



# COMPENSATION COMMITTEE CHARTER

## ROLE AND RESPONSIBILITIES

The Compensation Committee ("Committee") is a committee of the Board of Directors (the "Board", each member of the Board a "Director") to which the Board delegates its responsibility for oversight of certain compensation issues of Cathedral Energy Services Ltd. (the "Corporation").

The Compensation Committee shall assist the Board in carrying out its responsibilities by reviewing and approving the compensation provided by the Corporation to senior management and Directors as Board and committee members.

## MEMBERSHIP AND MEETINGS

The Committee shall be comprised of a minimum of three Directors, including a Committee Chair, all of which, in the opinion of the Board, are independent directors pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices (as implemented by the Canadian Securities Administrators and as amended from time to time). The members of the Committee and its Chair shall be appointed by the Board. Appointments shall be made in accordance with procedures established by the governance committee of the Board from time to time.

The Committee shall meet as frequently as is necessary, but not less frequently than one time a year. The Committee shall report to the Board on its activities following each meeting. The President and Chief Executive Officer is expected to be available to attend the Committee's meetings or portions thereof. The Committee shall meet periodically without management present and with such officers or directors as it considers necessary. The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution.

The Corporation will adequately fund the budget of the Committee including, if necessary, external consultants retained by the Committee from time to time upon the approval of the Board.

On an annual basis, the Committee shall report to the Board on the Committee's performance against its charter. The Committee shall review and assess the adequacy of this Charter periodically, and where necessary, recommend changes To the Board for its approval.

## SPECIFIC DUTIES AND RESPONSIBILITIES

The duties and responsibilities of a member of the Committee are in addition to those duties set out for a member of the Board.

- 1) Oversee the development and monitoring of the compensation philosophy and remuneration policy for senior management of the Corporation and recommend to the Board changes to improve the Corporation's ability to recruit, retain and motivate senior employees.
- 2) Annually review and make recommendations to the Board with respect the overall corporate objectives and goals of the Corporation relevant to the compensation of the President and Chief Executive Officer (collectively "CEO") and annually evaluate the CEO's performance in light of those comparative goals and objectives.



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- 3) Monitor and evaluate the performance of other members of senior management, taking into account the CEO's evaluation thereof.
- 4) Based on such evaluations, peer review and compensation competitive analysis, annually make recommendations to the Board with respect to compensation and benefit programs for the CEO and senior management of the Corporation including base salaries, bonuses or performance incentives and share options. In setting the CEO's base salary, the Committee will take into consideration salaries paid to chief executive officers in public companies of comparable size, industry and complexity. The CEO's contribution towards the Corporation's achievement of business goals and objectives for the previous financial year will form the basis for the Committee's recommendation concerning bonus or other performance recognition awards.
- 5) Annually review the succession planning process and the succession plans for senior management roles including specific focus on the development and career planning for potential senior management successors.
- 6) Review and make recommendations to the Board with respect to the implementation or variation of share option plans, share purchase plans, and compensation and incentive plans. The Committee will oversee the proper administration of the Corporation's existing share option plan, including the granting and making recommendation with respect to granting of options. The number of options granted will give consideration to the potential contribution an individual may make to the success of the Corporation.
- 7) Annually review and recommend to the Board, the disclosure of Director and Executive compensation for inclusion in the Corporation's management proxy circular prepared for the annual general meeting to shareholders.
- 8) Review and make recommendations to the Board on such other matters related to compensation issues that are specifically delegated to the Committee by the Board.

## **LIMITATION ON COMMITTEE MEMBERS' DUTIES**

Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard required by law. The purposes and responsibilities outlined in this charter are meant to serve as guidelines rather than inflexible rules and the Committee may adopt such additional procedures and standards it deems necessary from time to time to fulfil its responsibilities.