



CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER

As of July 1, 2015

PART I ESTABLISHMENT OF COMMITTEE

1. Committee Purpose

The Corporate Governance and Nominating Committee (the “**Committee**”) is established by the board of directors (the “**Board of Directors**”) of CES Energy Solutions Corp. (the “**Corporation**”) for the purpose of maintaining and enhancing the Corporation’s corporate governance practices, including identifying and recommending qualified individuals in respect of the Board of Directors and the Chief Executive Officer position.

The Committee shall assist the Board of Directors in fulfilling its oversight responsibilities by, among other things: (a) assisting with reviewing the composition of, and succession planning in respect of the directors on the Board of Directors, (b) identifying, evaluating and recommending directors for nomination for election, (c) succession planning for the Chief Executive Officer and senior management of the Corporation, (d) identifying, evaluating and recommending individuals for the Chief Executive Officer position, (e) monitoring initial orientation and continuing education for directors, (f) developing governance guidelines and policies and (g) providing oversight of governance related matters.

2. Composition of Committee

The Committee shall consist of as many members as the Board of Directors shall determine, but in any event not fewer than three directors of the Corporation, provided that each member of the Committee shall be determined by the Board of Directors to be:

- (a) an “unrelated” and “independent” director as defined in, and for the purposes of, any applicable governance guidelines or listing standards of any stock or securities exchange upon which the securities of the Corporation are, from time to time, listed; and
- (b) an “independent” director for the purposes of any applicable corporate, securities or other legislation or any rule, regulation, instrument, policy, guideline or interpretation under such legislation, including, but not limited to, National Instrument 52-110 – *Audit Committees*, promulgated under the *Securities Act* (Alberta).

3. Appointment of Committee Members

The members of the Committee shall be appointed by the Board of Directors. The members of the Committee shall be appointed at the time of each annual meeting of shareholders and shall hold office until the next annual meeting, until they are removed by the Board of Directors or until their successors are earlier appointed, or until they cease to be directors of the Corporation.

PART II COMMITTEE PROCEDURE

4. Vacancies

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board of Directors and shall be filled by the Board of Directors, by resolution, if the membership of the Committee is fewer than three directors. The Board of Directors may remove and replace any member of the Committee.

5. Committee Chair

The Board of Directors shall appoint a chair (the “**Chair**”) for the Committee. The Chair may be removed and replaced by the Board of Directors.

6. Absence of Chair

If the Chair is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.

7. Secretary of Committee

The Committee shall appoint a Secretary who need not be a director of the Corporation.

8. Regular Meetings

The Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least twice a year. The Committee at any time may, and at each regularly scheduled Committee meeting shall, meet without management present and shall meet periodically with management.

9. Special Meetings

The Chair, any two members of the Committee, the President and Chief Executive Officer of the Corporation may call a special meeting of the Committee.

10. Quorum

A majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other, shall constitute a quorum.

11. Notice of Meetings

Notice of the time and place of every meeting shall be given in writing or by e-mail or facsimile communication to each member of the Committee at least 48 hours prior to the time fixed for such meeting; provided, however, that a member may, in any manner, waive notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

12. Agenda

The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee and management of the Corporation. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practicable, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

13. Delegation

The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it deems appropriate.

14. Access

In discharging its oversight role, the Committee shall have full access to all books, records, facilities and personnel of the Corporation.

15. Attendance of Others at a Meeting

At the invitation of the Chair, one or more officers, directors or employees of the Corporation may, and if required by the Committee shall, attend a meeting of the Committee.

16. Procedure, Records and Reporting

The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board of Directors when the Committee may deem appropriate (but not later than the next meeting of the Board of Directors).

17. Outside Consultants or Advisors

The Committee, when it considers it necessary or advisable, may retain, at the Corporation's expense, outside consultants or advisors (including independent counsel) to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain or terminate such consultants or advisors, including the sole authority to approve the fees and other retention terms for such persons.

**PART III
COMMITTEE TERMS OF REFERENCE – GOVERNANCE**

18. Establishment and Review of Board of Directors Member Characteristics

The Committee shall:

- (a) establish and review with the Board of Directors the appropriate skills and characteristics required of Board of Directors' members, taking into consideration the Board of Directors' short-term needs and long-term succession plans; and
- (b) develop, and annually update, a long-term plan for the Board of Director's composition that takes into consideration the characteristics of independence, age, diversity, skills, experience and availability of service to the Corporation of its members, as well as the opportunities, risks, and strategic direction of the Corporation.

19. Evaluation, Identification and Recommendation of Nominees to the Board of Directors

In consultation with the Chairman of the Board of Directors and the Chief Executive Officer, the Committee shall:

- (a) identify and recommend to the Board of Directors nominees for election or re-election to the Board of Directors or for appointment to fill any vacancy that is anticipated or has arisen on the Board of Directors in accordance with governance guidelines as or policies adopted by or applicable to the Corporation from time to time and this Charter;
- (b) evaluate candidates for the Board of Directors recommended by shareholders; and
- (c) report to the Board of Directors regularly on the status of these efforts.

20. Succession Planning for CEO

In consultation with the Chairman of the Board of Directors, the Committee shall:

- (a) develop, and annually update, a succession plan and emergency succession plan for the Chief Executive Officer position and review the appropriate skills, characteristics and experience required for such position; and
- (b) identify, evaluate and recommend to the Board of Directors candidates to fill the Chief Executive Officer position in the event a vacancy in that role is anticipated or has arisen.

21. Succession Planning for Senior Management

In consultation with the Chief Executive Officer, the Committee shall:

- (a) review the composition and structure of the Corporation's senior management team given the age, diversity, skills and experience of the team members as well as the opportunities, risks, and strategic direction of the Corporation; and

- (b) the succession plan for the senior management of the Corporation.

22. Monitoring and Review of Board of Directors Member Education and Development

The Committee shall review, monitor and make recommendations regarding the initial orientation and education of new Board of Directors members, and the ongoing education of directors.

23. Recommendation of Directors to Serve as Committee Members and Chairs

The Committee shall recommend to the Board of Directors individual directors to serve as members and Chairs of each committee of the Board of Directors.

24. Development of Governance Guidelines

The Committee shall develop and recommend to the Board of Directors for approval a set of governance guidelines for the Corporation. The Committee shall periodically review the Corporation's governance guidelines to determine whether the Guidelines remain appropriate for the Corporation and shall develop and recommend to the Board of Directors for approval any changes in the governance guidelines that the Committee determines to be necessary or advisable. The Committee shall be responsible for the Corporation's response regarding compliance with the governance guidelines, recommendations or requirements of any applicable regulator or securities exchange.

25. Board of Directors Guidelines, Policies, Procedures and Charter

In order to implement the governance guidelines of the Corporation, as may be implemented, adopted or amended from time to time, the Committee shall:

- (a) review periodically, for Board of Directors' approval, policies and procedures by which the Board of Directors will operate and the Terms of Reference and/or Charter for the Board of Directors, the Chairman of the Board of Directors and committees of the Board of Directors;
- (b) review the Corporation's structures and procedures to ensure the Board of Directors is able to, and in fact does, function independently of management;
- (c) advise the Board of Directors regularly with respect to significant developments in the law and practice of corporate governance, as well as the compliance by the Corporation with its governance guidelines, as may be implemented, adopted or amended from time to time, and applicable laws and regulations;
- (d) make recommendations to the Board of Directors on all matters of corporate governance, including any reports that may be required or considered advisable, and on any corrective action to be taken, as the Committee may deem appropriate; and
- (e) at the request of the Chairman of the Board of Directors or the Board of Directors, undertake such other corporate governance initiatives as may be necessary or desirable to contribute to the success of the Corporation.

26. Establishment and Implementation of Evaluation Processes

The Committee shall establish criteria for, and annually implement, an evaluation process for the Board of Directors.

27. Oversight of Risk Management Activities

The Committee shall periodically monitor and review the Corporation's risk management policies and procedures to ensure:

- (a) the policies and procedures provide for the identification of key risks to the Corporation's business and operations;
- (b) there is executive responsibility for the implementation of appropriate strategies for the management and mitigation of key risks; and
- (c) the Board of Directors and its committees maintain appropriate oversight of the implementation and application of the Corporation's risk management policies, procedures and strategies.

28. Establishment of Procedure for Independent Counsel Engagement by a Committee or Director

The Committee shall ensure that there is a system that enables each Committee and each director to engage separate independent counsel in appropriate circumstances, at the Corporation's expense, and be responsible for the ongoing administration of such a system.

29. Review of Disclosure

The Committee shall review those portions of the Corporation's annual disclosure documents containing significant information relating to matters within the Committee's mandate.

**PART IV
GENERAL**

30. Self-Evaluation

The Committee shall conduct an annual performance self-evaluation including an evaluation of the Chair and shall report to the Board of Directors the results of the self-evaluation.

31. Review of Committee's Charter

The Committee shall assess the adequacy of this Charter on an annual basis and recommend any changes to the Board of Directors.

32. Non-Exhaustive List

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its oversight responsibilities.