

Critical Control Energy Services Corp.

MANDATE OF THE BOARD OF DIRECTORS

Adoption

The Board of Directors (the “Board”) of Critical Control Energy Services Corp. (the “Corporation”) adopted this Mandate by resolution dated April 16, 2010, which Mandate was revised and adopted by the Board by resolution on April 19, 2011.

Policy Statement

The Board of the Corporation has the responsibility to oversee the conduct of the business of the Corporation and to oversee the activities of management who are responsible for the day-to-day conduct of the business of the Corporation.

Composition and Operation

The Board is to be constituted of a majority of individuals who are “independent” (as such term is defined in National Instrument 58-101 of the Canadian Securities Administrators entitled “Disclosure of Corporate Governance Practices”).

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chairman, nominating candidates for election to the Board, constituting committees of the full Board and determining compensation for the directors. Subject to the Articles and By-Laws of the Corporation and the Business Corporations Act (Alberta), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

Responsibilities

The Board’s fundamental objectives are to enhance and preserve long-term shareholder value, to ensure the Corporation meets its obligations on an ongoing basis and that the Corporation operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests its other stakeholders such as employees, customers and communities may have in the Corporation. In broad terms, the stewardship of the Corporation involves the Board in strategic planning, financial reporting, risk management and mitigation, senior management determination, communication planning and internal control integrity.

Specific Duties

1. Legal Requirements

- a. The Board has the oversight responsibility for meeting the Corporation’s legal requirements and for properly preparing, approving and maintaining the Corporation’s documents and records.
- b. The Board has the statutory responsibility to:
 - i. manage the business and affairs of the Corporation;
 - ii. act honestly and in good faith with a view to the best interests of the Corporation;
 - iii. exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and

- iv. act in accordance with its obligations contained in the Business Corporations Act (Alberta) and the regulations thereto, the Articles and By-Laws of the Corporation, and other relevant legislation and regulations.
- c. The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:
 - 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;
 - iii. the issuance of securities;
 - iv. the declaration of dividends;
 - v. the purchase, redemption or any other form of acquisitions of shares issued by the Corporation;
 - vi. the payment of a commission to any person in consideration of his/her purchase or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares;
 - vii. the approval of any annual or quarterly financial statements;
 - viii. the approval of all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management discussion and analysis and press releases;
 - ix. the approval of any management proxy circulars;
 - x. the approval of any take-over bid circular or directors' circular;
 - xi. the approval of annual operating and capital budgets, including comparisons of actual to budget and all significant differences; and
 - xii. strategy.

2. Independence, Orientation and Evaluation

The Board shall have the responsibility to:

- a. implement appropriate structures and procedures to permit the Board to function independently of management;
- b. implement a system which enables an individual director to engage an outside advisor at the expense of the Corporation in appropriate circumstances;
- c. provide an orientation and education program for newly appointed members of the Board;
- d. implement a process for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors;
- e. examine the size of the Board, the skill sets of the Board members, and the impact of the number of directors and their skill sets upon the effectiveness of the Board; and
- f. review the adequacy and form of the compensation provided to the directors to ensure it adequately reflects the responsibilities and risks involved in being an effective director.

3. Strategy Determination

The Board shall:

- a. adopt and annually review a strategic planning process and approve the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the business; and
- b. annually review operating and financial performance results relative to established strategy, budgets and objectives.

4. Managing Risk

The Board has the responsibility to understand the principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to confirm that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Corporation and return to shareholders.

5. Appointment, Training and Monitoring of Senior Management

The Board shall:

- a. appoint the Chief Executive officer (“CEO”) and senior officers, develop position descriptions for such persons, approve (upon recommendations from the Compensation Committee) their compensation, and monitor the CEO’s performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value;
- b. set a mandate for the Chief Executive Officer;
- c. ensure that a process is established that adequately provides for succession planning including the appointment, training and monitoring of senior management; and
- d. establish limits of authority delegated to management.

6. Reporting and Communication

The Board has the responsibility to:

- a. verify that the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally;
- b. verify the integrity of the Corporation’s internal controls and management information systems;
- c. verify that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- d. verify that the financial results are reported fairly and in accordance with generally accepted accounting standards;
- e. verify the timely reporting of any other developments that have a significant and material impact on the value of the Corporation;
- f. report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year;
- g. ensure process in place to address all regulatory, corporate, securities and other compliance matters; and
- h. certification processes.

7. Monitoring and Acting

The Board has the responsibility to:

- a. review and approve the Corporation’s financial statements and oversee the Corporation’s compliance with applicable audit, accounting and reporting requirements;
- b. verify that the Corporation operates at all times within applicable laws and regulations to the highest ethical and moral standards;
- c. approve and monitor compliance with significant policies and procedures by which the Corporation is operated;
- d. monitor the Corporation’s progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;

- e. take such action as it determines appropriate when performance falls short of its goals and objectives or when other special circumstances warrant; and
- f. verify that the Corporation has implemented adequate internal control and information systems which ensure the effective discharge of its responsibilities.

8. Major Decisions – Enhanced Governance Provisions

In an effort to protect the interests of minority shareholders, a vote of 80% of the Board members is required to be resolved for certain matters. These matters include the following:

- a. Approve the annual budget.
- b. Make any acquisition or group of acquisitions, in a 12-month period, above 10% of that amount in the approved annual budget.
- c. Make any capital expenditures in excess of the greater of 20% or \$250,000 over the approved annual budget.
- d. Take any course of action which would cause the Corporation to materially deviate from its annual budget.
- e. The incurrence, establishment, modification or cancellation of any debt for borrowed money or of any liens or other security for debt, other than the drawdown on pre-established bank lines.
- f. Issue any debt, equity or convertible securities or options to acquire such securities.
- g. Approval of a normal course issuer bid.
- h. Sell or dispose of the business or any material part thereof or wind-up or liquidate Issuer or any subsidiary with a material amount of assets or liabilities.
- i. Merger, amalgamation or joint venture with another entity.
- j. Institute, modify or terminate any profit sharing or similar incentive arrangement for employees of the Corporation.
- k. The Corporation entering into or amending any transactions with officers, directors or employees or members of their families or other persons with whom they do not act at arm's length.
- l. Make payment of any dividend and/or any other distribution to any shareholder.
- m. Continuation of the Corporation in to a jurisdiction in which the Corporation is not currently organized or the entering into of a new line of business.
- n. The Corporation providing a guarantee in respect of the obligations of another person other than wholly-owned subsidiaries.
- o. An amendment to any of the governance – related provisions within the articles or by-laws of the Corporation that would affect the governance of Major Decisions.
- p. Changing the auditors, any accounting policy or fiscal year end of the Corporation.

9. Minimum Share Ownership

Members of the Board are required to maintain share ownership in the Corporation of at least two times the level of annual compensation. New Board members are given three years to attain that level of share ownership, and each Board member shall have six months to increase their position as a result of any increase in Board fees.

10. Environmental, Health and Safety Matters

The Board shall review the effectiveness and adequacy of safety and environmental control, reporting, training and response procedures, which may include:

- a. discussing the Corporation's safety and environmental policies with management;

- b. discussing safety and environment standards with management in relation to current regulations;
- c. reviewing the Corporation's procedures for identifying, controlling, reporting and responding to safety and environmental incidents;
- d. monitoring the Corporation's safety and environmental training and staff evaluation practices;
- e. reviewing the Corporation's system of record keeping and obtaining base-line environmental data;
- f. reviewing the Corporation's methods of evaluating compliance with the Corporation's policies and regulatory requirements and discussing the results with management; and
- g. reviewing the Corporation's accounting and reporting of environmental costs, liabilities and contingencies.

11. Committees

- a. There shall be two committees of the Board; the audit committee and the compensation committee. The Board may establish any other committee as it may deem appropriate from time to time;
- b. Committees of the Board should generally be composed entirely of directors who are independent (as such term is defined in National Instrument 58-101 of the Canadian Securities Administrators entitled "Disclosure of Corporate Governance Practices"); and
- c. The Board shall establish a mandate for each of the committees of the Board required by section 9(a) above.

12. Integrity / Code of Conduct

- a. Approve Business Conduct and Ethics, Best Practices for Board, officers and employees; and
- b. Create and foster a culture of integrity.

13. Other Activities

- a. The Board shall prepare and distribute the schedule of Board meetings for each upcoming year;
- b. The Board may perform any other activities consistent with this mandate, the By-Laws of the Corporation and any other governing laws as the Board determines necessary or appropriate;
- c. Delegate to management and committees;
- d. Chairman is liaison between shareholders, Corporation and the Board.