



# COMPENSATION COMMITTEE CHARTER

As of March 13, 2014

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## PART I ESTABLISHMENT OF COMMITTEE

### 1. Committee Purpose

The Compensation Committee (the "**Committee**") is established by the board of directors (the "**Board of Directors**") of CES Energy Solutions Corp. (the "**Corporation**") to assist the Board of Directors in fulfilling its responsibilities relating to matters of human resources and compensation, including equity compensation. The Committee has responsibility for evaluating and making recommendations to the Board of Directors regarding the compensation of the Corporation's executive officers and the equity-based and incentive compensation plans, policies and programs of the Corporation.

### 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 two directors, 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.

### 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 annually at the time of each annual meeting of shareholders, and shall hold office until the next annual meeting, or 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 on the recommendation of the Committee, and shall be filled by the Board of Directors 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 upon recommendation of the Committee 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 per year. The Committee at any time may, and at each regularly scheduled Committee meeting shall, meet without management present.

### **9. Special Meetings**

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

### **10. Quorum**

Two 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 a 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, the Board of Directors and management of the Corporation. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, 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 considers appropriate.

**14. Access**

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

**15. Attendance of Officers at a Meeting**

At the invitation of the Chair, one or more officers 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 compensation consultants, to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to approve the fees and other retention terms for such persons.

**PART III  
MANDATE OF COMMITTEE**

**18. Compensation Guidelines and Agreements**

The Committee shall review and recommend to the Board of Directors a compensation philosophy, strategy, and principles for the Corporation's executive officers and evaluate the Corporation's compensation and benefits programs in accordance with such compensation philosophy, strategy and principles.

The Committee shall review and make recommendations to the Board of Directors regarding new employment, consulting, retirement and severance agreements and arrangements proposed for the Corporation's executive officers.

The Committee shall periodically evaluate existing agreements with the Corporation's executive officers to determine if the agreements continue to be appropriate.

#### **19. Chief Executive Officer Evaluation and Compensation**

The Committee shall review and approve the use of corporate goals and objectives relevant to the total compensation package of the President and Chief Executive Officer, recommend a performance evaluation process for the President and Chief Executive Officer, evaluate the performance of the President and Chief Executive Officer in light of these goals and objectives and using this process, and, either as a committee or together with the other independent directors (as directed by the Board of Directors), present and recommend to the Board of Directors for approval, a compensation package for the President and Chief Executive Officer based on this evaluation.

In determining to recommend to the Board of Directors any long-term incentive component of the compensation of the President and Chief Executive Officer, the Committee shall consider the Corporation's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable entities and the incentive awards given to the President and Chief Executive Officer in past years.

#### **20. Other Executive Officer Compensation**

In consultation with the President and Chief Executive Officer, the Committee shall make recommendations to the Board of Directors with respect to the total compensation package for the Corporation's executive officers other than the President and Chief Executive Officer.

#### **21. Employee Compensation**

The Corporation shall periodically review with the President and Chief Executive Officer the Corporation's policies on compensation for all employees and overall human resources matters.

#### **22. Director Compensation**

The Committee shall review and make recommendations to the Board of Directors with respect to the compensation of the Corporation's directors, including cash and equity and equity-based compensation, to ensure that director's compensation is appropriate, and adequately reflects the responsibilities of a directorship.

#### **23. Incentive Compensation Review**

The Committee shall review periodically, and make recommendations to the Board of Directors regarding short term and long term incentive compensation or equity plans, programs or similar arrangements that the Corporation establishes for, or makes available to, its directors, officers, employees, service providers and/or consultants, including the designation of the eligible participants who may participate, the availability of incentives and the administration of equity purchases.

In addition, the Committee shall review periodically the extent to which these forms of compensation are meeting their intended objectives, and shall make recommendations to the

Board of Directors regarding modifications that will more accurately relate such compensation to Corporation and employee performance.

The Committee shall review proposed grants of incentives or equity based compensation and make recommendations to the Board of Directors with respect thereto.

**24. 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.

**25. Self-Evaluation**

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

**26. 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.

**27. 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 responsibilities.