Segment of Vertex accounted for approximately 75% of the total 2023 revenue generated by Vertex (approximately 69% in 2022) by providing a variety of services related to transportation, removal, storage, waste management and recycling, site services and industrial cleaning and maintenance of facilities in an environmentally safe manner. Environmental Services are provided to customers spanning various industries including energy, telecommunications, public sector, utilities, mining, and agriculture.

Specific services provided by the Environmental Services Segment include:

- high-pressure fluid hauling trailers, trucks and related equipment to handle, haul, and manage fluids including drilling, completion, and production fluids for oil and NGL, petrochemical, condensate, butane, propane and other industrial customers;
- fluid management;
- hydro-excavating and vacuum services for a diverse range of infrastructure and maintenance related to energy, mining, utilities, forestry, private development, public infrastructure, telecommunications and government;
- pressure and steam truck services for customers in production and operations;
- industrial cleaning, high-pressure water blasting, and chemical cleaning services for routine maintenance, turnaround and shutdowns;
- waste management and recycling;
- site services including surface rentals.

The Environmental Services Segment uses Vertex employees, lease operators, and equipment to manage and provide services. Vertex also utilizes rented or leased equipment, subcontractors, or consultants, as necessary. The Environmental Services segment operates and carefully maintains a modern fleet of specialized equipment with 340 power units and 511 trailers with access to an additional 114 power units and 98 trailers under contract with owner operators, 1,444 pieces of equipment in its rental fleet and a fleet of light trucks and equipment. The operational facilities include leased shops and yards that are used to maintain and repair equipment in addition to being used for storage.

This segment employed approximately 650 of Vertex's 1000 staff complement at December 31, 2023.

Environmental Consulting

The Environmental Consulting Segment of Vertex accounted for approximately 27% of the 2023 total revenue generated by Vertex (approximately 30% in 2022). This segment consists of a variety of services related to assisting its clients to meet internal environmental standards, environmental legislation, and related environmental compliance requirements. These services span multiple industries including energy, mining, utilities, forestry, private development, public infrastructure, telecommunications, and government.

Through Vertex's Environmental Consulting Segment, the Company provides a variety of services that include advisory services related to new capital expenditure and asset development, environmental consulting and monitoring on existing assets, emission management solutions, sub surface engineering, facility engineering, asset retirement and land reclamation services.

Specific Services provided include:

- environmental consulting, including planning and regulatory approvals, site assessments and monitoring, geotechnical and civil engineering, wildlife management, reclamation, remediation, groundwater monitoring, drilling waste, gas migration, emissions testing and reporting and sub-surface engineering;
- advisory services including estimating, project controls and facility engineering;

- land and regulatory services consisting of stakeholder consultation on mineral and surface rights, permitting, right of ways, access and use rights and other land use consulting for oil and natural gas, midstream, wind, solar, power, utility, and telecommunications customers;
- emergency spill response to assist customers in efficient and effective spill cleanup to ensure safety, environmental remediation, and regulatory compliance;
- abandonment, completion and drilling engineering; and
- geographical information services, mapping and drone services, with provision of such services to governments, industry and commercial clients including construction and real estate clients.

The Environmental Consulting Segment uses Vertex employees, consultants, vehicles, and equipment to manage and carry out projects. Vertex also utilizes rented or leased equipment as necessary. Leased office space is also utilized to house professional staff.

This segment employed approximately 275 of Vertex's 1000 staff complement at December 31, 2023.

Specialized Skill and Knowledge

Vertex's team is carefully selected for its technical and professional experience and education. Vertex's highly skilled and experienced professionals and equipment operators have enabled technological and operational advancements and efficiencies. Vertex places particular emphasis on, and continued investment in, the human capital of the organization.

Professionals and equipment operators are required to complete numerous safety certifications and training courses to ensure Vertex's representatives have the necessary training, skill and experience to meet the needs of Vertex's customers in an efficient manner that is safe to themselves, the community and the environment.

Components

Vertex has agreements with a number of its suppliers for both the Environmental Services Segment and the Environmental Consulting Segment capable of providing any equipment and materials needed at competitive rates. Wherever possible, Vertex has negotiated these rates to be in line with industry conditions.

Competitive Conditions

The markets and geographic areas in which Vertex operates are highly competitive. The principal competitive factors in both the Environmental Services Segment and the Environmental Consulting Segment include knowledge, skill, experience, breadth and integration of service offerings, capacity to perform, geographical coverage, price and efficiency. Although Vertex does have some competitors who offer specialized services in these segments, Vertex believes that its combination of breadth of services, expertise, experience and ability to provide integrated solutions are the keys to its competitive positioning.

Vertex requires significant resources, capital, knowledge and expertise for the Environmental Services Segment to remain competitive. For select services, the capital required to obtain the necessary equipment to provide the services required by customers of this segment is very significant. This creates a significant barrier to entry as many operators do not possess the capability to develop the financial capital required, nor the mobilization capabilities to operate in remote locations and develop trusted relationships. Vertex's primary competitors in the Environmental Services segment are currently Clean Harbors Inc., Mullen Trucking Corp. and GFL Environmental Inc. This segment operates from locations which are strategically located within its customers' geographic spheres of operation, with significant equipment available to service those markets. This offers a significant competitive advantage in terms of geographic market coverage. In addition, staff and operators have intimate knowledge of the regions in which they operate and the clientele therein.

Within the Environmental Consulting Segment, Vertex requires significant human resources, financial capital, specified knowledge and expertise to remain competitive. Significant investment is required to attract, develop and retain employees with the required education, experience and knowledge to effectively serve its customers. This creates a significant barrier to entry as many operations do not possess the ability to develop the required human capital and the specialized knowledge of jurisdictional regulatory requirements. Vertex's primary competitors in this segment are currently Stantec Inc. and WSP Global Inc.

In the estimate of Vertex's management, few, if any, of Vertex's competitors provide the breadth and integration of services that Vertex does, which results in fragmented competition. In such an environment, Vertex's management believes that it is uniquely positioned with its large pool of equipment, skilled labour and professional staff, cost-effective products and services, top-tier project management expertise, geographical spread, industry knowledge, and ability to integrate multiple service offerings. In management's opinion, Vertex's solid reputation, strong safety culture, and high-performance levels also provide strong differentiators from its competitors.

Changes to Contracts

Vertex's business operations depend on customer contracts and Vertex has 150 master service agreements with numerous customers. The business operations of Vertex depend, in part, on certain agreements with its customer base that may be cancelled at any time by either Vertex or its customers. The key factors which will determine whether a client continues to use Vertex are service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, reputation for safety, and competitive pricing. There can be no assurance that Vertex's relationships with its customers will continue and a significant reduction or total loss of the business from these customers, if not offset by sales to new or existing customers, could have a material adverse effect on Vertex's business, financial condition, results of operations and cash flows.

Employee Engagement and Health & Safety

We recognize that we are only as successful as the people we have on our team. Our hard-working, diverse, talented and innovative employees have underpinned our success. Our employees' hard work, dedication and the pride they show in our business are why we are able to deliver on our promise to meet our customers' environmental solutions needs safely and efficiently.

Employee health and safety and the protection of the general public and the environment in which it operates are integral components of Vertex's approach to doing business. Vertex is committed to the protection of its employees, contractors, customers, and the general public and to minimizing the impact of its activities on the environment. Vertex has a simple philosophy to safety; ensure everyone goes home at the end of the day in the same condition in which we receive them. With safety as one of our core values, it is integrated in everything that we do within all operations and in all levels at Vertex. This integration allows everyone to play an equal part in the development and continuous improvement of our Health and Safety Management System. Through teamwork and superior execution Vertex has fostered a culture in which health, safety and the environment are taken into consideration in all decision-making activities. Everyone working with, or for Vertex, is responsible for adherence to all policies, standards and rules while performing their tasks. This approach makes everyone accountable for taking measures to ensure their own safety, the safety of others and the protection of the environment.

Indigenous Engagement

Vertex recognizes and appreciates the unique qualities, abilities and diversities of Indigenous People and their relationship with their lands and environment. Through open communication, we develop positive relationships with Indigenous People that are based on trust, honesty and integrity. This builds a synergy that will help us all to realize our goals and accomplish mutually beneficial business objectives.

Vertex commits to creating relationships with Indigenous and First Nation's Peoples in areas where, traditional lands and or communities are close to, or are affected by projects and or operations. We respect the Indigenous and First Nation's Peoples traditional values and ways of life, heritage sites, and the relationship with their lands and the environment. The Company engages in open, honest, two-way communication with Indigenous and First Nation's Peoples in regard to Vertex's projects and operations. The Company is committed to working with Indigenous and First Nation's Peoples by assisting them in achieving continual benefits resulting from Vertex's projects and/or operations, including opportunities to build capacity in training to employment, and business development.

Vertex upholds a shared commitment to corporate social responsibility, including ourselves, our subsidiaries, employees, and contractors. We always conduct our projects, operations and general business in a manner that reflects the above principles. Vertex offers equal opportunities to Indigenous and First Nation's Peoples to become a part of our permanent workforce, which encompasses a wide spectrum of career opportunities and levels. The Company will enter into agreements with Indigenous and First Nation's peoples, when and where appropriate, to initiate and support training for employment opportunities, apprenticeships and other initiatives that will help build and sustain Indigenous and First Nation's individuals and communities.

Risk Factors

Due to the nature of Vertex's business, the legal and economic climate in which it operates and its present stage of development and proposed operations, Vertex is subject to significant risks. Vertex's future development and actual operating results may be very different from those expected as at the date of this AIF. The following describes the risks that are most material to Vertex, which readers should consider carefully. However, this is not a complete list of potential risks that Vertex faces. There may be other risks that Vertex is not aware of, or risks that are not material today but could become material in the future.

The following is a summary of certain risk factors relating to the business of Vertex and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing in this AIF.

Downturns in general economic and market conditions may reduce demand for Vertex products and services and could negatively affect Vertex's revenue, operating results and cash flow.

Recent events in the financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Thus, financial developments seemingly unrelated to Vertex or to Vertex's industry could have a material adverse effect on Vertex over the course of time. Volatility in the market could hurt Vertex's ability to raise capital. Potential price inflation caused by an excess of liquidity in countries where Vertex conducts business may increase the costs incurred to manufacture and sell Vertex's products or provide Vertex's services and may reduce Vertex's profit margins. As a result of downturns in general economic and market conditions, potential customers may not be interested in purchasing Vertex's products, or suppliers with which Vertex has relationships may increase the prices at which they supply component parts. Any of these events, or other events caused by turmoil in world financial markets may have a material adverse effect on Vertex's business, operating results and financial conditions.

The market for Vertex's products and services is subject to extensive government and regulatory approvals.

Vertex's products, service activities and manufacturing processes are subject to extensive regulation by numerous government agencies. To varying degrees, these agencies monitor and enforce Vertex's compliance with laws and regulations. Vertex also has ongoing responsibilities under local and international regulations. Any adverse regulatory action, depending on its magnitude, may restrict Vertex from effectively manufacturing, marketing and selling its products or services. In addition, negative publicity and product liability claims resulting from any adverse regulatory action could have a material adverse effect on Vertex's business, operating results and financial condition.

Volatility of the energy industry may adversely affect Vertex's business.

Vertex's business is directly affected by fluctuations in the levels of exploration, energy development and production activity carried on by some of its customers, which in turn is dictated by numerous factors, including world energy prices and government policies. The demand, pricing and terms for services provided by Vertex depend, in part, upon the level of industry activity for Canadian and U.S. oil and natural gas exploration and development. Industry conditions are influenced by numerous factors over which Vertex has no control, including: the level of oil and gas prices; expectations about future oil and natural gas prices; the cost of exploring for, producing and delivering oil and natural gas; the expected rates of declining current production; the discovery rates of new oil and natural gas reserves; available pipeline and other oil and natural gas transportation capacity; worldwide weather conditions; global political, military, regulatory and economic conditions; and the ability of oil and natural gas companies to raise equity capital or debt financing.

The services provided by Vertex are highly reliant on the levels of capital, operational, and maintenance expenditures made by energy companies in exploration, development, and production. Such companies base their expenditures on several factors, including but not limited to hydrocarbon prices, production levels and access to capital. In recent years, commodity prices and therefore, the level of drilling, production and exploration activity have been volatile. Any prolonged, substantial reduction in commodity prices will likely affect the activity levels of energy companies and the demand for some of Vertex's services. A significant, prolonged decline in commodity prices could have a material adverse effect on Vertex's results of operations and financial condition. The price of fuel, equipment and other input costs, insurance costs, interest rates, fluctuations in customers' business cycles and international, national and regional economic conditions are factors over which Vertex has no control. A prolonged decline in commodity prices and field activity or significant increases in fuel prices, equipment prices, other input prices, interest rates or insurance costs could reduce profitability.

Geopolitical volatility may adversely affect the broader economy

Vertex and the businesses we serve may be directly and indirectly affected by broader geopolitical trends and events which impact both the general economy and the demand for our clients' products. In recent years, there has been a rise in global conflict impacting international trade and the supply and demand for energy and in turn may impact the demand for our services. Risks arising from interest rates, inflation, labour shortages, tensions in the geopolitical and trade environment and economic uncertainty as a result of a potential for a global recession may have a materially adverse effect on Vertex's future performance.

Loss of Vertex's information and computer systems or cyber-attacks could adversely affect Vertex's business.

Vertex is dependent on its information systems and computer-based programs, including its well operations information, seismic data, electronic data processing and accounting data. If any of such programs or systems were to fail or create erroneous information in Vertex's hardware or software network infrastructure, possible consequences include a loss of communication links and inability to automatically process commercial transactions or engage in similar automated or computerized business activities. Any such consequence could have a material adverse effect on Vertex's business. Vertex is exposed to the risk of cyber-attacks or similar incidents in the normal course of business. Cyber-attacks or similar incidents may result in the theft or dissemination of intellectual property or other sensitive information in a manner adverse to Vertex. Vertex's information technology systems may be vulnerable to interruption due to a variety of events beyond Vertex's control, including, but not limited to, hardware failures, power outages, fire, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers or other malicious actors and other security issues. Technology security initiatives and disaster recovery plans that are put into place to mitigate Vertex's risk to these vulnerabilities may not be sufficient to ensure that Vertex's operations are not disrupted. Potential consequences of a material cyber-attack or similar incident include damage to Vertex's reputation, disruption of operations, diminished value of intellectual property, litigation and increased cyber security protection and remediation costs.

Vertex's business operations depend on customer contracts.

The business operations of Vertex depend, in part, on certain agreements with its customer base that may be cancelled at any time by either Vertex or its customers. The key factors which will determine whether a client continues to use Vertex are service quality and availability, reliability and performance of equipment used to perform its services, technical knowledge and experience, reputation for safety, and competitive price. There can be no assurance that Vertex's relationships with its customers will continue, and a significant reduction or total loss of the business from these customers, if not offset by sales to new or existing customers, could have a material adverse effect on Vertex's business, financial condition, results of operations and cash flows.

Vertex is susceptible to seasonal volatility in its operating and financial results due to adverse weather conditions.

In general, the level of activity in Vertex's geographic sphere is, to an extent, influenced by seasonal weather patterns. Wet weather or the spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments may enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Additionally, certain oil and gas producing areas are in areas that are inaccessible other than during the winter months, because the ground surrounding the drilling sites in these areas consists of swampy terrain. Consequently, Vertex's ability to generate revenue and net income in these segments of its business may be limited during certain periods of the year. In addition, seasonal factors and unexpected weather patterns may lead to declines in the activity levels of energy companies and corresponding declines in the demand for Vertex's services.

Vertex is subject to the availability and pricing of inputs.

Vertex sources materials, equipment, parts, and fuel from various sources. Supply disruptions in any of these markets could result in increased costs and/or lack of sufficient quantities to provide its services which may have an adverse effect on revenues and net income. Fluctuation in the pricing of inputs due to economic factors including supply and demand may negatively impact net income.

The industries in which Vertex operates are very competitive.

The industries which Vertex serves are highly competitive and rapidly changing. Vertex may be significantly affected by new product introductions and geographic expansion by existing competition. Barriers to entry into these markets may be relatively low, and Vertex expects that competition will intensify in the future. Specific factors upon which the Company competes include, but are not limited to, functionality of its products, ease of use, timing for implementation, quality of support and services and price. Vertex's potential competitors include other companies providing environmental and land consulting services, fluid hauling and management services, insulation products and services, industrial cleaning services and equipment rentals. Many of these potential competitors have significantly greater financial, technical, marketing and other resources than Vertex. Many of them also have longer operating histories, greater name recognition and stronger relationships with merchants and consumers. Some of them may place downward pressure on prices for services that Vertex offers if their response to potentially adverse market conditions is to lower their prices for services. Vertex may not be able to compete successfully with these competitors.

Vertex's commercial and financial success depends on market acceptance and, if not achieved, will result in Vertex not being able to generate revenue to support its operations.

The commercial success of Vertex depends, among other things, on market acceptance. The success of Vertex's products and any new services that it may launch is dependent upon its ability to attract and retain a critical mass of merchants in potentially diverse geographic locations. The sales cycle for a new merchant can be lengthy. Competitive pricing and market acceptance also depend on the future pricing and availability of competing

products and services and the perceived comparative efficacy of Vertex. If Vertex cannot reach this market, or cannot offer competitive pricing packages, its operating results and revenues will be adversely affected.

Vertex may require additional capital to support its operations or the growth of its business, and it cannot be certain that this capital will be available on reasonable terms when required, or at all.

From time to time, Vertex may need additional financing to operate or grow its business. The ability to continue as a going concern may be dependent upon raising additional capital from time-to-time to fund operations. Vertex's ability to obtain additional financing, if and when required, will depend on investor and lender willingness, its operating performance, the condition of the capital markets and other facts, and Vertex cannot assure anyone that additional financing will be available to it on favorable terms when required, if at all. If Vertex raises additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences or privileges senior to the rights of its current stock, and its existing shareholders may experience dilution. If Vertex is unable to obtain adequate financing or financing on terms satisfactory when it requires it, its ability to continue to support the operation or growth of its business could be significantly impaired and its operating results may be harmed.

Vertex's growth strategy may not achieve the anticipated results.

Vertex's future success will depend on its ability to grow its business. Growth and innovation strategies require significant commitments of management resources and capital investments, and Vertex may not grow its revenues at the rate it expects or at all. As a result, Vertex may not be able to recover the costs incurred in developing new projects and initiatives or to realize their intended or projected benefits, which could materially adversely affect its business, financial condition or results of operations.

Vertex depends on highly skilled personnel to grow and operate its business. If Vertex is not able to hire, retain, and motivate its key personnel, its business may be adversely affected.

Vertex's success depends, in part, upon a number of key employees, including members of senior management who have extensive experience in the industry. Competition for talented senior management is intense and Vertex's ability to successfully develop and maintain a competitive market position will depend, in part, on its ability to attract and retain highly qualified and experienced management. The loss of the services of key personnel could have a material adverse effect on Vertex's business, operating results and financial condition.

Adverse litigation judgments, settlements, claims and exposure to liability resulting from legal proceedings in the normal course of business could reduce Vertex's profits or limit its ability to operate.

Vertex may be subject to allegations, claims and legal actions arising in the ordinary course of its business, which may include claims by third parties, including employees or regulators. The outcome of many of these proceedings cannot be predicted. If any of these proceedings were to be determined adversely to Vertex, a judgment, fine or settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against Vertex, its business, financial condition and results of operations could be materially adversely affected.

Vertex is subject to a number of health, safety and environmental laws and regulations that may require it to make substantial expenditures or cause it to incur substantial liabilities.

Vertex is subject to increasingly stringent and complex federal, provincial, state and local laws and regulations relating to the importation, release, transport, handling, storage, disposal, use of and exposure to hazardous and radioactive materials, and the protection of workers and the environment, including laws and regulations governing occupational health and safety standards, air emissions, chemical usage, water discharges, waste management and plant and wildlife protection. Vertex incurs, and expects to continue to incur, significant capital, managerial and operating costs to comply with such health, safety and environmental laws and regulations. Violation of these laws

and regulations could lead to loss of accreditation, damage to Vertex's social license to operate, loss of access to markets and substantial fines and penalties which could have a material adverse effect on Vertex's business, financial condition, results of operations and cash flows.

Vertex handles hazardous substances and wastes in its operations. Because Vertex provides services to companies producing oil and natural gas and involved in mining activities, it may also become subject to claims relating to the release of such substances into the environment. Some environmental laws and regulations provide for joint and several strict liabilities related to spills and releases of hazardous substances for damages to the environment and natural resources or threats to public health and safety. Strict liability can render a potentially responsible party liable for damages irrespective of negligence or fault. Accordingly, Vertex could become subject to potentially material liabilities relating to the investigation and cleanup of contaminated properties, and to claims alleging personal injury or property damage as the result of exposures to, or releases of, hazardous substances. In addition, stricter enforcement of existing laws and regulations, new laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements could require Vertex to incur costs or become the basis of new or increased liabilities that could reduce its earnings and cash available for operations.

Vertex may fail to realize anticipated benefits of past or future acquisitions.

Vertex has historically completed acquisitions and may complete future acquisitions to strengthen its position in the industries it competes in and to create the opportunity to realize certain benefits including, among other things, potential cost savings. Achieving the benefits of any past, existing or future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as Vertex's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own. The integration of acquired businesses requires the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may have a material adverse effect on Vertex's ability to achieve the anticipated benefits of these and future acquisitions.

In addition to the consolidation and integration risks described above, in connection with acquisitions made by the Company there may be liabilities and contingencies that the Company failed to discover or was unable to quantify in the due diligence conducted prior to closing of an acquisition and which would have a material adverse effect on the Company's business, financial condition or future prospects.

Impairment of Goodwill

Vertex records goodwill resulting from acquisitions on its balance sheet. International Financial Reporting Standards require that goodwill be tested annually for impairment. Any impairment recorded will negatively impact the Company's reported net income for the year the impairment is recorded. For the year ended December 31, 2023, the Company did not record any goodwill impairment as reported in the consolidated financial statements and the MD&A. It's possible that future economic conditions and business forecasts may result in future impairment.

Vertex's indebtedness, including any accelerated repayment of such indebtedness, could adversely affect its financial flexibility and its competitive position.

The degree to which Vertex is leveraged could have important consequences on its business, including: (i) Vertex's ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; (ii) all or part of Vertex's cash flow from operations may be dedicated to the payment of the principal of and interest on Vertex's indebtedness, thereby reducing funds available for future operations or for dividends to shareholders; (iii) Vertex's borrowings are at variable rates of interest, which exposes Vertex to the risk of increased

interest rates; (iv) Vertex may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures; (v) Vertex's flexibility in planning for, or reacting to, changes in its business and the industries in which it operates may be limited; and (vi) Vertex may be placed at a disadvantage compared to its competitors that have less debt. These factors could have a material adverse effect on Vertex's business, financial condition, results of operations and cash flows.

The terms and conditions of Vertex's borrowing arrangements permit the lenders to require accelerated or immediate repayment of some or all the indebtedness in certain circumstances, which may or may not be within Vertex's control. If Vertex is required to make accelerated payments for any reason, Vertex may not have sufficient funds available and may not be able to raise sufficient funds to make such accelerated payments, which could have a material adverse effect on Vertex's business, financial condition and ability to operate as a going concern.

Vertex's operations are subject to operational hazards and unforeseen interruptions for which Vertex may not be adequately insured.

Vertex's operations are exposed to potential natural disasters, including blizzards, tornadoes, storms, floods, other adverse weather conditions, fires and earthquakes. If any of these events were to occur, Vertex could incur substantial losses because of personal injury or loss of life, severe damage to and destruction of property and equipment, and pollution or other environmental damage resulting in curtailment or suspension of Vertex's operations.

Vertex is not fully insured against all risks incident to its business, including the risk of Vertex's business operations being interrupted due to severe weather and natural disasters. Furthermore, Vertex may be unable to maintain or obtain insurance of the type and amount Vertex desires at reasonable rates. As a result of market conditions, premiums and deductibles for certain of Vertex's insurance policies could increase in the future. In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage. If Vertex were to incur a significant liability for which Vertex is not fully insured, it could have a material adverse effect on Vertex's business, results of operations and financial condition.

Positive covenants in Vertex's material contracts could limit its ability to operate and failure to perform such positive covenants could adversely affect Vertex.

Vertex is a party to a number of material contracts that impose affirmative duties on Vertex. The requirement of Vertex to comply with such affirmative duties could have an adverse effect on Vertex's operations from time to time, as these requirements may divert labor and capital from other profit generating initiatives. Complying with affirmative covenants could also hinder Vertex's ability to sell or transfer certain property or undertake certain capital expenditures that would otherwise be deemed to be in the best interests of Vertex. Furthermore, if Vertex was unable to meet the requirements of such affirmative duties it could lead to adverse consequences, including, but not limited to, Vertex being noted in default under a material contract. If Vertex was to be noted in default under a material contract and Vertex was unable to remedy such default in a given time, the material contract could be terminated. Therefore, there can be no assurance that the material contracts to which Vertex is a party will not be terminated.

Vertex is exposed to third party credit risk.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Vertex is exposed to credit risk from customers. This risk is elevated in the current year similar to the prior year due to the impact of the current economy on its customers. Vertex's maximum exposure is the value of its accounts receivable. However, to mitigate this risk Vertex regularly reviews customer credit limits. Vertex has accounts receivable from customers in the energy industry, as well as the utilities and infrastructure industries and government agencies. Credit risk is mitigated due to significant customers being large industry leaders, following a program of credit evaluation and limiting the amount of customer credit where

deemed necessary. Vertex monitors accounts receivable as is necessary to identify any amounts which are past due and considers if they are impaired. This assessment is done on an invoice-by-invoice basis.

Currency exchange rate fluctuations could adversely affect Vertex's operating results.

Vertex is exposed to the effects of fluctuations in the US dollar currency exchange rates. Since Vertex conducts some of its business in US dollars but reports its operating results in Canadian dollars, it faces exposure to fluctuations in currency exchange rates. Consequently, exchange rate fluctuations between the Canadian dollar and US dollar could have a significant impact on Vertex's operating results.

Vertex is exposed to interest rate fluctuations.

Vertex's syndicated credit facility includes operating, revolving, and term loans. These loans are subject to variable interest rates based on the banks' prime lending rate and/or bankers' acceptance rate plus a markup which varies based on Vertex's Net Senior Funded Debt to EBITDA ratio. As the revolving loan and term loan are currently drawn upon, the Company will be exposed to higher interest costs should the prime rate and/or bankers' acceptance rate increase. Vertex also enters into equipment loans which may be at variable rates of interest resulting in the potential for higher interest costs if variable rates increase.

Vertex is exposed to climate change risks.

The subject of energy and the environment has created intense public debate in Canada and globally in recent years, and into the foreseeable future could potentially have a significant impact on all aspects of the economy. There has been an increased focus in the last several years on climate change and the possible role that emissions of greenhouse gases ("GHGs") such as carbon dioxide ("CO₂") and methane play in the climate change.

The trend in environmental regulation has been to impose more restrictions and limitations on activities that may impact the environment, including laws or regulations pertaining to the emission of CO₂ and other GHGs into the atmosphere. Any regulatory changes that impose additional environmental restrictions or requirements on Vertex or its customers could increase the Company's operating costs and potentially lead to lower demand for its products and services.

Vertex is unable to accurately predict the impact of current and pending climate change and emissions reduction legislation and regulatory initiatives, and the cost of complying therewith, on the Company and its equipment or operations, and it is possible that such laws or regulations would have a material adverse effect on the Company's business, financial conditions, results of operations and cash flows.

Failure to adapt to the changing Environmental Social and Governance ("ESG") regulations and reporting requirements may increase operating costs or harm the reputation of Vertex

ESG regulations and reporting requirements have been evolving rapidly which impacts how we engage with various stakeholders including our customers, suppliers and employees. ESG indirectly impacts all areas of our governance and operations and a failure to meet or adapt to the changing ESG landscape may have a materially adverse effect on our operations and financial performance.

Investors and customers are increasingly relying on third parties that provide information regarding ESG performance and related matters and have developed their own rating systems to assess ESG performance. A negative report from any of these third parties may result in reputational harm or a reduced access to capital which would have a materially adverse effect on Vertex and its financial performance.

Government regulators have also focused their attention on ESG performance and have been increasing the frequency and severity of sanctions and penalties imposed against companies for overstating their ESG performance.

Serious incidents may impact business operations Vertex's ability to restore operations.

Vertex's operations are widespread and geographically diverse. Severe weather conditions and other natural or manmade disasters, including storms, floods, fires, epidemics or pandemics, conflicts or unrest, terrorist attacks, political demonstrations or other events may impact areas in which Vertex has operations, employees, suppliers or customers, and may increase the Company's exposure to, and magnitude of, each of the risks identified in this Risk Factors section, including those that result from a reduction in demand for crude oil and natural gas consumption and/or lower commodity prices. Vertex's business, financial condition, results of operations, cash flows, reputation, access to capital, cost of borrowing, access to liquidity and/or business plans in particular, without limitation, may be adversely impacted as a result of these events or any failure to restore operations following these incidents.

Vertex relies on internal controls and disclosure controls and procedures.

Vertex implements systems of internal controls and disclosure controls and procedures to meet the financial statement objectives of fair presentation in accordance with International Financial Reporting Standards and which are free of material misstatement. However, these systems can only provide reasonable assurance, not absolute assurance, that these objectives are met.

The price of the Company's Common Shares could be volatile.

Factors such as announcements of quarterly variations in operating results or new initiatives, innovations or contracts by competitors or clients of Vertex, changes in financial estimates by securities analysts, market conditions in general as well as other events or factors, many of which will be beyond Vertex's control, may have a significant impact on the market price of the Common Shares. The stock market and the commodities market have, from time to time, experienced extreme price and volume fluctuations, which have often been unrelated to the operations of particular companies. In addition, there can be no assurance that an active public market will develop or be sustained for the Common Shares.

DIVIDENDS

Currently, Vertex does not intend on paying dividends until the underlying business generates sufficient cash flow to fund the Company's growth strategy. Dividends and the dividend policy of the Company will be reviewed by the board of directors of the Company (the "Board of Directors") and adjusted from time to time to reflect the current business conditions. See "*Risk Factors*" for a discussion of various risks that may impact the ability of the Company to pay dividends.

DESCRIPTION OF CAPITAL STRUCTURE

Vertex is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares ("Preferred Shares"). As at December 31, 2023, 114,494,090 Common Shares were issued and outstanding.

The holders of Common Shares are entitled to one vote in respect of each Common Share held at any meetings of the shareholders of Vertex. The holders of Common Shares are entitled to receive, and Vertex shall pay out of funds of Vertex properly applicable to the payment of dividends, only those dividends in such amounts as may be declared in the absolute discretion of the Board of Directors from time to time in respect of the Common Shares. In the event of dissolution of Vertex, each of the holders of the Common Shares shall be entitled to receive the remaining property of the Company in equal rank with the holders of all other Common Shares of the Company. Common Shares do not provide the holders thereof with any special rights, privileges restrictions or conditions other than as set out above or otherwise provided by statute.

The Preferred Shares may be issued from time to time in one or more series, each consisting of a number of Preferred Shares as determined by the board of directors of Vertex which also may fix the designation, rights, privileges, restrictions and conditions attaching to the shares of each series of Preferred Shares including, without limitation, any voting rights, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion if any, and any sinking fund or other provisions. The Preferred Shares of each series shall, with respect to payment of dividends and distributions of assets in the event of liquidation, dissolution or winding-up of Vertex or any other return of capital or distribution of the assets of Vertex among its shareholders for the purpose of winding-up its affairs, shall be entitled to preference over the Common Shares and the shares of any other class ranking junior to the Preferred Shares. If any cumulative dividends or amounts payable on return of capital in respect of a series of Preferred Shares are not paid in full, all series of Preferred Shares shall participate ratably in respect of accumulated dividends and return of capital.

Other than the rights and restrictions noted in this AIF and the applicable provisions of the ABCA, the securities of Vertex do not provide for any conversion or exchange rights; redemption, retraction, purchase for cancellation or surrender provisions; sinking or purchase fund provisions; provisions permitting or restricting the issuance of additional securities or any other material restrictions; nor do they require shareholders to contribute additional capital.

MARKET FOR SECURITIES, TRADING PRICE AND VOLUME

The following table sets forth the reported high and low sales prices and the trading volumes of Vertex’s Common Shares, on the Exchange, the primary marketplace, for the periods indicated:

2023	Price Range			Trading Volume
	High (\$)	Low (\$)	End of Month (\$)	
January	0.460	0.390	0.445	343,100
February	0.460	0.350	0.410	1,131,100
March	0.450	0.370	0.400	713,200
April	0.410	0.375	0.375	142,200
May	0.420	0.330	0.365	330,400
June	0.410	0.365	0.385	221,600
July	0.400	0.365	0.380	362,100
August	0.435	0.350	0.365	1,014,500
September	0.440	0.355	0.400	673,900
October	0.450	0.400	0.440	591,800
November	0.445	0.380	0.400	1,050,300
December	0.410	0.380	0.380	1,198,200

DIRECTORS AND OFFICERS

The following table sets forth certain information in respect of each Director and Executive Officer of the Company as at December 31, 2023:

Name and Municipality of Residence	Positions and Offices to be Held	Principal Occupation During the Past Five Years ⁽⁵⁾	Director or Officer of Vertex Since
Brian Butlin ⁽⁴⁾ Edmonton, AB	Director and Chairman	Brian Butlin was Chairman and Chief Executive Officer of Flint Energy Services Ltd. from 1992 to 2001 and Chief Executive Officer from 2001 to 2005, remaining a director until 2007 and has since acted as a director for other private companies.	February 6, 2007
Terry Freeman ⁽²⁾ Edmonton, AB	Director	Terry Freeman has been Head of Investments of ATB Private Equity, LP since January 2016, Managing Director of Northern Plains Capital from 2007 to 2012, and was previously director & Chief Financial Officer of Flint Energy Services Ltd.	June 2, 2013
Stuart O'Connor ⁽¹⁾ Calgary, AB	Director	Stuart O'Connor is the President of Timber Ridge Capital Ltd., a private holding company, co-founder and Chair of Fitzroy Developments Ltd. a private real estate company, and co-founder and Chair of Arcurve Inc., a software development company.	October 16, 2017
Stuart King ⁽³⁾ Calgary, AB	Director	Stuart King is an independent businessman. Previously he was the CFO of CWC Energy Services Corp. from December, 2017 to November, 2023. From November, 2010, until May, 2017, he was the VP Finance and Controller of Canadian International Oil Corp.	April 25, 2022
Terry Stephenson ⁽³⁾ Sherwood Park, AB	Director, President and Chief Executive Officer	Terry Stephenson has been the President and CEO of Vertex since 2005.	April 4, 2005
Sherry Bielopotocky Sherwood Park, AB	Chief Financial Officer and Corporate Secretary	Sherry Bielopotocky has been the CFO of Vertex since 2021. Prior thereto she was the Vice President, Corporate Services of Vertex since 2015, before which Ms. Bielopotocky was Corporate Controller at Vertex since 2005.	April 1, 2005
Paul Blenkhorn Calgary, AB	Vice President, Consulting Services	Paul Blenkhorn has been the Vice President, Consulting, of Vertex since 2006.	June 1, 2006
Derek Proctor Sherwood Park, AB	Vice President, Logistics	Derek Proctor joined Vertex in May, 2023. From 2019 until May, 2023, Mr. Proctor held senior management positions with various private transportation companies. Prior thereto, he had worked with Gibson Petroleum since 2000, primarily in positions of leadership and senior management.	May 29, 2023

Notes:

- (1) Chair of the Governance, HSE and Compensation Committee.
- (2) Chair of the Audit Committee.
- (3) Member of the Audit Committee.
- (4) Member of the Governance, HSE and Compensation Committee.
- (5) For a complete description of the directors, officers and other management personnel of the Company, see "Biographies" below.

Each director will hold office until the next annual meeting of the shareholders at which time any or all of the directors may be elected to hold office for a term expiring no later than the close of the next annual meeting of the shareholders. All of the officers are full time employees of Vertex.

Share Ownership by Directors and Officers

As at December 31, 2023, the directors and officers of the Company, as a group, beneficially owned, controlled or directed, directly or indirectly 28,553,764 Common Shares, representing approximately 25% of the issued and outstanding Common Shares.

Biographies

The following are biographies of the directors and officers of Vertex:

Brian Butlin – Director

Brian Butlin has been Chairman of the Vertex board of directors since February 6, 2007. As Chairman of the Vertex board of directors, Mr. Butlin provides vision, mentorship and leadership to the Vertex management team.

Previously, Mr. Butlin was the Chairman and Chief Executive Officer of Flint Energy Services Ltd. (“Flint”), a publicly traded energy company, until 2007 and 2005, respectively. Under his guidance, Flint grew from a small Canadian oilfield services firm to a public corporation with over 7,500 employees, 49 North American locations and \$1 billion of revenues. During Mr. Butlin’s 25-year tenure at Flint and its predecessor company, HMW Construction Ltd., he led the acquisition of over 29 companies and the listing of Flint on the Toronto Stock Exchange.

Mr. Butlin is currently a Director of The Crossing Company and an advisor to Longbow Capital. Previously, Mr. Butlin was a Director of the Edmonton Eskimo’s Football Club, Graham Construction Ltd., Derrick Golf & Winter Club and past Chairman of the Northern Alberta Institute of Technology.

Mr. Butlin holds a Bachelor of Science degree in Business Administration from the Michigan Technological University.

Terry Freeman – Director

Terry Freeman is currently Head of Investments for ATB Private Equity, LP, a private equity firm making minority equity investments in Alberta based companies.

In the past, Mr. Freeman has served as Managing Director of Northern Plains Capital, a niche private equity firm specializing in growth-oriented oil field services and energy industrial investments. Founded in 2005, Northern Plains Capital had \$140 million under management in three funds and made 17 investments in various companies. As a Managing Director, Mr. Freeman was responsible for sourcing investments and investors, driving strategy, value creation and eventual exits for investments and corporate governance at a Board of Directors level. Terry also spent fifteen years as Chief Financial Officer of Flint and its predecessors, where he managed the financial and administrative operations of the company including investor and banking relations, risk management, mergers and acquisitions and various other executive responsibilities including acting as Corporate Secretary. He spent five years on the board of Flint after his tenure as Chief Financial Officer until its eventual sale. He currently sits on the boards of a number of private construction, energy services, and private equity and real estate ventures as well as on the board of directors of McCoy Global Inc. and Phoenix Technology Services, which are publicly traded companies.

In addition to these roles, Mr. Freeman has held multiple volunteer positions with the Chartered Professional Accountants of Alberta, Chief Financial Officer Leadership Program, the University of Alberta, and various other community and charitable organizations. Mr. Freeman graduated from the University of Alberta with a Bachelor of Commerce degree, is a Fellow of the Chartered Professional Accountants of Alberta and holds the ICD.D designation from the Institute of Corporate Directors.

Stuart O'Connor – Director

Mr. O'Connor is currently the President of Timber Ridge Capital Ltd., a private holding and advisory company, co-founder and Chair of Fitzroy Developments Ltd., and co-founder and Chair of Arcurve Inc.

In the past, Mr. O'Connor has served as a Director and as Chairman of Flint, Director of IROC Energy Services Corp., President and Chief Executive Officer of Merak Projects Ltd., a software company focused on the international oil and gas industry, and as a Partner with Bennett Jones LLP, a national law firm where he practiced corporate and securities law. He currently sits on the boards of a number of private and public construction, software services, oilfield services and real estate ventures.

Mr. O'Connor is also active in the community and currently serves with various organizations including on the Board of Directors of the Calgary Stampede and is past Chair of Hull Services.

Mr. O'Connor holds a Bachelor of Science (Chemical Engineering) degree from University of Calgary and a Bachelor of Laws degree from Queen's University in Kingston, Ontario.

Stuart King – Director

Stuart King is an independent businessman. Previously Mr. King was the Chief Financial Officer for CWC Energy Services Corp., a position he held from December, 2017 until November, 2023. Prior to CWC, Mr. King was the Vice President, Finance and Controller of Canadian International Oil Corp., a private oil and gas company.

Mr. King holds a Bachelor of Commerce degree from the University of Calgary and is a Chartered Professional Accountant in Alberta.

Terry Stephenson – Director, President and Chief Executive Officer

Terry Stephenson founded and became President and CEO of Vertex in 2005. As President and CEO, Mr. Stephenson is responsible for Vertex's strategic directions, all aspects of business planning and operations, and overall financial success.

Mr. Stephenson began his career with KPMG LLP gaining experience in audit, due diligence, valuations and taxation, where he advanced to Manager with a heavy clientele of construction clients. Mr. Stephenson joined Flint as the Director of Finance, where he was responsible for merger and acquisition transaction structure, support and execution along with public company compliance, tax planning and treasury management. He currently sits on the boards of a number of private construction, retail, and hospitality ventures.

Mr. Stephenson holds a Bachelor of Commerce degree from the University of Alberta and is a Chartered Professional Accountant.

Sherry Bielopotocky – Chief Financial Officer

Sherry Bielopotocky has been Chief Financial Officer since 2021. Ms. Bielopotocky joined Vertex in 2005 as a Corporate Controller and was appointed Vice President, Corporate Services in 2015, and was responsible for Vertex's financial management, including budgeting, planning, risk management, operational reporting, and human resources.

Prior to joining Vertex, Ms. Bielopotocky was with Flint as a corporate accountant where she was responsible for maintaining all of the financial records of the organization. Ms. Bielopotocky has extensive experience in acquisitions and integrations and has a strong background in construction and the oil and gas industry.

Ms. Bielopotocky has served on several private company boards in the real estate and construction industries. She is active in the community and has dedicated her time to volunteering with multiple not-for-profit associations.

Ms. Bielopotocky holds a Bachelor of Applied Business Administration - Accounting degree from the Northern Alberta Institute of Technology and is a Chartered Professional Accountant.

Paul Blenkhorn – Vice President, Consulting Services

Paul Blenkhorn has been Vice President, Consulting Services of Vertex since 2006. Mr. Blenkhorn is responsible for the day-to-day operation of the consulting division of Vertex.

Mr. Blenkhorn began his career with Hood Packaging Corporation, a privately held manufacturing company in the paper converting and packing industry. At Hood Packaging Corporation, Mr. Blenkhorn gained experience in process improvement, capital investment, technical sales support, product development in a wide array of business efficiency and improving initiatives. Mr. Blenkhorn joined Pioneer Land Services Ltd. in 2006, as a project engineer but quickly became responsible for the development and growth of their environmental division.

Mr. Blenkhorn holds a Bachelor of Engineering Science degree from the University of Western Ontario and is a Professional Engineer, registered in both Alberta and Saskatchewan. Mr. Blenkhorn came to Calgary in 2000, after being drafted by the Calgary Stampeders. Mr. Blenkhorn remains active in the community, supporting the Stampeders alumni association and the United Way of Calgary.

Derek Proctor – Vice President, Fluids

Derek Proctor has been Vice President, Fluids of Vertex since May 29, 2023, and is responsible for the day-to-day operations and management of the Fluids division of Vertex.

Mr. Proctor began his career in transportation in 1987, and in 2000 he started with Gibson Petroleum Ltd. in Hardisty Alberta, progressing from dispatcher to senior dispatcher, Area Supervisor, Area Operations Manager, and Sales & Business Development Manager. In 2017 he transferred to the Edmonton office as Area Operations Manager to assume responsibility for the Fort McMurray, Edmonton and Calgary branch operations. Following the sale of the trucking division in 2019 until joining Vertex in 2023, Mr. Proctor held senior management positions with various privately held transportation companies, bringing with him a depth of industry experience and knowledge.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described below, to the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons) is, as of the date of this AIF, or was within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that: (a) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as described below, to the knowledge of the Company no director or executive officer of the Company (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company: (a) is, as of the date of this AIF, or has been within the ten years before the date of this AIF, a director or executive officer of any company (including the Company)

that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Terry Freeman, a director of the Company, was a director of GLM Industries Ltd., a private company, until April 9, 2015. GLM Industries Ltd. was placed into receivership on July 6, 2015. Mr. Freeman was also a director of Structurlam Mass Timber Corporation, a private company, until his resignation on January 5, 2024. Structurlam Mass Timber Corporation filed for bankruptcy (Chapter 11 of the United States Bankruptcy Code) on April 11, 2023, and received sale approval from the Supreme Court of British Columbia on June 1, 2023.

Conflicts of Interest

There may from time to time be potential conflicts of interest to which some of the directors, officers, insiders and promoters of the Company will be subject in connection with the operations of the Company. Certain of the directors or officers of the Company are also directors, officers, and/or shareholders of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Company, notwithstanding that they will be bound by the provisions of the ABCA to act at all times in good faith in the best interests of the Company and to disclose such conflicts to the Company if and when they arise. Conflicts, if any, will be subject to the procedures and remedies provided for under the ABCA.

To the best of its knowledge, Vertex is not aware of the existence of any conflicts of interest between Vertex and any of the directors or officers as of the date of this AIF.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Neither Vertex nor any of its subsidiaries is a party to, nor the subject matter of, any significant legal proceedings or regulatory actions, nor are any such proceedings or actions known to Vertex to be contemplated. In the ordinary course of business activities, Vertex may be contingently liable for litigation and claims with employees, customers, suppliers and other third parties. Management believes that adequate provisions have been made for potential claims in the Company's accounts. Although it is not possible to estimate the extent of potential costs and losses, if any, management believes, but can provide no assurance, that the ultimate resolution of such contingencies would not have a material adverse effect on the consolidated financial position of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of Vertex, no: (i) director or executive officer of the Corporation; (ii) person that is the beneficial owner of, or who exercises direct or indirect control or direction over, more than 10% of the outstanding Common Shares; or (iii) any associate or affiliate of any person referred to in (i) or (ii) above has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Vertex, other than as disclosed elsewhere in this AIF.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar is TSX Trust Company with its principal offices in Calgary, Alberta.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, there are no material contracts that the Company has entered into within the last financial year, or before the last financial year which are still in effect, which can reasonably be regarded as presently material.

INTERESTS OF EXPERTS

KPMG LLP (“KPMG”) of 2200, 10175 – 101 Street NW, Edmonton, Alberta, T5J 0H3 is the external auditor of Vertex and is independent of Vertex within the meaning of the Code of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information relating to Vertex, including the documents noted below, may be found on SEDAR+ at www.sedarplus.ca and on Vertex’s website at www.vertex.ca. Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities and securities authorized for issuance under equity compensation plans is contained in the Company’s information circular for its most recent annual meeting of securityholders that involved the election of directors. Additional financial information is provided in Vertex’s consolidated financial statements and management’s discussion and analysis for its most recently completed financial year. Information contained in or otherwise accessible through Vertex’s website does not form part of this Annual Information Form and is not incorporated into this Annual Information Form by reference.