

ENERFLEX
management information
circular
MARCH 2, 2021

**Notice of
Meeting of
Shareholders**

May 4, 2021
at 2:30 pm
(MDT)

ENERFLEX

INVITATION TO SHAREHOLDERS

Dear Shareholders,

We invite you to attend Enerflex Ltd.'s Annual Meeting of Shareholders at 2:30 pm (MDT) on Tuesday, May 4, 2021. Due to the ongoing impact of COVID-19, current restrictions on public gatherings, and to mitigate risks to the health and safety of our communities, shareholders, employees, and other stakeholders, our annual meeting will be held in a virtual-only format via live online webcast. The virtual format will provide all shareholders, regardless of geographic location and number of common shares held, an equal opportunity to participate at the meeting, securely vote online, and engage with representatives of Enerflex and other shareholders. Shareholders will not be able to attend the meeting in person. At the meeting, you will have the opportunity to hear about our 2020 performance and management's plans going forward.

We encourage shareholders to continue to vote in advance of the meeting by proxy using the various available voting channels, as described in the accompanying Management Information Circular dated March 2, 2021. Your participation is important, please take the time to review the Management Information Circular and provide your vote on all the items of business to be conducted at the meeting. We encourage you to visit our website for further information about our company, at www.enerflex.com, as well as our other public disclosure documents available on SEDAR at www.sedar.com.

On behalf of the Board and management, we thank you for your ongoing support and confidence in Enerflex.

Yours sincerely,

[signed] "**Stephen J. Savidant**"

Stephen J. Savidant
Chair of the Board

[signed] "**Marc E. Rossiter**"

Marc E. Rossiter
Director, President and Chief Executive Officer

ENERFLEX

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of Enerflex Ltd. (“Enerflex” or the “Company”) will be held at 2:30 pm (MDT) on Tuesday, May 4, 2021 in a virtual-only format via live online webcast, at <https://web.lumiagm.com/191944758>. The purpose of the meeting is to:

- a) Receive the Annual Consolidated Financial Statements of the Company as at and for the year ended December 31, 2020, together with the report of the auditors thereon;
- b) Elect eleven directors of the Company;
- c) Appoint auditors of the Company for the ensuing year at a remuneration to be fixed by the directors of the Company;
- d) Approve an advisory resolution to accept Enerflex’s approach to executive compensation; and
- e) Transact such other business as may properly come before the meeting or any adjournment(s) or postponement(s) thereof.

The Board of Directors unanimously recommends that you vote **FOR** all the Enerflex director nominees and the other items of annual business at the meeting.

Calgary, Alberta
March 2, 2021

By order of the Board of Directors of Enerflex Ltd.,

[signed] “**Marc E. Rossiter**”

Marc E. Rossiter
Director, President and Chief Executive Officer

The specific details of the matters proposed to be put before the meeting are set forth in the Management Information Circular dated March 2, 2021 accompanying and forming part of this Notice. Whether or not you are able to attend the meeting, you are encouraged to vote in advance of the meeting by proxy using the various available voting channels, as described in the Management Information Circular. You are entitled to vote if you hold common shares of Enerflex at the close of business on March 16, 2021, the record date for the meeting.

To ensure your votes are counted at the meeting, your proxy must be received by AST Trust Company (Canada) by April 30, 2021 at 2:30 pm (MDT) or not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the time set for the holding of any adjournment of the meeting. If you received a voting instruction form, you must provide your instructions as specified in the voting instruction form in sufficient time for the intermediary to act on them prior to that deadline.

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FORWARD-LOOKING INFORMATION ADVISORY

This Circular contains forward-looking information within the meaning of applicable Canadian securities laws. The use of any of the words “anticipate”, “plan”, “contemplate”, “continue”, “estimate”, “expect”, “intend”, “propose”, “might”, “may”, “will”, “shall”, “project”, “should”, “could”, “would”, “believe”, “predict”, “forecast”, “pursue”, “potential”, “objective”, and “capable”, and similar expressions are intended to identify forward-looking information. In particular, this Circular includes (without limitation) forward-looking information pertaining to: the strategic objectives of the Company and the expectation that execution of the Company’s strategy will realize value for Shareholders; opportunities to deliver innovative natural gas compression, processing, and electric power solutions, as well as after-market services to a broad range of customers across the world; expectations related to the virtual format for the Meeting; Board and EMT diversity practices, including striving for candidate slates comprised of at least 30% qualified women; the practices of the Company relating to workplace diversity, inclusion, and wellbeing; the continuation of the 10% EMT base pay and director compensation reductions through 2021; the expected value of LTIs and notional dividends earned thereon; payments on termination in connection with a change of control; and our executive compensation philosophy and practices, including targeting the median market rate and the use of LTIs such as Options.

This forward-looking information is based on assumptions, estimates, and analysis made in the light of the Company’s experience and its perception of trends, current conditions, and expected developments, as well as other factors that are believed by the Company to be reasonable and relevant in the circumstances. Forward-looking information involves known and unknown risks and uncertainties and other factors which are difficult to predict, including, without limitation: the impact of general economic conditions, including the duration and severity of negative impacts resulting from the COVID-19 pandemic or other crises; industry conditions, including the adoption of new environmental, taxation, and other laws and regulations, and changes in how they are interpreted and enforced; ESG expectations and investor sentiment; information security; volatility of oil and natural gas prices; hydrocarbon product supply and demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations, including future dividends to Shareholders of the Company; increased competition; the ability to continue to build and improve on proven manufacturing capabilities and innovate into new product lines and markets; the availability of qualified personnel or management; risks related to corruption, sanctions, and trade compliance; and other factors, many of which are beyond the Company’s control. For an augmented discussion of the risk factors and uncertainties that affect or may affect Enerflex, the reader is directed to the section entitled “*Risk Factors*” in Enerflex’s Annual Information Form for the year ended December 31, 2020 (available on www.sedar.com). While the Company believes that there is a reasonable basis for the forward-looking information and statements included in this Circular, as a result of such known and unknown risks, uncertainties, and other factors, actual results, performance, or achievements could differ materially from those expressed in, or implied by, these statements, and readers are cautioned not to unduly rely on forward-looking information.

The forward-looking information contained herein is expressly qualified in its entirety by the above cautionary statement. The forward-looking information included in this Circular is made as of the date of this Circular and, other than as required by law, the Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events, or otherwise.

PRESENTATION OF INFORMATION

Unless otherwise indicated, information contained in this Circular is given as at March 2, 2021. References in this Circular to “\$” or “dollars” are to Canadian dollars unless otherwise stated.

Information contained on or otherwise accessible through the Enerflex website, though referenced herein, does not form part of and is expressly not incorporated by reference into this Circular.

At Enerflex, We Are

Transforming Natural Gas to Meet the World's Energy Needs

Our strategy is built on this vision, and our values reflect who we are, how we pursue our vision, and how we conduct business.

Integrity

Do the right thing

- *Be ethical*
- *Be trustworthy*
- *Be respectful*
- *Be environmentally and socially responsible*
- *Listen and communicate effectively*

Commitment

Deliver on our promises

- *Be a health and safety leader*
- *Anticipate and meet stakeholder needs*
- *Establish common goals and deliver results*
- *Attract, develop, and retain the best people*

Creativity

Lead with innovation

- *Improve our business every day*
- *Be collaborative*
- *Value creative thinking*
- *Embrace change*
- *Empower a lower carbon future*

Success

Be a sector leading investment

- *Face reality*
- *Create and sustain customer loyalty*
- *Optimize growth and business performance*
- *Recognize and celebrate achievement*

Enerflex is a publicly traded, global operating company that engineers, designs, manufactures, constructs, commissions, operates, and provides after-market service support for equipment, systems, and full turnkey facilities used to process and move natural gas from the wellhead to the pipeline. We provide compression, processing, and electric power solutions, as well as offer an expansive breadth of after-market services for the entire lifecycle of the solution. Enerflex's success is driven by its talented people, state-of-the-art facilities, exceptional customer service, and a well-managed business model. We operate in 57 locations across Canada, USA, Latin America, Europe, the Middle East, Africa, and Asia Pacific.

KEY ACCOMPLISHMENTS IN 2020

We are proud of our 2020 accomplishments in the midst of a global pandemic:

- Strong project execution – including the completion of multiple large ITK projects and the start-up of multiple BOOM projects contributing to recurring revenue – resulted in a gross margin of 24.5 percent.
- All manufacturing facilities, rental, BOOM, and service operations remained operational since the beginning of the pandemic.
- USA rental fleet grew by 15.4 percent on a horsepower basis over the last year and maintained a utilization rate of 83 percent.
- Successfully implemented capital and SG&A cost savings in response to the COVID-19 pandemic and the downturn in the oil and natural gas industry, resulting in a continued strong financial position.

Revenue

\$1.2 Billion

Market Cap

\$558 Million

Annualized Dividend

\$0.08 per Share



17
Countries



57
Locations



2,000
Employees



VIRTUAL MEETING AND VOTING INFORMATION

HOW TO ATTEND THE VIRTUAL ONLY MEETING

Registered shareholders and duly appointed proxyholders can participate, ask questions, and vote at the Meeting, all in real time. Guests, including non-registered shareholders who have not duly appointed themselves as proxyholder, can log in and listen to the Meeting but are not able to vote or ask questions.

Step 1: Log in online at <https://web.lumiagm.com/191944758>. We recommend that you log in at least one hour before the Meeting starts.

Step 2: Follow these instructions:

- **Registered shareholders:** Click “I have a control number” and then enter your 13-digit control number and password **enerflex2021** (case sensitive). The control number located on the form of proxy or in the email notification you received from AST Trust Company (Canada) is your control number.
- **Duly appointed proxyholders:** Click “I have a control number” and then enter your 13-digit control number and password **enerflex2021** (case sensitive). Proxyholders who have been duly appointed and registered with AST Trust Company (Canada) as described below will receive a control number by email from AST Trust Company (Canada) after the proxy voting deadline has passed.
- **Guests:** Click “Guest” and then complete the online form.

If you attend the Meeting online, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure. You will need the latest version of Chrome, Safari, Edge, or Firefox. Please ensure your browser is compatible by logging in early. **PLEASE DO NOT USE INTERNET EXPLORER.**

Caution: Internal network security protocols including firewalls and VPN connections may block access to the Lumi virtual platform. If you are experiencing any difficulty connecting or attending the Meeting, ensure your VPN setting is disabled or use a computer on a network not restricted to the security settings of your organization.

HOW TO VOTE PRIOR TO THE MEETING

Before the Meeting, Shareholders of record as of the close of business on the Record Date may vote in advance of the Meeting by completing the form of proxy or voting instruction form in accordance with the instructions provided therein and summarized below.

Registered Shareholders

Voting by Proxy

You are a registered Shareholder if your Shares are registered in your name. To vote by proxy in advance of the Meeting, use the form of proxy that is provided to you. Ensure that your completed proxy is received by AST Trust Company (Canada) no later than 2:30 pm (MDT) on April 30, 2021 or no later than 48 hours (excluding Saturdays, Sundays, and holidays) before the time set for the Meeting if it is adjourned or postponed, by one of the following methods:

By Fax: Fax your completed proxy to 416.368.2502 or toll free in Canada and United States to 1.866.781.3111.

By Email: Scan and email your completed proxy to: proxyvote@astfinancial.com.

By Internet: You may vote through the internet at www.astvotemyproxy.com. You will be required to enter the 13-digit control number located on your proxy.

By Mail: AST Trust Company (Canada)
P.O. Box 721
Agincourt, ON
M1S 0A1

If you specify how you want to vote on your proxy form, your proxyholder must vote in accordance with such instructions. All Shares represented at the Meeting by properly executed proxies will be voted in accordance with the instructions of the Shareholder on any ballot that may be called for.

In the absence of any instruction, the management appointees whose names appear on the printed form of proxy will vote your Shares in favour of the matters to be acted on. If you appoint another proxyholder and do not indicate how you want to vote, that proxyholder will decide how to vote your Shares. See "*How to Appoint A Proxyholder*" below.

Revoking your Proxy

You may revoke your proxy at any time before it is acted on. To revoke your proxy, deliver a written statement revoking your proxy to AST Trust Company (Canada) on or before May 3, 2021 (or the last business day before the Meeting if it is adjourned or postponed). Or, 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.

Beneficial Shareholders

Voting by Proxy

You are a non-registered Shareholder (a "**Beneficial Shareholder**") if you beneficially own Shares that are held in the name of an intermediary, such as a bank, trust company, securities dealer or broker, trustee or administrator of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan or similar plan. In many cases, Shares owned by a Beneficial Shareholder are registered either in the name of an intermediary that the Beneficial Shareholder deals with, or in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the intermediary is a participant. Each intermediary has its own process, so be sure to carefully follow the instructions on your voting instruction form.

To vote by proxy in advance of the Meeting, use the voting instruction form that is provided to you. Complete the voting instruction form by following the instructions therein. You can send your voting instructions by mail, phone, or on the internet. If you have voted on the voting instruction form, you may not vote at the Meeting unless you properly revoke your voting instructions.

Shares registered in the names of intermediaries can only be voted by those intermediaries at the direction of the Beneficial Shareholders who beneficially own the shares. Without specific instructions, intermediaries are prohibited from voting shares for an intermediary's clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.

Revoking Your Voting Instructions

You may revoke your voting instructions before they are acted on. Follow the procedures provided by your intermediary or service provider.

HOW TO VOTE AT THE MEETING

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.

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.

Guests (including non-registered shareholders who have not duly appointed themselves as proxyholder) can log in and listen to the Meeting but will not be able to vote during the Meeting.

HOW TO APPOINT A PROXYHOLDER

The people named in the form of proxy and voting information form are directors and officers of Enerflex. **You have the right to appoint a person other than the persons designated in the form of proxy and voting information form, as applicable, to represent you at the Meeting.**

Shareholders who wish to appoint a third-party proxyholder other than the named Enerflex proxy nominees to represent them at the Meeting **must** submit their form of proxy or voting instruction form (as applicable) appointing that third-party proxyholder AND that proxyholder must register with AST Trust Company (Canada), as described below. *Please ensure that the person you appoint is aware that he or she has been appointed. The appointee should then register as described below.*

Registering of the 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 therein 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: Proxyholder Registration

- The proxyholder **must** contact AST Trust Company (Canada) by going to AST's website at <https://lp.astfinancial.com/control-number-request-en.html> to complete and submit the electronic form or by calling 866.751.6315 (in North America) or 212.235.5754 by 2:30 p.m. (MDT) by April 30, 2021 (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 AST Trust Company (Canada) with the required proxyholder contact information so that AST Trust Company (Canada) 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 yourself 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 with AST Trust Company (Canada), 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 of the proxyholder to register with AST Trust Company (Canada) 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 proxyholders will not be able to vote at the Meeting but will be able to participate as guests.

VOTING QUESTIONS

Please contact AST Trust Company (Canada) directly at:

- **Phone:** 1.800.387.0825 (toll-free in Canada and the United States) or 416.682.3860 (from outside Canada and the United States)
- **Fax:** 1.888.249.6189 (toll-free in Canada and the United States) or 514.985.8843 (from outside Canada and the United States)
- **Mail:** Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1
- **E-mail:** inquiries@astfinancial.com

PERSONS MAKING THE SOLICITATION

This solicitation is made on behalf of Management of Enerflex. The costs incurred in the preparation and mailing of the proxy-related materials for the Meeting will be borne by the Company. The solicitation will primarily be by mail, but proxies may also be solicited personally, by telephone, facsimile, or other electronic means.

NOTICE-AND-ACCESS

Management has elected to use the Notice-and-Access provisions under NI 54-101 for the Meeting in respect of mailings to its Registered and Beneficial Shareholders. The Notice-and-Access provisions are rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to Shareholders by allowing issuers to post Meeting materials on an easily accessible website rather than mailing physical copies. The use of Notice-and-Access reduces our printing and mailing costs and reduces the environmental impacts associated with producing and distributing large quantities of printed meeting materials.

All Shareholders of record as of the Record Date will be mailed a notice package which will include:

- (i) the relevant form of proxy or voting instruction form;
- (ii) basic information about the Meeting and matters to be voted on;
- (iii) instructions on how to obtain a paper copy of the Meeting materials; and
- (iv) a plain language explanation of how the Notice-and-Access system operates and how the Meeting materials can be accessed online.

No Shareholder will receive a paper copy of the Circular unless one is specifically requested.

Management will be mailing the notice package to non-objecting beneficial Shareholders directly with the assistance of Broadridge Investor Communications Corporation and intends to pay for intermediaries to deliver proxy-related materials to objecting Beneficial Shareholders.

RECORD DATE

The Record Date for the Meeting is March 16, 2021. If you held Shares as of the Record Date, you are entitled to receive notice of, attend, and vote at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS

As of March 2, 2021, there were 89,678,845 Shares outstanding. Each Share entitles the holder to one vote on all matters to be acted upon at the Meeting unless a vote is conducted by a show of hands, in which case every Shareholder present or in person or by proxy and entitled to vote shall have one vote.

To the knowledge of the directors and executive officers of Enerflex as of the date hereof, the following sets out the only persons, firms, or corporations, owning of record or beneficially, controlling or directing, directly or indirectly, 10% or more of the voting rights attached to the Shares.

Name of Holder	Number of Voting Securities Owned	Percentage of Outstanding Voting Securities Owned
Letko, Brosseau & Associates Inc.	9,535,911	10.6%

QUORUM

The quorum for the transaction of business is two people holding, or representing by proxy, not less than 10% of Shares entitled to vote at the Meeting.

ADVANCE NOTICE FOR DIRECTOR NOMINATIONS

Enerflex's Amended By-Law No.3 requires Shareholders to provide advance notice for nominations of directors and other matters for consideration at a meeting of Shareholders. The notice of director nominations must be submitted to the Corporate Secretary no later than 40 days prior to the date of the Meeting, because the first public announcement of the Meeting was not less than 50 days prior to the Meeting, and because the Company is using Notice-and-Access for the Meeting. The notice must contain certain information about the proposed nominee(s) and the nominating Shareholder. Unless Enerflex otherwise consents, only those director nominations that comply with the applicable requirements set out in Amended By-Law No.3 will be eligible for consideration at the Meeting. Copies of all Enerflex's By-Laws are available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.enerflex.com.

BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

Enerflex's audited Annual Consolidated Financial Statements for the financial year ended December 31, 2020 and the auditors' report thereon, contained in Enerflex's 2020 Annual Report, will be tabled at the Meeting. Copies of Enerflex's 2020 Annual Report may be obtained:

- i) from Enerflex's website at www.enerflex.com;
- ii) from the Corporate Secretary of Enerflex upon request; and/or
- iii) under the Company's profile on SEDAR at www.sedar.com.

No formal action will be taken at the Meeting to approve the Annual Consolidated Financial Statements, which have already been approved by the Company's Board of Directors.

ELECTION OF DIRECTORS

The Board currently consists of eleven directors and the terms of each will expire immediately prior to the Meeting or any adjournment thereof. The Board has resolved to nominate each current director for re-election to the Board at the Meeting, to serve until the next annual meeting of Shareholders or until their successors are duly elected or appointed. For information about each director nominee, see the section entitled "Director Profiles". At the 2020 annual meeting of Shareholders, the resolution appointing the director nominees was approved with Shares voted "FOR" the individual directors ranging from 91.70% to 99.85%.

In the absence of any contrary instructions, the persons named in the enclosed form of proxy intend to vote "FOR" the election of each director nominee.

All director nominees have consented to stand for election and serve as directors if elected. If, for any reason, any of the proposed nominees does not stand for election or is unable to serve as such, the persons in the enclosed form of proxy reserve the right to vote in their discretion for other nominees as directors (unless the Shareholder has specified therein that its Shares are to be withheld from voting on the election of directors).

Majority Voting Policy

The Board of Directors has a policy which requires any nominee who receives a greater number of votes "withheld" than votes "for" his/her election (in uncontested elections only) to submit to the NCG Committee his/her resignation. The NCG Committee will consider all the relevant facts and circumstances and recommend to the Board the action to be taken with respect to the offer of resignation. The Board, absent exceptional circumstances, will accept the resignation and announce its decision by issuing a press release within 90 days of the applicable Shareholder meeting. A copy of Enerflex's Majority Voting Policy is available on the Company's website at www.enerflex.com.

As a result of the majority voting policy, a "withheld" vote is effectively the same as a vote against a director nominee in an uncontested election.

APPOINTMENT OF AUDITORS

The Board of Directors unanimously recommends that EY be appointed as auditors of Enerflex, at a remuneration to be fixed by the Board, to hold office until the close of the next annual meeting of Shareholders. EY has served as the Company's auditors since June 1, 2011. Should EY for any reason be unwilling or unable to accept reappointment, the Board will exercise their discretion to appoint an alternate auditor. At the 2020 annual meeting of Shareholders the resolution to appoint EY as auditors of Enerflex was approved with 99.69% of Shares voted in favour.

In the absence of any contrary instructions, the persons named in the enclosed form of proxy intend to vote "FOR" the reappointment of EY as auditors of the Company to hold office until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration.

For details concerning the fees paid to EY, see "Audit Committee – Remuneration of Auditors" in the AIF.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Board of Directors has held a "say on pay" vote every year since 2015 when it adopted the policy to hold an annual advisory vote on executive compensation. At the Meeting, Shareholders will be asked to approve an advisory resolution to accept Enerflex's approach to executive compensation. The underlying principle for executive pay at Enerflex is "pay for performance" – attracting and retaining critical talent while rewarding the behaviors that reinforce the Company's values and help deliver on its enterprise objectives. A detailed discussion of Enerflex's executive compensation program is provided in the CD&A section of this Circular.

In the absence of any contrary instructions, the persons named in the enclosed form of proxy intend to vote "FOR" the advisory resolution to accept Enerflex's approach to executive compensation.

Proposed Resolution and Board Recommendation

At the Meeting, Shareholders will be asked to vote on the following resolution:

"BE IT RESOLVED THAT, on an advisory basis and not to diminish the role of the Board of Directors, the Shareholders accept Enerflex's approach to executive compensation as disclosed in the information circular of the Company dated March 2, 2021."

Management and the Board unanimously recommend that Shareholders vote FOR the foregoing advisory resolution.

While this is an advisory vote and the results are non-binding, the HRC Committee and the Board believe that the vote is an important part of Enerflex's ongoing engagement with Shareholders about executive compensation and governance matters. The Board will take the results of the vote into account as part of its ongoing review of executive compensation. Enerflex has historically received strong support from Shareholders. At the last annual meeting of Shareholders on May 8, 2020, 88.09% of the votes were in favour of the Company's approach to executive compensation. In October 2020, the Chair of the Board and the Chair of the HRC Committee initiated a Shareholder outreach to proactively identify any concerns with executive compensation at Enerflex. See "Corporate Governance Practices and ESG – Shareholder Engagement". The Board and HRC Committee continue to monitor developments in executive compensation to ensure that Enerflex's compensation practices, decisions, and risk oversight are appropriate.

Shareholders who have specific questions about Enerflex's approach to compensation are encouraged to contact Enerflex directly: Suite 904, 1331 Macleod Trail SE, Calgary, Alberta T2G 0K3, Attention: Chair of the HRC Committee.

OTHER MATTERS

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

OVERVIEW OF PROPOSED BOARD COMPOSITION

Eleven directors will be nominated for election to the Board this year. The NCG Committee believes the director nominees collectively represent the appropriate mix of skills, diversity of views, and variety of backgrounds for enabling the Board to fulfill its stewardship responsibilities.

BOARD DEMOGRAPHICS

82% Male	45% Canada	63 years	6.5 years	91%
18% Female	45% U.S.A.	Average Age	Average Tenure	Independent
	9% Latin America			

STANDING COMMITTEE MEMBERSHIP

Director	Audit Committee	Nominating and Governance Committee	Human Resources and Compensation Committee
Mr. Assing			✓
Mr. Boswell		✓ (Chair)	✓
Ms. Cormier Jackson	✓		
Mr. Dunn		✓	✓
Mr. Marshall		✓	✓ (Chair)
Mr. Reinhart	✓ (Chair)		
Mr. Rossiter (CEO)			
Mr. Savidant (Chair of Board)			
Mr. Villegas			✓
Mr. Weill	✓		
Ms. Wesley	✓	✓	

DIRECTOR PROFILES

The following pages set out information with respect to the nominees for election to the Board of Directors, including each nominee's equity ownership in Enerflex as of March 2, 2021 and March 9, 2020, respectively.



Fernando Rafael Assing

Houston, Texas, U.S.A.

Age: 55

Director Since: 2020 ⁽¹⁾

Independent

Committee Membership: HRC Committee ⁽²⁾

Minimum Share Ownership Met: Yes ⁽³⁾

Mr. Assing is the President and Chief Executive Officer of Centurion Group Limited, the global rental, services, and infrastructure platform of SCF Partners. He has 29 years of experience in the EPC and oilfield service industries, including senior management roles in marketing, business development, commercial, and project and operations management. Prior to joining Centurion, Mr. Assing was President and Chief Executive Officer of Tesco Corporation until its sale to Nabors Industries, and prior thereto he served in multiple global and regional positions with Schlumberger and Technip. He has extensive international experience in the energy industry, including operations in the United States, Canada, Latin America, the Middle East, Africa, Southeast Asia, Australia, and Europe.

Mr. Assing holds a Bachelor of Civil Engineering from Jose Maria Vargas University and serves on the Centurion board.

Enerflex Board/Committee Attendance from August 6, 2020 to March 2, 2021 ⁽¹⁾

	Attendance	Percentage of Meetings Attended
Board	6 of 6	100%
HRC Committee	2 of 2	100%
Overall Attendance	8 of 8	100%

Securities Held ⁽⁴⁾

	March 2, 2021	March 9, 2020 ⁽¹⁾
Deferred Share Units (#)	11,371	0
Shares (#)	0	0
Total Value of Equity Holdings (\$) ⁽⁵⁾	99,383	0



Robert S. Boswell

Denver, Colorado, U.S.A.

Age: 71

Director Since: 2011

Independent

Committee Membership: NCG Committee (Chair) and HRC Committee

Minimum Share Ownership Exceeded: Yes

Mr. Boswell is Chair and Chief Executive Officer of Laramie Energy, LLC, a Denver-based company primarily focused on finding and developing natural gas reserves from unconventional gas reservoirs in the Western Sedimentary Basin of North America. Mr. Boswell was previously Chief Executive Officer of Forest Oil Company (an oil and gas company) from 1995 to 2003. Mr. Boswell is a director of Cabot Oil and Gas Corporation, a public company.

Mr. Boswell holds a Bachelor of Science degree in Chemical Engineering from Vanderbilt University and a Master of Business Administration degree from the University of Texas.

Enerflex Board/Committee Attendance from January 1, 2020 to March 2, 2021

	Attendance	Percentage of Meetings Attended
Board	12 of 12	100%
HRC Committee	5 of 5	100%
NCG Committee	8 of 8	100%
Overall Attendance	25 of 25	100%

Securities Held ⁽⁴⁾

	March 2, 2021	March 9, 2020	Variance from 2020
Deferred Share Units (#)	54,219	23,789	128%
Shares (#)	44,441	44,441	0%
Total Value of Equity Holdings (\$) ⁽⁵⁾	862,290	500,811	72%

Voting Results for 2020 Annual General Meeting

	Votes For	Votes Withheld
Percentage of Votes	91.70%	8.30%



Maureen Cormier Jackson

Calgary, Alberta, Canada

Age: 63

Director Since: 2017

Independent

Committee Membership: Audit Committee ⁽²⁾

Minimum Share Ownership Exceeded: Yes

Ms. Cormier Jackson is an independent businessperson with over 35 years of executive, financial, and operational expertise in the oil and gas industry. From 2012 and until her retirement in 2014, Ms. Cormier Jackson was Senior Vice President, Chief Process and Information Officer at Suncor Energy Inc. (“**Suncor**”). Her career spanned numerous roles at Suncor which provided experience in the areas of accounting and financial controls, environment, health and safety, and project management. Ms. Cormier Jackson is also a director of Obsidian Energy Ltd. and serves on the Dean’s Advisory Board of Dean of Medicine at the University of Calgary. She was previously a director of a privately-owned family business for more than 15 years and has been involved in several non-profit organizations in various capacities during her career.

Ms. Cormier Jackson is a Chartered Professional Accountant and holds a Bachelor of Commerce degree from Memorial University. She also holds a Directors Designation from the Institute of Corporate Directors.

Enerflex Board/Committee Attendance from January 1, 2020 to March 2, 2021

	Attendance	Percentage of Meetings Attended
Board	12 of 12	100%
Audit Committee	5 of 5	100%
Overall Attendance	17 of 17	100%

Securities Held ⁽⁴⁾

	March 2, 2021	March 9, 2020	Variance from 2020
Deferred Share Units (#)	71,866	32,445	122%
Shares (#)	5,000	5,000	0%
Total Value of Equity Holdings (\$) ⁽⁵⁾	671,809	274,846	144%

Voting Results for 2020 Annual General Meeting

	Votes For	Votes Withheld
Percentage of Votes	99.85%	0.15%



W. Byron Dunn

Dallas, Texas, U.S.A.

Age: 67

Director Since: 2011

Independent

Committee Membership: NCG Committee and HRC Committee

Minimum Share Ownership Exceeded: Yes

Mr. Dunn is the Chief Executive Officer and Founding Partner of Tubular Synergy Group, LP which acts as a sales, marketing, and supply chain services provider of tubular products targeted toward the oil and gas industry. Prior thereto, Mr. Dunn had a 32-year career with Lone Star Steel Company of which he was Chief Executive Officer, President, and a Director from 1997 to 2007.

Mr. Dunn holds a Bachelor of Arts degree in Management from Texas Christian University and an Executive Master of Business Administration degree from the Edwin L. Cox School of Business at Southern Methodist University.

Enerflex Board/Committee Attendance from January 1, 2020 to March 2, 2021

	Attendance	Percentage of Meetings Attended
Board	12 of 12	100%
HRC Committee	5 of 5	100%
NCG Committee	8 of 8	100%
Overall Attendance	25 of 25	100%

Securities Held ⁽⁴⁾

	March 2, 2021	March 9, 2020	Variance from 2020
Deferred Share Units (#)	142,554	99,305	44%
Shares (#)	30,000	30,000	0%
Total Value of Equity Holdings (\$) ⁽⁵⁾	1,508,118	949,102	59%

Voting Results for 2020 Annual General Meeting

	Votes For	Votes Withheld
Percentage of Votes	95.40%	4.60%



H. Stanley Marshall

Paradise, Newfoundland, Canada

Age: 70

Director Since: 2011

Independent

Committee Membership: HRC Committee (Chair) and NCG Committee

Minimum Share Ownership Exceeded: Yes

In April 2016, Mr. Marshall was named the President and Chief Executive Officer of Nalcor Energy, an electricity, oil and gas, and industrial fabrication and energy marketing company. Prior thereto, Mr. Marshall was the President and Chief Executive Officer of Fortis Inc. from 1996 until he retired in 2014. He is a director of Trans Mountain Corporation and Chair of the Expansion Project Oversight Committee of the Board which is responsible for oversight of the pipeline expansion project. He is also a former director of Fortis Inc. and several of its subsidiaries.

Mr. Marshall holds a Bachelor of Applied Science in Chemical Engineering from the University of Waterloo and an LLB from Dalhousie University.

Enerflex Board/Committee Attendance from January 1, 2020 to March 2, 2021

	Attendance	Percentage of Meetings Attended
Board	12 of 12	100%
HRC Committee	5 of 5	100%
NCG Committee	8 of 8	100%
Overall Attendance	25 of 25	100%

Securities Held ⁽⁴⁾

	March 2, 2021	March 9, 2020	Variance from 2020
Deferred Share Units (#)	114,312	93,255	23%
Shares (#)	99,000	99,000	0%
Total Value of Equity Holdings (\$) ⁽⁵⁾	1,864,349	1,411,153	32%

Voting Results for 2020 Annual General Meeting

	Votes For	Votes Withheld
Percentage of Votes	95.39%	4.61%



Kevin J. Reinhart

Calgary, Alberta, Canada

Age: 62

Director Since: 2017

Independent

Committee Membership: Audit Committee (Chair) ⁽²⁾

Minimum Share Ownership Exceeded: Yes

Mr. Reinhart is an independent businessperson with over 35 years of executive and financial experience in international energy company operations. After an early career in public accounting, Mr. Reinhart joined Nexen Inc. (“Nexen”) in 1994 and held a number of senior roles in financial reporting, treasury, risk management, corporate planning, and business development before becoming Nexen’s Chief Financial Officer in 2009 and its Interim President and Chief Executive Officer in 2012. Following the sale of Nexen to CNOOC Limited (a Chinese state-owned enterprise) in 2013, Mr. Reinhart continued as President of their western-world operations until his retirement in 2014. Mr. Reinhart has served as a director of three publicly listed companies and is currently is on advisory committees for one public and one private company.

Mr. Reinhart is a Chartered Professional Accountant and holds a Bachelor of Commerce degree from Saint Mary’s University.

Enerflex Board/Committee Attendance from January 1, 2020 to March 2, 2021

	Attendance	Percentage of Meetings Attended
Board	12 of 12	100%
Audit Committee	5 of 5	100%
Overall Attendance	17 of 17	100%

Securities Held ⁽⁴⁾

	March 2, 2021	March 9, 2020	Variance from 2020
Deferred Share Units (#)	77,318	34,794	122%
Shares (#)	41,250	21,250	94%
Total Value of Equity Holdings (\$) ⁽⁵⁾	1,036,284	411,363	152%

Voting Results for 2020 Annual General Meeting

	Votes For	Votes Withheld
Percentage of Votes	99.84%	0.16%



Marc E. Rossiter

Calgary, Alberta, Canada

Age: 49

Director Since: 2019

Non-Independent

Minimum Share Ownership Exceeded: Yes

Mr. Rossiter, Enerflex’s President and Chief Executive Officer is responsible for the Company’s value creation and global growth strategy. He has 24 years of experience at Enerflex in a progression of leadership roles. Until his appointment to President and Chief Executive Officer of Enerflex on May 3, 2019, Mr. Rossiter served as Enerflex’s EVP and COO, where he was focused on growth in revenue and operating income, while safely delivering reliable solutions. Mr. Rossiter joined the Company in Calgary as a Project Engineer and moved to the U.S.A. in 2003. Before his appointment as EVP and COO in April 2018, Mr. Rossiter was President of the U.S.A. region and worked in a variety of engineering and sales management roles.

Mr. Rossiter started his career in the oil and gas business as a process engineer and attained his status as a Professional Engineer in the province of Alberta. He graduated from the Royal Military College of Canada with a Bachelor of Engineering in Chemical and Materials Engineering and served the country as an officer in the Canadian Army.

Enerflex Board/ Attendance from January 1, 2020 to March 2, 2021

	Attendance	Percentage of Meetings Attended
Board	12 of 12	100%

Securities Held ⁽⁴⁾

	March 2, 2021	March 9, 2020	Variance from 2020
Deferred Share Units (#)	89,632	86,868	3%
Options (#)	1,015,566	720,544	41%
Performance Share Units (#) ⁽⁶⁾	477,727	241,536	98%
Restricted Share Units (#)	128,507	0	-
Shares (#)	79,745	78,274	2%
Total Value of Equity Holdings (\$) ⁽⁵⁾	3,659,829	1,212,142	202%

Voting Results for 2020 Annual General Meeting

	Votes For	Votes Withheld
Percentage of Votes	99.85%	0.15%



Stephen J. Savidant

Calgary, Alberta, Canada

Age: 71

Director Since: 2011

Independent

Chair of the Board of Directors ⁽⁷⁾

Minimum Share Ownership Exceeded: Yes

Mr. Savidant is the Chair of the Board of Directors of Enerflex. He is an independent executive with over 45 years of industry experience. He was Chair of ProspEx Resources Ltd., a Calgary-based oil and gas company focused on exploration for natural gas in the Western Canada Sedimentary Basin from August 13, 2004 until Paramount Resources Ltd. acquired it on May 31, 2011. He served as an independent director of Toromont Industries Ltd. from April 26, 2007 until the spin-out of Enerflex on June 1, 2011. Mr. Savidant was previously President and Chief Executive Officer of Esprit Energy Trust from 2002 to 2006 and Canadian Hunter Exploration from 1998 to 2001.

Mr. Savidant holds a Bachelor of Engineering degree and a Master of Business Administration degree from McGill University.

Enerflex Board Attendance from January 1, 2020 to March 2, 2021

	Attendance	Percentage of Meetings Attended
Board	12 of 12	100%

Securities Held ⁽⁴⁾

	March 2, 2021	March 9, 2020	Variance from 2020
Deferred Share Units (#)	225,289	164,437	37%
Shares (#)	25,000	25,000	0%
Total Value of Equity Holdings (\$) ⁽⁵⁾	2,187,525	1,390,466	57%

Voting Results for 2020 Annual General Meeting

	Votes For	Votes Withheld
Percentage of Votes	99.49%	0.51%



Juan Carlos Villegas

Lo Barnechea, Region Metropolitana, Chile

Age: 66

Director Since: 2019

Independent

Committee Membership: HRC Committee

Minimum Share Ownership Exceeded: Yes

Mr. Villegas is an independent businessperson with 40 years of demonstrated executive and operational leadership experience in the industrial services sector across North America and Latin America. After an early career with Cummins and Komatsu in Latin America, Mr. Villegas joined Finning International Inc. and held numerous senior executive roles which provided experience in corporate planning, business development, operations leadership, and risk management. Until his retirement in December 2018, Mr. Villegas was President and Chief Operating Officer of Finning Canada and prior thereto was Chief Operating Officer for Finning International.

Mr. Villegas was educated in Chile and attended the University of California at Irvine. For the past 17 years, he has served as a director on both publicly listed and private organizations. Until his retirement in December 2018, Mr. Villegas sat on the Caterpillar Global Mining Counsel.

Enerflex Board Attendance from January 1, 2020 to March 2, 2021

	Attendance	Percentage of Meetings Attended
Board	12 of 12	100%
HRC Committee	5 of 5	100%
Overall Attendance	17 of 17	100%

Securities Held ⁽⁴⁾

	March 2, 2021	March 9, 2020	Variance From 2020
Deferred Share Units (#)	45,286	9,588	372%
Shares (#)	28,800	28,800	0%
Total Value of Equity Holdings (\$) ⁽⁵⁾	647,512	281,768	130%

Voting Results for 2020 Annual General Meeting

	Votes For	Votes Withheld
Percentage of Votes	96.82%	3.18%



Michael A. Weill

Houston, Texas, U.S.A.

Age: 63

Director Since: 2011

Independent

Committee Membership: Audit Committee ⁽²⁾

Minimum Share Ownership Exceeded: Yes

Mr. Weill has been Chief Executive Officer of Global Deepwater Partners LLC since 2008. Global Deepwater Partners LLC is a private company, which provides exploration, appraisal, and concept select services to National Oil Companies. From 1996 to 2007, Mr. Weill served in various positions with BHP Billiton Petroleum including as President, Production - Americas, and as President Operations and Technology, Americas/Australia, based in Houston. He also served as President, Integrated Business Development based in Melbourne, Australia. Prior thereto, Mr. Weill served in various positions with Royal Dutch Shell in Houston, New Orleans, and The Hague from 1980 to 1996.

Mr. Weill holds a Bachelor of Science degree in Chemical Engineering from Cornell University.

Enerflex Board/Committee Attendance from January 1, 2020 to March 2, 2021

	Attendance	Percentage of Meetings Attended
Board	12 of 12	100%
Audit Committee	5 of 5	100%
Overall Attendance	17 of 17	100%

Securities Held ⁽⁴⁾

	March 2, 2021	March 9, 2020	Variance from 2020
Deferred Share Units (#)	71,633	51,891	38%
Shares (#)	14,000	14,000	0%
Total Value of Equity Holdings (\$) ⁽⁵⁾	748,435	483,640	55%

Voting Results for 2020 Annual General Meeting

	Votes For	Votes Withheld
Percentage of Votes	99.85%	0.15%



Helen J. Wesley

Tampa, Florida, U.S.A.

Age: 51

Director Since: 2013

Independent

Committee Membership: Audit Committee and NCG Committee

Minimum Share Ownership Exceeded: Yes

Ms. Wesley is the Chief Operating Officer of Peoples Gas in Florida, a subsidiary of Emera Inc. She has over 25 years of experience in the North American and international oil and gas, utilities, and chemicals industries. From January 2016 to August 2020, Ms. Wesley was Executive Vice President Finance and IT and Chief Financial Officer of ENMAX Corporation, one of the largest electricity providers in Alberta. Ms. Wesley previously held senior leadership positions at Talisman Energy, Suncor Energy, and Petro-Canada located in both Calgary, Alberta and London, England.

Ms. Wesley earned her Bachelor of Commerce in Marketing degree from the University of Calgary in 1991, and her Master of Business Administration in International Business from Boston's Bentley College in 1993. She received her Chartered Financial Analyst (CFA) designation in 1998 and her Directors Designation from the Institute of Corporate Directors in 2015.

Enerflex Board/Committee Attendance from January 1, 2020 to March 2, 2021

	Attendance	Percentage of Meetings Attended
Board	12 of 12	100%
Audit Committee	5 of 5	100%
NCG Committee	8 of 8	100%
Overall Attendance	25 of 25	100%

Securities Held ⁽⁴⁾

	March 2, 2021	March 9, 2020	Variance from 2020
Deferred Share Units (#)	118,516	76,012	56%
Shares (#)	0	0	0%
Total Value of Equity Holdings (\$) ⁽⁵⁾	1,035,833	557,926	86%

Voting Results for 2020 Annual General Meeting

	Votes For	Votes Withheld
Percentage of Votes	99.62%	0.38%

Notes:

- (1) Mr. Assing was appointed to the Board on August 6, 2020.
- (2) On August 9, 2018, the Board established an Ad Hoc Risk Committee, which is currently comprised of four independent directors: Messrs. Weill (Chair), Assing and Reinhart, and Ms. Cormier Jackson. From January 1, 2020 to March 2, 2021, the Ad Hoc Risk Committee has met formally 8 times with all members in attendance. For more information on the Ad Hoc Risk Committee, see the sections entitled "Board of Director Compensation – Annual Cash and Equity Retainers and Meeting Fees" and "Statement of Corporate Governance Practices – Risk Oversight and Strategic Planning".
- (3) As a new appointee to the Board effective August 6, 2020, Mr. Assing has five years following the date of appointment to achieve the requisite ownership level, with 20% of such amount to be achieved in each of the five years following his appointment. Thus,

he must attain a minimum of \$91,537 in each of 2021, 2022, 2023, 2024, and 2025. As of December 31, 2020, Mr. Assing's ownership level is \$75,556. See the section entitled "*Board of Director Compensation – Share Ownership Guidelines*" for details.

- (4) Securities held are as of March 2, 2021 and March 9, 2020, respectively, and include notional dividends acquired in the case of DSUs, RSUs, and PSUs. Mr. Rossiter, as a member of the EMT, is the only director nominee eligible to receive PSUs, RSUs, and Options.
- (5) "Total Value of Equity Holdings" is the sum of:
 - (i) the value of DSUs, determined by multiplying the number of DSUs plus notional dividends earned by the FMV of the Shares (the FMV as of March 2, 2021 is \$8.74 and the FMV as of March 9, 2020 is \$7.34); plus
 - (ii) the in-the-money value of unexercised Options, calculated using the difference between the exercise price of the Options and the FMV of the Shares (\$8.74 or \$7.34, as applicable);
 - (iii) the value of owned Shares, determined by multiplying the number of Shares held by the FMV of the Shares (\$8.74 or \$7.34, as applicable); plus
 - (iv) the value of RSUs, as applicable, determined by multiplying the number of RSUs by the FMV of the Shares (\$8.74).
- (6) For Mr. Rossiter, no value has been given to PSUs when calculating the "Total Value of Equity Holdings". See the section entitled "*Executive Compensation – Outstanding Share-Based Awards and Option-Based Awards*" for the value of Mr. Rossiter's PSUs as of December 31, 2020.
- (7) As Chair of the Board, Mr. Savidant is not a member of any of the Board's standing committees but does attend all or substantially all committee meetings by invitation, to the extent possible given overlapping meeting times.

SKILLS MATRIX

The NCG Committee and the Board review the experience, qualifications, and skills of the directors each year to ensure that such skills and the composition of the Board and its committees meet the needs of the Board and the Company. The Board maintains a skills matrix to:

- evaluate the competencies and skills of the members based on the individual experience and background of each director;
- identify the skills and diversity that are necessary for the Board to carry out its mandate effectively;
- identify areas for strengthening the Board, if any; and
- potentially address any such gaps through the recruitment of new members.

In December 2018 and again on August 6, 2020, the Board updated its skills matrix to include a broader range of skills deemed relevant to the work of the Board, resulting in a broader range of candidates deemed qualified. As the Board seeks to ensure diversity among its membership, application of the updated skills matrix in the selection process is intended to result in greater diversity among Board members. See "*Considering Gender in Director Nominations and Executive Appointments*".

Annually, each director is asked to rate their respective skills and experience across the range of key qualifications set forth in the matrix. This data is compiled into the matrix and reviewed by the NCG Committee.

The following matrix reflects the diverse skill set requirements of the Board and identifies the specific skills and experience that is possessed by each individual proposed nominee.

Director Skills and Experiences	Assing	Boswell	Cormier Jackson	Dunn	Marshall	Reinhart	Rosster	Savidant	Villegas	Weill	Wesley
Board and Governance Experience											
Board Experience – prior or current experience as a board member of a major organization (public or private), other than Enerflex.	●	●	●	●	●	●	●	●	●	●	●
Governance Expertise – corporate governance knowledge, including governance committee experience or functional responsibility for corporate governance in a major organization.	●	●	●	●	●	●	●	●	●	●	●
Risk Oversight – experience identifying and evaluating risks and ensuring that management has implemented the appropriate systems to manage risk.	●	●	●	●	●	●	●	●	●	●	●
Managing/Leading Growth											
Executive Leadership – experience leading an organization, or a major functional area or business segment of an organization.	●	●	●	●	●	●	●	●	●	●	●
Strategic Development – executive or management experience developing, evaluating, and implementing a strategic plan.	●	●	●	●	●	●	●	●	●	●	●
Business Development – executive or management experience relating to business development, mergers and acquisitions, opportunity generation, and value creation.	●	●	●	●	●	●	●	●	●	●	●
Senior Level Management Experience	CEO	CEO	SVP	CEO	CEO	CEO	CEO	CEO	COO	CEO	CFO
Industry Experience											
Oil and Gas – leadership experience in an oilfield service or oil and gas company with related industry domain knowledge.	●	●	●	●	●	●	●	●	●	●	●
Midstream / Energy Infrastructure – leadership experience in a midstream company, or other experience working with the midstream industry.	●	●	●	●	●	●	●	●	●	●	●
Manufacturing – knowledge of manufacturing, or a technical expertise regarding natural gas compression, processing, and associated oilfield equipment.	●	●	●	●	●	●	●	●	●	●	●
Financial Expertise											
Accounting – executive responsibility for financial accounting and reporting, with knowledge of internal financial controls.	●	●	●	●	●	●	●	●	●	●	●
Corporate Finance – executive experience in corporate finance with knowledge of debt and equity markets.	●	●	●	●	●	●	●	●	●	●	●
Business Expertise											
Operational Expertise – executive or management experience relating to the operation of an oilfield service company or oil and gas assets and related infrastructure.	●	●	●	●	●	●	●	●	●	●	●
Project Management – experience managing and executing large scale projects, including resources, risks, project status, and quality assurance.	●	●	●	●	●	●	●	●	●	●	●
Geographic Expertise – executive or management experience in an organization with international operations.	●	●	●	●	●	●	●	●	●	●	●
ESG Expertise – experience developing or managing ESG programs, including sustainability, workplace health & safety, diversity & inclusion, and social responsibility.	●	●	●	●	●	●	●	●	●	●	●
HR and Compensation Expertise – experience managing or overseeing compensation programs, succession planning, and talent management.	●	●	●	●	●	●	●	●	●	●	●
Technology and Systems Expertise – experience leading innovative technology programs with knowledge of IT general controls and cybersecurity.	●	●	●	●	●	●	●	●	●	●	●

- Advanced degree of experience or expertise in specific area
- General experience or expertise in specified area
- Limited experience or expertise in specific area
- No experience or expertise in specific area

BOARD OF DIRECTOR COMPENSATION

ROLE AND RESPONSIBILITY OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE REGARDING DIRECTOR COMPENSATION

The NCG Committee oversees, among other things, the compensation of the Company's directors. See also "*Statement of Corporate Governance and ESG Practices – Board Committees – NCG Committee*". On an annual basis, the NCG Committee reviews director compensation, including that of the Chair of the Board of Directors, and a recommendation is made to the full Board for approval. The review includes both the individual components of director compensation, as well as the overall total compensation package to ensure that these components and levels are appropriate for directors of a company the size and scope of Enerflex. The NCG Committee reviews director compensation information primarily by comparing Enerflex director compensation with that of other companies in Enerflex's peer group. As needed, the NCG Committee engages Hugessen to provide independent advice and analysis regarding director compensation.

Effective July 1, 2020 through December 31, 2020, the Board reduced the annual cash retainer component of director compensation by 10%, in light of market conditions and in parallel with the 10% reduction to executive base pay. In February 2021, the Board extended this 10% director compensation reduction, effective January 1, 2021 through December 31, 2021, subject to review throughout 2021 in light of evolving market conditions. No further changes are currently contemplated to the director compensation. See "*Annual Cash and Equity Retainers and Meeting Fees*" later in this section for further information.

DIRECTOR COMPENSATION OBJECTIVES

The Company's objectives for director compensation are to:

- Recruit and retain qualified individuals to contribute to the Company's overall success through service as members of the Board of Directors, recognizing the global nature of the Company;
- Align the interests of directors with those of Shareholders over the long term; and
- Offer competitive compensation by positioning director compensation at or slightly above the median of director compensation paid by companies in the Company's peer group.

The total compensation package for non-management directors currently consists of annual cash and equity retainers and attendance fees. The NCG Committee believes these components appropriately compensate directors and align their interests with those of Shareholders.

HIGHLIGHTS IN 2020

- Effective July 1, 2020 through December 31, 2020, the Board reduced the annual cash retainer component of director compensation by 10%, in light of market conditions and in parallel with the 10% reduction to executive base pay;
- All directors meet or exceed the minimum share ownership requirements;
- As of March 2, 2021 (see "*Board of Director Compensation - Share Ownership Guidelines*" for details); and
- Seven of the ten directors eligible to receive director compensation elected to receive 100% of their compensation in the form of DSUs in 2020.

ANNUAL CASH AND EQUITY RETAINERS AND MEETING FEES

Current non-management director compensation, effective since July 1, 2020, is as follows:

Director Remuneration	Amount
Annual Equity Retainers ⁽¹⁾	
Chair of the Board	CAD \$130,000
Directors	CAD \$100,000
Annual Cash Retainers ^(2, 3)	
Chair of the Board	USD \$106,200
Directors	USD \$36,900
Audit Committee Chair	USD \$16,200
Audit Committee Member	USD \$4,500
HRC Committee Chair	USD \$10,800
HRC Committee Member	USD \$4,500
NCG Committee Chair	USD \$9,000
NCG Committee Member	USD \$4,500
Meeting Fees (per meeting attended) ^(3, 4)	
Board Meeting	USD \$2,000
Committee Meeting ⁽⁵⁾	USD \$2,000

Notes:

- (1) A non-management director may elect to receive his or her annual equity retainer in DSUs, Shares, or a combination of both. For 2020 compensation, all such directors elected to receive 100% of the annual equity retainer component in DSUs.
- (2) The annual cash retainer was reduced by 10% in light of market conditions, effective July 1, 2020 through December 31, 2021. In February 2021, the Board extended this director compensation reduction, effective January 1, 2021 through December 31, 2021, subject to review throughout 2021 in light of evolving market conditions.
- (3) A non-management director may elect to receive his or her annual cash retainer and meeting fees in cash, DSUs, or a combination of both. For 2020 compensation, Messrs. Savidant, Assing, Dunn, Reinhart, and Villegas, Ms. Cormier Jackson and Ms. Wesley elected to receive 100% of their annual cash retainer and meeting fees in the form of DSUs.
- (4) Committee meeting fees are paid only to those non-management directors who are members of the committee.
- (5) In addition to paying standing committee members a fee of USD \$2,000 per meeting attended, the Company pays each member of the Ad Hoc Risk Committee a fee of USD \$2,000 per meeting attended. See the section entitled "Statement of Corporate Governance Practices – Risk Oversight and Strategic Planning" for more information on the Ad Hoc Risk Committee.

Enerflex also pays for reasonable travel and other out-of-pocket expenses of directors that relate to their duties as directors.

The following table summarizes the amounts paid to each non-management director for the year ending December 31, 2020, excluding dividends:

Director	Annual Equity Retainers ⁽¹⁾ (\$)		Annual Cash Retainers ^(1, 2) (\$)			Meeting Fees ^(1, 2) (\$)		% of Total Comp Paid in Shares or DSUs ⁽³⁾
	Board Chair	Director	Board or Committee Chair	Director	Committee Member	Board	Committee	
Mr. Assing	-	36,475	-	17,394	887	10,186	5,093	100
Mr. Boswell	-	100,000	12,857	52,713	6,428	26,907	29,874	72
Ms. Cormier Jackson	-	100,000	-	52,561	6,410	26,817	27,171	100

Director	Annual Equity Retainers ⁽¹⁾ (\$)		Annual Cash Retainers ^(1, 2) (\$)			Meeting Fees ^(1, 2) (\$)		% of Total Comp Paid in Shares or DSUs ⁽³⁾
	Board Chair	Director	Board or Committee Chair	Director	Committee Member	Board	Committee	
Mr. Dunn	-	100,000	-	52,561	12,820	26,817	29,785	100
Mr. Marshall	-	100,000	15,473	52,866	6,447	26,996	35,396	42
Mr. Reinhart	-	100,000	23,076	52,561	-	26,817	27,171	100
Mr. Savidant	130,000	-	151,273	-	-	26,817	-	100
Mr. Villegas	-	100,000	-	52,561	6,410	26,817	10,777	100
Mr. Weill	-	100,000	-	52,866	6,447	26,996	27,424	47
Ms. Wesley	-	100,000	-	52,561	12,820	26,817	29,785	100

Notes:

- (1) For 2020 compensation, all eligible (non-management) directors elected to receive 100% of their annual equity retainer in the form of DSUs. For 2020 compensation, Messrs. Savidant, Assing, Dunn, Reinhart, and Villegas, Ms. Cormier Jackson, and Ms. Wesley elected to receive 100% of their annual cash retainer and meeting fees in the form of DSUs. Effective January 1, 2018, all directors receive the annual cash retainers and meeting fees in USD. For the directors who receive 100% of their annual cash retainer and meeting fees in the form of DSUs, the amount shown above converts the USD amounts to CAD on the quarterly DSU payment date at the exchange rates of USD \$1.0000 = CAD \$1.4187, USD \$1.0000 = CAD \$1.3628, USD \$1.0000 = CAD \$1.3339, and USD \$1.0000 = CAD \$1.2732, respectively.
- (2) For 2020 compensation, Messrs. Marshall and Weill elected to receive 100% their annual cash retainer amounts and meeting fees in the form of cash, and Mr. Boswell elected to receive 50% in cash and 50% in DSUs. The amount shown above converts the USD amounts to CAD on the quarterly USD payment date at the exchange rates of USD \$1.000 = CAD \$1.4469, USD \$1.000 = CAD \$1.3582, USD \$1.000 = CAD \$1.3382, and USD \$1.000 = CAD \$1.2757, respectively.
- (3) The percentage noted in the table reflects the percentage of total compensation paid in DSUs.

DEFERRED SHARE UNITS

The DSU Plan allows directors to elect to take all or a portion of the annual equity retainer in the form of DSUs, Shares, or a combination of both. In addition, the DSU Plan allows directors to elect to receive all or a portion of their annual cash retainers (both Board and committee retainers) and attendance fees in the form of DSUs instead of cash. Directors make such elections related to their annual equity retainer, annual cash retainer, and attendance fees prior to December 15 of each financial year for effect in the immediately succeeding financial year.

DSUs are notional shares equal to the value of Shares and are paid to directors in cash when they depart from the Board.

DSUs are credited at the end of each quarter by dividing the relevant retainers and attendance fees by the FMV as of the quarterly DSU grant date. Additional DSUs are credited on the regular dividend payment dates as all dividends are assumed to be reinvested. DSUs vest when they are credited to a director's account. DSUs may be redeemed only upon the departure of the director from Enerflex, either by resignation, termination, or retirement. When a director retires, he/she must redeem the DSUs in his/her account at a date (or two dates) no later than December 31 of the first calendar year following the year of his/her departure from the Board of Directors. In the event of death, termination, or resignation, he/she must redeem the DSUs in his/her account within 60 days of the departure date. The value of DSUs that may be redeemed is equal to the number of DSUs credited to the director's account on the date (or two dates) of redemption, multiplied by the FMV of the Shares as of the redemption date. The amount is paid to the director in cash on an after-tax basis.

OPTIONS

Non-management directors are not entitled to receive Option grants.

SHARE OWNERSHIP GUIDELINES

Enerflex has Share Ownership Guidelines in place for its directors to align their interests with Shareholder interests. Each director is required to own Shares equivalent in value to three times the sum of the director's annual cash and equity retainer, and to achieve this level of ownership within five years following election or appointment as a director, with a minimum of 20% of such amount to be acquired in each of the five years following election or appointment. Based on the current compensation program, this results in an ownership requirement for all non-management directors between \$457,683 and \$843,819. Share ownership requirements can be met by ownership of DSUs or Shares. Enerflex's Share Ownership Guidelines prohibit directors from engaging in transactions that could limit or reduce their economic risk with respect to their holdings of any securities of Enerflex (including Shares and DSUs), including hedging strategies, equity monetization transactions, transactions using short sales, puts, calls, exchange contracts, derivatives and other types of financial instruments, and limited recourse loans to the directors secured by Shares.

All current directors meet or exceed Enerflex's share ownership requirements.

The following table summarizes the Share ownership requirement for each non-management director and the level of attainment achieved as of December 31, 2020 (see "Compensation Discussion and Analysis – Share Ownership Guidelines" for a description of the Share ownership requirement for and level of attainment achieved by Mr. Rossiter).

Director	Share Ownership Requirement		Share Ownership Attained	
	(\$ Annual Cash Retainer ⁽¹⁾ + \$ Equity Retainer) x 3	\$ Amount	\$ Amount ⁽²⁾	Attained
Mr. Assing	(52,561 + 100,000) x 3	457,683	75,556	Yes ⁽³⁾
Mr. Boswell	(52,713 + 100,000) x 3	458,139	1,214,368	Yes
Ms. Cormier Jackson	(52,561 + 100,000) x 3	457,683	821,930	Yes
Mr. Dunn	(52,561 + 100,000) x 3	457,683	2,054,299	Yes
Mr. Marshall	(52,866 + 100,000) x 3	458,598	2,629,914	Yes
Mr. Reinhart	(52,561 + 100,000) x 3	457,683	1,279,852	Yes
Mr. Savidant	(151,273 + 130,000) x 3	843,819	3,013,733	Yes
Mr. Villegas	(52,561 + 100,000) x 3	457,683	662,049	Yes
Mr. Weill	(52,866 + 100,000) x 3	458,598	999,201	Yes
Ms. Wesley	(52,561 + 100,000) x 3	457,683	1,406,285	Yes

Notes:

- (1) Effective January 1, 2018, all directors receive the annual cash retainers in USD. The annual cash retainer was reduced by 10% in light of market conditions, effective July 1, 2020. This reduction is reflected in the ownership requirement above. For the directors who elected to receive their annual cash retainer in the form of DSUs, the amount shown above converts the USD amounts to CAD on the quarterly DSU payment date at the exchange rates of USD \$1.0000 = CAD \$1.4187, USD \$1.0000 = CAD \$1.3628, USD \$1.0000 = CAD \$1.3339, and USD \$1.0000 = CAD \$1.2732, respectively. For the directors who elected to receive their annual cash retainer in the form of cash, the amount shown above converts the USD amounts to CAD on the quarterly USD payment date at the exchange rates of USD \$1.000 = CAD \$1.4469, USD \$1.000 = CAD \$1.3582, USD \$1.000 = CAD \$1.3382, and USD \$1.000 = CAD \$1.2757, respectively.
- (2) The dollar value for ownership is calculated as the greater of the value of the DSU or Share on the grant or acquisition date, and the FMV of the security as of December 31, 2020 (\$6.56).
- (3) As a new appointee to the Board effective August 6, 2020, Mr. Assing has five years following the date of appointment to achieve the requisite ownership level, with 20% of such amount to be achieved in each of the five years following his appointment. Thus, he must attain a minimum of \$91,537 in each of 2021, 2022, 2023, 2024, and 2025. As of December 31, 2020, Mr. Assing's ownership level is \$75,556.

The directors of Enerflex as at March 2, 2021 own an aggregate of 367,236 Shares, representing 0.41% of the issued and outstanding Shares, with a market value of **\$3,209,643** (based on a FMV of **\$8.74** as of March 2, 2021). As of the date hereof, no proposed director or that director's associates or affiliates beneficially owned, controlled, or directed, directly or indirectly, securities carrying more than 10% of the voting rights attached to all voting securities of Enerflex.

2020 DIRECTOR COMPENSATION TABLE

The following table summarizes the compensation paid to each non-executive director of Enerflex in 2020:

Director	Fees Earned ⁽¹⁾ (\$)	Share-Based Awards ⁽²⁾ (\$)	Option-Based Awards (\$)	Total Compensation (\$)
Mr. Assing	33,559	36,475	-	70,035
Mr. Boswell	128,779	106,800	-	235,579
Ms. Cormier Jackson	112,959	108,841	-	221,799
Mr. Dunn	121,983	126,957	-	248,940
Mr. Marshall	137,177	125,214	-	262,391
Mr. Reinhart	129,625	109,481	-	239,106
Mr. Savidant	178,090	174,475	-	352,565
Mr. Villegas	96,565	102,662	-	199,227
Mr. Weill	113,732	114,054	-	227,786
Ms. Wesley	121,983	120,639	-	242,621

Notes:

(1) The fees earned under this column are comprised of:

- (i) annual cash retainer fees (excluding the equity retainer, which is shown under the Share-Based Awards column); and
- (ii) attendance fees earned in 2020.

Each of which is payable in cash unless a director has elected otherwise. Messrs. Savidant, Assing, Dunn, Reinhart, and Villegas, and Ms. Cormier Jackson, and Ms. Wesley elected to take all their annual cash retainer and attendance fees earned in 2020 in the form of DSUs. Mr. Boswell elected to take 50% of such amount in DSUs and 50% in cash. For the directors who elected to receive their annual cash retainer in the form of DSUs, the amount shown above converts the USD amounts to CAD on the quarterly DSU payment date at the exchange rates of USD \$1.0000 = CAD \$1.4187, USD \$1.0000 = CAD \$1.3628, USD \$1.0000 = CAD \$1.3339, and USD \$1.0000 = CAD \$1.2732. For the directors who elected to receive their annual cash retainer in the form of cash, the amount shown above converts the USD amounts to CAD on the quarterly USD payment date at the exchange rates of USD \$1.000 = CAD \$1.4469, USD \$1.000 = CAD \$1.3582, USD \$1.000 = CAD \$1.3382, and USD \$1.000 = CAD \$1.2757.

(2) Share-Based Awards consist of DSUs, which are granted at the end of each quarter. The value shown is the sum of:

- (i) the dollar amount of the annual equity retainer paid to each director; and
- (ii) the value of the notional dividends credited based on dividends paid in 2020 (determined by multiplying the number of DSUs granted by the grant date fair value on the dividend payment date). The grant date fair value is calculated as the FMV as of the dividend payment date.

OUTSTANDING OPTION-BASED AWARDS AND SHARE-BASED AWARDS

The following table sets forth information concerning DSUs granted to each non-management director of Enerflex that remained outstanding as at December 31, 2020.

Director	Option-Based Awards ⁽¹⁾				Share-Based Awards
	# of Securities Underlying Unexercised Options (#)	Option Exercise Price (#)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ⁽²⁾ (\$)
Mr. Assing	-	-	-	-	74,528
Mr. Boswell	-	-	-	-	354,747
Ms. Cormier Jackson	-	-	-	-	470,221
Mr. Dunn	-	-	-	-	932,590
Mr. Marshall	-	-	-	-	747,769
Mr. Reinhart	-	-	-	-	505,894
Mr. Savidant	-	-	-	-	1,473,809
Mr. Villegas	-	-	-	-	296,355
Mr. Weill	-	-	-	-	468,618
Ms. Wesley	-	-	-	-	775,360

Notes:

- (1) Non-management directors do not receive Option grants.
- (2) The amount shown reflects the value of all accumulated DSUs held by directors as at December 31, 2020 (including notional dividends awarded). All such DSUs are vested but do not pay out until after the director resigns or retires. The DSUs are valued at \$6.56 per DSU, the closing price of the Shares on the TSX on December 31, 2020. The directors do not hold any Shares or units of Shares that have not vested.

INCENTIVE PLAN AWARDS — VALUE VESTED OR EARNED DURING THE YEAR

The following table sets forth information regarding the value of vested Share-Based Awards in 2020 for each non-management director of Enerflex

Director	Value Vested During the Year	
	Option-Based Awards (\$)	Share-Based Awards ⁽¹⁾ (\$)
Mr. Assing	-	47,916
Mr. Boswell	-	168,503
Ms. Cormier Jackson	-	218,930
Mr. Dunn	-	246,037
Mr. Marshall	-	123,897
Mr. Reinhart	-	236,003
Mr. Savidant	-	348,617
Mr. Villegas	-	196,303
Mr. Weill	-	112,546
Ms. Wesley	-	239,611

Note:

- (1) The value vested during the year reflects the value of DSUs awarded and corresponding dividends credited during the year (all such DSUs are vested but do not pay out until after the director resigns or retires). The value of the DSUs is calculated using the closing price of Shares on the TSX on the applicable quarterly grant dates (or the nearest preceding trading day) for each quarterly award of DSUs. The notional dividends value is calculated based on the closing price of Shares on the applicable dividend payment date.

CORPORATE GOVERNANCE AND ESG PRACTICES

ENVIRONMENT, SOCIAL, AND GOVERNANCE

ESG Oversight

The Board of Directors is responsible for the supervision of management and the overall stewardship and governance of Enerflex. A key driver and component of our success is a solid foundation of corporate governance practices and policies that promote the transparency, accountability, and engagement exemplified by the Board. Management and the Board are committed to implementing and maintaining effective practices in corporate governance, and regularly monitor regulatory developments and governance best practices to ensure that Enerflex maintains its high governance standards. The Board directly, and through its various committees, complies with evolving Canadian corporate governance requirements, including those established under NI 52-110, NI 58-101, and NP 58-201.

The Board and its committees, as applicable, also oversee the Company's other ESG practices and policies. This includes reviewing the ESG disclosures, overseeing sustainability strategies, opportunities and risks, overseeing the Company's cybersecurity and compliance programs, monitoring the Company's HSE programs and performance, and monitoring the practices of the Company relating to workplace diversity, inclusion, and wellbeing, including talent management and succession planning. See the section below entitled "*Risk Oversight*" for a description of how ESG risk oversight is integrated into the Company's ERM program and how the Board oversees the ERM program.

ESG Practices and Policies

Enerflex is committed to strong environmental stewardship, social responsibility, and high standards of corporate governance. We believe that the continued integration of ESG commitments and practices will further strengthen our business for the long-term. Our journey to continually enhance our ESG performance is focused on delivering resilient and sustainable value creation for all our stakeholders.

Detailed discussions of Enerflex's governance practices and policies are included in this Circular, including the sections entitled "*Board of Director Compensation*", "*Corporate Governance and ESG Practices*", and "*Compensation Discussion and Analysis*". The information required to be disclosed under NI 52-110 is included in the AIF under the heading "*Audit Committee*" and the Audit Committee Terms of Reference are attached as Appendix "A" to the AIF.

With more than 2,000 employees in 57 locations worldwide, Enerflex is determined to conduct its business in a manner that is socially responsible and safeguards the health, safety, and wellbeing of its employees and communities. Company culture is relentlessly focused on safety. Information regarding the Company's safety and community programs is included in the AIF under the heading "*Social and Safety Policies*". Enerflex promotes diversity, inclusion, and wellbeing throughout the organization, and its policies and practices in this regard are discussed in this Circular under the heading "*Diversity, Inclusion, and Wellbeing*".

Our desire to support our people, customers, and communities also extends to the environment. The Company has long been committed to helping reduce the global emission footprint by focusing on the cleanest hydrocarbon and providing safe natural gas solutions to its customers. The world currently relies on hydrocarbons to reliably meet energy needs, but we recognize and expect that future energy demand will continue to be met in part by a growing proportion of renewable energy sources. While continuing to deliver natural gas solutions, the Company pursues and will continue to pursue opportunities that benefit the global effort to address climate change. Further information is included in the AIF under the heading "*Environmental Protection and Emissions*".

The Company's internal ESG commitments include voluntary reporting on its GHG emissions. See the ESG section of our website at www.enerflex.com for the Company's 2020 GHG emissions inventory.

BOARD OF DIRECTORS

Independence, Outside Boards, Interlocks

Ten of the eleven nominated directors and all current members of each Board committee are independent for the purposes of NI 58-101 and NI 52-110. Mr. Rossiter is not independent because he is the President and CEO of Enerflex.

As a member of management, Mr. Rossiter does not serve on any standing committees of the Board. Mr. Rossiter attends by invitation all or substantially all the NCG Committee meetings and, to the extent possible given overlapping meeting times, all or substantially all the Audit Committee and HRC Committee meetings. He does not have a vote at any such committee meetings and is not present for decisions that involve him personally.

Certain directors of Enerflex are also directors of other reporting issuers. Additional information related to outside directorships is included in the section entitled "*Director Profiles*". The NCG Committee monitors outside boards on which the directors serve to determine if there are circumstances that would impact a director's ability to exercise independent judgment and to confirm each director has enough time to fulfill his/her commitments to Enerflex. An interlock occurs when two or more Board members are also board members of another public company. There are no board interlocks amongst the Enerflex directors.

Independence of the Board Chair

The Board and its committees have adopted structures and procedures to ensure the Board functions independently of management. Maintaining separate Chair and CEO positions is one such structure that promotes the Board's independent oversight of Enerflex's affairs and assists in holding management accountable for the Company's activities. Among other things, the independent Chair ensures orderly, informed deliberation and decision-making, promotes Board solidarity and trust, acts as counsel for the CEO, promotes effective communication between the CEO and the Board, and guides the Board in carrying out its responsibilities.

The Board annually appoints a non-executive independent director as its Chair. Mr. Savidant has served as the Chair of the Board for Enerflex since 2011. As the independent Chair of the Board, Mr. Savidant does not serve on any standing committees of the Board. However, Mr. Savidant attends by invitation all or substantially all the NCG Committee meetings and, to the extent possible given overlapping meeting times, all or substantially all the Audit Committee and HRC Committee meetings. He does not have a vote at such committee meetings.

Attendance and Meeting in Camera

The attendance of each director for all Board of Director and committee meetings is disclosed under the section entitled "*Director Profiles*".

The Board of Directors makes it a practice to meet in camera without management present, at the beginning and/or end of each Board meeting. From January 1, 2020 to March 2, 2021, the Board met in camera 14 times without the President and CEO or any other member of management present. In addition, each committee of the Board generally meets in camera without management present at the beginning and/or end of each committee meeting.

BOARD OF DIRECTORS MANDATE

The Board of Directors has adopted a written mandate (the “**Board Mandate**”), which delineates the role of the Board and its responsibilities. In accordance with the Board Mandate, the Board regularly assesses the roles and responsibilities of its members, its committees, and its Chair. The Board also regularly reviews the scope and limits of authority of management. The Board acts in a supervisory role and any responsibilities not delegated to management remain with the Board. The Board of Directors’ supervisory role includes such matters as the strategic planning process, the annual capital and operating plans, the Company’s ERM program, executive appointments, compensation and succession planning, any significant matters outside the ordinary course, and overseeing the Company’s compliance, corporate governance and ESG practices, principles, and policies. The Board Mandate is attached to the Circular as Appendix A.

POSITION DESCRIPTIONS

The Board of Directors has approved written position descriptions for the CEO, the Chair of the Board of Directors, and the Chair of each committee, which set out the key responsibilities and accountabilities for each role. Additional information on the role of the Chair of the Board of Directors is available in the section above entitled “*Board and Independence*”.

ORIENTATION AND CONTINUING EDUCATION OF DIRECTORS

Enerflex uses several different methods to provide orientation and continuing education to its Board of Directors. New directors receive a formal director orientation package including a corporate overview, corporate governance materials, compensation summaries, director information and records, recent filings and analyst reports, and industry, budget, and strategic planning materials. The Company arranges manufacturing facility tours to familiarize the new director with the Company’s operations. New directors meet with the Chair of the Board and the Chair of each Committee and are encouraged to meet with each of the directors, as well as members of the EMT for orientation to the various business units. Moreover, new directors are invited to attend all meetings of all committees of the Board, as are all directors.

Board materials are provided to directors in advance of regularly scheduled meetings and include pre-reading and background analysis. Presentations are regularly made to the Board and its committees by both the Company’s personnel and external service providers to enhance their understanding of key aspects of our business, as well as developments and trends affecting our industry. For example, the Audit Committee receives quarterly presentations on emerging trends and issues in the accounting and audit fields, as well as regulatory updates. The NCG Committee receives updates twice a year and as required on emerging governance and regulatory matters. The HRC Committee receives regular updates on compensation design and trends.

In 2020, various members of senior management and/or external independent advisors provided updates to the Board of Directors including in the following areas:

Presentations and Updates	Date in 2020	Presenter	Attendees
Diversity and Inclusion	January 20	Catalyst Inc.	All NCG Committee members
Accounting and Regulatory Update	February 20, May 7, August 6, November 5	Management	All Audit Committee members
Cybersecurity, Risk, and Mitigation Strategies	February 20, May 7, August 6, November 5	Management	All Audit Committee members
Health, Safety, and Environmental Performance Update	February 20, May 7, August 6, December 2	Management	All HRC Committee members

Presentations and Updates	Date in 2020	Presenter	Attendees
Corporate Governance Developments	February 20, August 6	Management	All directors
ESG Developments	February 20, November 5	Management	All directors
Director Succession Planning	February 20, May 7	Korn Ferry	All directors
Executive Team Development	May 7	Management	All HRC Committee members
Executive Compensation Design and Best Practices	May 7, August 6	Hugessen and Mercer	All HRC Committee members
Review of Insurance Program	August 6	Management	All directors
Strategic Planning	August 6	Spencer Stuart	All directors
Annual Strategy Session	September 10-11	Management, facilitated by Spencer Stuart	All directors
ERM Development	September 11, December 2	Management	All directors
Compliance Program Update	November 5	Management	All Audit Committee members

Enerflex also promotes continuing education among its directors by encouraging them to attend seminars and conferences related to their duties. Since 2018, the Company has invested in a corporate membership with the National Association of Corporate Directors (NACD), which is a US-based organization that aims to elevate board performance, strengthen governance, and foster excellence in directors. Various directors have attended a variety of NACD seminars or courses throughout the year. Enerflex also reimburses its directors for their participation in approved third-party educational opportunities and memberships. In addition, Enerflex traditionally holds meetings at various Enerflex sites to allow directors to gain a better understanding of Enerflex's operations, business opportunities, and risks, and to provide directors with the opportunity to engage with local stakeholders.

BOARD COMMITTEES

Standing committees of the Board of Directors are an integral part of Enerflex's governance structure. Three standing committees have been established with a view to allocating expertise and resources to particular areas, and to enhance the quality of discussion at the Board meetings. The committees facilitate the Board decision-making by providing recommendations to the Board on matters within their respective responsibilities. Each committee has a documented mandate and a role description for its respective committee Chair approved by the Board of Directors. Annually, each Committee reviews its mandate and related standing agenda, including a review of best practices, and submits any recommended changes to its mandate to the NCG Committee and ultimately to the Board for approval.

NCG Committee

The NCG Committee is currently comprised of Messrs. Boswell (Chair), Dunn, Marshall, and Ms. Wesley, all independent directors. The NCG Committee is responsible for reviewing and making recommendations as to all matters relating to effective corporate governance. The principal duties of the NCG Committee include: (i) assessing the effectiveness of the Board of Directors, its size and composition, and its committees; (ii) evaluating director compensation; (iii) assessing the Board of Directors' relationship to

management; (iv) assessing the individual performance and contributions of directors; and (v) reviewing regulatory changes and governance best practices and aligning the Company's governance policies and practices as appropriate.

The NCG Committee reviews on an ongoing basis the composition of the Board and analyzes the competencies necessary for the Board. See the sections entitled “*Skills Matrix*” and “*Board Assessments*” for further information. The NCG Committee is also responsible for Board and committee succession planning, the identification and recruitment of new directors, new director orientation, and the continuing education of current directors. The NCG Committee periodically reviews the adequacy and form of director compensation to ensure that the level of compensation reflects the responsibilities and risks involved in being an effective director and makes recommendations to the Board accordingly. See the section entitled “*Board of Director Compensation – Responsibility of the Nominating and Corporate Governance Committee*” for further information. In 2020, the NCG Committee assumed responsibility for reviewing the Company's ESG strategy and disclosures, in advance of full Board oversight.

HRC Committee

The Board of Directors recognizes the importance of appointing knowledgeable and experienced individuals to the HRC Committee: those who have the necessary background in executive compensation and related risk management to fulfill the HRC Committee's obligations to the Board. The HRC Committee is currently comprised of Messrs. Marshall (Chair), Assing, Boswell, Dunn, and Villegas, all independent directors. All current members of the HRC Committee bring strong business and industry knowledge to the committee and have experience as senior leaders of large and complex organizations. Two members have also served on the compensation committees of large organizations.

The principal responsibilities of the HRC Committee include: (i) reviewing and making recommendations as to the compensation of executive officers and other senior management; (ii) reviewing and making recommendations as to the Company's short- and long-term incentive programs, pension, and other benefit plans; and (iii) overseeing executive officer appointments, performance evaluations of the CEO, executive succession planning, and executive development. The HRC Committee also oversees compliance with Enerflex's Business Code of Conduct, Respectful Workplace Policy, and HSE program. At least annually, the HRC Committee receives a detailed presentation from management regarding succession planning for the EMT and for developing key talent within each region and the corporate head office. The Chair of the HRC Committee reports to the full Board of Directors at the next in camera session of the Board of Directors.

Details regarding the process by which the HRC Committee and Board determine compensation for the executive officers are set out in the section entitled “*Compensation Discussion and Analysis*”.

Audit Committee

The Audit Committee is currently comprised of Mr. Reinhart (Chair), Mr. Weill, Ms. Cormier Jackson, and Ms. Wesley, each of whom is independent and financially literate within the meanings set out in NI 52-110. In addition, Mr. Reinhart, Ms. Cormier Jackson, and Ms. Wesley are “financial experts” within the meaning set forth by Glass Lewis (having experience as a certified public accountant, CFO, or corporate controller of similar experience, or demonstrably meaningful experience overseeing such functions as senior executive officer).

The principal duties of the Audit Committee include: (i) oversight responsibility for financial statements and related disclosures, reports to Shareholders, continuous disclosure, and other related communications; (ii) establishing appropriate financial policies; (iii) ensuring the integrity of accounting systems and internal controls; (iv) approving all audit and non-audit services provided by the independent auditor; (v) consulting with the auditor independent of management and overseeing the work of the independent auditor; (vi) monitoring and directing, as appropriate, the activities of the internal audit group; and (vii) overseeing the Company's compliance, cybersecurity and IT programs. Information regarding the Audit Committee

required by NI 52-110, including the Audit Committee Terms of Reference, the composition of the Audit Committee, and the relevant education and experience of its members, can be found in the section entitled “*Audit Committee*” in the AIF.

BOARD ASSESSMENTS

To enhance director accountability, each director participates in an annual assessment process to evaluate Board, committee, and director effectiveness. A review of the relationship and communications between management and the Board also takes place during this process. The questionnaire is reviewed and assessed periodically and was last updated in December 2019. The NCG Committee reviews the aggregate results of the questionnaires and discusses the findings at the annual February NCG Committee meeting, followed by a report to the full Board of Directors. Individual discussions are also held between the Chair of the Board and individual directors, as necessary. Commencing 2020, biennially the NCG Committee also solicits and reviews formal feedback from the EMT on the performance of the Board, which is also reported to the full Board after discussion at the February NCG Committee meeting.

BOARD COMPOSITION AND RENEWAL

Term Limits

Enerflex has a formal Board Retirement Policy, approved by the Board in 2013, which outlines the term and age limits for current and future directors. In conjunction with regular succession planning and Board evaluations, the Board believes that having such term and age limits is an important mechanism of board renewal.

Pursuant to the policy, nominees for directors are not eligible to stand for election or be appointed as a director if such director has attained the age of 72. In addition, directors who have served 12 years or more since 2013 are not eligible for nomination as a director of the Company. The Board has discretion to waive or make an exception to the director tenure parameters set out above if the Board determines it is in the best interests of the Company to do so. Currently, the average tenure of Enerflex’s Board is 6.5 years. The following chart shows the dispersion of tenure among the director nominees (rounded up to full year of service as of March 2, 2021):

	0 - 3 Years	4 - 6 Years	7 - 9 Years	10 Years
Number of Directors	3	2	1	5

Director Selection Process

The NCG Committee has overall responsibility for identifying and recommending qualified individuals as nominees to be directors of Enerflex. Each year the NCG Committee considers and makes recommendations to the Board with respect to the director nominees to be presented for election at the annual meeting of the Shareholders. The Board, acting on the advice of the NCG Committee, then selects the director nominees to be nominated for election. In the event there is a vacancy prior to an annual meeting, the NCG Committee may make a recommendation to the Board with respect to a replacement nominee to fill the vacancy. Further, if deemed appropriate, the NCG Committee may recommend the appointment of additional directors between annual meetings of Shareholders, subject to compliance with the CBCA.

Succession planning for the Board and its committees, and orderly transition as directors consider retirement, has been a key focus of the NCG Committee in recent years. During the most recent director selection process in 2020, the NCG Committee engaged an external recruitment specialist to assist with the recruitment process. When recruiting new directors, the NCG Committee considers candidates on merit, taking into account the Company’s strategic direction; the skills and competencies of the current directors and the existence of any gaps; the attributes, knowledge, and experience new directors should have in

order to best advance the Company's business plan and strategies; and opportunities to enhance diversity to ensure the Board benefits from the broader exchange of perspectives made possible by diversity of thought, background, skill, and experience.

Consistent with the Diversity Policy, for the most recent director recruitment in 2020, the initial and the short-list candidate slates were comprised of at least 30% qualified women. After initial screening by the NCG Committee, the candidates deemed to be most suited for the Board met with the Chair of the Board, other directors, and the CEO. This resulted in the recruitment and nomination of Fernando Assing for election at the Meeting. See the section entitled "*Considering Gender in Director Nominations and Executive Appointments*".

ETHICAL BUSINESS CONDUCT AND COMPLIANCE

The Board has established various policies and practices to promote and guide a culture of integrity, ethical business conduct, transparency, and compliance at Enerflex.

The Business Code of Conduct

Enerflex strives to maintain a highly ethical culture. As part of these efforts, Enerflex maintains a written Business Code of Conduct (the "**Code**"), applicable to directors, officers, employees, and independent contractors of Enerflex and its subsidiaries. The Code provides guidance on areas such as conflict of interest, corporate property and confidential information, corporate communications, insider trading, HSE, human rights and respectful workplace expectations, business and accounting practices, anti-corruption, anti-trust/competition law compliance, corporate donations, the prohibition on the use of Company funds for political purposes or advocacy, amongst others. The Code is reviewed annually by the NCG Committee and the Board and updated as necessary or advisable. The Board, through the Audit Committee and the HRC Committee, receives regular reports regarding compliance with the Code. Orientation sessions for new employees include training with respect to the Code and they are expected to complete their acknowledgement of the Code within one week of hire. In accordance with the compliance provisions and the Company's training initiatives, directors, officers, and all Enerflex managers are required to acknowledge annually their compliance with the provisions of the Code. Company-wide certification occurs at least every 24 months, most recently in the fall of 2020. The policy has been translated into Arabic, English, French, Indonesian, Portuguese, and Spanish to ensure that Enerflex employees have the opportunity to read and understand its provisions in their native language.

The Code (English version) is available for review under the Company's profile on SEDAR at www.sedar.com.

Political Contributions and Lobbying

Enerflex does not align itself with any political party nor does it make contributions to political parties or candidates for political office. Moreover, Enerflex does not directly engage in any political lobbying. Enerflex is, however, a member of certain industry associations that have, in the past, been sporadically active in lobbying.

Whistleblower and Compliance Hotline

Enerflex's Whistleblower and Compliance Hotline supports the Company's commitment to financial and accounting integrity and ethical business conduct, and outlines the procedures for employees and others to submit a confidential anonymous report of suspected accounting or auditing irregularities or unethical behaviour impacting Enerflex, including, without limitation, breaches of the Code (including violations relating to harassment or workplace violence), criminal activity, violations of Company policies or applicable securities laws, actions that endanger health or safety or that are likely to cause environmental damage, and actions that have the effect of concealing the foregoing. All reports submitted to the hotline are investigated and reported to the Audit Committee or HRC Committee of the Board, as applicable. The North

America hotline telephone number is 1.866.296.8654 and the International hotline telephone number is (001) 770.659.9018 and the website address is <https://whistleblowerservices.com/ener>. To ensure that all employees are aware of the hotline, the Company distributes information relating to the hotline in all its operating areas and translates the hotline information as needed in each region.

Compliance Program and Anti-Corruption Policy

In 2020, Enerflex undertook a fulsome review of its anti-bribery, sanctions, and export compliance program to identify opportunities for enhancement and to ensure we remain current with changes in both the business environment and the demands and expectations of our diverse stakeholders. Members of the EMT regularly consider compliance matters and the SVP, General Counsel reports quarterly to the Audit Committee regarding Enerflex's overall compliance program and improvement programs and projects.

As part of Enerflex's compliance program, the Anti-Bribery and Anti-Corruption Policy reiterates Enerflex's commitment to operate in accordance with Canada's *Corruption of Foreign Public Officials Act*, the U.S.A.'s *Foreign Corrupt Practices Act*, and all other anti-bribery and anti-corruption laws that may be applicable to Enerflex's global operations. In addition to requiring that Enerflex maintain accurate books and records, the policy prohibits each director, officer, and employee of Enerflex and its subsidiaries (as well as third parties who act on their behalf) from offering, paying, promising, or authorizing anything of value for improper purposes. To ensure that all Enerflex employees and representatives are familiar with its provisions, the policy is available in Arabic, English, French, Indonesian, Portuguese, Spanish, and Thai. The SVP, General Counsel oversees compliance with the Anti-Bribery and Anti-Corruption Policy, with ultimate oversight by the CEO.

To further mitigate the risk of unlawful activities, Enerflex's Legal department regularly monitors developments in, and enforcement of, anti-bribery, sanctions, and export laws and evaluates applicable policies and practices to ensure continual compliance and improvement. Management ensures employee understanding of prohibited conduct by way of the Code certification process and periodic compliance training for persons performing senior management roles or who have direct contact with the Company's customers, suppliers, and/or government officials. Employees are encouraged to report suspected violations of applicable laws or Company policies (including the Anti-Bribery and Anti-Corruption Policy) directly to a member of the Company's Legal group or to the Enerflex Whistleblower and Compliance Hotline.

Conflicts of Interest

In addition to the statutory obligations of directors to address conflict of interest matters, the Company has established processes to assist in managing any potential conflicts of interest that may arise. Prior to commencing Board and Committee meetings, the agenda is reviewed for conflicts. In addition, the annual Code certifications completed by directors, officers, employees, and designated independent contractors include disclosures of potential conflicts. Any concerns are brought to the attention of the Human Resources department, the Legal department, and, if necessary, the CEO, the appropriate Committee, and/or the Chair of the Board. In 2020, potential conflicts of interest involving employees that were brought to the Company's attention were reviewed and appropriately addressed in accordance with established procedure.

Insider Trading

Enerflex's Insider Trading Policy covers topics such as insider trading prohibitions, blackout periods, tipping, insider reporting, and general trading restrictions. The Insider Trading Policy outlines the regular blackout periods (in advance of the release of quarterly and annual financial results) when trading is not allowed, as well as the timing of trading windows. Enerflex insiders and individuals that have access to material undisclosed information are notified by email of each applicable blackout period and trading window. The management Disclosure Committee and the NCG Committee also receive regular reports of insider

trading activities at their respective meetings. At each meeting, the management Disclosure Committee also reviews disclosures to analysts and investors to ensure that no selective disclosure has occurred.

Cybersecurity

Cybersecurity is a formal component of Enerflex's overall ERM framework. Our global cybersecurity program adheres to the National Institute of Standards and Technology Cybersecurity Framework, and is regularly reviewed and updated, including quarterly review by the Audit Committee, annual assessment by Internal Audit, and annual external audit of the IT general controls.

Enerflex has an in-house cybersecurity team and partners with multiple third parties who provide 24/7 services to monitor, detect, analyze, and respond to cyber threats and assess their likelihood and impact on business operations, infrastructure, and personnel. Pursuant to the global cybersecurity program, Enerflex enforces multi-factor authentication to access systems, has a third party perform annual penetration tests against its systems, regularly reviews systems and applications updates and implements as appropriate, and conducts annual tabletop exercises to review and assess the response plan for multiple threat scenarios.

Training and culture are key aspects of the global cybersecurity program, and Enerflex works to promote a culture that understands the critical importance of data security and privacy, areas of vulnerability and how to remain vigilant when handling data, including in the following ways: the Company's security incident response policy and procedures are available to all employees; Enerflex conducts monthly simulated phishing campaigns; all employees with network access complete mandatory information security training courses, which are refreshed annually; all new employees must complete online security training within two weeks of hire; executives and key employees in high-risk job functions are offered enhanced information security training; and the Company has implemented a cybersecurity performance management plan, which enforces performance management actions when employees click on real or simulated phishing links.

Privacy

In August 2018, the Board adopted a global Employee Privacy Policy, which outlines Enerflex's commitment to maintaining the accuracy, confidentiality, and security of employee personal information. In accordance with the Company's training initiatives, Enerflex executive officers and all Enerflex managers are required to complete a mandatory review of the policy at least biennially. Employees in the Human Resources, Legal, Health and Safety, Finance, and Information Services departments are required to acknowledge their review of this policy on an annual basis, most recently in the fall of 2020. The Employee Privacy Policy has been translated into Arabic, English, French, Indonesian, Portuguese, and Spanish to ensure that Enerflex employees have the opportunity to read and understand its provisions in their native language. Privacy concerns may be brought to the attention of the Enerflex Privacy Officer and Legal department.

DIVERSITY, INCLUSION, AND WELLBEING

Enerflex's commitment to people is embedded in its core values: we believe that our employees and stakeholders worldwide deserve to be treated with respect. The Company has policies and practices in place to support these values and promote diversity and inclusion throughout the organization. As a global company, Enerflex assembles teams that cross geographical and cultural boundaries and recruits from around the world. We are proud of our diverse and dedicated workforce, which is a key strength in helping us to understand and meet our customer needs worldwide. The diversity of our global team is also key to driving greater innovation and creativity, a core value at Enerflex. We believe inclusive teams that value diverse perspectives lead to better outcomes for all our stakeholders, making us a stronger company overall. For Enerflex, diversity includes but is not limited to characteristics such as gender, geographical representation, ethnicity, race, nationality, culture, religion, language, indigenous status, sexual orientation,

political affiliation, family and marital status, age, disability, education, and industry experience and expertise.

Enerflex is committed to hiring talent with diverse backgrounds, experiences, and skills. To this end, the Company partners with search firms that have demonstrated success in placing diverse candidates. Enerflex also partners with schools and organizations that reach a diverse pool of talented individuals: our Houston teams partner with Prairie A&M University, a designated Historical Black College and University (HBCU), and our Canadian teams partner with the Registered Apprentice Program (RAP) through Careers: The Next Generation, an organization aimed at connecting young adults with prospective employers.

Enerflex strives to develop and promote its diverse talent inclusively. We continually promote and improve our training and development programs, to which employees have equal access. The Company has implemented a web-based performance management system that enables transparent, easy access for employees and managers throughout the process. Enerflex believes in gender pay equality, conducting annual assessments on compensation practices, processes, and outcomes. The Company ensures market-competitive compensation and benefits, to help acknowledge the value our people bring to Enerflex.

Employee Wellbeing

We endeavor to bring out the best in colleagues by establishing and maintaining a work environment that promotes positive wellbeing and healthy lifestyle choices. The Company strives to create a culture where employees can seek assistance when needed and have access to a range of wellbeing resources to help them remain mentally, physically, socially, and financially healthy. We recognize that every employee has unique needs and we aim to provide support to employees at every stage of their lives. The Company's wellbeing initiatives and resources are regionally specific but include employee assistance programs, health fairs, access to on-line resources, medical, dental, prescription, and paramedical coverage, life and disability insurance, pensions and savings plans, financial resources, health and wellbeing activities and challenges, and regular communications, newsletters, and articles. Employees are able to access the available resources in-person, on-line, virtually, and telephonically.

COVID-19

We are concerned about the health and wellbeing of our employees, contractors, and global citizens. COVID-19 has created unprecedented challenges for our workforce, and Enerflex is proud of how its people are maintaining the values of teamwork, creativity, and resourcefulness through the crisis. The Company is devoted to the continued safety of its personnel while delivering on its promises to customers. We are supporting our employees and providing the flexibility they need to meet the demands of their diverse personal and professional lives. The management team frequently communicates with our employees on developments and advice related to COVID-19 and has increased its outreach to employees regarding the mental health and family supports and resources that it offers.

Respectful Workplace Policy

The foundation of an inclusive culture is to build respectful teams who collectively share the responsibility to prevent, identify, and respond appropriately to incidents of harassment. We believe all employees deserve to work in a safe and respectful workplace free of harassment and bullying. A culture of respect creates a climate for employees to contribute meaningfully.

In August 2019, the Board adopted a global Respectful Workplace Policy that reiterates Enerflex's commitment and expectations for a work environment that is free from harassment, discrimination, and violence. Annually, Enerflex executive officers and all managers are required to complete a mandatory review of the Respectful Workplace Policy and take an online quiz to ensure understanding. Company-wide employee review of the policy occurs at least biennially, most recently in the fall of 2019. Orientation sessions for new employees include respectful workplace training and they are expected to complete their

acknowledgement of the policy within one week of hire. In addition, each region is conducting respectful workplace training to ensure that employees learn how to identify, respond appropriately to, and prevent incidents of harassment. The Respectful Workplace Policy has been translated into Arabic, English, French, Indonesian, Portuguese, and Spanish to ensure that Enerflex employees have the opportunity to read and understand its provisions in their native language.

Considering Gender in Director Nominations and Executive Appointments

The Board has adopted a Diversity Policy that applies to both the Board and EMT. The objective of the Diversity Policy is to maintain an optimum mix of qualified, diverse individuals on the Board and EMT, and to increase gender diversity on the Board and EMT. Enerflex believes that diversity within its ranks broadens talent, drives better performance, and increases innovation. Having a diverse and inclusive Board and EMT leads to a better understanding of opportunities, issues, and risks; enables stronger decision-making; and ultimately improves the ability to achieve the Company's objectives and deliver for its stakeholders. Enerflex is committed to a merit-based system for Board and EMT composition, within a framework that enables diverse representation. Gender diversity is one aspect of diversity that Enerflex is currently focused on, for reasons including that women are the largest and generally most easily identifiable group, they continue to be underrepresented in our industry, and increasing female representation continues to be a significant focus for investors and regulators.

When recruiting candidates for Board and EMT positions, the Board aims to identify the most qualified individual available and considers a variety of factors including diversity. The Board understands "qualified" to include a broad range of skills and experiences, which is intended to result in greater diversity among Board and EMT members. See also the section entitled "*Skills Matrix*". Moreover, pursuant to the Diversity Policy, gender diversity must be considered in the recruitment process. The Diversity Policy stipulates that Enerflex will strive to ensure that candidate slates for Board and EMT positions are comprised of at least 30% qualified women. Any external advisors engaged to assist the search for such candidates will be advised of this requirement. If no suitable female candidate is identified, the search firm shall be asked to explain the efforts undertaken to identify a female candidate.

The NCG Committee and the HRC Committee are responsible for monitoring compliance with the Diversity Policy. At least annually, the NCGC and the HRCC report to the Board regarding the effectiveness of the policy and recommend any revisions to the policy that may be necessary.

To measure the effectiveness of the Diversity Policy in meeting the objectives of maintaining an optimum mix of qualified, diverse individuals on the Board and EMT, and increasing gender diversity: (a) the NCG Committee reviews the number of women considered or short-listed when candidates are recruited for Board positions, and annually assesses the appropriateness of the Board composition, including by assessing the diversity of thought, balance of skills, and overall performance of the Board; and (b) in consultation with the CEO, the HRC Committee reviews the number of women considered or short-listed when candidates are recruited for EMT positions, and annually assesses the appropriateness of the EMT composition, including by assessing the diversity of thought, balance of skills, and overall performance of the EMT.

Since implementing the initial Board Diversity Policy in March 2017, the Board increased its representation of women from one to two female directors (18% of the current Board). Enerflex currently has one female executive officer (17% of the current EMT). See the section above entitled "*Director Selection Process*" for a description of how the Board achieved the objectives of the Diversity Policy during its recent director recruitment process.

Recently the CEO and the Board recruited for the President, Canada position, focusing on key internal talent and EMT succession planning. The search committee attempted to secure a candidate slate for the President, Canada position that was comprised of at least 30% qualified women to enhance EMT gender

diversity. However, while the internal candidates best suited for the position each brought diversity of thought, background, nationality, skill, and experience, in this case they were all male.

CBCA Disclosure Regarding Designated Groups

Enerflex's Diversity Policy reiterates the Company's belief that diversity in its broadest sense enriches decision-making and drives better performance. Gender diversity is one aspect of diversity that Enerflex is currently focused on, for the reasons set forth above. Enerflex has not adopted a policy that specifically addresses the other three designated groups under the CBCA: visible minorities, Indigenous peoples, and people with disabilities.

Enerflex is committed to a merit-based system for Board and EMT composition, within a framework that enables diverse representation, including by striving to ensure that candidate slates for Board and EMT positions are comprised of at least 30% qualified women. Enerflex believes that this will result in the most qualified and suitable candidate. Therefore, Enerflex has not developed formal targets regarding the representation of women, visible minorities, Indigenous peoples, or people with disabilities on either the Board or the EMT.

Enerflex believes that its Board and EMT are comprised of qualified, diverse individuals, reflecting the principles set out in the Diversity Policy. Based on self-identification, as at December 31, 2020 the number and percentage of each CBCA designated group on the Board and EMT, respectively, is as follows:

	Women	Visible Minorities	Indigenous Peoples	People with Disabilities	Abstain from Self-Identification
Board ⁽¹⁾	2 (20%)	1 (10%)	0 (0%)	0 (0%)	0 (0%)
EMT	1 (17%)	1 (17%)	0 (0%)	0 (0%)	1 (17%)

Note:

(1) Includes independent directors only. Mr. Rossiter is included in the EMT row of the above table.

The above disclosure is derived from information provided by the directors and EMT. In accordance with privacy legislation, such information was collected on a voluntary basis, and where a particular individual chose not to respond, the Company did not make assumptions or otherwise assign data to that individual.

EXECUTIVE TALENT MANAGEMENT AND SUCCESSION PLANNING

The HRC Committee and the Board view succession planning for the CEO and other executive positions in the Company as a continuing process and one of its most critical functions. With respect to leadership and succession planning, the HRC Committee together with the Board regularly reviews Enerflex's succession plans and planning processes with a view to ensuring that Enerflex appropriately manages the risk of loss of key personnel, enhances the diversity of the management team, and continually develops and strengthens the Company's human resources.

Succession planning includes long range and emergency scenario planning for executives to ensure leadership sustainability and continuity, and a succession plan in the event of departures. Succession planning is an agenda item at all quarterly HRC Committee meetings, where the CEO provides regular updates on the progression and development of each individual executive officer. Succession planning is also frequently a part of Board in camera discussions, where the Board can discuss succession plans and candidates for all executive officer positions. The HRC Committee regularly engages Spencer Stuart to facilitate executive development and succession planning.

SHAREHOLDER ENGAGEMENT

Enerflex believes that direct, constructive interaction with Shareholders, governance teams, and proxy advisory firms contributes to better alignment of interests among the Board, management, and Shareholders. In October 2020, the Board initiated a shareholder outreach to proactively identify any concerns with Enerflex's executive compensation or other governance matters. The Board invited shareholders representing approximately 57% of the outstanding Shares at the time to engage in individual meetings with our Chair of the Board and Chair of the HRC Committee. Shareholders representing approximately 35% of the outstanding Shares at the time accepted the invitation, along with Institutional Shareholder Services, Glass Lewis, and the Canadian Coalition for Good Governance. The dialogue during the meetings covered topics including the executive compensation program and payouts, the use of discretion amid the COVID-19 pandemic, and Company's ESG practices. The HRC Committee and the Board considered the feedback in deciding not to exercise discretion in respect of the 2020 STIP or LTIP awards. Shareholders expressed appreciation for the opportunity to engage directly with the Board and encouraged annual outreach.

Enerflex also communicates regularly with Shareholders through annual and quarterly reports, news releases, the Company's website (www.enerflex.com), and other disclosure and regulatory documents filed under Enerflex's profile on SEDAR at www.sedar.com. Management regularly meets with large institutional Shareholders and investment advisors. On a quarterly basis, investors, analysts, members of the media, and other interested parties are invited to participate in a teleconference and audio webcast to discuss Enerflex's financial results and operating highlights for the quarter, replays of which are available on Enerflex's website. Further, investors may contact Enerflex's Investor Relations department at any time: Suite 904, 1331 Macleod Trail SE, Calgary, Alberta T2G 0K3; Phone 1.403.236.6800; Fax 1.403.236.6816; email ir@enerflex.com; or via the Company's website at www.enerflex.com.

In August 2019, the Board adopted a formal Shareholder Engagement Policy to ensure that Shareholders can communicate questions or concerns directly to senior management or directly to the Board. The Shareholder Engagement Policy is available for review on the Company website at www.enerflex.com, and sets forth the means by which Shareholders may communicate their questions or concerns to the independent directors through the Chair of the Board. The Board carefully considers feedback received from Shareholders.

RISK OVERSIGHT

Enerflex's risk management framework sets the foundation for managing its principal risks and embedding a strong risk-aware culture across the enterprise. The Board oversees Enerflex's risk strategy and the appropriate balance of risk and reward. Ultimately the Board is responsible for enterprise risk oversight and ensures appropriate systems are in place. The table below summarizes key risk oversight responsibilities of the Board and each committee:

Board of Directors		
Overall risk oversight, principal risk trends, strategic risks, emerging risks, critical project risks		
Audit Committee	Human Resources and Compensation Committee	Nominating and Governance Committee
Financial compliance risks, financial and external reporting risks, internal control systems, external reporting, litigation, cybersecurity, compliance program, IT risks	Talent management, leadership and succession risk, compensation risks and total rewards, pension design and funding, HSE risks, conduct-related complaints	Director talent management and succession risk, corporate governance, director independence, director compensation, regulatory developments, shareholder engagement, ESG reporting
Management		
Enterprise risk management		
Internal Audit		
Independent assessment and reporting on efficacy of ERM systems		

The Board has the responsibility to oversee and monitor risk across the organization and ensure implementation of appropriate ERM systems to monitor and manage those risks with a view to the long-term viability of the Company. The Board oversees management’s identification and evaluation of Enerflex’s principal risks and the implementation of policies, processes, and systems to manage or mitigate the risks, to achieve an appropriate balance between the risks incurred and potential benefits to the Company’s stakeholders.

Management’s ERM program development and implementation is guided by ISO 31000. The ERM framework includes the identification and prioritization of Enerflex’s principal and emerging risks (including ESG and climate-related risks), assigning each principal risk to a member of the EMT as the risk owner, and regularly assessing such risks at EMT meetings. For each risk scenario, the EMT estimates the likelihood and potential impact that such risks could have on Enerflex’s business and how they may impact its strategy. Management compiles all risks identified as critical on an integrated risk register that catalogs actions for managing or mitigating each risk. Management also contributes to the ERM process, by providing continuous supervision over the Company’s (pending and in-flight) major projects and their risks, meeting monthly, and as required.

Management ensures that the Board and its committees are kept well informed of the Company’s ERM systems and principal and emerging risks (including ESG and climate-related risks), including by way of: quarterly reports on operational and earnings risks; quarterly reports on market valuation risks; annual reports on risks to achieving the proposed budget; annual reports on risks to Enerflex’s strategy and regular ERM updates and discussions on how the Company is identifying, mitigating, and tracking risks as part of its overall ERM strategy.

Enerflex strives to continually improve its ERM program. In August 2018, the Board established an Ad Hoc Risk Committee of the Board to consider whether and how to enhance the organization’s ERM and the Board’s oversight thereof, whose work is currently ongoing. Since then, the Ad Hoc Risk Committee and management have continued to meet and consult with independent experts to further develop the manner in which the Company is approaching ERM enhancement opportunities. In 2020, the Company appointed a Director of Risk within the organization, responsible for further implementing, integrating, facilitating, and maintaining the ERM program.

The Company’s Internal Audit function serves as an independent body within Enerflex to assess and report on the efficacy of ERM systems.

STRATEGIC PLANNING OVERSIGHT

Oversight and guidance on the Company's strategy is one of the critical roles of the Board. The Board collaborates with management to develop Enerflex's strategic direction, including developing and reviewing the strategic plans, setting performance metrics, and establishing annual budgets and financial plans. Management is responsible for the ongoing strategic planning process and annually holds strategic planning sessions with the Board for extensive discussion and analysis. In 2020, during the two-day strategy session, the Board and management collaborated on the Company's five-year strategic development plan, including threats to the plan, investment opportunities and challenges, financial strategy, and organizational capabilities, with an overall focus on the forecast global demand for natural gas and the increasing importance of an energy transition strategy.

Throughout the year, the Board oversees the Company's development and progress in the execution of the strategy. The CEO also updates the Board on the execution of the strategy and annual goals at every regularly scheduled board meeting and by regular, confidential "CEO Reports to the Board".

A MESSAGE FROM THE HRC COMMITTEE CHAIR AND BOARD CHAIR REGARDING EXECUTIVE COMPENSATION

Dear Shareholders:

Enerflex is a global organization delivering innovative natural gas compression, processing, and electric power solutions, as well as after-market services to a broad range of customers across the world. Central to achieving Enerflex's vision, *Transforming Natural Gas to Meet the World's Energy Needs*, are the Company's values of **Integrity, Commitment, Creativity, and Success**.

On behalf of the HRC Committee and the Board, we are pleased to share our approach to executive compensation.

2020 Performance and COVID-19 Response

As with most companies, COVID-19 had a significant impact on our business; however, we remained focused on our strategic initiatives while having to make difficult decisions. In addition to the financial and business accomplishments outlined in the section of this Circular entitled "About Enerflex", 2020 highlights include:

- Employee dedication to operational excellence, collaborative partnerships, and our values-led culture contributed to Enerflex being designated a top workplace for our Alberta-based operations in Canada for 2020, the second year in a row.
- Enerflex's commitment to providing a safe work environment was reflected in the precautionary measures implemented in response to COVID-19. Such measures included work from home arrangements, changes to shift coverage and work rotations, increased sanitation and additional cleaning stations, and enhanced personal protective equipment protocols.
- The Company's agility and capability to move efficiently and effectively to a work-from-home situation for a majority of employees with minimal disruption to the business was a significant accomplishment.
- Global 2020 TRIR was 0.64, and while this was above our 2020 target of 0.50, we are pleased with these results especially in light of working through a pandemic. With over 15.5 million kilometers driven by our service fleets worldwide, our MVI rate was 0.13 for the year which was below our 2020 target of 0.25.

The Enerflex team, led by the EMT, remained focused on executing the 2020 strategic plan while successfully navigating through a challenging economic downturn and a global pandemic.

Approach to Executive Compensation

Executive pay practices are designed to be prudent and align with Enerflex values and culture. The HRC Committee and the Board believe the compensation provided to the CEO and the other executives appropriately reflects their leadership and performance in driving Enerflex's strategic and operational agenda. The CD&A that follows describes our compensation-related governance policies and processes, and how the HRC Committee applied these to NEO compensation in 2020. The CD&A describes strong alignment between Enerflex's demonstrated performance and our NEO compensation outcomes.

2020 Executive Compensation

As we do every year, the HRC Committee conducts a thorough review of executive compensation. This year:

- For January 1, 2020 through June 30, 2020, the approved average base pay increase for the EMT, including NEOs, was 7.0%. Effective July 1, 2020 through December 31, 2020, the Board reduced EMT base pay by 10%. There was an average 9% decrease in total direct compensation for the EMT, including NEOs, in 2020.
- Long-term incentives target 65% of CEO compensation, a minimum half of which is intended to be delivered in PSUs with payouts directly linked to the achievement of performance targets. The remaining LTIP grants provided were split between Options and RSUs equally.
- 83% of CEO target total compensation is pay at risk.
- 8% of the EMT annual bonus is tied to an ESG metric (TRIR).
- The HRC Committee implemented new metrics for the PSU Plan and updated the approach for setting targets under the STI Plan.
- Government wage subsidies were excluded from earnings calculations in determining annual performance results related to both the STI and PSU plans. Further, the HRC Committee and Board did not use discretion when determining 2020 STIP or LTIP payments.

Say on Pay and Shareholder Engagement

Since 2015, the Board has solicited feedback from Shareholders through an advisory “say on pay” vote. We believe it is an important form of engagement and an effective way to receive feedback on our approach to executive compensation. Enerflex has historically received strong support from shareholders. At the last annual shareholder meeting on May 8, 2020, 88.09% of the votes were in favor of the Company's approach to executive compensation. In October 2020, the Board initiated a shareholder outreach to proactively identify any concerns with Enerflex's executive compensation or other governance matters. The Board invited shareholders representing approximately 57% of the outstanding Shares at the time to engage in individual meetings with our Chair of the Board and Chair of the HRC Committee. Shareholders representing approximately 35% of the outstanding Shares at the time accepted the invitation, along with proxy advisory and governance firms. See also “*Corporate Governance and ESG Practices – Shareholder Engagement*”. The dialogue during the meetings covered topics including the executive compensation program and payouts, and the use of discretion amid the COVID-19 pandemic. The HRC Committee and the Board considered the feedback in deciding not to exercise discretion in respect of the 2020 STIP or LTIP awards.

The Enerflex leadership team and the Board of Directors remains committed to delivering value to investors over the long term, and the HRC Committee remains focused on continued alignment of compensation with performance on behalf of you – our Shareholder. We welcome your direct input and feedback and invite you to contact us regarding executive compensation: Suite 904, 1331 Macleod Trail SE, Calgary, Alberta T2G 0K3, Attention: Chair of the HRC Committee. Shareholders can also communicate their questions or concerns to the independent directors through the Chair of the Board in accordance with the Shareholder Engagement Policy, which is available for review on the Company website at www.enerflex.com.

Enerflex is proud to be part of your investment portfolio and the Board thanks you for your continued support.

Yours sincerely,

[signed] “**H. Stanley Marshall**”

Stanley Marshall
Chair, Human Resources and Compensation Committee

[signed] “**Stephen J. Savidant**”

Stephen J. Savidant
Chair of the Board

COMPENSATION DISCUSSION AND ANALYSIS

NAMED EXECUTIVE OFFICERS

For 2020, the Enerflex NEOs are:

- Marc E. Rossiter, President and CEO;
- Sanjay Bishnoi, SVP, CFO;
- Patricia Martinez, President, Latin America and CETO;
- Philip A.J. Pyle, President, International; and
- Gregory Stewart, President, U.S.A.

EXECUTIVE COMPENSATION PROGRAM OBJECTIVES

Consistent with the Company's vision and values, Enerflex's compensation philosophy is to provide competitive pay for competitive performance. Enerflex believes that executive compensation must reward strong performance and contributions to regional and enterprise success. Enerflex's executive compensation framework aligns executive performance with business objectives by:

- Supporting the achievement of Enerflex's annual and long-term objectives and the enhancement of Shareholder value by tying awards to key performance metrics;
- Delivering a meaningful proportion of total compensation using variable pay vehicles, including long-term incentives vesting over varying performance periods;
- Providing market-competitive compensation opportunities to facilitate attraction, motivation, and retention of qualified individuals with desired leadership and management skills;
- Motivating executives to achieve excellence within their respective areas of responsibility and together as a cohesive team;
- Applying compensation principles in an equitable manner.

In addition to the Company's financial performance, Enerflex considers Shareholder input and market pay practices when determining the appropriate compensation levels for executive employees. To ensure executive pay is aligned with Enerflex's overall business strategy, the executive compensation program is driven by a set of core principles. While actual performance targets may vary each year, these underlying principles remain constant.

Shareholder Value	The HRC Committee seeks to focus the executive team on several key financial metrics that it considers to be key drivers of Shareholder value, such as EBIT %, Absolute EBIT, ROCE, and growth in earnings per Share (gEPS).
Performance-Based	Individual total compensation varies each year depending on enterprise, regional, and individual performance results, and incentive programs do not pay out when unwarranted by performance.
Pay at Risk	Executive compensation includes elements of pay-at-risk: performance thresholds must be met before any such compensation is earned and while it may increase as performance exceeds target, payouts are capped at 200% of target.

Business Growth	Long-term incentive plans focus on achieving enterprise objectives and strategic plans with a medium- to long-term view.
Workplace HSE	Safety of our people is integral to the Company. Safety performance, as measured using leading and lagging indicators, is reported on a quarterly basis to the HRC Committee and TRIR is an ESG metric in the STI program.
Incentive Structure	Specific metrics are primarily quantitative in nature and focus on financial measures that the executives have a reasonable ability to influence.
Teamwork	For regionally based executives, portions of their short-term bonus ties to both enterprise and regional performance.
Risk Mitigation	Executive compensation includes both fixed and variable pay. Performance metrics align with the Company's business strategy. Maximum payouts under the incentive programs are capped, a Clawback Policy is in place, and executives are required to meet Share ownership requirements.

EXECUTIVE COMPENSATION GOVERNANCE AND RISK MANAGEMENT

On an annual basis, or otherwise more frequently as circumstances require, the HRC Committee considers whether the executive compensation programs create or incentivize any inappropriate risk-taking. Accordingly, the HRC Committee ensures that safeguards are in place and that these safeguards are adequate and sufficiently robust to address and mitigate compensation-related risks.

Areas of Compensation Risk:

- Pay mix
- Incentive plan funding
- Performance period
- Performance measures
- Normalizing factors
- Amount of incentive payouts
- Plan governance and risk

The nature of the business in which Enerflex operates requires some level of risk-taking in order to achieve desired growth and outcomes in the best interests of the Shareholders. The review process that the HRC Committee conducts considers such risks, the business philosophy and strategy, pay mix balance, incentives and performance measures, stock-based compensation, and Share ownership requirements. The mix and balance of these various measures, including the limits to variable compensation plans, are also reviewed. In addition, the HRC Committee receives management's analysis and stress testing of factors included in the annual budget. The result is performance targets set within Enerflex's risk appetite, which provide sufficient incentive for executives to pursue enterprise objectives.

Enerflex uses the following practices to discourage or mitigate excessive risk-taking:

We Do:	Pay for Performance	Effective Oversight	Risk Mitigation	Shareholder Alignment	Attract & Retain
Maintain a pay-for-performance philosophy, aligning pay with financial, operational, and individual performance results based on pre-defined metrics that reflect our strategic priorities.	✓			✓	✓
Conduct annual risk assessments, reviewing compensation programs to ensure they do not encourage inappropriate or excessive risk-taking.		✓	✓	✓	
Hold an annual Say on Pay advisory vote.		✓		✓	

We Do:	Pay for Performance	Effective Oversight	Risk Mitigation	Shareholder Alignment	Attract & Retain
Provide total compensation through both fixed and variable pay programs based on short- and long-term performance for all executives, including NEOs: 53% to 83% of total direct compensation is in the form of variable pay.	✓				✓
Annually set targets for the short- and long-term incentive awards, using both qualitative and quantitative measures within our risk profile focusing our executives including NEOs' on achieving corporate objectives.	✓	✓	✓		
Benchmark NEOs' total compensation relative to a peer group comprised of companies similar to Enerflex, headquartered in either Canada or the U.S.A, ideally with global operations.		✓		✓	✓
Base the STI Plan on the achievement of certain financial metrics, including EBIT and ROCE, thereby managing payouts based on profitability and performance thresholds, below which payout is zero. Payouts are capped at 200% to avoid excessive risk-taking.	✓	✓	✓		✓
Maintain consistency and Board oversight year-over-year in any STIP funding calculation adjustments.	✓	✓	✓		
Provide NEOs and certain key employees the option to elect to defer awards under the STI Plan, in whole or in part, in favour of DSUs which can be used to meet Share ownership requirements and drives long-term performance.	✓		✓	✓	✓
Have overlapping performance cycles in the PSU Plan, which serves to encourage improved performance over time. The PSU Plan caps awards to executives at 200% of target.	✓			✓	✓
Establish share ownership requirements for executives, exposing them to the same long-term stock price volatility that Shareholders experience.		✓	✓	✓	
Prohibit all executives, including NEOs, from hedging against or offsetting declines in the market value of equity securities received as compensation.		✓	✓	✓	
Have a Clawback Policy applicable to all variable compensation, whereby in the event a restatement of Enerflex's financial statements is necessary due to an executive's fraud or intentional misconduct and the incentive compensation would have been lower had the financial statements been properly reported, the executive may be required to pay back the excess incentive compensation received.		✓	✓	✓	
Have a double-trigger change of control provision for executives, including all NEOs. Both a change in control and the termination of employment must occur before long-term incentives are payable.		✓	✓		
Have a code of conduct for all employees, officers, and directors to ensure we protect Enerflex's assets and act ethically and responsibly, upholding our value to "do the right thing".		✓	✓	✓	✓

We Do:	Pay for Performance	Effective Oversight	Risk Mitigation	Shareholder Alignment	Attract & Retain
Have an insider trading policy and reporting guidelines, restricting insiders and others who have a special relationship with Enerflex from trading our securities on material undisclosed information or during blackout periods.		✓	✓	✓	

We Do NOT:	Pay for Performance	Effective Oversight	Risk Mitigation	Shareholder Alignment
Pay out incentive programs when unwarranted by performance.	✓	✓		✓
Allow repricing of underwater Options.		✓	✓	✓
Allow hedging or pledging of any Company securities by executive officers or directors.		✓	✓	✓
Guarantee bonuses or annual increases to base salary.	✓		✓	✓
Provide tax gross ups.			✓	
Provide excessive perquisites.	✓	✓		
Include PSUs nor unvested or unexercised stock options towards share ownership requirements.			✓	✓
Grant loans to directors or executives.		✓	✓	✓
Grant stock options to independent directors.		✓	✓	✓

Because of these factors, the HRC Committee believes that the executive compensation program does not encourage management to take unreasonable or excessive risks relating to the Company's business and that Enerflex has the proper practices in place to effectively identify and mitigate potential risk.

COMPENSATION DECISION-MAKING PROCESS

Compensation decisions are made using a multi-step process that ensures executive compensation is appropriate, effective, pays for performance, and does not encourage inappropriate or excessive risk-taking. The Board, HRC Committee, the CEO, and independent compensation consultants work closely in managing the Company's executive compensation program. A summary of each of their roles and responsibilities is reflected below:

Board	<ul style="list-style-type: none"> ▪ Approves all compensation policies and plans, including the Share Ownership Guidelines, Option Plan, PSU Plan, RSU Plan, DSU Plan, and pension plans. ▪ Approves all executive appointments, compensation, awards, and payments. ▪ Reviews quarterly reports from the HRC Committee.
HRC Committee	<ul style="list-style-type: none"> ▪ Evaluates and manages executive compensation philosophy and programs. Approval of these programs, particularly those related to performance metrics and incentive payments for all executive officers, lies with the HRC Committee and the Board.

-
- Establishes goals and objectives for the CEO based on Enerflex's business strategy. Oversees the annual review of enterprise and regional performance and objectives applicable to the compensation of executives.
 - Reviews and recommends Board approval for executive appointments, and individual compensation decisions, including hire packages for new executive officers.
 - Assesses EMT diversity.
 - Assesses executive performance against the following criteria:
 - Contributions to the development and execution of the Company's business plans and strategies;
 - Performance of the EMTs' regional business units/functional areas including the achievement of their 2020 top five priorities;
 - Tenure in current role;
 - Demonstrated leadership ability and teamwork; and
 - Demonstrated commitment to the Enerflex vision and values.
 - Reviews NEO compensation annually, taking into consideration past performance and expected future contributions, changing responsibilities, external factors, such as inflation and market competitiveness, and the appropriate level of pay differentiation between roles based on position, scope, and level of responsibility.
 - Oversees cash-based and equity-based compensation plans, programs, and grants, recommending Board approval for executives.
 - Reviews, at least annually, the selection of companies in the peer group in order to determine the competitiveness of executive total direct compensation.
 - Is authorized to retain the services of independent advisors and consultants to assist with the completion of its responsibilities. The HRC Committee and Board take into consideration the advice received from these consultants, ultimately making their own decisions about such matters.
-

CEO

- The CEO reviews salary, bonuses, and other compensation for executives (excluding himself) and makes recommendations with respect to compensation.
 - Establishes individual goals with each of his direct reports, which support the business' annual, mid-, and long-term strategies, and aligns with the CEO's goals.
 - Reviews the performance of executives and updates the HRC Committee on these assessments, including an analysis of individual performance against his/her goals and objectives based on demonstrated delivery of results, execution of the strategic plan, and alignment to Enerflex's values.
 - Reviews market data gathered by the independent consultants along with Company performance when making compensation recommendations to the HRC Committee.
-

Independent Compensation Consultants

- Since 2010, the HRC Committee and management have engaged the services of Mercer primarily for advice in respect of Enerflex's compensation programs.
 - Since the end of 2016, the HRC Committee has retained Hugessen as its independent advisor on executive compensation matters. Without duplicating Mercer's efforts, Hugessen oversees the reasonableness and completeness of management's data and analysis and independently advises the HRC Committee.
 - Helps the HRC Committee establish procedures so that the HRC Committee is confident that the advice received from the compensation consultants is objective, and not influenced by any relationships with management.
 - Reviews market trends and issues and prepares market analyses for the HRC Committee.
-

- Assists analyzing and evaluating the STI and LTI Plan metrics and target setting.
- Reviews and makes recommendations for updates to the peer group.
- Assists analyzing and evaluating the executive compensation packages, including the compensation mix (base salary, short-, and long-term pay) for each executive.
- Specifically, in 2020, provided insights and information regarding the impacts of COVID-19 on compensation programs and payouts.

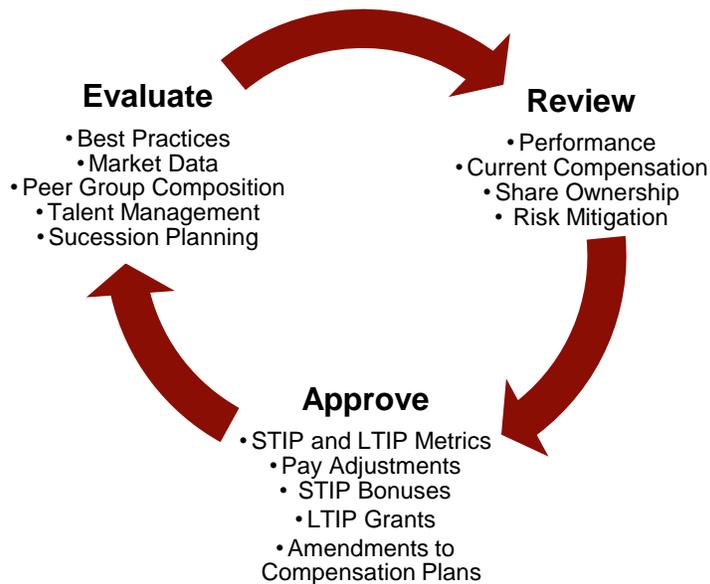
The following table summarizes the fees paid by Enerflex to Mercer and Hugessen for director and executive compensation-related matters and other fees not related to director or executive compensation during the periods indicated.

	Fees Paid In:	
	2020	2019
Mercer	242,149	164,573
Director and Executive Compensation-Related Fees	90,659	128,210
All Other Fees ⁽¹⁾	151,490	36,363
Hugessen	43,518	71,295
Director and Executive Compensation-Related Fees	43,518	71,295
All Other Fees	-	-

Note:

- (1) These fees were paid for consulting advice provided by Mercer in connection with salary surveys, non-executive regional compensation reviews, and advisory services. Under Company's policies, the Board and the HRC Committee are not required to pre-approve these additional services provided by Mercer.

The following describes the annual compensation cycle:



<p style="text-align: center;">January - March</p> <p>Prior Year Performance and Incentive Payouts:</p> <ul style="list-style-type: none"> ▪ Review enterprise, regional, and individual executive performance ▪ Analyze the previous year's compensation for each executive ▪ Evaluate any adjustments made to GAAP measures related to bonus payouts ▪ Approve overall short-term incentive pool funding ▪ Approve executive STIP bonus payments <p>Current Year Compensation and Performance Goals</p> <ul style="list-style-type: none"> ▪ Set incentive plan targets and performance criteria ▪ Approve executive pay adjustments 	<p style="text-align: center;">July - September</p> <ul style="list-style-type: none"> ▪ Review peer group composition ▪ Review CEO performance at mid-year ▪ Approve LTIP grants and payments ▪ Evaluate talent management and succession planning for senior and executive leadership
<p style="text-align: center;">October - December</p> <ul style="list-style-type: none"> ▪ Analyze proposed measures for metrics ▪ Review forecast for short-term incentive pool ▪ Assess appropriateness of proposed pay increase budgets ▪ Evaluate the effectiveness and appropriateness of executive total pay packages 	
<p style="text-align: center;">Throughout the Year</p> <ul style="list-style-type: none"> ▪ Evaluate year-to-date performance against enterprise-wide and individual goals and objectives ▪ Review executive development plans ▪ As needed, review and update compensation plans and policies ▪ Evaluate Company-wide human resources-related statistics, such as attrition, pension plans, hiring, training and development, health and safety, and diversity ▪ As needed, review and approve new hire packages for new executives ▪ In conjunction with the independent consultants, assess emerging trends in executive compensation 	

RESEARCH AND BENCHMARKING

Historically, Enerflex's approach for benchmarking used separate peer groups for Canada and the U.S.A., with NEO positions individually weighted for both groups, based on role location. In 2019, the HRC Committee and its external advisors reassessed the Company's approach to more clearly align the changing nature of the business from a Canadian-based company with international operations to an international company based in Canada, recognizing while each executive is responsible for his/her regional operations/functional area, all contribute to the overall success of the consolidated business and are part of one executive management team.

Since 2019, the HRC Committee employs a single, global peer group, believing it reflects the Company's current and future business and talent requirements and supports both internal and external market compensation principles. Most of the Company's peers use this approach. This single peer group helps drive internal equity, as all EMT positions have exposure to the same U.S.A. and Canada peer group data. Currently 20% of overall revenues are generated in Canada and over 50% is from U.S.A. operations. Given the international scope of Enerflex's business, the single peer group more closely mirrors the current and anticipated future mix of domestic and international revenue and operations.

The HRC Committee uses the following guiding principles when developing and reviewing the executive compensation peer group:

- The peer group should reflect those companies with a potential pool from which Enerflex could draw executive talent.
- Peers should be selected from industries that best represent Enerflex's business, and the labour and capital markets in which the Company operates, including oil and gas equipment and services, midstream, contract compression, and rental companies that are based in Canada and the U.S.A., and ideally with global operations.

- The inclusion of drilling and engineering, procurement, and construction companies should be restricted or excluded, as their alignment with Enerflex's business is limited, from an industry and operational standpoint.
- Companies should be within approximately one-third to three times Enerflex's size, measured in terms of revenue, and have reasonably similar assets, market capitalization, and enterprise value.

These guiding principles and single peer group approach provides the HRC Committee with the ability to select the most relevant comparator companies from both the U.S.A. and Canada.

Enerflex's current peer group is comprised of six Canada-based companies and ten US-based companies:

Company Name	Country
CES Energy Solutions Corp.	Canada
Finning International Inc.	Canada
Gibson Energy Inc.	Canada
Keyera Corp.	Canada
Secure Energy Services Inc.	Canada
Shawcor Ltd.	Canada
Archrock, Inc.	U.S.A.
Dril-Quip, Inc.	U.S.A.
Exterran Corporation	U.S.A.
Forum Energy Technologies, Inc.	U.S.A.
Frank's International N.V.	U.S.A.
Newpark Resources, Inc.	U.S.A.
Oil States International, Inc.	U.S.A.
Superior Energy Services, Inc.	U.S.A.
Tetra Technologies, Inc.	U.S.A.
USA Compression, LP	U.S.A.

The following chart represents Enerflex's current position relative to the median of the peer companies on four dimensions (based on publicly available information as of December 31, 2020):

Criteria ⁽¹⁾	Peer Group Median	Enerflex Results	Enerflex's Position Relative to Peer Group ⁽²⁾
Enterprise Value ⁽³⁾	\$912	\$975	107%
Market Capitalization ⁽³⁾	\$401	\$588	147%
Assets ⁽⁴⁾	\$1,571	\$2,278	145%
Revenue ⁽⁴⁾	\$1,148	\$1,393	121%

Notes:

- (1) Peer group data as provided by Mercer. All dollar figures are shown in millions of Canadian dollars for 2020 and all USD values converted to CAD at the 2020 average exchange rate (USD \$1.0000 = CAD \$1.3415).
- (2) As a percentage of the peer group median.
- (3) Market capitalization and enterprise value as of December 31, 2020.
- (4) Trailing 12-month revenue and most recently reported total assets.

TARGET COMPENSATION

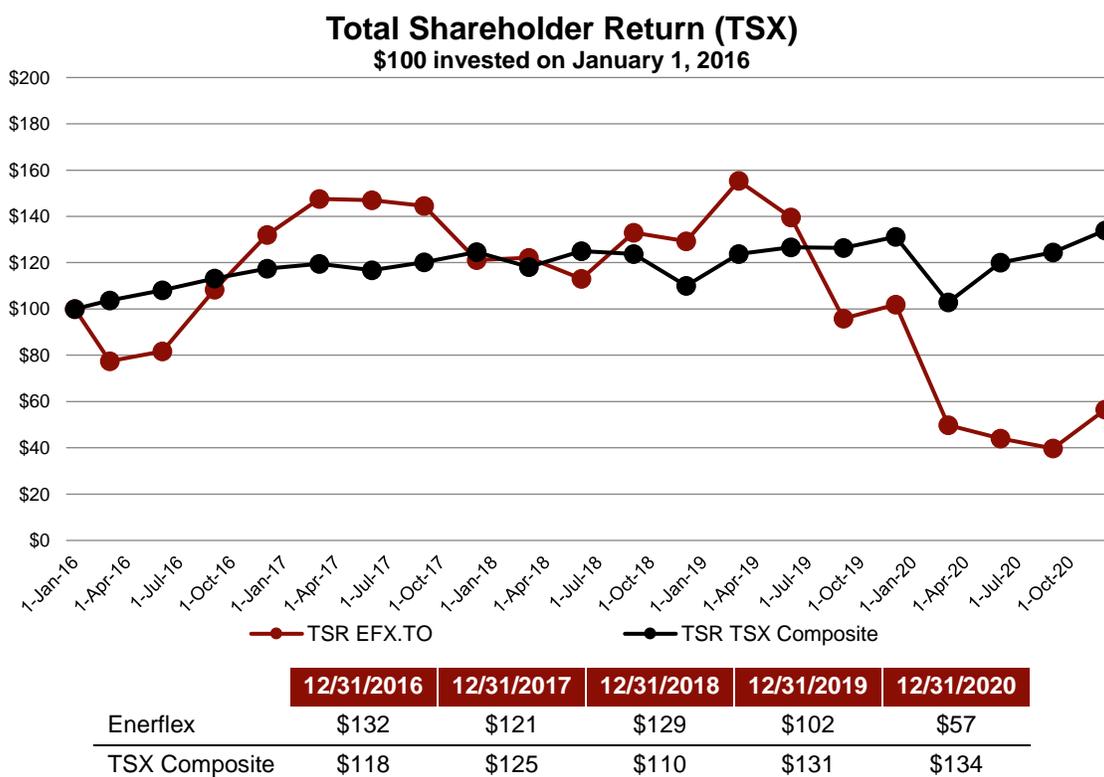
The HRC Committee believes that Enerflex should remunerate its NEOs at a level reflective of Enerflex's financial performance and at the market rate for executives with similar levels of responsibility in similar companies.

Enerflex's approach to executive compensation targets the median market rate (P50) and considers executive compensation between 90% and 110% of P50 to be pay at market based on the peer group outlined above. This approach provides management, the HRC Committee, and the Board the ability to consider employee tenure, employee performance, internal equity, geographic location, local economic conditions, complexity and size of operations, and operational and financial results in setting individual executive compensation.

Enerflex will consider compensation exceeding P50 through higher incentive payouts when performance exceeds expectations and, conversely, compensation below the median through lower payouts when performance is below expectations. The HRC Committee continues the work required to align target total compensation closer to both the Company's articulated compensation philosophy and median pay positioning.

ENERFLEX PERFORMANCE RELATIVE TO S&P/TSX COMPOSITE INDEX

The following graph compares the cumulative TSR for \$100.00 invested in Shares over the period, assuming Shares have been traded on the TSX, from January 1, 2016 to December 31, 2020, and the reinvestment of all dividends, with the cumulative total return on the S&P/TSX Composite Index:



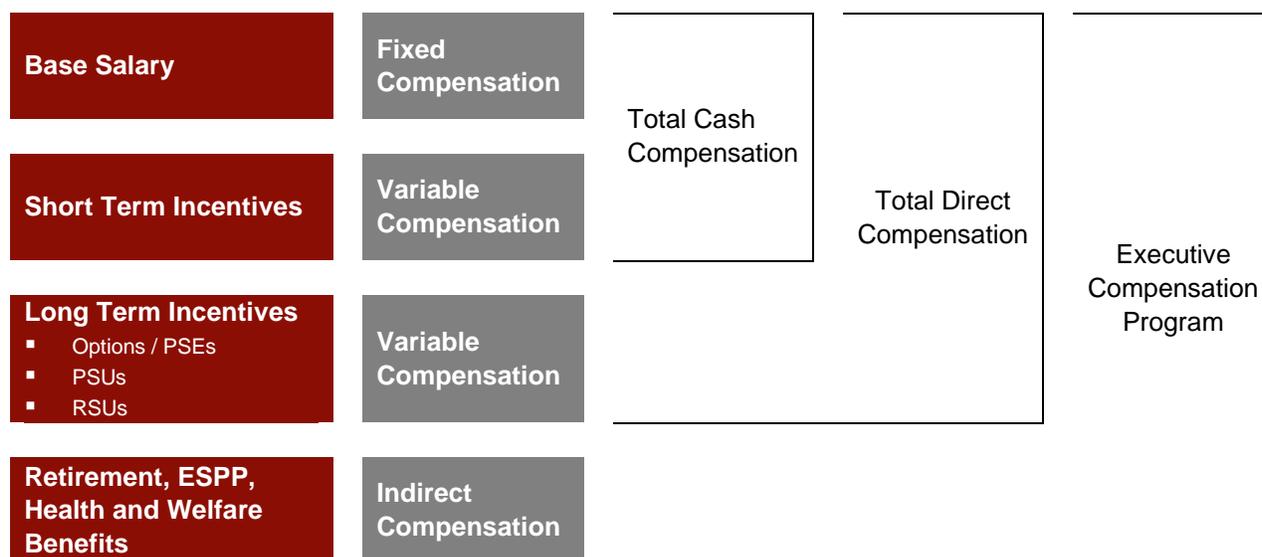
This graph demonstrates the cyclical nature of the industry in which Enerflex operates. From January 1, 2016 until December 31, 2020, assuming reinvestment of all dividends, cumulative TSR on Shares was approximately 7.0% as compared to a cumulative total return of 19.5% on the S&P/Composite Index over the same period.

The compensation philosophy of Enerflex does not easily lend itself to comparisons with TSR in isolation. Enerflex recognizes financial performance is not the only factor influencing the market price of the Shares. Many external factors outside of an executive’s control may impact TSR, and market and industry explain less than 30% of Enerflex’s TSR volatility. Enerflex believes that performance indicators such as ROCE, EBIT %, Absolute EBIT, gEPS, and TRIR (only some of which relate to TSR) better ensure employees are rewarded with incentive compensation when financial performance warrants. Further, given the complexity of its business, it is difficult to find sufficient similar or suitable peers for benchmarking relative performance from both an operational and business standpoint.

During the period noted above, executive compensation remained relatively flat. After freezing executive salaries in 2015, and despite the uptick in Enerflex’s TSR, executive compensation levels decreased in 2016. There was an upward adjustment in 2017 to better align executive compensation with market, and in 2018, notwithstanding promotions at the EMT-level, moderate adjustments were made. This approach continued in 2019, where adjustments to executive compensation were designed to improve alignment within the Enerflex peer group. In 2020, initially adjustments were provided, however in response to the pandemic and challenging economic times, base pay was reduced by 10% for executives, including NEOs.

ELEMENTS OF THE EXECUTIVE COMPENSATION PROGRAM

The executive compensation program is comprised of direct and indirect compensation elements to drive the achievement of Company and regional objectives, aligning management’s interests with those of Shareholders. In combination, these elements are designed to recognize those activities of the executive officers that advance the short- and long-term business objectives of the Company.



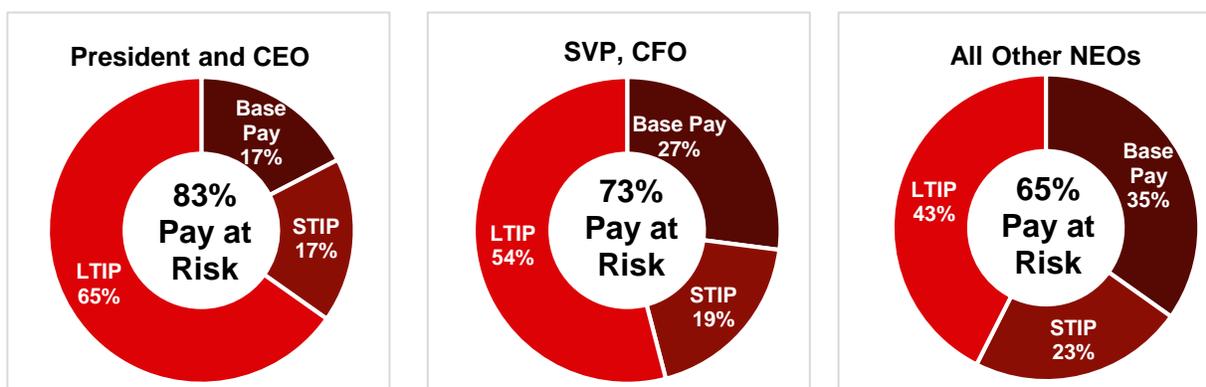
PAY MIX

Creating Shareholder value over the long-term and continuously improving Enerflex’s financial performance plays significant roles in determining an executive’s total compensation as reflected in the emphasis given to variable compensation:

- Each executive’s individual goals and objectives are aligned with the enterprise’s annual, mid-, and long-term strategic plans;
- A sizeable portion of each executive’s compensation is variable, based on the individual’s ability to influence business outcomes and financial performance; and

- Variable pay is linked to enterprise, individual, and regional performance, and paid only when the Company realizes a profit and performance metric thresholds are met or exceeded, at the discretion of the HRC Committee and Board.

For NEOs, base salary targets are between 17% and 47% of total direct compensation, depending on position. Variable compensation is also position-dependent. Short-term incentive targets (such as annual bonuses under the STI Plan) range between 17% and 30% of total direct compensation and long-term incentive targets (Options/PSEs, PSUs, and RSUs) range between 23% and 65%. The following charts show the respective target pay mix for NEOs in 2020:



DISCRETION

The Board retains discretion to ensure compensation and incentive plan designs achieve the intended pay for performance result. The Board requires any application of upward or downward discretion to be based on concrete measures and solid business judgement aligned with good governance principles.

With the uncertainty in 2020 due to the COVID19 pandemic, falling oil prices, and the resulting downturn in the economy, the Board recognized it was not “business as usual” at Enerflex. In assessing the potential use of discretion for 2020 executive compensation, the Board's guiding principles included:

- The need to balance Shareholder interests with those of the Company, the EMT, the broader employee and stakeholder base, and the communities where Enerflex operates.
- Incentives need to link to value creation, foster retention, and the associated metrics need to reflect business strategy.
- Transparency and communication are vital.
- Caution around setting any unintended precedents.

The Board sought feedback from its compensation consultants and from Shareholders. Ultimately, the Board believes Enerflex has well-built and strongly governed compensation programs that reflect best practices, that are designed to provide reduced payments when metric targets are not achieved and above target payments when they are exceeded. The Board believes these programs remain relevant and determined to not exercise discretion under any of the compensation plans for 2020.

BASE SALARY

Base salary is provided through cash, based on the market value of the position and the degree of accountability inherent in the role, providing a fixed level of income. Base salary is the only portion of total direct compensation that is not “at risk”. Salary levels are determined primarily on the HRC Committee's

assessment of the nature of the position and contribution of each NEO. As described above, when establishing base salaries for the NEOs, the HRC Committee considers:

- Peer group data to estimate what the Company would have to pay to recruit executive officers with the required qualifications and experience;
- Data and recommendations provided by both the compensation consultants and the CEO;
- The position held by each NEO, time in the role, demonstrated level of leadership competence, and oversight of strategic initiatives; and
- Current market trends and business environments.

In 2020 the Board initially approved an overall 7.0% annual salary increase budget for all executives, including NEOs. However, in response to the impacts of the economic downturn, executive salaries, including those of the NEOs, were reduced by 10% effective July 1, 2020 through December 31, 2020. While this resulted in an average net 0.9% increase to base pay in 2020, total direct compensation decreased an average of 9%.

SHORT-TERM INCENTIVE PLAN

This annual cash bonus is “at risk” compensation designed to reward the achievement of business objectives in the short-term. Each individual’s target incentive is set as a percentage of base salary.

- Using a “sum of targets” approach to determine the funding pool available for distribution under the STI Plan through a combination of enterprise and regional financial and operational metrics, each metric is individually weighted and has threshold and stretch components.
- These performance metrics must meet thresholds in order to contribute to the bonus pool. Payouts are capped at 200% when performance exceeds stretch measures.
- Payout occurs only with Board approval and when the organization realizes a profit, regardless of how well Enerflex performs on any of the metrics.
- When the overall Company realizes a profit yet does not meet the thresholds on any of the enterprise and/or regional performance metrics, there is an opportunity to provide a partial bonus based solely on individual performance and corresponding payout range.
- The HRC Committee and the Board retain the ultimate authority to approve or withhold STIP payments, regardless of targets being achieved.

Each NEO may elect to receive all or a portion of this cash bonus in DSUs, and thus defer payment until departure from Enerflex. For more information on the terms of the DSUs, see the section entitled “*Deferred Share Unit Plan*”.

Enerflex uses the following performance metrics in its “sum of targets” calculation at both the regional and enterprise level:

Return on Capital Employed: ROCE is a measure that management uses to analyze operating performance and efficiency of the Company’s capital allocation process. ROCE reflects the efficiency and profitability of an entity or region’s capital investments by measuring the level of earnings generated under a given capital structure. It also provides a balanced management approach that encourages prudent entrepreneurial risk and efficient capital deployment. Enterprise ROCE is calculated as debt plus equity less cash. With the intention to better focus operations on managing their regional return on assets, regional ROCE is calculated as total assets (excluding cash) less current liabilities (i.e. all long-term liabilities plus equity less cash).

Absolute EBIT: EBIT provides the results generated by the Company’s primary business activities prior to consideration of how those activities are financed or taxed in the various jurisdictions in which the Company operates. The HRC Committee believes that EBIT best reflects the financial health and performance of the business and is a key metric used by similar businesses in the Enerflex peer group. EBIT is presented on the Company’s Consolidated Statement of Earnings in the Annual Consolidated Financial Statements, under the caption “*Earnings Before Finance Costs and Income Taxes*”.

EBIT Percentage: EBIT % evaluates a Company’s profitability as a percentage of revenue before taking into consideration capital structure or taxation. This metric allows stakeholders to understand the Company’s ability to earn operating profits relative to its activity levels and requires management to manage every line item on the Annual Consolidated Financial Statements. EBIT % is calculated by taking the Company’s EBIT divided by revenue.

Total Recordable Injury Rate: The inclusion of this ESG metric reinforces Enerflex’s commitment to protect the health and safety of its employees, contractors, clients, and other third-party personnel in the communities in which the Company operates. The use of TRIR brings to life the Company’s safety motto, “Everyone Home Safe”, making health and safety management a core part of the organization’s culture. TRIR, as a global safety performance metric, is calculated by multiplying the number of recordable occupational injuries and illnesses incurred during the year by 200,000 and dividing that product by the total number of hours worked by employees. The 200,000 used in this calculation is equivalent to the number of hours for 100 employees working 40 hours per week for 50 weeks.

These metrics and their targets are reviewed and approved by the HRC Committee each year for appropriateness. Quarterly, the CEO reviews with the HRC Committee ongoing progress relative to the achievement of these STIP performance metrics.

Individual STIP amounts are based on the combination of individual, enterprise, and regional performance, as follows:

Position	STIP Target ⁽¹⁾	Performance Weighting ⁽²⁾		
		Enterprise	Region	Individual
President and CEO	100	80	-	20
SVP, CFO	70	80	-	20
President, Latin America and CETO	65	50	30	20
President, International	65	50	30	20
President, U.S.A.	65	50	30	20

Notes:

(1) STIP target as a percentage (%) of base salary.

(2) Performance weighting as a percentage (%) of STIP target.

Individual performance, as assessed through the performance management program, is quantified as follows:

Performance Assessed As:	% of Individual Performance Target Achieved:
Not Meeting Expectations	0
Developing	Up to 75
Meeting Expectations	Up to 125
Exceeding Expectations	Up to 175

Short-Term Incentive Plan Payout Calculation

The STI Plan payout is calculated by factoring the weightings above with the performance results achieved: enterprise-wide, within the NEOs' specific region, and individually. Under the 2020 STI Plan, the HRC Committee determined the payouts to the NEOs using the following formula:



Based on the achievement of the performance metrics, the 2020 potential STIP payout range for each of the NEOs, as a percentage of base salary, is:

Executive	STIP Award Opportunity ⁽¹⁾			
	Below Threshold	Threshold	Target	Maximum
Mr. Rossiter	0%	50%	100%	195%
Mr. Bishnoi	0%	35%	70%	137%
Ms. Martinez	0%	33%	65%	127%
Mr. Pyle	0%	33%	65%	127%
Mr. Stewart	0%	33%	65%	127%

Note:

(1) Rounded to the nearest integer.

Since the STI plan implementation in 2013, these performance metrics and targets along with the calculation methodology applied to determine performance results and NEO STIP awards have remained consistent.

Effective for the 2020 STIP, and after a comprehensive review of the plan was conducted in 2019, STIP targets are based primarily on the current year budget in order to better align with the STIP objective of rewarding current year performance. These targets are derived from an analysis of the previous year's actual performance, anticipated future Company performance (including growth plans), and industry trends. Previously, the Company's STIP targets were set using the three-year average of the current year budget plus the actual results from the previous two years.

2020 Performance Results for STIP

As described above, the STIP program rewards executives for achieving ROCE, EBIT %, Absolute EBIT, and TRIR performance metrics over the course of a year.

The Company's 2020 metric targets were set prior to the impacts of COVID-19, falling oil prices, and the economic downturn. While performance was monitored and reviewed by the HRC Committee throughout the year, management recommended and the HRC Committee agreed to not adjust these metrics.

The following chart describes the 2020 enterprise performance metrics, each metric's weighting, and 2020 results:

Metric	Weighting	Threshold	Target ⁽¹⁾	Stretch	2020 Results	% of Target Achieved ⁽²⁾	Contribution to STIP Pool ⁽²⁾
ROCE	30%	5.26%	7.51%	10.51%	5.96%	66%	20%
Absolute EBIT ⁽³⁾	30%	96,038	137,197	192,075	107,021	63%	19%
EBIT %	30%	5.25%	7.5%	10.49%	8.77%	143%	43%
TRIR	10%	0.84	0.50	0.42	0.64	80%	8%
Total / Payout %	100%	50%	100%	200%			90%

Notes:

- (1) The 2020 STIP targets are based on budget. Results have been normalized for unusual items such as gains/losses on the disposal of fixed assets, goodwill impairments, onerous leases, and severance costs related to restructuring. Please refer to the following section "Normalization" for more details.
- (2) Rounded to the nearest integer.
- (3) In thousands.

Based on the weighting for each metric described above and the percentage of target achieved, the contribution by metric type to the regional portion of the STIP payout in 2020 is:

Measure	Canada	International ⁽¹⁾	Latin America	U.S.A.
ROCE				
% of Target Achieved ⁽²⁾	0%	98%	200%	63%
Contribution ^(2,3)	0%	30%	60%	19%
Absolute EBIT				
% of Target Achieved ⁽²⁾	0%	101%	200%	66%
Contribution ^(2,3)	0%	30%	60%	20%
EBIT %				
% of Target Achieved ⁽²⁾	0%	132%	200%	171%
Contribution ^(2,3)	0%	40%	60%	51%
TRIR				
% of Target Achieved ⁽²⁾	0%	72%	125%	163%
Contribution ^(2,3)	0%	7%	13%	16%
Total Regional Contribution:	0%	106%	193%	106%

Notes:

- (1) International Region includes Europe, Middle East and Africa, and Asia Pacific.
- (2) Rounded to the nearest integer.
- (3) Calculated by multiplying the weighting in the previous table by the percentage of target achieved to determine the contribution each metric makes to the regional portion of the STI Plan payout.

Normalization

The HRC Committee and Audit Committee both reviewed this scorecard and conducted a line-by-line reconciliation of performance results with financial results. Both Committees are responsible for vetting and scrutinizing the appropriateness of any funding calculation normalizations proposed by management, and this review process occurs annually prior to Board approval of the STIP pool funding. Normalizations are calculated in a consistent manner from period to period and typically include adjusting EBIT for gains/losses on the disposal of fixed assets, goodwill impairments, severance costs, foreign exchange impacts in Latin America, and other one-time non-recurring items. The HRC Committee and the Audit Committee have

determined that it is appropriate to adjust the STIP calculations for such items as they are not indicative of the Company's ongoing operating performance.

For the 2020 sum of targets funding calculation, EBIT was normalized for the items listed above, aside from goodwill impairments of which none were incurred during the year. Additionally, the HRC Committee and the Audit Committee have determined that it was appropriate for the 2020 STIP calculation to adjust EBIT for pandemic-related government grants, again because they are not indicative of the Company's continuing operations and are temporary in nature. These grants are primarily related to the Canadian Emergency Wage Subsidy and the Australian JobKeeper program. Therefore, these wage subsidies were not included in the EBIT calculations related to the performance results for the 2020 STIP.

For a detailed reconciliation of non-IFRS measures to the most equivalent IFRS measure, please refer to the "Non-IFRS Measures" section in the Management's Discussion and Analysis for the year ended December 31, 2020.

2020 STIP Award

The HRC Committee did not adjust the 2020 metrics or targets. Based on Enerflex's 2020 performance resulting in an overall enterprise score of 89.8% and combined with the regional results, the HRC Committee determined that the overall bonus available would be 95% of the projected "sum of targets" pool.

The 2020 STIP awards for all eligible employees, including the EMT, were based on pre-reduction salaries, taking into consideration both the impact of the 10% pay reduction that employees experienced and recognizing how well the Company navigated through the pandemic. Given the performance results achieved, the HRC Committee did not apply discretion to the resulting payments, approving payouts as calculated. Despite strong leadership throughout 2020, CEO performance for STI purposes was capped at target / meeting expectations, to reflect the shareholder experience. The 2020 STIP award payments to the NEOs were as follows:

Executive	STIP Target ⁽¹⁾	Potential Payout Range ⁽¹⁾	Potential Award Range ⁽²⁾	Overall Weighted Score Achieved ⁽³⁾	Actual STIP Earned	
					% ⁽¹⁾	\$ ⁽²⁾
Mr. Rossiter	100%	0% – 195%	0 – 1,462,500	95%	95%	711,300
Mr. Bishnoi	70%	0%– 137%	0 – 647,420	100%	70%	332,010
Ms. Martinez	65%	0% - 127%	0 – 612,075	123%	80%	386,869
Mr. Pyle	65%	0% - 127%	0 – 771,617	75%	49%	295,254
Mr. Stewart	65%	0% - 127%	0 – 606,890	99%	65%	309,348

Notes:

- (1) Rounded to the nearest integer and expressed in percent of base salary.
- (2) In dollars. Based on pre-reduction salary originally granted in 2020. Enerflex used the average rate for 2020 (USD \$1.0000 = CAD \$1.3412) for calculation purposes.
- (3) As a percentage of STIP target, using the formula outlined under "Short-Term Incentive Plan Payout Calculation", based on enterprise, regional, and individual performance results. Please refer to the "Executive Compensation" section for information regarding each's NEO's 2020 performance.

Deferred Share Unit Plan

DSUs are notional Shares equivalent in value to Shares and NEOs may participate in the DSU Plan in the following ways:

- NEOs may elect to receive all or part of their STIP payment in the form of DSUs. If so elected, all or part of the annual bonus can be settled with DSUs by dividing the relevant bonus by the FMV immediately preceding the conversion date. The conversion date is a date after the annual bonus

is awarded and at least five trading days after the release of year-end or interim results. Additional DSUs are credited to key employee participants on the regular dividend payment dates as all dividends are assumed to be reinvested.

- The Board has the authority to grant DSUs on a discretionary basis to key employees, including NEOs, in recognition of taking on additional roles or as part of a retention package. Discretionary grants under the DSU Plan are extraordinary awards and are not a primary component of long-term compensation. The Board did not grant DSUs under this provision in 2020 and has not done so in the last six years.

DSUs vest when they are credited to a participant’s account. DSUs may be redeemed only upon the departure of the employee from Enerflex, either by resignation, termination, or retirement. When an employee retires, he/she must redeem the DSUs in his/her account at a date (or two dates) no later than December 31 of the first calendar year following the year of his/her departure. In the event of death, termination, or resignation, he/she must redeem the DSUs in his/her account within 60 days of the departure date. The NEO is entitled to a lump sum cash payment as soon as practicable after the redemption date equal to the FMV of the Shares as of the redemption date multiplied by the number of DSUs credited to the NEO’s account on the date of redemption, less any required withholding.

LONG-TERM INCENTIVE PLANS

The Company’s long-term incentives reward employees for creating sustained Shareholder value with payout “at risk”. Historically, the significant elements of LTIP compensation awarded to NEOs, as a percentage of base salary, were PSUs and, depending on the NEO’s location, Options or PSEs. In 2020, after consulting with Mercer and Hugesen on prevailing market practices, the Company found it uses Options more extensively than its peers. The HRC Committee considered the advantages and disadvantages of various LTIP vehicles, and as a result of this analysis, the Board approved adding RSUs into the LTIP grant mix for executives, including NEOs, and settling all such RSUs in Shares purchased on the open market once vested.

The primary objective of the LTI Plans is to create long-term Shareholder value, directly linking executive compensation to the achievement of the Company’s long-term objectives.

The following table provides information about the primary plans that comprise NEO long-term compensation: PSUs, Options/PSEs, and RSUs. The Board also has authority to grant DSUs on a discretionary basis to NEOs, and for more information see the section above entitled “*Deferred Share Unit Plan*”.

LTI Plan	Features	Vesting	Recipients
PSEs	<ul style="list-style-type: none"> ▪ The PSE Plan operates in the same fashion as the Option Plans in terms of grant timing, determination of grant amount, vesting schedules, and approvals required. 	<ul style="list-style-type: none"> ▪ Same as pursuant to Option Plans. 	<ul style="list-style-type: none"> ▪ Members of the EMT and other designated participants residing outside of Canada or the U.S.A., including NEOs.

LTI Plan	Features	Vesting	Recipients
PSUs	<ul style="list-style-type: none"> ▪ PSUs, and any dividends based thereon, are notional Shares, which are used to determine the value of potential future payments. ▪ The final number of PSUs that vest may vary from 0% to 200% of the initial grant (plus any dividends) based on the three-year average of the LTIP performance metrics used to determine enterprise performance. ▪ The HRC Committee recommends the percent of PSUs to vest for Board approval. Enerflex, at its sole discretion, may satisfy its cash payment obligation under the PSU Plan, in whole or in part, by instructing an independent broker to acquire a number of fully paid Shares in the open market on behalf of the participant. 	<ul style="list-style-type: none"> ▪ PSUs cliff vest 3 years after the date of grant. ▪ In accordance with the Retirement Policy, the Board has discretion to accelerate vesting of PSUs upon a Board-approved retirement of an EMT member. 	<ul style="list-style-type: none"> ▪ Members of the EMT, including all NEOs.
RSUs	<ul style="list-style-type: none"> ▪ RSUs, and any dividends based thereon, are notional Shares, which are used to determine the value of potential future payments. ▪ The final number of RSUs that vest (plus any dividends) is based on the FMV of Enerflex Shares at the time of vesting. ▪ Once vested, Enerflex will satisfy its payment obligation under the RSU Plan for executives, including all NEOs, in whole, by instructing an independent broker to acquire a number of fully paid Shares in the open market on behalf of the participant. For all other participants, Enerflex, at its sole discretion, may satisfy its payment obligation under the RSU Plan in either cash or in fully paid Shares acquired in the open market. 	<ul style="list-style-type: none"> ▪ RSUs vest in equal tranches over 3 years after the date of grant. ▪ In accordance with the Retirement Policy, the Board has discretion to accelerate vesting of RSUs upon a Board-approved retirement of an EMT member. 	<ul style="list-style-type: none"> ▪ Members of the EMT, including all NEOs and other designated participants residing in the International Canadian, and Latin American regions.

LTI Plan	Features	Vesting	Recipients
Options	<ul style="list-style-type: none"> ▪ Granted in August, pending blackout restrictions. ▪ Grant requests are reviewed by the HRC Committee and recommended to the Board for approval. ▪ In determining the number of Options to be granted to an individual, the HRC Committee considers the person's level of responsibility and past and expected future contributions to Enerflex. ▪ NEOs receive value only if the Share price appreciates, as Options have value only if the price of the underlying Shares is higher at the time of exercise than it was at the time of grant. 	<ul style="list-style-type: none"> ▪ Vest in equal amounts over 5 years beginning on the date determined by the Board. Options expire on the 7th anniversary of the grant. ▪ Pursuant to the Option Plan, and subject to conditions imposed by the Board, unvested Options held by an EMT member fully vest on the second anniversary of the EMT member's retirement date and are exercisable within three years of the retirement date. 	<ul style="list-style-type: none"> ▪ Members of the EMT and other designated participants residing in Canada or the U.S.A., including NEOs.

The following table shows the percentage of base salary targeted to be awarded in the form of PSUs, RSUs, and Options/PSEs, as a percentage of base salary:

Executive	Percentage of Base Salary			
	LTIP Target	Provided in PSUs	Provided in RSUs	Provided in Options/PSEs
Mr. Rossiter	375%	187%	94%	94%
Mr. Bishnoi	200%	100%	50%	50%
Ms. Martinez	180%	90%	45%	45%
Mr. Pyle	50%	25%	13%	13%
Mr. Stewart	180%	90%	45%	45%

2020 LTIP Grants

The table below sets forth the combined grant of PSUs, RSUs, and Options or PSEs, as applicable, to the NEOs in 2020 as approved by the Board:

Executive	PSUs Granted ⁽¹⁾		RSUs Granted ⁽¹⁾		Options Granted ⁽²⁾		PSEs Granted ⁽²⁾		Total Value of Grants ⁽³⁾ (\$)
	\$	# of Units	\$	# of Units	\$	# of Units	\$	# of Units	
Mr. Rossiter	1,406,250	255,218	703,125	127,609	703,125	327,035	-	-	2,812,500
Mr. Bishnoi	474,300	86,080	237,150	43,040	237,150	110,302	-	-	948,600
Ms. Martinez	434,609	77,671	217,305	38,835	217,305	99,527	-	-	869,220
Mr. Pyle	152,193	27,199	76,097	13,599	-	-	76,097	34,853	304,387
Mr. Stewart	430,928	77,013	215,464	38,506	215,464	98,684	-	-	861,855

Notes:

- (1) The FMV of Shares used in the PSU grant and RSU grant on August 17, 2020 was \$5.51.
- (2) Enerflex uses the Black-Scholes method of valuation to derive the fair value for the Option and PSE grants. For grants conducted on August 17, 2020, the BSV was \$2.15.
- (3) Enerflex used the average rate for 2020 (USD \$1.0000 = CAD \$1.3412) for calculation purposes.

2017 PSU Award Payment

The overlapping performance cycles in the PSU Plan serve to encourage sustained performance over time. For grants prior to 2020, the future vesting and subsequent payout amount is determined by the three-year average enterprise performance for ROCE, EBIT %, Absolute EBIT, and TRIR, as follows:

PSU Grant Date	Annual Performance Results					3 Year Average	Vesting Year
	2017	2018	2019	2020	2021		
21 Aug 2017	105.2%	149.3%	168.7%			141.1% ⁽¹⁾	2020
20 Aug 2018		149.3%	168.7%	89.8%		135.9% ⁽²⁾	2021
19 Aug 2019			168.7%	89.8%		119.5% ⁽³⁾	2022

Notes:

- (1) Reflects three-year average for 2017, 2018, and 2019 based on achievement of performance results for each of these years.
- (2) Reflects three-year average for 2018, 2019, and 2020 based on actual performance.
- (3) Reflects two-year average data for 2019 and 2020 performance results and assumes performance at target for 2021.

The FMV at the date of the 2017 PSU grant was \$15.75 and at the date of vesting was \$5.06. After reviewing the 2020 results based on the three-year average performance for ROCE, EBIT %, Absolute EBIT, and TRIR for 2017, 2018, and 2019, the HRC Committee recommended and the Board approved vesting all of granted PSUs and dividends earned. In addition, with the performance result exceeding 100%, notional PSUs were used to calculate what would be payable to each eligible executive, including NEOs. Thus, the following PSU award payments, which occurred in August 2020, are based on fully vesting all PSUs and dividends accumulated, along with these notional PSUs:

Executive ⁽¹⁾	Amount Granted ⁽²⁾		Dividends Earned (#)	Total Accumulated (#)	Notional Units ⁽³⁾ (#)	Total Vested ⁽⁴⁾ (#)	Payout (\$)
	\$	#					
Mr. Rossiter	407,437	25,869	2,436	28,305	11,624	39,929	202,041
Ms. Martinez	362,156	22,994	2,165	25,159	10,322	35,491	179,584
Mr. Pyle	128,898	8,184	770	8,954	3,677	12,631	63,913
Mr. Stewart	205,002	13,016	1,226	14,242	5,849	20,091	101,660

Notes:

- (1) Mr. Bishnoi joined the Company in September 2019 and thus does not hold any 2017 PSUs.
- (2) At the time of the grant, Enerflex used the August 21, 2017 rate (USD \$1.0000 = CAD \$1.3065).
- (3) Notional units were calculated by multiplying the total accumulated by the performance result in order to calculate the amount payable. No actual additional PSUs were granted/vested.
- (4) The total vested amount includes vested PSUs, notional units, and dividends for the purposes of calculating the payout amount.

While the performance result exceeded 100%, the change in FMV resulted in a vesting value 51% of the value of the PSUs at grant. The Board may exercise discretion on awarding PSUs, and, in the absence of attaining performance goals may either increase or decrease awards on a discretionary basis. The Board has not exercised such discretion to date.

2020 PSU Plan Updates

Enerflex has chosen to use internal metrics as opposed to external relativity metrics to ensure compensation payouts are reflective of enterprise performance and not influenced by factors outside of the control of management, such as commodity prices. Historically, Enerflex's targets for STIP were also used to measure performance for PSUs: the three-year average of overall enterprise performance for ROCE,

Absolute EBIT, EBIT %, and TRIR determined the PSU payout at vesting. As a result of the comprehensive LTIP plan review conducted by Mercer and confirmed by Hugessen in 2019, Enerflex developed and the Board approved new metrics to measure performance for the PSU plan. In order to better align with the LTIP objective of rewarding improvements in mid- to long-term enterprise performance, effective for the 2020 grant, the HRC Committee approved ROCE and gEPS as the PSU performance measures on a go-forward basis.

Part of the Company's strategic plan is to deliver sector-leading results. Motivating the executive team to outperform the peer group is a primary driver in setting the ROCE target. This is balanced with the cyclical nature of the industry and recognizing the shift in Enerflex's business from primarily manufacturing towards increasing recurring revenue. The HRC Committee stress-tested the approach to ensure this metric is achievable with enough stretch to be challenging and realistic. ROCE will be calculated by taking EBIT for the 12-month trailing period divided by Capital Employed (as defined in the glossary). gEPS measures growth in profitability. The HRC Committee also stress-tested this metric to ensure it would provide enough stretch to be challenging while ensuring it could also be achievable, acknowledging individual year-to-year results are volatile. In setting the ROCE and gEPS targets, the HRC Committee reviewed the historic and projected results, noting both the high and low points in performance over several years to establish target, threshold, and stretch measures.

For the 2020 PSU grant, the 2020 PSU metrics and targets are:

Metric	Weighting	Threshold	Target	Stretch
ROCE	50%	7%	10%	15%
gEPS	50%	-10%	8%	40%
Total / Contribution	100%	50%	100%	200%

As the PSU Plan has a three-year cliff vesting schedule, the annual results for both ROCE and gEPS will be averaged over the three-year period, crystalizing the contribution of the metric each year. The HRC Committee believes establishing an annual result and averaging these results over the three-year vesting period will address the industry's cyclical nature. As with the STIP, the HRC Committee will review both the metrics and the target measures for appropriateness and relevance on an annual basis, conferring with the Audit Committee to conduct a line-by-line reconciliation of performance results with financial results. The first PSU payment to be made using these new metrics will be in 2023 when the 2020 grant vests.

RETIREMENT AND PENSION PROGRAMS

The Enerflex retirement and pension programs are designed to attract and retain employees, providing an important source of income at retirement.

Enerflex offers two retirement savings programs:

- Pension plans through a DCP in Canada and a 401(k)-matched savings plan in the U.S.A, collectively the DCP, open to eligible employees of the Company and certain of its subsidiaries;
- SERP in Canada and the U.S.A., offered to key employees, including NEOs.

Enerflex maintains the DCP to provide periodic payments to eligible employees of Enerflex and certain of its subsidiaries after retirement and until death in respect of their service as employees. Each NEO participates in the DCP on substantially the same terms as all employees of Enerflex.

Under the terms of each DCP, contributions totaling 5% of pensionable earnings are made into an account for each employee who does not participate in the SERP. For key employees, including NEOs participating in the SERP, the contributions made to each employee's account by Enerflex totals 10% of pensionable earnings plus an amount equal to 10% of the lesser of the actual or target payout under the STI Plan. Within

the DCP, Enerflex makes a specified number of investment options available. Enerflex contributes to the DCP up to the limits permitted under a DCP or 401(k) Plan, as applicable.

The SERP was designed to complement the DCP where *Income Tax Act* (Canada) rules and *Internal Revenue Code* (U.S.A.) rules limit the amount of money that can be contributed annually to a registered pension plan on the employee's behalf.

Interest income for any particular year is credited to each individual's supplementary account at the end of each fiscal year, based on a rate equivalent to the lesser of: (a) the prior year's annual rate of increase in the Canadian consumer price index plus 4%; and (b) 9%, multiplied by the beginning account balance for such year. Enerflex's contributions vest after two years of participation in the SERP.

As the annual rate of increase in the Canadian consumer price index in the 2020 fiscal year was 0.7% the applicable rate applied to the account balance for 2020 was 4.7%.

The total 2020 SERP contributions were \$349,007. The accrued liability under the SERP is \$1,878,628, as at December 31, 2020.

2020 Pension Plan Benefits

The following table sets forth the pension benefits for the NEOs under the DCP and/or SERP as of December 31, 2020:

Executive	Accumulated Value at the Start of the Year ⁽¹⁾ (\$)	Compensatory ⁽²⁾ (\$)	Accumulated Value at the End of the Year ⁽³⁾ (\$)
Mr. Rossiter	1,470,395	178,486	1,745,271
Mr. Bishnoi	19,252	71,291	106,386
Ms. Martinez	865,613	90,683	1,052,873
Mr. Pyle ⁽⁴⁾	429,774	80,807	510,581
Mr. Stewart	714,817	95,161	868,790

Notes:

- (1) Accumulated value of DCP or 401(k) (employer and employee contributions) plus SERP balance (including interest) at the start of 2020. The accumulated value at the start of the year uses the 2019-year end rate (USD \$1.000 = CAD \$1.2988).
- (2) 2020 DCP, 401(k), and SERP employer contributions plus interest. All contributions use the 2020 average rate (USD \$1.0000 = CAD 1.3412).
- (3) Includes investment gains and losses. The accumulated value at the end of the year uses the 2020-year end rate (USD \$1.0000 = CAD \$1.2732).
- (4) Mr. Pyle's accumulated values reflect DSU grants in lieu of his participation in the SERP. As an Australian citizen on an expatriate assignment in the U.A.E. where a pension plan arrangement does not exist, 9.25% of actual 2020 salary plus STIP is reflective of superannuation were Mr. Pyle's employment located in Australia.

BENEFITS AND PERQUISITES

Enerflex provides executive benefits and perquisites to NEOs within a competitive total compensation package to enable them to focus on their daily responsibilities and the achievement of Enerflex's objectives. The perquisites provided to the NEOs consist of an executive medical benefits allowance, financial and legal consulting services, life insurance premiums, automobile allowances and associated expenses, and club membership dues (the value of all, except for the medical benefits, is included as taxable income to the executive). The HRC Committee does not believe that these perquisites and benefits represent a significant portion of the NEOs' compensation packages. Further, such perquisites are limited in amount with restricted eligibility. The HRC Committee recognizes these benefits assist Enerflex in achieving its goal of supporting the health and wellbeing of its executives such that they can devote the time and energy

necessary to the Company's business, continuing its growth and development. Additionally, not all NEOs access all perquisites. In 2020, perquisites and other benefits averaged 2.9% of total direct compensation for executives, including NEOs. For specific details, please refer to the "Summary Compensation Table".

Employee Share Purchase Plan

Enerflex offers an ESPP to encourage Canada- and U.S.A.-based employees to become Shareholders. Funds contributed to the ESPP are used to buy Shares on the open market. Executives, including the NEOs, participate in the same plan as employees, contributing up to 10% of their base salary to the ESPP. Enerflex will contribute \$1.00 for every \$3.00 employee contribution to a maximum of \$1,000 per year. Shares within the ESPP are subject to certain withdrawal restrictions. When restricted Shares are withdrawn, a penalty is applied, and the employee loses the Enerflex matching contribution for a minimum 12-month period.

ANTICIPATED COMPENSATION CHANGES IN 2021

Effective January 1, 2021 through December 31, 2021, the HRC Committee and Board approved extending the current 10% base pay reduction in place for employees and executives (including NEOs), subject to quarterly HRC Committee review throughout 2021 in light of evolving market conditions. In addition, the 2021 STIP will be based on actual salaries rather than pre-reduction salaries, whereas the 2020 STIP was based on pre-reduction salaries. No other changes to the Corporation's compensation programs, policies, or practices have been decided for 2021.

SHARE OWNERSHIP GUIDELINES

Enerflex has Share Ownership Guidelines in place for all executives, including NEOs. Enerflex believes that the interests of Shareholders and NEOs are better aligned when executives directly hold securities of the Company.

Under the Share Ownership Guidelines, Shares, RSUs, and DSUs owned by the executive count towards the ownership requirements. Options, PSEs, and PSUs are not included. Executives are expected to meet the share ownership requirement within five years of appointment to their executive position. The HRC Committee annually reviews the Share Ownership Guidelines for the executives and updates as applicable.

In 2020, the Committee provided clarification and updated when ownership requirements must be achieved due to salary increases, promotions, and policy changes. If the ownership requirements are further increased due to promotion, an increase to base salary greater than or equal to 15% and/or a policy change, the executive must meet the new guideline within three years as of the ownership requirement increase. When a salary increase is less than 15% of base pay, the executive must achieve the ownership threshold within one year. The Committee has also considered hold provisions upon retirement and is committed to monitoring prevailing market practice in 2021 to determine if further updates to the policy are required.

The following table summarizes the share ownership attained for each current NEO as at December 31, 2020:

Executive	Share Ownership Requirement		Total Ownership Attained ^(1,2) (\$)	Requirement Achieved ⁽³⁾
	Multiple of Base Pay	\$ Amount ⁽¹⁾		
Mr. Rossiter	3 x	2,138	2,580	Yes
Mr. Bishnoi	2 x	901	420	Yes ⁽⁴⁾
Ms. Martinez	2 x	918	1,165	Yes
Mr. Pyle	2 x	1,157	1,346	Yes
Mr. Stewart	2 x	910	1,053	Yes

Notes:

- (1) In thousands.
- (2) The value of a Share, RSU, or DSU held by a NEO is calculated as the greater of the value of the security on the grant or acquisition date, and the FMV of the security as of December 31, 2020 (\$6.56).
- (3) Pursuant to the Share Ownership Guidelines, executives must accumulate Shares with a value equivalent to the Share ownership requirement within five years of his/her date of appointment to the executive position. When Share Ownership requirements are increased either due to a promotion and/or policy change, the executive has up to three years to meet the new guideline.
- (4) Pursuant to the Share Ownership Guidelines, Mr. Bishnoi has until September 9, 2024 to achieve his ownership requirements.

ANTI-HEDGING PROTECTION

The Insider Trading Policy prohibits directors, officers, employees, and consultants of Enerflex, as well as anyone else who qualifies as an insider under applicable securities laws, from engaging in transactions that could reduce or limit their economic risk with respect to their holdings of securities of Enerflex, including Shares, Options, PSEs, PSUs, DSUs, and RSUs. Prohibited transactions include hedging strategies, equity monetization transactions, transactions using short sales, puts, calls, exchange contracts, derivatives, and other types of financial instruments (including, but not limited to, prepaid variable forward contracts, equity swaps, collars, and exchange funds), and limited recourse loans to the directors or executives secured by Shares.

The Company does not permit hedging of any Enerflex securities.

CLAWBACK POLICY

The Enerflex Executive Compensation Clawback Policy applies to current and former executives of Enerflex and provides in the event that:

- the Company has materially restated the financial information; and
- the Board has granted incentive compensation based on the achievement of results in the financial information originally filed; and
- the executive engaged in fraud or intentional misconduct that caused or substantially contributed to such restatement; and
- the Board has determined that it is in the best interests of the Enerflex to require the executive to reimburse or forfeit incentive compensation received; then

the Board shall seek reimbursement or forfeiture of the excess incentive compensation paid during the three-year period preceding the date on which the restatement is filed. Incentive compensation under the policy includes any short- or long-term incentive and retention-based compensation, including bonuses, Options, PSEs, RSUs, and PSUs approved, awarded, or granted to the executive, the amount, payment and/or vesting of which was based wholly or in part on the achievement of results set forth in the financial statements.

EXECUTIVE COMPENSATION

The following profiles for each current NEO provide a summary of total direct compensation awarded in 2019 and 2020.



Marc E. Rossiter
President and Chief Executive Officer
 Calgary, Alberta, Canada
 Age: 49
 Years of Service: 24

As CEO, Mr. Rossiter is responsible for the Company's value creation and global growth strategy across Enerflex's regions and through its three operating segments: Engineered Systems, After-Market Service, and Rentals. Together with the EMT, he concentrates on sustainable growth opportunities. Mr. Rossiter, a Professional Engineer in the province of Alberta, brings an entrepreneurial mindset with a depth of leadership that is essential to the Company's success. Through 24 years of experience with the Company, and until his appointment to CEO in May 2019, Mr. Rossiter held a progression of leadership roles, including EVP and COO, where he was critical in driving revenue growth, while safely delivering reliable solutions. Mr. Rossiter graduated from the Royal Military College of Canada with a Bachelor of Engineering in Chemical and Materials Engineering and served as an officer in the Canadian Army.

2020 Performance

Globally, the Company achieved a Net Debt to EBITDA ratio at 1.45, EBIT at \$118.1 million, and ROCE at 6.6. With both the downturn in the economy and COVID-19, Mr. Rossiter focused the business on strategic priorities, reinforcing the Company's commitment to safety. All manufacturing facilities, rental, BOOM, and service operations remained operational since the beginning of the pandemic. He led the effort to engage the global sales force on packaged power generation and supervised the deployment of the SAP module for asset management along with the development of corresponding analytics. He continued enhancing the Company's enterprise risk management processes, initiated a new strategy formulation exercise for all regional operations, and hired a new Canadian regional President. Mr. Rossiter oversaw the maintenance of critical construction, operations, and maintenance activities throughout the pandemic, especially during the tumultuous early days. Under his leadership and through strong project execution, including the completion of multiple large ITK projects and the start-up of multiple BOOM projects contributing to recurring revenue, the Company achieved a gross margin of 24.5%.

Compensation Component	2020 (\$)	2019 (\$)	Variance from 2019
Cash			
Base Salary ⁽¹⁾	712,500	589,199	21%
Short Term Incentive	711,300	979,319	-27%
Total Cash Compensation	1,423,800	1,568,518	-9%
Value of Equity as of Award Date ⁽²⁾			
PSUs	1,406,250	2,301,895	-39%
RSUs	703,125		100%
Options	703,125	595,605	18%
Total Equity Awarded	2,812,500	2,897,500	-3%
Total Direct Compensation	4,236,300	4,466,018	-5%



Sanjay Bishnoi
Senior Vice President, Chief Financial Officer
 Calgary, Alberta, Canada
 Age: 47
 Years of Service: 1

Mr. Bishnoi, SVP, CFO, oversees all aspects of Enerflex's financial affairs, including reporting, compliance, treasury, corporate governance, and capital market activity, in addition to guiding strategy, corporate development, and investor relations. Working alongside the EMT, Mr. Bishnoi provides direction and financial guidance for the Company's growth and development strategy. Mr. Bishnoi's demonstrated track-record of enhancing shareholder value through financial discipline, strategic corporate development, and the adoption of performance measurements driving growth serves Enerflex well. Mr. Bishnoi is a proven CFO with over 20 years of financial and leadership experience in the energy and professional services sectors, with deep capabilities in the North American asset ownership space. Mr. Bishnoi holds an MBA from the University of Chicago, a Ph.D. in Chemical Engineering from the University of Texas at Austin, and a Bachelor of Science degree in Chemical Engineering from the University of Calgary.

2020 Performance

Mr. Bishnoi's impact on talent, ERM, and investor communications were his most significant achievements in 2020. As his knowledge of the Company's business model increased through his first full year as CFO, he assessed current financial programs and processes and continued to build and shape the Finance team, particularly in corporate development and investor relations. Mr. Bishnoi's contributions supported the strategic objectives including the Company's diversification strategy, 5-year business development and growth plan, and asset ownership. To this end, Mr. Bishnoi employed his skills in financial modeling, treasury management, and approach to debt, with high quality results. He partnered with the CEO enhancing the Company's enterprise risk management processes. In response to the downturn in the economy and COVID-19, he supported the CEO in reinforcing Enerflex's commitment to safety and focus on business strategies. He spearheaded the successful implementation of SG&A cost savings in response to the COVID-19 pandemic and the downturn in the oil and natural gas industry.

Compensation Component	2020 (\$)	2019 (\$)	Variance from 2019
Cash			
Base Salary ⁽³⁾	450,585	465,000	-3%
Short Term Incentive ⁽³⁾	332,010	504,378	-34%
Total Cash Compensation	782,595	969,378	-19%
Value of Equity as of Award Date ⁽²⁾			
PSUs	474,300	477,827	-1%
RSUs	237,150		100%
Options	237,150	452,173	-48%
Total Equity Awarded	948,600	930,000	2%
Total Direct Compensation	1,731,195	1,899,378	-9%



Philip A.J. Pyle
President, International
 Abu Dhabi, U.A.E.
 Age: 55
 Years of Service: 7

Mr. Pyle, President, International, leads Enerflex’s operations in Europe, Middle East and Africa, and Asia Pacific. He is a key member of the executive team and is tasked with the strategic growth and development of the International business to meet the demands of the global energy industry. Mr. Pyle brings more than 30 years of extensive international operations and leadership experience in the industry. He holds an MBA from the University of New England in Australia and a Bachelor of Mechanical Engineering from the University of Western Australia.

2020 Performance

Mr. Pyle appropriately managed all assets during COVID-19, safeguarding the health and safety of employees working remotely at field sites and from these efforts, field operations were consistently well done, although the results from several projects did not materialize as expected. Safety, reliable operations, securing new business, and formulating and executing on long-term growth continue to be priorities in order to increase sales for the International region. Mr. Pyle ensured his team understood their priorities, reinforcing the strategic objectives to be attained, and several key strategic people moves were implemented, adding to the region’s depth and bench strength.

Compensation Component	2020 (\$) ⁽⁵⁾	2019 (\$) ⁽⁶⁾	Variance from 2019
Cash			
Base Salary	578,332	596,834	-3%
Short Term Incentive	295,254	480,686	-39%
Total Cash Compensation	873,587	1,077,520	-19%
Value of Equity as of Award Date ⁽²⁾			
PSUs	152,193	147,607	3%
RSUs	76,097		100%
PSEs	76,097	147,607	-48%
Total Equity Awarded	304,387	298,417	2%
Total Direct Compensation	1,177,973	1,375,937	-14%



Patricia Martinez

President, Latin America and Chief Energy Transition Officer

Houston, Texas, U.S.A.

Age: 46

Years of Service: 13 ⁽⁴⁾

Ms. Martinez is an instrumental member of Enerflex’s leadership team and as President, Latin America is responsible for driving the growth of the Company’s Latin American business. In addition to her regional operating responsibilities, in Q1 2021, Ms. Martinez was appointed Chief Energy Transition Officer. In this role, she is accountable for the Company’s global strategy in the energy transition space, focusing on identifying and delivering low-carbon energy solutions and positioning Enerflex for long-term success. Her innovative mindset and ability to challenge traditional markets is key to her function at Enerflex. Ms. Martinez holds an MBA from Houston Baptist University and a Bachelor of Business Administration degree from Universidad Argentina de la Empresa in Buenos Aires. She is a board member of Ocorcobre Ltd. and of the Instituto Argentino del Petroleo y Gas – Houston (IAPGH). She is also a member of the Young Presidents Organization (YPO).

2020 Performance

Ms. Martinez is a focused business leader, and in 2020 identified priorities, ensuring her team understood and executed these accordingly, thus advancing the Company’s strategic initiatives in Latin America. She led her team through COVID-19, reinforcing the Company’s commitment to safety while ensuring operational needs were being addressed. Work on identifying critical talent gaps has ensured strong senior management support with her added responsibilities as CETO. Recurring revenue continues to be the long-term focus within this region and Ms. Martinez met the objectives on Asset Ownership and exceeded Engineered Systems sales with several valuable projects.

Compensation Component	2020 (\$) ⁽⁵⁾	2019 (\$) ⁽⁶⁾	Variance from 2019
Cash			
Base Salary	458,754	473,444	-3%
Short Term Incentive	386,869	435,890	-11%
Total Cash Compensation	845,623	909,334	-7%
Value of Equity as of Award Date ⁽²⁾			
PSUs	434,609	421,524	3%
RSUs	217,305		100%
Options	217,305	421,524	-48%
Total Equity Awarded	869,220	852,198	2%
Total Direct Compensation	1,714,843	1,761,532	-3%



Gregory Stewart
President, U.S.A.
Houston, Texas, U.S.A.
Age: 57
Years of Service: 12

Mr. Stewart is responsible for overseeing and providing strategic and operational leadership in the United States region. He is responsible for business development in that market and is tasked with growing the Company to meet the demands of the global oil and natural gas industries from both a products and services perspective. Prior to his appointment to President, U.S.A, Mr. Stewart was Enerflex's EVP, Corporate Services and Chief Information Officer. He holds an MBA with a specialization in Information Systems, and a BA (French) from McMaster University, along with a BBA (Brock University) and Diplome d'Etudes Françaises (Université de Franche-Comté). Mr. Stewart also holds a Chartered Director accreditation from McMaster University.

2020 Performance

Mr. Stewart's knowledge of the U.S.A. business and market, products and solutions has continued to expand and develop. He demonstrated his skills in priority setting and flexibility as he managed the U.S.A. operations through the COVID crisis, with manufacturing and services operations continuing without interruption. The USA rental fleet grew by 15.4% on a horsepower basis and maintained an 83% utilization rate. Building on the progress made in 2020, strategies for Engineered Systems, Contract Compression, and Energy Transition remain priorities for the upcoming year. Mr. Stewart understands the importance of cost competitiveness and took steps to address SG&A costs in response into the cyclical nature of the business, particularly through the downturn in the industry and the impacts of the pandemic.

Compensation Component	2020 (\$) ⁽⁵⁾	2019 (\$) ⁽⁶⁾	Variance from 2019
Cash			
Base Salary	454,868	469,420	-3%
Short Term Incentive	309,348	523,940	-41%
Total Cash Compensation	764,216	993,360	-23%
Value of Equity as of Award Date ⁽²⁾			
PSUs	430,928	417,942	3%
RSUs	215,464		100%
Options	215,464	417,942	-48%
Total Equity Awarded	861,855	844,956	2%
Total Direct Compensation	1,626,071	1,838,316	-12%

Notes:

- (1) Mr. Rossiter was appointed President and CEO mid-2019. The year-over-year increase in base salary is primarily attributable to Mr. Rossiter holding his current role for the full year in 2020.
- (2) The values shown for the PSUs, RSUs, Options and, as applicable, PSEs represent the cash values (derived from a percentage of base pay) that was awarded to each NEO by the Board in 2020 and does not include dividends earned as a result of dividend reinvestment. The "Summary Compensation Table" calculates Share-based awards based on the fair value as of the grant date and includes dividends acquired due to dividend reinvestment, where appropriate.

- (3) The dollar amount reflected above for 2019 is an annualized salary and STIP for Mr. Bishnoi. Actual 2019 salary paid was \$143,959 CAD. Actual STIP paid was \$156,150 CAD.
- (4) Enerflex agreed to recognize Ms. Martinez's years of service with Axiom Energy Services, LP upon its acquisition.
- (5) Enerflex used the 2020 average rate (USD \$1.0000 = CAD \$1.3412) for calculation purposes for base salary, Short-Term Incentive, and Equity Awards.
- (6) In order to provide a direct year-over-year comparison, 2019 compensation in USD has been converted into CAD using 2020 exchange rates (USD 1.000 = CAD 1.3412). Therefore, the amounts reflected in these tables may not correlate directly with those in the "Summary Compensation Table" that follows.

SUMMARY COMPENSATION TABLE

The following table sets forth information concerning the compensation provided by Enerflex or a subsidiary thereof to each NEO for the 2018, 2019, and 2020 fiscal years.

Executive / Year ⁽¹⁾	Salary (\$)	Share-Based Option Awards ⁽²⁾ (\$)	Option-Based Awards ⁽³⁾ (\$)	Annual Incentive Plans ⁽⁴⁾ (\$)	Long Term Incentive Plans (\$)	Pension Value (\$)	All Other Compensation ⁽⁵⁾ (\$)	Total Compensation (\$)
Marc E. Rossiter, President and Chief Executive Officer								
2020	712,500	2,197,441	703,125	711,300	-	178,486	258,382	4,761,234
2019 ⁽⁶⁾	589,199	2,361,593	595,605	979,319	-	147,239	237,749	4,910,703
2018 ⁽⁷⁾	496,838	670,420	636,828	534,123	-	116,345	75,728	2,530,282
Sanjay Bishnoi, Senior Vice President, Chief Financial Officer								
2020	450,585	724,536	237,149	332,010	-	71,291	362,385	2,177,956
2019 ⁽⁸⁾	143,959	477,822	452,173	156,150	-	12,519	38,986	1,281,608
Patricia Martinez, President, Latin America and Chief Energy Transition Officer								
2020 ⁽⁹⁾	458,754	685,816	213,983	386,869	-	90,683	77,143	1,913,248
2019 ⁽⁶⁾	468,360	486,183	422,095	431,210	-	95,274	68,904	1,972,026
2018 ⁽⁷⁾	432,185	1,074,236	392,033	309,185	-	82,117	69,460	2,359,216
Phil Pyle, President, International								
2020 ⁽⁹⁾	578,332	241,539	74,934	295,254	-	80,807	407,223	1,678,089
2019 ⁽⁶⁾	590,426	168,705	147,807	475,525	-	90,111	285,575	1,758,150
2018 ⁽⁷⁾	553,694	157,231	139,634	513,061	-	65,201	373,365	1,802,186
Gregory Stewart, President, U.S.A.								
2020 ⁽⁹⁾	454,868	666,151	212,171	309,348	-	95,161	164,550	1,902,248
2019 ⁽⁶⁾	464,380	454,226	418,508	518,314	-	89,819	118,541	2,063,788
2018 ⁽⁷⁾	393,155	409,080	382,098	359,279	-	79,977	147,255	1,770,844

Notes:

- (1) Enerflex is required to report all amounts in CAD which is the same currency used for financial reporting purposes. Unless otherwise stated, USD compensation for Messrs. Rossiter, Pyle, and Stewart, and Ms. Martinez, has been converted to CAD.
- (2) This column aggregates the theoretical expected value of PSUs, DSUs, and RSUs and notional dividends earned thereon. The value of the PSU, DSU, and RSU awards (collectively the "share-based awards") is calculated as the sum of the applicable grant date fair value of each share-based award plus notional dividends earned thereon. The determination of fair value for share-based awards in this column is consistent with the accounting treatment of share-based awards. This column does not include STI Plan DSU elections (these are set out under the column "Annual Incentive Plans"); however, it does include dividends earned on STI Plan DSU elections. The fair value is calculated by multiplying the number of share-based awards by the FMV as of the grant date and by multiplying the number of notional dividends by the FMV as of the dividend payment date.
- (3) Enerflex uses the Black-Scholes method of valuation to derive the grant date fair value for the Option grants:

Option Grant	Exercise Price (\$)	BSV (\$)	Expected Life (Years)	Volatility (%)	Dividend Yield (%)	Risk Free Rate (%)	Forfeiture Rate (%)
2020	5.51	2.15	5.34	43.6	1.4	0.5	-
2019	13.38	2.87	5.28	33.9	3.2	1.2	4.1
2018	16.20	3.99	5.32	32.8	2.4	2.2	2.4

- (4) Amounts shown were made pursuant to the STI Plan for all NEOs. STIP is earned in each respective fiscal year but paid in the following year. Certain NEOs elected to receive their 2018, 2019, and 2020 STIP awards, in whole or in part, in the form of DSUs as outlined below. Due to certain NEOs' elections to receive their STIP in the form of DSUs, the actual amounts noted in the Summary Compensation Table may not have been paid out in cash.

Executive	Percentage of STIP to be Paid in DSUs		
	2018	2019	2020
Mr. Rossiter	0%	50%	0%
Ms. Martinez	50%	0%	0%

- (5) "All Other Compensation" for 2020 reflects perquisites that in aggregate are worth \$50,000 or more or are worth 10% or more of an NEO's salary for the year. The perquisites paid to the NEOs in 2020 include but are not limited to the following:
- Mr. Rossiter: \$16,200 automobile allowance, \$25,400 medical allowance, \$10,000 financial planning allowance, \$4,892 memberships, \$201,890 relocation-related expenses (due to his change in role and subsequent relocation);
 - Mr. Bishnoi: \$16,200 automobile allowance, \$18,562 medical allowance, \$16,789 memberships, and \$310,834 for relocation-related expenses;
 - Ms. Martinez: \$21,727 automobile allowance, \$10,327 medical allowance, \$13,412 financial planning allowance, \$20,176 memberships; and \$11,501 for tuition assistance.
 - Mr. Pyle: \$51,694 vehicle lease and automobile allowance, \$11,155 medical allowance, \$16,136 financial planning allowance, \$11,277 memberships, \$316,961 location-related allowances (due to his expatriate assignment); and
 - Mr. Stewart: \$21,727 automobile allowance, \$16,510 medical allowance, \$126,312 relocation-related expenses (due to his change in role and subsequent relocation).
- (6) For salary, pension, benefits, and perquisites, STIP, and LTIP the average rate for 2019 was used (USD \$1.0000 = CAD \$1.3268).
- (7) For salary, pension (including SERP contributions), benefits and perquisites, STIP, and LTIP, the average rate for 2018 was used (USD \$1.0000 = CAD \$ 1.2961).
- (8) Mr. Bishnoi joined the Company in September 2019.
- (9) For salary, pension, benefits, and perquisites, STIP, LTIP, and all other compensation including expenses, the average rate for 2020 was used (USD \$1.0000 = CAD \$1.3412). Additionally, Mr. Pyle's were converted using the 2020 average rate (AED 1.0000 = CAD 0.3650) as applicable.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

In the following table, reflecting outstanding awards at the end of 2020, Share-Based Awards refer to PSUs, DSUs, and RSUs. Option-based awards include all unexercised Options and unvested PSEs.

Executive / Grant Date	Option-Based Awards				Share-Based Awards		
	# of Securities ^(1,2)	Exercise Price ⁽³⁾	Expiration Date	Value of In-The-Money Options ⁽⁴⁾	# of Unvested Units ⁽⁵⁾	Market / Payout Value of:	
						Unvested Awards ⁽⁶⁾	Vested Awards Not Paid Out ⁽⁷⁾
Marc Rossiter							
17-Aug-20	327,035	5.51	15-Aug-27				
19-Aug-19	205,381	13.74	15-Aug-26				
20-Aug-18	159,606	16.12	9-Aug-25				
21-Aug-17	108,072	15.75	9-Aug-24	\$343,387	604,469	\$3,732,172	\$586,274
12-Aug-16	79,906	13.27	9-Aug-23				
17-Aug-15	99,174	11.69	9-Aug-22				
25-Aug-14	36,392	20.75	9-Aug-21				

Executive / Grant Date	Option-Based Awards				Share-Based Awards		
	# of Securities ^(1,2)	Exercise Price ⁽³⁾	Expiration Date	Value of In-The-Money Options ⁽⁴⁾	# of Unvested Units ⁽⁵⁾	Market / Payout Value of:	
						Unvested Awards ⁽⁶⁾	Vested Awards Not Paid Out ⁽⁷⁾
Sanjay Bishnoi							
17-Aug-20	110,302	5.51	15-Aug-27	\$115,817	169,672	\$975,241	\$0
9-Sept-19	160,345	12.40	15-Aug-26				
Patricia Martinez							
17-Aug-20	99,527	5.51	15-Aug-27	\$104,503	175,282	\$1,082,025	\$375,153
19-Aug-19	145,550	13.74	15-Aug-26				
20-Aug-18	98,254	16.12	9-Aug-25				
21-Aug-17	76,852	15.75	9-Aug-24				
12-Aug-16	41,095	13.27	9-Aug-23				
17-Aug-15	34,003	11.69	9-Aug-22				
25-Aug-14	31,193	20.75	9-Aug-21				
Phil Pyle							
17-Aug-20	34,853	5.51	15-Aug-27	\$36,596	61,529	\$380,228	\$243,829
19-Aug-19	50,968	13.74	15-Aug-26				
20-Aug-18	34,996	16.12	9-Aug-25				
21-Aug-17	27,352	15.75	9-Aug-24				
12-Aug-16	27,397	13.27	9-Aug-23				
17-Aug-15	22,669	11.69	9-Aug-22				
25-Aug-14	20,795	20.75	9-Aug-21				
Gregory Stewart							
17-Aug-20	98,684	5.51	15-Aug-27	\$103,618	173,358	\$1,068,943	\$220,370
19-Aug-19	114,313	13.74	15-Aug-26				
20-Aug-18	95,764	16.12	9-Aug-25				
21-Aug-17	54,377	15.75	9-Aug-24				
12-Aug-16	47,703	13.27	9-Aug-23				
17-Aug-15	64,935	11.69	9-Aug-22				
25-Aug-14	25,095	20.75	9-Aug-21				

Notes:

- (1) This column includes the number of securities underlying unexercised Options.
- (2) No vested options were exercised in 2020. All options vesting in 2020 were underwater.
- (3) For Option grants the exercise price is the FMV immediately preceding the date of grant.
- (4) The in-the-money value of unexercised Options is calculated using the difference between the exercise price of the Options and the closing market price at December 31, 2020 (\$6.56).
- (5) This column includes the number of Share-based unvested awards. The number shown reflects all awarded PSUs and RSUs held by NEOs (including notional dividends paid) as of December 31, 2020. Such PSUs do not vest until 2021, 2022, or 2023 as applicable. The RSUs granted in 2020 vest in three equal tranches on the anniversary of the grant date.
- (6) For PSUs granted in 2018, 2019, and 2020, and for the RSUs granted in 2020, the values were calculated using the closing market price at December 31, 2020 (\$6.56). PSUs granted in 2020 were assumed to be at target performance for 2021 and 2022; those granted 2019 were assumed to be at target performance for 2021. For PSUs granted in 2018, the values reflect a 135.9% PSU scorecard result: the average performance for 2018, 2019, and 2020. Please refer to the section titled "2017 PSU Award Payment" for further details.
- (7) This column includes the number of Share-based vested awards that are not paid out or distributed. The amounts shown reflect the value of all accumulated DSUs and notional dividends credited as of December 31, 2020.

INCENTIVE PLAN AWARDS — VALUE VESTED OR EARNED DURING THE YEAR

The following table sets forth information regarding the value of vested option-based awards, share based awards, and non-equity incentive plan compensation for each of the NEOs in 2020:

Executive	Value Vested During the Year		
	Option-Based Awards ⁽¹⁾ (\$)	Share-Based Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation ⁽³⁾ (\$)
Mr. Rossiter	\$0	\$749,525	\$711,300
Mr. Bishnoi	\$0	\$0	\$332,010
Ms. Martinez	\$0	\$325,063	\$386,869
Mr. Pyle	\$0	\$170,202	\$295,254
Mr. Stewart	\$0	\$110,622	\$309,348

Notes:

- (1) The value vested during the year is calculated on the assumption that all Options that vested in 2020 were exercised on their respective vesting dates. If the vesting date was a holiday, the closing price of Shares on the nearest preceding trading day was used. The closing price for Options that vested in August 9, 2020 was \$5.06 and on August 15, 2020 was \$5.89. All options vesting in 2020 were underwater.
- (2) The value shown reflects the value of vested PSU awards, RSU awards, DSU awards, and notional dividends accumulated in 2020 based on the closing price of Shares on the TSX on the vesting date. The closing price on the TSX on the vesting date for DSUs awarded to Mr. Rossiter and Mr. Pyle was \$7.92. For the notional dividends accumulated, the closing price on the applicable dividend payment date was used.
- (3) Non-equity Incentive Plan Compensation refers to awards earned under the STI Plan in 2020. The award is paid in 2021. The dollar amount noted does not consider the effect of any elections to have all or a portion of the STIP paid in the form of DSUs.

PAYMENTS ON TERMINATION OTHER THAN IN CONNECTION WITH A CHANGE OF CONTROL

Other than in connection with a change of control, as discussed below under the heading “*Payments on Termination and in Connection with a Change of Control*”, Enerflex does not have any employment or other agreements or arrangements that provide for payments to be made to executive officers following a termination of employment, and Enerflex does not have a formal severance policy for the NEOs. However, the NEOs will receive certain benefits under Enerflex’s compensation plans and programs upon termination of employment, absent a change of control, as follows:

Plan	Resignation and Termination without Cause	Termination with Cause	Retirement	Death
Base Salary	Ends as of the resignation date.	Ends as of the termination date.	Ends as of the retirement date.	Ends as of the date of death.
Benefits	Pending local legislation, eligibility ends as of the resignation date.	Eligibility ends as of the termination date.	Eligibility ends as of the retirement date.	Eligibility ends as of the date of death, provided that certain benefits may be extended to eligible dependents for a set time period in accordance with plan provisions.
Perquisites	Eligibility ends as of the resignation date.	Eligibility ends as of the termination date.	Eligibility ends as of the retirement date.	Eligibility ends as of the date of death.

Plan	Resignation and Termination without Cause	Termination with Cause	Retirement	Death
STI Plan	Eligibility ends as of the resignation date and no payment is made.	Eligibility ends as of the termination date and no payment is made.	Eligibility ends as of the retirement date and no payment is made, but the Board has discretion to approve a retirement bonus in lieu of any current year STIP entitlements, in accordance with the limitations set forth in the Retirement Policy.	Estate receives pro-rated amount based on proportion of the fiscal year completed as of the date of death.
2013 Option Plan	Unvested Options are forfeited as of the resignation date. Vested Options are exercisable any time within 90 days of the resignation or termination date.	All vested and unvested Options terminate immediately.	Unvested Options are forfeited as of the retirement date and vested Options are exercisable any time within 90 days of the retirement date. For an EMT participant, subject to conditions imposed by the Board, unvested Options fully vest on the second anniversary of the retirement date and are exercisable within three years of the retirement date.	Unvested Options fully vest and are exercisable at any time within 120 days of the date of death.
PSE Plan	Unvested PSEs are forfeited as of the resignation date. Vested PSEs are exercisable any time within 90 days of the resignation or termination date.	All vested and unvested PSEs terminate immediately.	Unvested PSEs are forfeited as of the retirement date and vested PSEs are exercisable any time within 90 days of the retirement date. For an EMT participant, subject to conditions imposed by the Board, unvested PSEs fully vest on the second anniversary of the retirement date and are exercisable within three years of the retirement date.	Unvested PSEs fully vest and are exercisable at any time within 120 days of the date of death.
PSU Plan	Subject to Board discretion, all unvested PSUs are forfeited, provided that in the case of termination without cause, any PSUs that would have vested within 60 days of such termination are deemed to be vested. Vested PSUs are paid out within 60 days of the resignation or termination date.	Subject to Board discretion, all unvested PSUs are forfeited. Vested PSUs are paid out within 60 days of the termination date.	All unvested PSUs are forfeited, unless the Board approves any accelerated vesting in accordance with the Retirement Policy. Vested PSUs are paid out within 60 days of the retirement date.	All unvested PSUs vest and are payable based on average performance measures for the period that has elapsed between the award date and the date of death.

Plan	Resignation and Termination without Cause	Termination with Cause	Retirement	Death
DSU Plan	DSUs are paid out within 60 days of the resignation or termination date.	DSUs are paid out within 60 days of the termination date.	DSUs are paid out not later than the last day of the calendar year following the year of retirement.	DSUs are paid out within 60 days of death.
RSU Plan	Subject to Board discretion, all unvested RSUs are forfeited, provided that in the case of termination without cause, any RSUs that would have vested within 60 days of such termination are deemed to be vested. Vested RSUs are paid out within 60 days of the resignation or termination date.	Subject to Board discretion, all unvested RSUs are forfeited. Vested RSUs are paid out within 60 days of the termination date.	All unvested RSUs are forfeited, but the Board has discretion to approve a retirement bonus up to the value of the forfeited RSUs, in accordance with the Retirement Policy. Vested RSUs are paid out within 60 days of the termination date.	Unvested RSUs fully vest and are paid out within 60 days of the date of death.
Pension Plan	In the U.S.A., the employee receives all employee contributions and any Company contributions made after January 1, 2019. Otherwise if Company contributions made before January 1, 2019 have not vested, these Company contributions are forfeited. In Canada, the employee receives all employee and Company contributions.	In the U.S.A., the employee receives his/her contributions any Company contributions made after January 1, 2019. Otherwise if Company contributions made before January 1, 2019 have not vested, these Company contributions are forfeited. In Canada, the employee receives all employee and Company contributions.	Upon retirement, the employee is entitled to receive a pension consisting of the employee and Company contributions as defined in the DCP.	In the U.S.A., the employee receives his/her contributions any Company contributions made after January 1, 2019. Otherwise if Company contributions made before January 1, 2019 have not vested, these Company contributions are forfeited. In Canada, the employee receives all employee and Company contributions.

PAYMENTS ON TERMINATION AND IN CONNECTION WITH A CHANGE OF CONTROL

Each of the NEOs has a five-year renewable change of control agreement in place with the Company (the “Change of Control Agreements”).

For purposes of the Change of Control Agreements, a “Control Change” will occur if:

- (i) an individual or group acquires securities of Enerflex or associated rights that attach voting rights sufficient to cast more than 35% of the votes to elect directors of Enerflex; or
- (ii) incumbent directors cease to constitute a majority of the Board of Enerflex; or
- (iii) approval by Shareholders of a transaction pursuant to which the Shareholders immediately prior to the transaction do not immediately after completion of the transaction hold Shares entitling them to cast more than 50% of the votes attached to Shares in the capital of the continuing corporation to elect directors of that corporation; or
- (iv) a liquidation, dissolution, or winding up of Enerflex, or sale, lease, or other disposition of all or substantially all the assets of Enerflex (other than to a subsidiary or which does not result in a change in the ultimate Shareholders of Enerflex or such subsidiary).

Pursuant to the Change of Control Agreements:

- “Just Cause” for dismissal will arise in the event of willful failure to perform duties, willfully engaging in any act, which is injurious to Enerflex, or willfully engaging in certain illegal acts.
- “Good Reason” will arise if Enerflex or its subsidiaries:
 - (i) materially reduces or modifies the executive’s position, responsibilities, or authority, or the executive is effectively prevented from carrying out duties;
 - (ii) reduces any form of remuneration of the executive, adversely changes the basis upon which such remuneration is determined or fails to increase remuneration in a manner consistent with policies prior to a Control Change;
 - (iii) fails to continue in effect any benefits, bonus, compensation plan, stock option plan or other purchase plan, life insurance, disability plan, pension plan, or retirement plan which the executive is participating in or entitled to participate in prior to the Control Change, or fails to take action or takes action which adversely affects these rights;
 - (iv) relocates the executive from the location of employment prior to the Control Change;
 - (v) takes action to deprive the executive of any material fringe or other benefit or entitlement enjoyed before the Control Change; or
 - (vi) breaches the Change of Control Agreements.
- “Disability” means an executive’s failure to perform substantially his duties for the Company on a full-time basis for a period of six months out of any 18-month period where such inability is a result of a physical or mental illness or disability.
- “Retirement” means retirement by an executive the date on which he/she turns 65 years of age.
- “Change of Control Period” means the three-year period following a Control Change.
- A “Trigger Event” occurs where the executive’s employment is terminated:
 - (i) subsequent to a Control Change during the Change of Control Period; or
 - (ii) prior to the date on which a Control Change occurs; and
 - (iii) it is reasonably demonstrated that such termination was at the request of a third party who has taken steps reasonably calculated to effect a Control Change or otherwise arose in connection with or anticipation of a Control Change.

If a Trigger Event occurs and the executive’s employment is terminated by Enerflex other than for Just Cause, Disability, Retirement, or death; or by the executive for Good Reason, the executive is entitled to the following payments by the Company, within 10 days of such termination:

- (i) the portion of the annual salary earned by or payable to the executive and other amounts that the executive is entitled to receive as of the date of termination;
- (ii) two times the sum of the annual base salary (the “**Two-Year Salary**”);
- (iii) an amount equal to 15% of the Two-Year Salary, as compensation for the loss of benefits;
- (iv) an amount equal to two times the average annual bonus over the previous 24 months;
- (v) equity security treatment in accordance with the applicable equity policies or plans of the Company as of the date of termination; and

- (vi) an amount on account of pension benefits to which he/she otherwise would have been entitled plus any pension benefits to which the executive would be entitled had his/her employment continued until the earlier of his/her normal retirement, death, or two years following the date of termination of employment.

If a Trigger Event occurs and the executive's employment is terminated by Enerflex for Just Cause, or by the executive other than for Good Reason, Enerflex must pay the portion of the annual salary earned by or payable to the executive and other amounts that the executive is entitled to receive as of the date of termination.

If a Trigger Event occurs for reasons of Retirement, death, or Disability, the executive or his/her family shall be entitled to receive the applicable benefits in a manner consistent with and at least equal to those provided by Enerflex to senior executives as at such date of termination.

Under the PSU Plan, if a Trigger Event occurs and such termination of employment was for any reason whatsoever other than death or Just Cause, the unvested part of any outstanding PSU awards immediately vests (at 100% or such higher percent as may be determined by the HRC Committee or Board). The Board also has discretion under the PSU Plan to accelerate the vesting of any or all outstanding PSUs upon the completion of a Control Change.

Under the RSU Plan, if a Trigger Event occurs and such termination of employment was for any reason whatsoever other than death or Just Cause, all unvested RSUs immediately vest. The Board also has discretion under the RSU Plan to accelerate the vesting of any or all outstanding RSUs upon the completion of a Control Change.

Under the Option Plan and under the PSE Plan, if a Trigger Event occurs and such termination of employment was for any reason whatsoever other than death, Just Cause or voluntary resignation, all unvested Options and PSEs, respectively, immediately vest.

The following table illustrates the incremental payments that would be received by each NEO under the specified circumstance. For the purposes of this table, the termination date of each NEO and the date of the change of control event, as applicable, is assumed to be December 31, 2020, and the value of Shares reflects the December 31, 2020 closing market price of \$6.56.

Executive	Change of Control and Termination	Termination with Cause	Termination without Cause ⁽¹⁾	Retirement
Marc E. Rossiter				
Severance ^(2,3)	1,425,000	⁽⁴⁾	⁽⁴⁾	-
Bonus ⁽⁵⁾	1,690,619	-	-	-
Benefits and Pension ⁽⁶⁾	570,722	-	-	-
Option-Based Awards (unvested and accelerated) ⁽⁷⁾	343,387	-	-	-
Share-Based Awards (unvested and accelerated) ⁽⁸⁾	3,965,317	-	-	-
Total Payment	7,995,044	-	-	-
Sanjay Bishnoi				
Severance ^(2,3)	901,170	⁽⁴⁾	⁽⁴⁾	-
Bonus ⁽⁵⁾	664,020	-	-	-
Benefits and Pension ⁽⁶⁾	277,757	-	-	-
Option-Based Awards (unvested and accelerated) ⁽⁷⁾	115,817	-	-	-
Share-Based Awards (unvested and accelerated) ⁽⁸⁾	1,113,048	-	-	-
Total Payment	3,071,813	-	-	-

Executive	Change of Control and Termination	Termination with Cause	Termination without Cause ⁽¹⁾	Retirement
Patricia Martinez ⁽⁹⁾				
Severance ^(2,3)	917,508	(4)	(4)	-
Bonus ⁽⁵⁾	822,759	-	-	-
Benefits and Pension ⁽⁶⁾	318,992	-	-	-
Option-Based Awards (unvested and accelerated) ⁽⁷⁾	104,503	-	-	-
Share-Based Awards (unvested and accelerated) ⁽⁸⁾	1,149,850	-	-	-
Total Payment	3,313,612	-	-	-
Philip A.J. Pyle ⁽⁹⁾				
Severance ^(2,3)	1,156,664	(4)	(4)	-
Bonus ⁽⁵⁾	775,941	-	-	-
Benefits and Pension ⁽⁶⁾	335,113	-	-	-
Option-Based Awards (unvested and accelerated) ⁽⁷⁾	36,596	-	-	-
Share-Based Awards (unvested and accelerated) ⁽⁸⁾	403,630	-	-	-
Total Payment	2,707,944	-	-	-
Gregory Stewart ⁽⁹⁾				
Severance ^(2,3)	909,736	(4)	(4)	-
Bonus ⁽⁵⁾	833,288	-	-	6,706 ⁽¹⁰⁾
Benefits and Pension ⁽⁶⁾	326,782	-	-	(11)
Option-Based Awards (unvested and accelerated) ⁽⁷⁾	103,618	-	-	(12)
Share-Based Awards (unvested and accelerated) ⁽⁸⁾	1,137,228	-	-	379,076 ⁽¹³⁾
Total Payment	3,310,652	-	-	385,782

Notes:

- (1) "Termination without Cause" includes termination without cause by Enerflex and resignation by the NEO but does not include any retirement that qualifies as normal or early retirement under the Retirement Policy (see the "Retirement" column of the table above and Note (2)).
- (2) Enerflex has a Change of Control Agreement with each NEO but does not have employment agreements with any of its NEOs.
- (3) The amount shown is equal to two times the annual base salary pursuant to the NEO's Change of Control Agreement.
- (4) Any severance amount would be as determined under applicable law.
- (5) The amount shown is an amount equal to two times the average annual bonus earned in the 24 months preceding the date of termination, pursuant to the NEO's Change of Control Agreement.
- (6) The amount shown is equal to 15% of two times the annual base salary as compensation for the loss of benefits plus the equivalent of any pension benefits to which the NEO would have been entitled had the NEO's employment continued for two years following the date of termination, pursuant to the NEO's Change of Control Agreement.
- (7) Value shown includes the incremental value of "in-the-money" unvested Options/PSEs as of December 31, 2020, calculated using the closing market price of a Share on December 31, 2020. The in-the-money amount with respect to Options/PSEs is the positive difference (if any) of the closing market price of a Share on December 31, 2020 and the exercise price of the award. In the event of a Control Change and termination, all unvested Options/PSEs vest. For a termination with cause, all vested and unvested Options/PSEs are forfeited. For a termination without cause, unvested Options/PSEs are forfeited, and vested Options/PSEs must be exercised within 90 days.
- (8) Value shown includes the incremental value of all unvested PSU and RSU awards calculated by using the closing market price of a Share on December 31, 2020 in accordance with the applicable plan provisions.
- (9) Messrs. Pyle and Stewart, and Ms. Martinez's USD compensation has been converted to CAD using the average rate for 2020 (USD \$1.0000 = CAD \$1.3412).

- (10) The amount shown reflects the retirement bonus based on years of service pursuant to the terms of the Retirement Policy in effect as of December 31, 2020. The amount of any retirement bonus for an executive officer is subject to Board discretion. Mr. Stewart is the only NEO whose retirement effective December 31, 2020 would qualify as an early retirement under the Retirement Policy. If Messrs. Rossiter, Bishnoi, Pyle, or Ms. Martinez retired effective December 31, 2020, their retirement would be treated as a resignation (see the "Termination without Cause" column in the table above).
- (11) In the absence of a retiree benefit program and under special circumstances, the Board has discretion to provide up to 15% of the annual base salary as compensation for the loss of benefits.
- (12) No Options would be early vested as of the retirement date. Pursuant to the terms of the Option Plan, all unvested Options continue to vest during the two-year period following the retirement date; on the second anniversary of the retirement date any unvested Options immediately vest; and the NEO has three years from the retirement date to exercise any vested Options.
- (13) Value shown reflects the value of 1/3 unvested PSUs and RSUs held by Mr. Stewart, which would be early vested in accordance with the provisions of the Retirement Policy, subject to Board discretion to vest all outstanding PSUs and RSUs. Mr. Stewart had no vested PSU or RSU awards at December 31, 2020.

ADDITIONAL COMPENSATION PLAN INFORMATION

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Option Plan is the Company's only compensation plan under which equity securities have been authorized for issuance. As of December 31, 2020, there were 4,057,142 Options outstanding under the Option Plan (representing 4.52% of the issued and outstanding Shares), the details of which are as follows:

Plan Category	# of Securities to be issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options (\$)	# of Securities Remaining Available for Future Issuance Under Equity Compensation Plans ⁽¹⁾
Equity Compensation Plans Approved by Security Holders	4,057,142	12.78	4,742,034 ⁽²⁾
Equity Compensation Plans Not Approved by Security Holders	Nil	Nil	Nil
Total	4,057,142	12.78	4,742,034 ⁽²⁾

Notes:

- (1) Excluding securities reflected in column (a).
(2) Representing 5.29% of the issued and outstanding Shares as of December 31, 2020.

ANNUAL BURN RATE

The annual burn rate for each security-based compensation arrangement for the three most recently completed fiscal years, expressed as a percentage, and calculated by dividing the number of awards granted under the arrangement during the applicable fiscal year by the weighted average number of Shares outstanding for the applicable fiscal year, is set forth in the following table:

Security-Based Compensation Arrangement	2020	2019	2018
Option Plan	0.936%	0.995%	0.998%

STOCK OPTION PLAN

The following outlines the Option Plan provisions:

Provision	Option Plan
History and Amendments	The Option Plan was approved by the Shareholders on April 16, 2014. On December 6, 2017, the Board amended and restated the Option Plan to clarify the treatment of Options in the event that an EMT participant retires as a "good leaver". The good leaver provision provides that if, before the expiry of an Option in accordance with the terms thereof, an EMT participant retires with Board approval in accordance with the Retirement Policy, unvested Options will fully vest by the second anniversary of the retirement date, subject to any conditions imposed by the Board in connection with the retirement, and are exercisable until the third anniversary of the retirement date, subject to any conditions imposed by the Board in connection with the retirement. On February 21, 2020, the Board further amended and restated the Option Plan to: (a) remove the 1% annual cap on Option grants; (b) make housekeeping changes to remove references to the legacy 2011 option plan (as there are no further Options outstanding under that plan) and to clarify the wording of the eligibility and amendment provisions (without amending the substance of those provisions); and (c) replenish and increase the fixed maximum number of Shares available for Options granted under the Option Plan (which increase was approved by the Shareholders on May 8, 2020).
Administration	The Board administers the Option Plan.

Provision	Option Plan
Eligible Participants	Officers and other key full-time employees. Non-employee directors are not eligible to participate.
Exercise Price	The exercise price is fixed by the Board at the time a grant of Options is approved and shall be equal to the FMV as of the date determined by the Board.
Vesting	Vesting provisions are as determined by the Board.
Granting and Exercising During a Blackout	If an expiry date of any Option falls within any blackout period, then the expiry date of such option is extended to the ten business days after the date that any blackout period ends.
Change of Control	The unexercised Options will become vested in circumstances where the participant's employment is terminated in connection with a Control Change (as defined in the Option Plan).
Assignment	Options may not be assigned but may be exercised by the legal representative or estate of the recipient.
Termination Provisions	When a participant ceases to be a director, officer, or full-time employee of Enerflex, that participant ceases to be entitled to receive Options and may only exercise vested Options within the time limits specified in the Option Plan.
Expiry	Options must be exercised no later than seven years from the date of the grant.
Recoupment	All grants of Options are subject to the Enerflex Clawback Policy.
Option Plan Limits	<p>There is a fixed maximum of 8,799,176 Shares reserved for issuance under the Option Plan, representing 9.81% of the Shares as at December 31, 2020. As of December 31, 2020, the Company has 4,742,034 Options available for future grant, representing 5.29% of the Shares.</p> <p>No one person is entitled to receive Options representing more than 5% of the currently outstanding Shares.</p> <p>The aggregate number of Shares issued to insiders within a one-year period or issuable to insiders at any time shall not exceed 10% of the issued and outstanding Shares (insider participation limit).</p>
Amendment Provisions	<p>Shareholder approval is required for the following amendments: (i) any amendment to the amending provision; (ii) any increase in the maximum number of Shares issuable under the plan; (iii) any reduction in the Option price or extension in the period during which an Option may be exercised (including a cancellation and re-grant of an Option to achieve the foregoing, and a substitution of an Option with cash or other award the terms of which are more favorable to the recipient); (iv) any amendment to the definition of participant; (v) any amendment to the assignability of Options provision; and (vi) any amendment to remove or exceed the insider participation limit.</p> <p>Subject to the above amendments that require Shareholder approval, the Board may amend the Option Plan or any Option granted thereunder for any other purpose (provided that any material, adverse amendment to an outstanding Option requires the consent of the holder), including for example: (i) to ensure compliance with applicable laws; (ii) amendments of a housekeeping nature; (iii) changing vesting provisions of the Option Plan or of any Option; (iv) changing the termination provisions of the Option Plan or any Option provided such amendment does not entail an extension beyond the originally scheduled expiry date; and (v) adding a cashless exercise feature.</p>

MISCELLANEOUS

INDEBTEDNESS OF DIRECTORS AND OFFICERS

Enerflex as a rule does not provide loans to its directors and officers and there were no such loans advanced or outstanding during the 2020 fiscal year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any informed person (as defined in NI 51-102) of the Company, any proposed director of the Company or any associate or affiliate of any informed person or proposed director of the Company, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company.

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

Management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee director, senior officer, or anyone who has been a director or senior officer of the Company at any time since January 1, 2020, or of any associate or affiliate of any of the foregoing individuals, in any matter to be acted on at the Meeting, except as set forth in this Information Circular.

ADDITIONAL DISCLOSURE RELATING TO DIRECTORS

Other than as disclosed below, to the knowledge of the Corporation, no proposed director of Enerflex is, or within the ten years prior to the date of this Information Circular has been: (i) a director, chief executive officer, or chief financial officer of any company that was subject to a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer, or chief financial officer; (ii) a director, chief executive officer, or chief financial officer of any company that was subject to a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer, or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer, or chief financial officer; or (iii) a director or executive officer of any 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.

To the knowledge of the Corporation, no proposed director has, within the ten years prior to the date of this Information Circular, 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 proposed director.

On March 17, 2015, Mr. Dunn was a director of Quicksilver Resources Inc. ("**Quicksilver**"), when certain of its affiliates filed voluntary petitions for relief under Chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware. A marketing and sale process to sell all or a portion of its U.S.A. and Canadian assets was initiated on September 17, 2015. On January 23, 2016, Quicksilver announced that BlueStone Natural Resources II LLC was the winning bidder in the sale process. On August 16, 2016, the court entered an Order confirming the First Amended Joint Chapter 11 Plan of Liquidation for Quicksilver and its Affiliated Debtors (the "**Plan**"). The effective date as defined in the Plan

was August 31, 2016. The Plan called for the establishment of a Liquidation Trust on the effective date for the purposes of liquidating and administering the Liquidation Trust Assets and making distributions on account thereof. Quicksilver's board of directors was dissolved, and its officers discharged on August 31, 2016.

To the knowledge of the Corporation, no proposed director of Enerflex has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

CURRENCY OF INFORMATION

Except where otherwise expressly noted, the information in this Information Circular is given as of March 2, 2021, and references in this Circular to "\$" or "dollars" are to Canadian dollars.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative Consolidated Annual Financial Statements and Management's Discussion and Analysis for the Company's financial year ended December 31, 2020, copies of which may be obtained by writing to the Corporate Secretary of the Company at Suite 904, 1331 Macleod Trail SE, Calgary, AB T2G 0K3.

SHAREHOLDER PROPOSALS

Shareholder proposals must be submitted no later than November 21, 2021 to be considered for inclusion in next year's Management Information Circular for the purposes of Enerflex's Meeting of Shareholders to be held in 2022.

DIRECTORS' APPROVAL

The Board of Directors of Enerflex has approved the contents and the sending of this Circular to the Shareholders.

Dated as of March 2, 2021.

[signed] "**Marc E. Rossiter**"

Marc E. Rossiter
Director, President and Chief Executive Officer

APPENDIX A – BOARD MANDATE

DUTIES OF DIRECTORS

INTRODUCTION

As prescribed by the articles of incorporation of Enerflex Ltd. (the “**Corporation**”), the board of directors of the Corporation (the “**Board**”) shall have a minimum of three and a maximum of twelve directors at any given time. At least a majority of the Board shall be independent (as defined by applicable legislation and the rules of any stock exchange on which securities of the Corporation are listed), and in any event management representation on the Board shall not exceed two members.

The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. Management's discharge of its responsibilities is subject to continuing oversight by the Board. Subject to the Articles and By-laws of the Corporation, the Board retains the responsibility for managing its own affairs, including planning its composition, selecting its Chair, nominating candidates for election to the Board, appointing committees and determining director compensation.

The Board is responsible under law to supervise the management of the business and affairs of the Corporation. Without limiting the generality of the foregoing, the Board's principal duties fall into six categories.

1. SELECTION OF MANAGEMENT

- a) The Board is responsible for the appointment and replacement of a Chief Executive Officer (“CEO”), for monitoring CEO performance, approving the corporate goals and objectives of the CEO, determining CEO compensation and benefits policies, and providing advice and counsel in the execution of the CEO's duties.
- b) The Board is responsible for approving the appointment and remuneration policies of all executive officers, taking into consideration the recommendation of the CEO.
- c) The Board is responsible for oversight of management succession, including retirement and termination decisions regarding executive officers.
- d) The Board is responsible, to the extent feasible, for satisfying itself as to the integrity of the CEO and other senior officers and for ensuring that such persons create a culture of integrity throughout the Corporation.

2. MONITORING AND ACTING

- a) The Board is responsible for approving annual capital and operating plans, monitoring the Corporation's performance against these plans and revising and altering its direction through management in light of changing circumstances.
- b) The Board is responsible for taking action when performance falls short of its goal or when other special circumstances warrant (for example, mergers and acquisitions or changes in control).
- c) The Board is responsible for approving all major acquisitions, dispositions, investments, financings, and other significant matters outside the ordinary course, and for approving the Corporation's register of authorities delegated to various levels of management.

- d) The Board is responsible for approving the Corporation's annual corporate donations budget.
- e) The Board is responsible for approving any payment of dividends to shareholders and other activities and transactions as specified by corporate law.
- f) The Board is responsible for approving the selection of the outside auditor for appointment by the shareholders.
- g) The Board monitors on a periodic, regular basis management's identification and assessment of the principal business risks facing the Corporation and keeps informed of how these risks are being handled by management, including through the implementation of appropriate controls.
- h) The Board is responsible for overseeing the integrity of the Corporation's internal control and management information systems.

3. STRATEGY DETERMINATION

The Board is responsible for overseeing the development by management of the mission of the business, its objectives and goals, and the strategy by which it proposes to reach those goals.

4. POLICIES AND PROCEDURES

- a) The Board is responsible for approving and monitoring compliance with all significant policies and procedures by which the Corporation is operated.
- b) The Board has a particular responsibility to oversee the Corporation's compliance with applicable laws and regulations, and the operation of its business in accordance with appropriate ethical standards. To this end the Corporation has adopted a Code of Conduct (the "Code") and oversees compliance with the Code.
- c) The Board is responsible for developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines.

5. REPORTING TO SHAREHOLDERS

- a) The Board is responsible for adopting a communication policy including overseeing financial reporting to shareholders, other security holders and regulators on a timely and regular basis.
- b) The Board is responsible for ensuring the timely reporting of any other developments that have a significant and material impact on the value of the Corporation.
- c) The Board is responsible for reporting annually to shareholders on its stewardship for the preceding year, as required by law.
- d) Shareholders are entitled to provide feedback to the Corporation and the Board through mail addressed to the Chair, at the Corporation's head office, email through the Corporation's website at www.enerflex.com or through the Corporation's Compliance Hotline.

6. LEGAL REQUIREMENTS

- a) The Board is responsible for overseeing compliance with legal requirements.
- b) Canadian law identifies the following as the standards for the proper discharge of the Board's responsibilities.
 - i. to manage the business and affairs of the Corporation.

- ii. to act honestly and in good faith with a view to the best interests of the Corporation.
 - iii. to exercise the care, diligence and skill that reasonable prudent people would exercise in comparable circumstances.
 - iv. to act in accordance with its obligations contained in the Canada Business Corporations Act and the regulations thereto, applicable securities laws, other relevant legislation and regulations, and the Corporation's articles and by-laws.
- c) In particular, it should be noted that the following matters must be considered by the Board as a whole and may not be delegated to a Committee:
- i. any submission to the shareholders of a question or matter requiring the approval of the shareholders;
 - ii. the filling of a vacancy among the directors or in the office of the auditor, or the appointment of additional directors;
 - iii. the issuance of securities, including the issuance of any shares in one or more series;
 - iv. the declaration of dividends;
 - v. the purchase, redemption or any other form of acquisition of shares issued by the Corporation;
 - vi. the payment of a commission to any person in consideration of the purchase or agreement to purchase shares of the Corporation from the Corporation;
 - vii. the approval of management proxy circulars;
 - viii. the approval of any take-over bid circular or directors' circular;
 - ix. the approval of the financial statements of the Corporation to be submitted to shareholders; and
 - x. the adoption, amendment, or repeal of by-laws of the Corporation.

ADDITIONAL EXPECTATIONS OF BOARD MEMBERS

In addition to the responsibilities and duties described above, there are additional expectations of the Corporation's Directors including the following:

1. Board members are expected to maintain the highest personal and professional values, integrity and ethics. This shall include compliance with the Code and certification on an annual basis.
2. Board members are expected to bring a probing and objective perspective to the Board and be prepared to challenge management.
3. Board members are expected to attend all Board and Committee meetings (as applicable) and devote the necessary time and attention to Board matters. This includes the advance review of materials, adequate preparation for Board meetings and keeping informed about the Corporation's business and relevant developments outside the Corporation that affect its business.
4. Independent Board members are expected to sit on at least one Board Committee.
5. Directors are expected to own shares in the Corporation in compliance with the Share Ownership Guidelines.

APPENDIX B – GLOSSARY

Unless the context requires, when used in this Circular, the following terms shall have the meanings set forth below:

“**401(k) Plan**” or “**401(k)**” means the matched savings plan for United States employees;

“**Absolute EBIT**” means EBIT expressed as a dollar value;

“**AIF**” means the Annual Information Form of the Company for the year ended December 31, 2020, dated February 24, 2021, and filed on SEDAR at www.sedar.com;

“**Amended By-Law No.3**” means Enerflex’s Amended and Restated By-Law No.3, as amended and restated by the Board effective August 9, 2018;

“**Articles**” means Enerflex’s Restated Certificate and Articles of Incorporation dated May 3, 2019;

“**Audit Committee**” means the Audit Committee of the Board;

“**Board of Directors**” or “**Board**” means the Board of Directors of Enerflex, as it may be comprised from time to time;

“**BSV**” means Black-Scholes Value. Enerflex uses the Black-Scholes method of valuation to derive the fair value for the Option and PSE grants;

“**Capital Employed**” means the average of the four previous quarters plus current month balance for short- and long-term debt plus equity less cash;

“**CBCA**” means the *Canada Business Corporations Act*, as amended from time to time;

“**CD&A**” means Compensation Discussion and Analysis;

“**CEO**” or “**President and CEO**” means President and Chief Executive Officer of Enerflex;

“**CETO**” means Chief Energy Transition Officer;

“**CFO**” means Chief Financial Officer;

“**Circular**” means this Management Information Circular of Enerflex dated March 2, 2021;

“**DCP**” means Defined Contribution Plan and collectively includes the DCP for Canada employees and the 401(k)-matched savings plan for United States employees;

“**DCPP**” means Defined Contribution Pension Plan for Canada employees;

“**DSUs**” means Deferred Share Units - a notional unit with a value equal to a Share that can only be redeemed when the individual leaves the Company;

“**DSU Plan**” means the Deferred Share Unit Plan of the Company, as amended from time to time;

“**EBIT**” means Earnings Before Interest and Taxes for the trailing 12-month period;

“**EBIT %**” means EBIT divided by revenue and expressed as a percentage;

“**EMT**” means the Executive Management Team of Enerflex, and includes the NEOs;

“**Enerflex**” or the “**Company**” means Enerflex Ltd.;

“**ERM**” means enterprise risk management;

“**ESG**” means environmental, social, and governance matters;

“**ESPP**” means the Employee Share Purchase Plan of the Company;

“**EVP**” means Executive Vice President;

“**EVP and COO**” means Executive Vice President and Chief Operating Officer of Enerflex Ltd.;

“**EY**” means Ernst and Young LLP, Chartered Accountants in Calgary, Alberta;

“**FMV**” means the Fair Market Value of Company Shares, being the weighted average of the price of a Share on the TSX for the five days immediately preceding the date of the grant and/or date of award and/or dividend payment date, or date disclosed, as applicable;

“**GHG**” means greenhouse gas;

“**HRC Committee**” means the Human Resources and Compensation Committee of the Board;

“**HSE**” means health, safety, and environment;

“**Hugessen**” means Hugessen Consulting, an advisor to the HRC Committee and the NCG Committee;

“**LTI Plans**” or “**LTIP**” means the Long-Term Incentive Plans and includes the Option Plans, the DSU Plan, the RSU Plan, the PSE Plan, and the PSU Plan pursuant to which long-term incentives may be issued;

“**Meeting**” means the Annual Meeting of the holders of Shares to be held on May 4, 2021 and any adjournments thereof;

“**Mercer**” means Mercer (Canada) Limited, an advisor to the HRC Committee, and a wholly owned subsidiary of Marsh and McLennan Companies, Inc.;

“**NCG Committee**” means the Nominating and Corporate Governance Committee of the Board;

“**NEO**” or “**NEOs**” means the named Executive Officers of Enerflex for 2020;

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*, as amended from time to time;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*, as amended from time to time;

“**NI 54-101**” means National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*, as amended from time to time;

“**NI 58-101**” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as amended from time to time;

“**NP 58-201**” means National Policy 58-201 – *Corporate Governance Guidelines*, as amended from time to time;

“**Option Plan**” means the Amended and Restated 2013 Stock Option Plan, as approved by Shareholders of the Company on April 16, 2014, amended and restated by the Board effective December 6, 2017, and further amended and restated by the Board on February 21, 2020, with the amendment to increase the total number of Shares reserved for issuance under the Option Plan approved by the Shareholders on May 8, 2020;

“**Options**” means the options to purchase Shares granted under the Option Plan;

“**PSEs**” means the Phantom Share Entitlements issued under the PSE Plan - a notional unit with a value equal to the FMV of a Share. PSEs represent the right only to receive a cash payment in accordance with the terms and conditions of the PSE Plan;

“**PSE Plan**” means the Amended and Restated Phantom Share Plan of the Company, as amended from time to time;

“**PSUs**” means the Performance Share Units issued under the PSU Plan - a notional unit with a value equal to the FMV of a Share. The value received is contingent upon meeting predetermined performance targets and the FMV at the time of payout;

“**PSU Plan**” means the Performance Share Unit Plan of the Company, as amended from time to time;

“**Record Date**” means March 16, 2021;

“Retirement Policy” means the retirement policy of the Company, as amended from time to time, which applies to all employees of the Company, including NEOs, and pursuant to which an employee is deemed eligible to retire based on a combination of age plus years of service;

“ROCE” means Return on Capital Employed, EBIT for the trailing 12-month period divided by Capital Employed;

“RRSP” means Registered Retirement Savings Plan for Canada employees;

“RSUs” means the Restricted Share Units issued under the RSU Plan - a notional unit with a value equal to the FMV of a Share. The value received is contingent upon meeting vesting requirements and the FMV at the time of payout;

“RSU Plan” means the Restricted Share Unit Plan of the Company, as amended from time to time;

“SERP” means collectively, the U.S.A. and Canada Supplemental Employee Retirement Plans;

“Shareholders” means holders of Shares;

“Shares” means the Common Shares in the capital of the Company;

“Share Ownership Guidelines” has the meaning ascribed in the section entitled *“Board of Director Compensation – Share Ownership Guidelines”* and *“Compensation Discussion and Analysis – Share Ownership Guidelines”*;

“STI Plan” or **“STIP”** means the Short-Term Incentive Plan pursuant to which the Company may grant short-term variable pay based on the STIP payout calculation, as described in the section entitled *“Short-Term Incentive Plan Payout Calculation”*;

“SVP” means Senior Vice President;

“SVP, CFO” means Senior Vice President, Chief Financial Officer;

“SVP, General Counsel” means Senior Vice President, General Counsel;

“TRIR” means the Total Recordable Injury Rate calculated by multiplying the number of recordable injuries in a calendar year by 200,000 (100 employees working 2,000 hours per year) and dividing the value by the total hours worked in the year;

“TSR” means Total Shareholder Return;

“TSX” means the Toronto Stock Exchange; and

“United States” or **“U.S.A.”** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.