

# ORBIT GARANT DRILLING INC.

("Orbit Garant" or the "Corporation")

## CHARTER OF THE BOARD OF DIRECTORS

### 1. Objectives

The overall stewardship of the Corporation is the responsibility of the Corporation's board of directors (the "**Board of Directors**" or the "**Board**"). To do so, it may delegate certain of its authority and responsibilities to committees and management and reserve certain powers to itself. Nonetheless, it will retain full effective control over the Corporation.

It is recognized that every director in exercising his or her powers and duties must act honestly and in good faith with a view to the best interests of the Corporation and its shareholders. Directors must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In this regard, they must comply with their duties of honesty, loyalty, care, diligence, skill and prudence.

It is expected that management of the Corporation ("**Management**") will co-operate to facilitate compliance by the Board with its legal duties. Management will promptly report any data or information to the Board of Directors that may affect its compliance with its legal obligations.

In adopting this mandate,

(a) the Board acknowledges that the mandate prescribed for it by the Canada Business Corporations Act (the "**CBCA**") is to supervise the management of, the business and affairs of the Corporation with the objective of increasing shareholder value and that this mandate includes responsibility for stewardship of the Corporation; and

(b) the Board explicitly assumes responsibility for the stewardship of the Corporation, as contemplated by the Canadian securities regulators governance standards.

### 2. Interpretation

Key definitions are found in Schedule A.

### 3. Responsibilities and Duties

The principal responsibilities and duties of the Board of Directors include the following, it being understood that in carrying out their responsibilities and duties, Directors may consult with Management and may retain external advisors at the expense of the Corporation in appropriate circumstances. Any engagement of external advisors shall be subject to the approval of the Chairman of the Compensation and Corporate Governance Committee.

#### 3.1 General Responsibilities

3.1.1 The Board of Directors will oversee the management of the Corporation. In doing so, the Board of Directors will establish a productive working relationship with the Chief Executive Officer

and other senior officers. Section 3.4 (a) of Policy Statement 58 201 to Corporate Governance Guidelines (“**NP 58 201**”) requires that the Board satisfy itself as to the integrity of the Chief Executive Officer (the “**CEO**”) and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation.

3.1.2 The Board of Directors will oversee the formulation of long-term strategic, financial and organizational goals for the Corporation. It shall approve the Corporation’s strategic plan and review same, on at least an annual basis. This plan will take into account the opportunities and risks of the Corporation’s business.

3.1.3 As part of the responsibility of the Board of Directors to oversee management of the Corporation, the Board of Directors will engage in active monitoring of the Corporation and its affairs.

3.1.4 The Board of Directors will engage in a review of short and long-term performance of the Corporation in accordance with approved plans.

3.1.5 The officers of the Corporation, headed by the Chief Executive Officer, shall be responsible for general day to day management of the Corporation and for making recommendations to the Board of Directors with respect to long term strategic, financial, organizational and related objectives.

3.1.6 The Board of Directors will periodically review the significant risks and opportunities affecting the Corporation and its business and oversee the actions, systems and controls in place to manage and monitor risks and opportunities. The Board of Directors may impose such limits as may be in the interests of the Corporation and its shareholders.

3.1.7 The Board of Directors will oversee succession planning, including the appointing, training and monitoring of officers and key managers

3.1.8 The Board of Directors is responsible for overseeing a Disclosure, Confidentiality and Trading Policy for the Corporation. In doing so, the Board of Directors will ensure that the policy (i) addresses how the Corporation interacts with analysts, investors, other key stakeholders and the public, (ii) contains measures for the Corporation to comply with its continuous and timely disclosure obligations and to avoid selective disclosure, and (iii) is reviewed at least annually. The Board of Directors shall, following the Annual General Meeting of the Corporation, or at any other time, appoint Disclosure Officers and Information Officers pursuant to such policy.

3.1.9 The Board of Directors will oversee the integrity of the Corporation’s internal control and management information systems.

3.1.10 The Board of Directors will make sure that the Corporation adopt prudent financial standards with respect to the business of the Corporation and prudent levels of debt in relation to the Corporation’s consolidated capitalization.

3.1.11 The Board will adopt procedures to ensure that all employment, consulting or other compensation agreements between the Corporation and any director or senior officer or between any Associate or Affiliate of the Corporation and any director or senior officer are considered and approved by the disinterested members of the Board or a committee of independent Directors. The Board of Directors will also consider and approve:

- (i) transactions out of the ordinary course of business including, without limitation, proposals on mergers, acquisitions or other major investments or divestitures;
- (ii) all matters that would be expected to have a major impact on shareholders;
- (iii) the appointment of any person to any position that would qualify such person as an officer of the Corporation; and
- (iv) any proposed changes in compensation to be paid to members of the Board of Directors on the recommendation of the Corporate Governance and Compensation Committee.

3.1.12 The Board of Directors will also receive reports and consider:

- (i) The quality of relationships between the Corporation and its key customers;
- (ii) Changes in the shareholder base of the Corporation from time to time and relationships between the Corporation and its significant shareholders;
- (iii) Periodic reports from Board of Directors' committees with respect to matters considered by such committees;
- (iv) Health, safety and environmental matters as they affect the Corporation and its business; and
- (v) Such other matters as the Board of Directors may, from time to time, determine.

3.1.13 The Board of Directors will oversee Management through an ongoing review process.

3.1.14 The Board of Directors will, together with the Chief Executive Officer, develop a position description for the Chief Executive Officer. The Board of Directors will also approve the corporate objectives that the Chief Executive Officer is responsible for meeting and assess the Chief Executive Officer's performance in relation to such objectives.

## 3.2 Annual Assessment of the Board of Directors

3.2.1 The Board of Directors will annually review the assessment of the Board of Directors' performance and recommendation provided by the Corporate Governance and Compensation Committee. Similarly, an assessment of the committees of the Board and of each individual director shall be made (Section 3.18 of NP 58-201). The objective of this review is to increase the effectiveness of the Board of Directors and contribute to a process of continuous improvement in the Board of Directors' execution of its responsibilities. It is expected that the result of such reviews will be to identify any areas where the Board and/or Management believe that the Board of Directors and/or the directors individually could make a better contribution to the affairs of the Corporation. The Board of Directors will take appropriate action based upon the results of the review process.

## 3.3 Committees

3.3.1 The Board of Directors shall appoint committees to assist it in performing its duties and processing the quantity of information it receives.

3.3.2 Each committee shall operate according to a Board of Directors approved written mandate outlining its duties and responsibilities. This structure may be subject to change as the Board of Directors considers from time to time which of its responsibilities can best be fulfilled through more detailed review of matters in committee.

3.3.3 The Board of Directors will annually evaluate the performance and review the work of its committees, including their respective mandates and the sufficiency of such mandates.

3.3.4 The Board of Directors will annually appoint a member of each of its committees to act as Chairman of the committee.

3.3.5 The committees of the Board of Directors shall be composed of Unrelated Directors.

3.3.6 The Board of Directors shall appoint members of committees after considering the recommendations of the Chairman of the Board as well as the skills and desires of individual Board members, all in accordance with the mandates of such committees approved by the Board.

3.3.7 All members of the Audit Committee shall be Financially Literate and at least one member shall have Accounting or Related Financial Experience.

#### 3.4 Review of the Board of Directors' Mandate

In order to ensure that this mandate is kept current in the light of changes which may occur in corporate practice or the structure of the Corporation, the Board of Directors will annually reconfirm this mandate or initiate a review to revise it.

#### 3.5 Board of Directors Compensation

The Corporate Governance and Compensation Committee will review the adequacy and form of compensation of the senior officers and directors each year. The Committee shall make recommendations to the Board of Directors for consideration when it believes changes in compensation are warranted. Furthermore, the Board of Directors will ensure the compensation realistically reflects the responsibility and risk involved in being a director.

#### 3.6 Communications with Shareholders

The Board of Directors will consider and review the means by which shareholders can communicate with the Corporation including the opportunity to do so at the annual meeting, communications interfaces through the Corporation's website and the adequacy of resources available within the Corporation to respond to shareholders through the office of the Secretary and otherwise. However, the Board of Directors believes that it is the function of Management to speak for the Corporation in its communications with the investment community, the media, customers, suppliers, employees, governments and the general public. It is understood that individual Directors may from time to time be requested by Management to assist with such communications. It is expected, if communications from stakeholders are made to individual directors, Management will be informed and consulted to determine any appropriate response.

All publicly disseminated materials of the Corporation shall provide for a mechanism for feedback from shareholders.

### 3.7 Public Company Compliance

The Board of Directors has the responsibility for monitoring compliance by the Corporation with the corporate governance requirements and guidelines of securities regulatory authorities. The Board of Directors will approve the disclosure of the Corporation's system of governance and the operation and disclosure of such system. (Section 3.4(1) (g) of NP 58-201)

## 4. Independence and Resources

4.1 The Board of Directors will implement structures and procedures to ensure that it functions independently of Management.

4.2 The Board of Directors appreciates the value of having certain members of Management attend each Board of Directors meeting to provide information and opinion to assist the Directors in their deliberations. The Chief Executive Officer will seek the Board of Directors' concurrence in the event of any proposed change to the management attendees at Board of Directors meetings. Management attendees will be excused for any agenda items which are reserved for discussion among directors only.

## 5. Composition of and Nominations to the Board of Directors

The guiding principles and rules governing composition of and nominations to the Board of Directors are found in Schedule B.

## 6. Meetings

The Board of Directors will meet not less than four times per year: three meetings to review quarterly results; and one prior to the issuance of the annual financial results of the Corporation. At each Board of Directors meeting, unless otherwise determined by the Board of Directors, an *in-camera* meeting of Independent Directors will take place, which session will be chaired by the Chairman of the Board.

**Approved by the Board of Directors on May 10, 2017**

## Schedule A

### Interpretation

**“Accounting or Related Financial Experience”** means the ability to analyse and interpret a full set of financial statements, including the notes attached thereto, in accordance with generally accepted accounting principles.

**“Financially Literate”** An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

**“Unrelated or Independent Director”** means a director who is “independent” within the meaning set out in National Policy 52-110 – *Audit Committees*..

## Schedule B

### Composition of and Nomination to the Board of Directors

1. The Board shall consist of directors who represent a diversity of personal experience and background, particularly among the Independent Directors. At a minimum, each director shall have demonstrated personal and professional integrity, achievement in his or her field, experience and expertise relevant to the Corporation's business, a reputation for sound and mature business judgment, the commitment to devote the necessary time and effort in order to conduct his or her duties effectively and, where required, financial literacy.

The composition of the Board shall balance the following goals:

- (a) the size of the Board shall facilitate substantive discussions of the whole Board in which each director can participate meaningfully; and
- (b) the composition of the Board shall encompass a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the Corporation's business.

2. In addition to the qualifications specified for directors in the CBCA, directors of the Corporation shall be subject to the following requirements:

- (a) directors (other than the CEO) will not be renominated for election at the annual meeting following their 69th birthday;
- (b) directors (other than the CEO) will not be renominated for election at the annual meeting following their 15th year of service as a director;
- (c) following a change in principal occupation, place of residence, or a similar change in credentials, directors are expected to report such change to the Corporate Governance and Compensation Committee for consideration; and
- (d) directors are expected to attend all Board meetings and meetings of committees on which they serve and a minimum attendance level of 75% is required.

3. The Corporation expects and requires directors to be and remain free of or to declare any potential conflicting interests or relationships and to refrain from acting in ways which are actually or potentially harmful, conflicting or detrimental to the Corporation's best interests. The following principles shall apply:

- (a) the Board shall adopt a written Code of Ethics (Section 3.8 of NP 58-201). Such code shall be applicable to directors, officers, and employees of the Corporation. The code shall constitute written standards that are reasonably designed to promote integrity and to defer wrongdoing. In particular, it should address:
  - (i) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest;
  - (ii) protection and proper use of corporate assets and opportunities;
  - (iii) confidentiality of corporate information;

- (iv) fair dealing with the Corporation's security holders, customers, suppliers, competitors and employees;
  - (v) compliance with laws, rules and regulations; and
  - (vi) reporting of any illegal or unethical behaviour;
- (b) every director and senior officer must disclose either in writing to the Board of Directors or in person at the next Board of Directors' meeting, the nature and extent of any material interest they have in any material contract or proposed contract of the Corporation or potential conflict of interest, as soon as the director or officer becomes aware of the agreement or the intention of the Corporation to consider or enter into the proposed agreement;
  - (c) the Board of Directors must implement procedures so that each material agreement or proposed agreement between the Corporation and any director or senior officer will be considered and approved by a majority of the disinterested director; and
  - (d) the Board of Directors must implement procedures to ensure proper public dissemination is made of the material interest of any officer or director of the Corporation in any material agreement or proposed agreement between the Corporation and that director or senior officer; the majority of disinterested directors must consider the proper scope and nature of the disclosure.

4. The Board of Directors, following advice of the Corporate Governance and Compensation Committee, is responsible for evaluating its size and composition and establishing a Board of Directors comprised of members who facilitate effective decision-making. The Board of Directors has the ability to increase or decrease its size. The following principles shall apply:

- (a) the number of directors comprising the Board of Directors shall be within the minimum and maximum number of directors set out in the Corporation's articles;
- (b) the Board must be comprised of at least three directors as required by the CBCA; and
- (c) the chairman of the Board of Directors should be an Independent Director, or, if this is not appropriate, that an Independent Director should be appointed to act as "lead director" (Section 3.2 of NP 58-201).
- (d) the Board of Directors shall be constituted with a majority of Independent Directors.

5. The membership of the Board of Directors will include a sufficient number of individuals who are financially literate and who have accounting or related financial experience to ensure that at least one member of its Audit Committee has accounting or related financial experience and that all members of such committee are financially literate. The membership of the Board of Directors shall include a sufficient number of Unrelated Directors to ensure that the majority of the Audit Committee (which must be comprised of at least three directors) be comprised of individuals who are not employees, control persons or officers of the Corporation or any of its associates or affiliates.

6. A director, who makes a major change in his principal occupation, will forthwith disclose this fact to the Board of Directors and will offer his or her resignation to the Board of Directors for consideration. It is not intended that directors who retire or whose professional positions change should necessarily leave the Board of Directors. However, there should be an opportunity for the Board of Directors to review the continued appropriateness of the Board of Directors membership under such circumstances.



7. The Board of Directors is responsible for approving new nominees to the Board of Directors. New directors will be provided with an orientation and education program which will include written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board of Directors meetings and opportunities for meetings and discussion with Management and other directors. The orientation and education program provided to new directors should also include information with respect to the legal and regulatory restrictions on trading on undisclosed material information and the legal and regulatory implications of “tipping” and insider trading. The details of the orientation of each new director will be tailored to that director’s individual needs and areas of interest. The prospective candidates should fully understand the role of the Board of Directors and its committees and the contribution expected from individual directors and the Board of Directors will ensure that they are provided with the appropriate information to that effect. In addition, the Board of Directors will ascertain and make available to its members, when required, continuing education as per the business and operations of the Corporation.

8. The Board of Directors shall adopt position descriptions of the chairperson of the Board of Directors and of the chairperson of each committee of the Board of Directors (Section 3.4(2) of NP 58-201). In addition, the Board of Directors shall determine the duties and responsibilities of directors with respect to attendance at Board of Directors meetings and advance review of meeting materials (Section 3.4 (2) of NP 58-201).

9. The Board of Directors shall ensure that Management demonstrates satisfactory experience. In determining whether Management meets this requirement, the Board of Directors will consider a number of factors, including for each officer or proposed officer:

- (a) that person's previous involvement with and commitment to other public and private issuers;
- (b) the history of corporate and financial success of the other issuers with which the person has been involved;
- (c) the management positions held by that person with other issuers;
- (d) any regulatory or securities laws violations or infractions by the individual or by other issuers with which that person was involved;
- (e) the financial success of that other issuer, including whether it demonstrated profitability or, if the other issuer was a resource exploration issuer, whether that issuer satisfactorily completed its exploration and development programs;
- (f) the prudent and responsible business conduct and practices of that issuer; and
- (g) the industry in which that other issuer was involved and the extent of experience obtained in the issuer's or applicant issuer's industry segment.

10. The Majority Voting in Director Elections Policy set out in Appendix A to this Charter of the Board of Directors shall apply with respect to an uncontested election of directors.

## Appendix A to Schedule B

### MAJORITY VOTING IN DIRECTOR ELECTIONS POLICY

In an uncontested election of directors of the Corporation at a meeting of shareholders of the Corporation, any nominee for director who receives a greater number of votes “withheld” from his or her election than votes “for” such election (a “**Majority Withheld Vote**”) shall promptly tender his or her resignation to the Chair of the Board of Directors (the “**Board**”) following the meeting of shareholders. In this policy, an “uncontested election” shall mean an election where the number of nominees for director is equal to the number of directors to be elected.

The Board shall consider a resignation offer and whether or not to accept it. The Board shall be expected to accept the resignation except in situations where extenuating circumstances would warrant that the applicable director continue to serve on the Board. In considering whether or not to accept the resignation, the Board will consider all factors deemed relevant including, without limitation, the stated reasons why shareholders “withheld” votes from the election of that nominee, the length of service and the qualifications of the director whose resignation has been tendered, such director’s contributions to the Corporation and the Corporation’s corporate governance policies.

The Board shall determine whether or not a resignation offer will be accepted within 90 days following the applicable meeting of shareholders. The Board shall promptly disclose, via press release, its decision whether to accept the director’s resignation offer including the reasons for rejecting the resignation offer, if applicable. If a resignation is accepted, the Board may, in accordance with applicable law, appoint a new director to fill any vacancy created by resignation.

Subject to the following, any director who tenders his or her resignation pursuant to this policy shall not participate in any meeting of the Board to consider whether his or her resignation shall be accepted. If the directors who did not receive a Majority Withheld Vote in the same uncontested election do not constitute a majority of the Board, then (i) the Independent Directors shall appoint a committee amongst themselves to consider resignation offers and recommend to the Board whether to accept them, which committee shall include at a minimum any independent directors who did not receive a Majority Withheld Vote; and (ii) all directors will participate in the subsequent determinations of the Board as to whether to accept resignations.

In the event that any director who received a Majority Withheld Vote does not tender his or her resignation in accordance with this policy, he or she will not be re-nominated for election by the Board.

The Board may adopt such procedures as it sees fit to assist it in its determinations with respect to this policy.

Immediately following a meeting at which directors are elected, a news release shall be issued which discloses:

- (a) the percentage of votes received ‘for’ and ‘withheld’ for each director;
- (b) the total votes cast together with the number that each director received ‘for’; or
- (c) the percentage and total number of votes received ‘for’ each director.