



Corporate Governance Policies & Mandates

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MANDATE OF THE BOARD OF DIRECTORS

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MANDATE OF THE BOARD OF DIRECTORS

The terms "**Corporation**" and "**Phoenix**" refer to PHX Energy Services Corp., the term "**Board**" refers to the Board of Directors of the Corporation, the term "**CEO**" refers to Chief Executive Officer of the Corporation, and the term "**Management**" refers to the Executive Officers of the Corporation.

1. General

The Board of the Corporation is responsible for the stewardship of Phoenix and its subsidiaries as applicable. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of Phoenix. In general terms, the Board will:

- in consultation with the CEO, define the principal objectives of Phoenix;
- supervise the management of the business and affairs of Phoenix with the goal of achieving Phoenix's principal objectives as developed in association with the CEO;
- discharge the duties imposed on the Board by applicable laws; and
- for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

2. Specific

a) Executive Team Responsibility

- i. Appoint the CEO and senior officers, approve their compensation, and monitor the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value.
- ii. In conjunction with the CEO, develop a clear mandate for the CEO, which includes a delineation of management's responsibilities.
- iii. Establish processes as required that adequately provides for succession planning, including the appointing, training and monitoring of senior management.
- iv. Establish limits of authority delegated to management.

b) Operational Effectiveness and Financial Reporting

- i. Annual review and adoption of a strategic planning process and approval of Phoenix's strategic plan, which takes into account, among other things, the opportunities and risks of the business.
- ii. Establish or cause to be established systems to identify the principal risks to Phoenix and that the best practical procedures are in place to monitor and mitigate the risks.

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- iii. Establish or cause to be established processes to address applicable regulatory, corporate, securities and other compliance matters.
- iv. Establish or cause to be established an adequate system of internal control.
- v. Establish or cause to be established due diligence processes and appropriate controls with respect to applicable certification requirements regarding Phoenix's financial and other disclosure.
- vi. Review and approve Phoenix's financial statements, management proxy circulars, annual information forms, take-over bid circulars and other material disclosure documents, and oversee Phoenix's compliance with applicable audit, accounting and reporting requirements.
- vii. Approve annual operating and capital budgets.
- viii. Approve the dividend policy of Phoenix.
- ix. Review and consider for approval all amendments or departures proposed by management from established strategy, capital and operating budgets.
- x. Review operating and financial performance results relative to established strategy, budgets and objectives.

c) Integrity/Corporate Conduct

- i. Establish a communications policy or policies to ensure that a system for corporate communications to all stakeholders exists, including processes for consistent, transparent, regular and timely public disclosure, and to facilitate feedback from stakeholders.
- ii. Approve a Business Conduct & Ethics Practice for directors, officers and employees and monitor compliance with the Practice and approve any waivers of the Practice for officers and directors.
- iii. To the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers of Phoenix and that the CEO and other executive officers create a culture of integrity throughout Phoenix.

d) Board Process/Effectiveness

- i. Attempt to ensure that Board materials are distributed to directors in advance of regularly scheduled meetings to allow for sufficient review of the materials prior to the meeting. Directors are expected to attend all meetings.
- ii. Engage in the process of determining Board member qualifications with the Corporate Governance Committee including ensuring that a majority of directors qualify as 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) and that the appropriate number of independent directors

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are on each committee of the Board as required under applicable securities rules and requirements.

- iii. Approve the nomination of directors and fill any vacancy among the directors in accordance with Phoenix's by-laws or in the office of auditor.
- iv. Provide a comprehensive orientation to each new director.
- v. Establish an appropriate system of corporate governance including practices to ensure the Board functions independently of management.
- vi. Establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and its members.
- vii. Establish committees and approve their respective mandates and the limits of authority delegated to each committee.
- viii. Review and re-assess the adequacy of the mandate of the committees of the Board on a regular basis, but not less frequently than on an annual basis.
- ix. Review the adequacy and form of the directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.
- x. Select the Board Chair and, if applicable, a Lead Director.

Each member of the Board is expected to understand the nature and operations of Phoenix's business, and have an awareness of the political, economic and social trends prevailing in all countries or regions in which Phoenix operates, or is contemplating potential operations.

Independent directors shall meet regularly, and in no case less frequently than quarterly, without non-independent directors and management participation.

The Board may retain persons having special expertise and may obtain independent professional advice to assist it in fulfilling its responsibilities at the expense of Phoenix, as determined by the Board.

In addition to the above, adherence to all other Board responsibilities as set forth in Phoenix's by-laws, applicable policies and practices and other statutory and regulatory obligations, such as issuance of securities, etc., is expected.

3. Delegation

- a) The Board may delegate certain of its duties to, and receive reports and recommendations from, any committee of the Board.
- b) Subject to terms of the Disclosure, Confidentiality and Trading Policy and other policies and procedures of Phoenix, the Chair of the Board and the Lead Director will act as a liaison between stakeholders of Phoenix and the Board (including independent members of the Board).

POSITION DESCRIPTION CHAIR OF THE BOARD

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Date: November 2, 2017



POSITION DESCRIPTION CHAIR OF THE BOARD

The terms "**Corporation**" and "**Phoenix**" refer to PHX Energy Services Corp., the term "**Board**" refers to the Board of Directors of the Corporation and the term "**Chair**" refers to the Chair of the Board.

1. The Overall Tasks and Responsibilities of the Board

The Board of the Corporation is responsible for the stewardship of Phoenix. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation. The mandate of the Board is set forth in further detail pursuant to the written mandate adopted by the Board.

2. Duties and Responsibilities of the Chair of the Board

- a) The Chair shall, when present, preside at all meetings of the Board and, unless otherwise determined by the directors, at all meetings of shareholders.
- b) The Chair shall endeavour to provide overall leadership to the Board without limiting the principle of collective responsibility and the ability of the Board to function as a unit.
- c) The Chair, together with the Lead Director, shall be responsible to ensure that Board meetings function satisfactorily and that the tasks of the Board are handled in the most reasonable fashion under the circumstances. In this connection, it is recommended that the Chair attempt to ensure that the individual director's particular knowledge and competence are used as best is possible in the Board work for the benefit of the Corporation. The Chair shall endeavour to encourage full participation and discussion by individual directors, stimulate debate, facilitate consensus and ensure that clarity regarding decisions is reached and duly recorded.
- d) The Chair shall endeavour to ensure that the Board's key discussions take place when as many of the directors as possible are present and that essential decisions are made when as many directors as possible are present.
- e) The Chair shall endeavour to ensure that Board meetings can be scheduled to deal with important business that arises outside of the regular quarterly meetings.
- f) The Chair shall endeavour, and shall assist the Lead Director in endeavouring, to fulfill their Board leadership responsibilities in a manner that will ensure that the Board is able to function independently of management. The Chair shall consider, and allow for, when appropriate (and shall provide for such a meeting when requested by the Lead Director), a meeting of all independent directors, so that Board meetings can take place without management being present. The Chair, together with the Lead Director, shall endeavour to ensure reasonable procedures are in place to allow for directors to engage outside advisors at the expense of the Corporation, as determined by the Board, in appropriate circumstances.

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- g) With respect to meetings of directors or shareholders, it is the duty of the Chair to enforce the Rules of Order. These duties include:
 - i. ensuring that the meeting is duly constituted;
 - ii. ensure the meeting provides for reasonable accommodation;
 - iii. confirming the admissibility of all persons at the meeting;
 - iv. preserving order and the control of the meeting;
 - v. in respect of shareholders' meetings, appointing scrutineers if requested and instructing them in their duties;
 - vi. rule on the validity of proxies; and
 - vii. to ascertain the sense of the meeting by a vote on all questions properly brought before the meeting.
- h) With respect to any issues that may involve a conflict of interest involving management, such matters shall be referred by the Chair to the Lead Director.
- i) The Chair, together with the Lead Director, shall also liaise with the Secretary of the Corporation to ensure that a proper notice and agenda has been disseminated, and that appropriate arrangements have been made for all Board and shareholder meetings.
- j) The Chair shall permit the Lead Director to assume any of their responsibilities hereunder to the extent necessary to permit the Lead Director to act as effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties.

3. Review of Position Description

The Chair of the Board, in consultation with the Board as a whole, shall meet at least annually or more frequently, if required, to review and consider refinement of the position description for the Chair.

POSITION DESCRIPTION LEAD DIRECTOR

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Date: November 2, 2017



POSITION DESCRIPTION LEAD DIRECTOR

The terms "**Corporation**" and "**Phoenix**" refer to PHX Energy Services Corp., the term "**Board**" refers to the Board of Directors of the Corporation and the term "**Chair**" refers to the Chair of the Board.

1. The Overall Tasks and Responsibilities of the Board

The Board of the Corporation is responsible for the stewardship of Phoenix. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation. The mandate of the Board is set forth in further detail pursuant to the written mandate adopted by the Board.

2. Qualifications of the Lead Director

In order to act as Lead Director of the Corporation, the person must:

- a) be qualified to serve as a director under Section 105 of the Business Corporations Act (Alberta); and
- b) be "independent" (as such term is used in National Instrument 58-201 – Corporate Governance Guidelines).

3. Duties and Responsibilities of the Lead Director

- a) The Lead Director shall approve agendas for meetings of the Board.
- b) The Lead Director shall be entitled to convene meetings of the Board with the concurrence of at least one other Director.
- c) The Lead Director, in the absence of the Chair, shall preside at meetings of the Board.
- d) The Lead Director shall assist the Chair to endeavour to ensure Board leadership responsibilities are conducted in a manner that will ensure that the Board is able to function independently of management. The Lead Director shall consider, and allow for, when appropriate, a meeting of all independent directors, so that Board meetings can take place without management being present.
- e) The Lead Director shall endeavour to ensure reasonable procedures are in place for directors to engage outside advisors at the expense of the Corporation in appropriate circumstances, subject to his or her prior approval.
- f) With respect to meetings of directors, it is the duty of the Lead Director, when conducting a meeting, to enforce the by-laws, and rules of procedure. These duties include:
 - i. ensuring that the meeting is duly constituted;
 - ii. ensure the meeting provides for reasonable accommodation;
 - iii. confirming the admissibility of all persons at the meeting;

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- iv. preserving order and the control of the meeting;
 - v. to ascertain the sense of the meeting by a vote on all questions properly brought before the meeting.
- g) The Lead Director shall meet annually with each director to obtain insight as to where they believe the Board and its committees could be operating more effectively.
- h) When required the Lead Director shall also liaise with the Secretary of the Corporation to ensure that a proper notice and agenda has been disseminated, and that appropriate accommodations have been made for the specific Board meeting.

4. Review of Position Description

The Lead Director, in consultation with the Chair and the Board as a whole, shall meet at least annually or more frequently, if required, with the Board, to review and consider refinement of the position description for the Lead Director.

TERMS OF REFERENCE FOR INDIVIDUAL DIRECTORS

Global

Date: November 2, 2017



TERMS OF REFERENCE FOR INDIVIDUAL DIRECTORS

The terms "**Corporation**" and "**Phoenix**" refer to PHX Energy Services Corp., the term "**Board**" refers to the Board of Directors of the Corporation and the term "**CEO**" refers to Chief Executive Officer of the Corporation.

The Board has established the following standards for Directors.

1. Introduction

As a member of the Board, each Director will:

- a) fulfill the legal requirements and obligations of a Director, which includes a comprehensive understanding of the statutory and fiduciary roles;
- b) annually review and sign the Compliance Affirmation pursuant to the Code of Business Conduct and Ethics adopted by the Board; and
- c) always ensure that the best overall interests of Phoenix are paramount in all matters of oversight and embrace the leadership role as a Phoenix Director.

2. Board of Directors Activity

As a member of the Board, each Director will:

- a) act with integrity;
- b) respect confidentiality;
- c) use his or her ability, experience and influence constructively;
- d) be available as a resource to management and the Board;
- e) advise the CEO or Lead Director in advance of introducing significant and previously unknown information at a Board meeting;
- f) as necessary and appropriate, communicate with the Lead Director and with the CEO between meetings; and
- g) demonstrate a willingness and availability for individual consultation with the Lead Director or CEO.

3. Preparation and Attendance

To enhance the effectiveness of Board and Committee meetings, each Director will:

- a) prepare for each Board and Committee meeting by reading the reports and background materials provided for the meeting; and
- b) maintain an excellent Board and Committee meeting attendance record.

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4. Communication

Communication is fundamental to Board effectiveness and therefore each Director will:

- a) participate fully and frankly in the deliberations and discussions of the Board;
- b) encourage free and open discussion of Phoenix's affairs by the Board;
- c) establish an effective, independent and respected presence and a collegial relationship with other Directors;
- d) focus inquiries on issues related to strategy, policy, and results rather than issues relating to the day-to-day management of Phoenix; and
- e) respect the fact that the CEO is the chief spokesperson for Phoenix and individual Directors are only involved in external communications at the request of, and/or with the approval of, and in coordination with, the CEO.

5. Committee Work

In order to assist Board Committees in being effective and productive each Director will:

- a) participate on Committees and become knowledgeable about the purpose of each Committee; and
- b) understand the process of Committee work, and the role of management and staff supporting the Committee.

6. Industry and Corporate Knowledge

Recognizing that decisions can only be made by well-informed Directors, each Director will:

- a) become generally knowledgeable of the business of Phoenix and its industry;
- b) participate in Director orientation and development programs developed by Phoenix from time to time;
- c) maintain an understanding of the regulatory, legislative, business, social and political environments within which Phoenix operates; and
- d) become acquainted with Phoenix's senior managers.

POSITION DESCRIPTION CEO

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POSITION DESCRIPTION CEO

The terms "**Corporation**" and "**Phoenix**" refer to PHX Energy Services Corp., the term "**Board**" refers to the Board of Directors of the Corporation and the term "**CEO**" refers to Chief Executive Officer of the Corporation.

1. The Overall Tasks and Responsibilities of the CEO

The CEO of the Corporation is responsible for the management of the Corporation and the subsidiaries as applicable. In discharging his or her responsibility, the CEO will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly, ethically and in good faith with a view to the best interests of the Corporation. In general terms, the CEO will:

- a) in consultation with the Board of the Corporation, define the principal objective(s) of the Corporation;
- b) carry out the management of the business and affairs of the Corporation with the goal of achieving the Corporation's principal objective(s) as defined by the Board; and
- c) discharge the duties imposed on the Board by applicable laws.

Without limiting the generality of the foregoing, the CEO will perform the following duties:

2. Strategic Direction, Operating, Capital and Financial Plans

- a) present annually to the Board a long range strategic plan and a short range strategic plan, which plans must:
 - i. be designed to achieve the Corporation's principal objectives;
 - ii. identify the principal strategic and operational opportunities and risks of the Corporation's business; and
 - iii. be approved by the Board as a pre-condition to the implementation of such plans.
- b) review progress towards the achievement of the goals established in the strategic, operating and capital plans and revise and alter the Corporation's direction in light of changing circumstances;
- c) identify the principal risks of the Corporation's business and take all reasonable steps to ensure the implementation of the appropriate systems to manage these risks;
- d) ensure the safe, efficient operation of the Corporation and its activities and ensure compliance with the Corporation's environment, health and safety policies and practices;
- e) present plans of potential issuances of additional common shares or other securities to the public for approval by the Board; and
- f) monitor the Corporation's progress towards its goals, assess the need to revise and/or alter the management of the Corporation's operations, and keep the Board informed of the Corporation's

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progress and/or need to alter or revise the operations of the Corporation in light of changing circumstances.

3. Management and Organization

- a) Monitor and communicate overall human resources policies and procedures, including compensation and succession planning to the Board including, without limitation, annually establishing and maintaining a Board approved plan for senior management development and succession;
- b) foster a corporate culture that promotes ethical practices and encourages individual integrity and social responsibility;
- c) be subject to a performance evaluation by the Board at least annually;
- d) in consultation with the Board, develop and, as required, revise the position description for the CEO;
- e) in consultation with the Board, establish the limits of management's authority and responsibility in conducting the Corporation's and its subsidiaries' business;
- f) authorize the commitment of corporate resources including, without limitation, entering into agreements, contracts, leases and other commitments on behalf of the Corporation in the ordinary course of business in pursuit of the Corporation's approved strategies, business plans and objectives, provided, however, that all material commitments, exposures and risks shall be reported to the Board on a regular and timely basis;
- g) provide the Board with guidance on the appointment of all officers of the Corporation and approval of the terms of each officer's employment with the Corporation;
- h) provide the Board, both at and outside of Board and Committee meetings, with exposure to the Corporation's key management personnel;
- i) provide the Board (or a committee thereof to which the responsibility in respect thereof may be delegated) with an evaluation of the performance of each senior officer who reports to the CEO; and
- j) communicate any proposed significant change in the management organization structure of the Corporation to the Board.

4. Finances and Controls

- a) Use reasonable efforts to ensure that the Corporation maintains appropriate systems to manage the risks of the Corporation's business;
- b) keep the Board fully informed of all significant operational, financial and other matters relevant to the Corporation;
- c) monitor and communicate the appropriateness of the Corporation's capital structure to the Board;

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- d) manage and oversee the required interfaces between the Corporation and the public and act as the principal spokesperson for the Corporation;
- e) ensure that the financial performance of the Corporation is properly reported to shareholders, other security holders and regulators on a timely and regular basis;
- f) in consultation with the Board, establish the ethical standards to be observed by all officers and employees of the Corporation and its subsidiaries and use reasonable efforts to ensure that a process is in place to monitor compliance with those standards;
- g) institute and monitor processes and systems designed to ensure compliance with applicable laws by the Corporation and the officers and employees of the Corporation and its subsidiaries;
- h) institute, and maintain the integrity of effective internal control and information systems, including maintenance of all required records and documentation; and
- i) take all necessary actions to gain reasonable assurance that all financial information made public by the Corporation (including the Corporation's annual and quarterly financial statements) is accurate and complete and represents fairly the Corporation's financial position and performance.

5. Delegation

The CEO may delegate his or her duties to and receive reports and recommendations from any officer of the Corporation.

AUDIT COMMITTEE MANDATE AND TERMS OF REFERENCE

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Date: November 2, 2017



AUDIT COMMITTEE MANDATE AND TERMS OF REFERENCE

The terms "**Corporation**" and "**Phoenix**" refer to PHX Energy Services Corp., the term "**Board**" refers to the Board of Directors of the Corporation, and the term "**Committee**" refers to the Audit Committee.

1. Role and Objective

The Audit Committee is a committee of the Board of the Corporation to which the Board has delegated its responsibility for the oversight of the following respecting Phoenix:

- a) nature and scope of the annual audit;
- b) the oversight of management's reporting on internal accounting standards and practices;
- c) the review of financial information, accounting systems and procedures;
- d) financial reporting and financial statements,

and has charged the Committee with the responsibility of recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The primary objectives of the Committee are as follows:

- a) to assist directors of Phoenix ("**Directors**") in meeting his or her responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of Phoenix and related matters;
- b) to provide better communication between Directors and external auditors;
- c) to enhance the external auditor's independence;
- d) to increase the credibility and objectivity of financial reports; and
- e) to strengthen the role of the outside Directors by facilitating in depth discussions between Directors on the Committee, management of Phoenix ("**Management**") and external auditors.

2. Membership of Committee

- a) The Committee will be comprised of at least three (3) Directors or such greater number as the Board may determine from time to time and all members of the Committee shall be "independent" (as such term is used in National Instrument 52-110 - Audit Committees ("**NI 52-110**")) unless the Board determines that the exemption contained in NI 52-110 is available and determines to rely thereon.
- b) The Board may from time to time designate one of the members of the Committee to be the Chair of the Committee.

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- c) All of the members of the Committee must be "financially literate" (as defined in NI 52-110) unless the Board determines that an exemption under NI 52-110 from such requirement in respect of any particular member is available and determines to rely thereon in accordance with the provisions of NI 52-110.

3. Mandate and Responsibilities of Committee

It is the responsibility of the Committee to:

- a) Oversee the work of the external auditors, including the resolution of any disagreements between Management and the external auditors regarding financial reporting.
- b) Satisfy itself on behalf of the Board with respect to Phoenix's internal control systems.
- c) Review the annual and interim financial statements of Phoenix and related management's discussion and analysis ("**MD&A**") prior to their submission to the Board for approval. The process should include but not be limited to:
 - i. reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;
 - ii. reviewing significant accruals or other estimates or impairment calculations;
 - iii. reviewing accounting treatment of unusual or non-recurring transactions;
 - iv. ascertaining compliance with covenants under loan agreements;
 - v. reviewing disclosure requirements for commitments and contingencies;
 - vi. reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - vii. reviewing unresolved differences between Management and the external auditors; and
 - viii. obtain explanations of significant variances with comparative reporting periods.
- d) Review the financial statements, prospectuses, MD&A, annual information forms ("**AIF**") and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of Phoenix's disclosure of all other financial information and will periodically assess the accuracy of those procedures.
- e) With respect to the appointment of external auditors by the Board:
 - i. recommend to the Board the external auditors to be nominated;
 - ii. recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors will report directly to the Committee;

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- iii. on an annual basis, review and discuss with the external auditors all significant relationships such auditors have with Phoenix to determine the auditors' independence;
 - iv. when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and
 - v. review and pre-approve any non-audit services to be provided to Phoenix or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) comply with such other procedures as may be established by the Committee from time to time.
- f) Review with external auditors (and internal auditor if one is appointed by Phoenix) their assessment of the internal controls of Phoenix, their written reports containing recommendations for improvement, and Management's response and follow-up to any identified weaknesses. The Committee will also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of Phoenix and its subsidiaries.
- g) Review risk management policies and procedures of Phoenix (i.e. hedging, litigation and insurance).
- h) Establish a procedure for:
- i. the receipt, retention and treatment of complaints received by Phoenix regarding accounting, internal accounting controls or auditing matters; and
 - ii. the confidential, anonymous submission by employees of Phoenix of concerns regarding questionable accounting or auditing matters.
- i) Review and approve Phoenix's and its subsidiary's hiring policies regarding partners and employees and former partners and employees of the present and former external auditors of Phoenix.

The Committee has authority to communicate directly with the internal auditors (if any) and the external auditors of Phoenix. The Committee will also have the authority to investigate any financial activity of Phoenix. All employees of Phoenix are to cooperate as requested by the Committee.

The Committee may also retain persons having special expertise and/or obtain independent professional advice to assist in filling their responsibilities at such compensation as established by the Committee and at the expense of Phoenix without any further approval of the Board.

AUDIT COMMITTEE MANDATE AND TERMS OF REFERENCE

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4. Meetings and Administrative Matters

- a) At all meetings of the Committee every resolution will be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting will be entitled to a second or casting vote.
- b) The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.
- c) A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.
- d) Meetings of the Committee should be scheduled to take place at least four times per year. Minutes of all meetings of the Committee will be taken. The Chief Financial Officer of Phoenix will attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chair.
- e) The Committee will meet with the external auditor at least once per year (in connection with the preparation of the year-end financial statements) and at such other times as the external auditor and the Committee consider appropriate.
- f) Agendas, approved by the Chair, will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
- g) The Committee may invite such officers, directors and employees of Phoenix and its subsidiaries as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.
- h) Minutes of the Committee will be recorded and maintained and circulated to Directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.
- i) If determined appropriate, following meetings of the Audit Committee, a list of tasks or matters to be followed up upon shall be prepared including the time table for completion thereof and the responsibility for completion, the status of which matter shall be reviewed at the next meeting of the Audit Committee or as otherwise determined by the Committee.
- j) Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a Director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee each member will hold such office until the Committee is reconstituted.
- k) Any issues arising from these meetings that bear on the relationship between the Board and Management should be communicated to the Chair of the Board and, if applicable, the Lead Director, by the Committee Chair.

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE CHAIR

Global

Date: November 2, 2017



TERMS OF REFERENCE FOR THE AUDIT COMMITTEE CHAIR

The terms "**Corporation**" or "**Phoenix**" refer to PHX Energy Services Corp., the term "**Board**" refers to the Board of Directors of the Corporation, the term "**Committee**" refers to the Compensation Committee of the Board, the term "**Chair**" refers to the Chair of the Committee, the term "**CEO**" refers to Chief Executive Officer of the Corporation and the term "**CFO**" refers to Chief Financial Officer of the Corporation.

1. Introduction

- a) The Chair is appointed annually by the Board and reports to the Board.
- b) The Chair's primary role is managing the affairs of the Committee, including ensuring the Committee is organized properly, functions effectively and meets its obligations and responsibilities, including those matters set forth in the mandate of the Committee.
- c) The Chair works with the CEO and the Senior Vice-President, Finance and CFO of the Corporation to ensure an effective working relationship with Committee members.
- d) The Chair maintains on-going communications with the CEO and CFO and with such other officers and employees of the Corporation as the Chair determines appropriate.
- e) The Chair, in conjunction with the Committee, maintains ongoing communications with the Corporation's external auditors.

2. Duties and Responsibilities

a) Working With the Corporation and the Corporation's External Auditors

The Chair has the responsibility to:

- i. lead the Committee in overseeing the work of the Corporation's financial management team and the Corporation's external auditors;
- ii. lead the Committee in overseeing the integrity of the Corporation's financial statements and financial reporting process, including the audit process and the Corporation's internal accounting controls and procedures and compliance with related legal and regulatory requirements; and
- iii. report to the Board after each Committee meeting at the Board's next meeting.

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE CHAIR

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b) Managing the Committee

The Chair has the responsibility to:

- i. attempt to ensure the Committee is alert to its obligations to the Board and pursuant to law;
- ii. chair Committee meetings;
- iii. establish the frequency of Committee meetings and review such frequency from time to time, as considered appropriate (provided, however, that Committee meetings may be called by the Chair at the request of two members of the Committee or at the request of the Corporation's external auditors);
- iv. assist the Board in its recommendation of Committee members and its review of the performance and suitability of the Committee members;
- v. co-ordinate the agenda, information packages and related events for Committee meetings in conjunction with the CFO;
- vi. maintain a liaison and communication with Committee members, other directors and the Board Chair to co-ordinate input from Committee members and directors, and optimize the effectiveness of the Committee;
- vii. in collaboration with the CFO, assist in ensuring information requested by Committee members is provided and meets their needs; and
- viii. in conjunction with the Board (or a committee of the Board to which responsibility in respect thereof may be delegated), review and assess Committee attendance, performance and compensation and the size and composition of the Committee.

COMPENSATION COMMITTEE MANDATE AND TERMS OF REFERENCE

Global

Date November 2, 2017



COMPENSATION COMMITTEE MANDATE AND TERMS OF REFERENCE

The terms "**Corporation**" or "**Phoenix**" refer to PHX Energy Services Corp., the term "**Board**" refers to the Board of Directors of the Corporation, the term "**Committee**" refers to the Compensation Committee of the Board, the term "**Chair**" refers to the Chair of the Committee, and the term "**CEO**" refers to Chief Executive Officer of the Corporation.

1. Role and Objective

The purpose of the Compensation Committee is to assist the Board of the Corporation in fulfilling its responsibility by reviewing matters relating to the human resource policies and compensation of the directors, officers and employees of Phoenix and its subsidiaries in the context of the budget and business plan of Phoenix.

2. Membership of the Committee

- a) The Committee will be comprised of at least three (3) Directors or such greater number as the Board may determine from time to time and all members of the Committee shall be "independent" (as such term is defined for purposes of National Policy 58-201 – Corporate Governance Guidelines).
- b) The Board may from time to time designate one of the members of the Committee to be the Chair of the Committee.

3. Mandate and Responsibilities of the Committee

- a) The Compensation Committee shall formulate and make recommendations to the Board in respect of compensation issues relating to directors, officers and employees of Phoenix and its subsidiaries, as applicable. Without limiting the generality of the foregoing, the Committee shall have the following duties:
 - i. to review the compensation philosophy and remuneration policy for employees (including officers) of Phoenix and to recommend to the Board changes to improve Phoenix's ability to recruit, retain and motivate employees;
 - ii. to consider the implications and the risks associated with the Corporation's compensation policies and practices;
 - iii. to review and recommend to the Board the retainer and fees to be paid to members of the Board, members of committees of the Board, and chairs of the various committees of the Board;
 - iv. to review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the CEO's performance in light of those corporate goals and objectives, and determine (or make recommendations to the Board with respect to) the CEO's compensation level based on such evaluation;

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- v. to recommend to the Board with respect to non-CEO officer and director compensation including to review management's recommendations for incentive-compensation plans and equity-based plans for non-CEO officer and director compensation and make recommendations in respect thereof to the Board;
- vi. to administer the share option plan, retention award plan and any other incentive plans (collectively, the "**Incentive Plans**") approved by the Board in accordance with their respective terms including recommending the grant of options, retention awards or other incentives under the Incentive Plans in accordance with the terms thereof;
- vii. to determine and recommend for approval of the Board bonuses to be paid to officers and employees of Phoenix and its subsidiaries, as applicable, and to establish targets or criteria for the payment of such bonuses, if appropriate; and
- viii. to prepare and submit a report of the Committee to the Board for approval of the Board and inclusion of annual disclosure required by applicable securities laws to be made by Phoenix including the Statement of Executive Compensation required to be included in the information circular – proxy statement of Phoenix and review other executive compensation disclosure before the Corporation publicly discloses such information.

4. Meetings and Administrative Matters

- a) At all meetings of the Committee every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall be entitled to a second or casting vote.
- b) The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.
- c) A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.
- d) Meetings of the Committee should be scheduled to take place at least one time per year and at such other times as the Chair of the Committee may determine.
- e) Agendas, approved by the Chair, will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
- f) The Committee may invite such officers, directors and employees of the Corporation as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.
- g) Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.

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- h) The Committee may retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities at the expense of Phoenix, as determined by the Committee.
- i) Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.
- j) Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chair of the Board and, if applicable, the Lead Director, by the Committee Chair.

TERMS OF REFERENCE FOR THE COMPENSATION COMMITTEE CHAIR

Global

Date: November 2, 2017



TERMS OF REFERENCE FOR THE COMPENSATION COMMITTEE CHAIR

The terms "**Corporation**" and "**Phoenix**" refer to PHX Energy Services Corp., the term "**Board**" refers to the Board of Directors of the Corporation, the term "**Committee**" refers to the Compensation Committee of the Board, the term "**Chair**" refers to the Chair of the Committee and the term "**CEO**" refers to Chief Executive Officer of the Corporation.

1. Introduction

- a) The Chair is appointed annually by the Board and reports to the Board.
- b) The Chair's primary role is managing the affairs of the Committee, including ensuring the Committee is organized properly, functions effectively and meets its obligations and responsibilities, including those matters set forth in the mandate of the Committee.
- c) The Chair works with the CEO of the Corporation to ensure an effective working relationship with Committee members.
- d) The Chair maintains on-going communications with the CEO and with such other officers and employees of the Corporation as the Chair determines appropriate.

2. Duties and Responsibilities

a) Working with the Corporation

The Chair has the responsibility to:

- i. lead the Committee in overseeing management's formulation of human resource and compensation policies and procedures;
- ii. lead the Committee in overseeing the preparation of the Corporation's public disclosure relating to its human resources and compensation policies and procedures, and generally relating to compliance with human resources and compensation related legal and regulatory requirements;
- iii. lead the Board in assessing (i) the performance of the Corporation's officers, and (ii) the Corporation's policies and procedures and the Corporation's compliance with and adherence to said policies and procedures; and
- iv. report to the Board after each Committee meeting at the Board's next meeting.

TERMS OF REFERENCE FOR THE COMPENSATION COMMITTEE CHAIR

Global

Date: November 2, 2017



b) Managing the Committee

The Chair has the responsibility to:

- i. attempt to ensure the Committee is alert to its obligations to the Board and pursuant to law;
- ii. chair Committee meetings;
- iii. establish the frequency of Committee meetings and review such frequency from time to time, as considered appropriate (provided, however, that Committee meetings may be called by the Chair at the request of two members of the Committee);
- iv. assist the Board in its recommendation of Committee members and its review of the performance and suitability of the Committee members;
- v. co-ordinate the agenda, information packages and related events for Committee meetings in conjunction with the CEO;
- vi. maintain a liaison and communication with Committee members, other directors and the Board Chair to co-ordinate input from Committee members and directors, and optimize the effectiveness of the Committee;
- vii. in collaboration with the CEO, assist in ensuring information requested by Committee members is provided and meets their needs; and
- viii. in conjunction with the Board (or a committee of the Board to which responsibility in respect thereof may be delegated), review and assess Committee attendance, performance and compensation and the size and composition of the Committee.

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE MANDATE AND TERMS OF REFERENCE

Global

Date: November 2, 2017



NOMINATION AND CORPORATE GOVERNANCE COMMITTEE MANDATE AND TERMS OF REFERENCE

The terms "**Corporation**" or "**Phoenix**" refer to PHX Energy Services Corp., the term "**Board**" refers to the Board of Directors of the Corporation, the term "**Committee**" refers to the Nomination and Corporate Governance Committee of the Board, and the term "**Chair**" refers to the Chair of the Committee.

1. Role and Objective

The Nomination and Corporate Governance Committee is a committee of the Board to which the Board has delegated the responsibility for developing the approach of Phoenix to matters concerning corporate governance and, from time to time, shall review and make recommendations to the Board as to such matters.

2. Membership of the Committee

- a) The Committee will be comprised of at least three (3) Directors or such greater number as the Board may determine from time to time and all members of the Committee shall be "independent" (as such term is defined for purposes of National Policy 58-201 – Corporate Governance Guidelines).
- b) The Board may from time to time designate one of the members of the Committee to be the Chair of the Committee.

3. Mandate and Responsibilities of the Committee

In addition to any other duties and authorities delegated to it by the Board from time to time, the Committee will have the authority and responsibility for:

- a) annually reviewing the mandates of the Board and its committees and recommend to the Board such amendments to those mandates as the Committee believes are necessary or desirable;
- b) considering and, if thought fit, approving requests from directors or committees of directors of the engagement of special advisors from time to time;
- c) preparing and recommending to the Board annually a statement of corporate governance practices to be included in Phoenix's annual report or information circular as required by the Toronto Stock Exchange and any other regulatory authority;
- d) making recommendations to the Board as to which directors should be classified as "independent" directors, "related" directors or "unrelated" directors pursuant to any such report or circular;
- e) reviewing on a periodic basis the composition of the Board and ensuring that an appropriate number of independent directors sit on the Board, analyzing the needs of the Board and recommending nominees who meet such needs;

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE MANDATE AND TERMS OF REFERENCE

Global

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- f) assessing, at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors (including the competencies and skills that each individual director is expected to bring to the Board), including considering the appropriate size of the Board;
- g) recommending suitable candidates for nominees for election or appointment as directors, and recommending the criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors and in making such recommendations, the Committee should consider:
 - i. given the needs of Phoenix and its stage of development, what are the competencies and skills that the Board considers to be necessary for Phoenix and the Board, as a whole, to possess;
 - ii. the competencies and skills that the Board considers each existing director to possess;
 - iii. the competencies and skills each new nominee will bring to the boardroom; and
 - iv. whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board;
- h) as required, developing, for approval by the Board, an orientation and education program for new recruits to the Board;
- i) to act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
- j) developing and recommending to the Board for approval and periodically review structures and procedures designed to ensure that the Board can function effectively and independently of management;
- k) making recommendations to the Board regarding appointments of corporate officers and senior management;
- l) reviewing annually the Committee's Mandate and Terms of Reference;
- m) reviewing and considering the engagement at the expense of Phoenix of professional and other advisors by any individual director when so requested by any such director;
- n) establishing, reviewing and updating periodically a Code of Business Conduct and Ethics (the "**Code**") and ensuring that management has established a system to monitor compliance with the Code, including without limitation a requirement that a Compliance Affirmation be completed by all directors and senior officers on at least an annual basis;
- o) reviewing management's monitoring of Phoenix's compliance with the Code; and
- p) recommending policies regarding succession in the event of an emergency or the retirement of the Board Chair, Chief Executive Officer or Chief Financial Officer of Phoenix.

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE MANDATE AND TERMS OF REFERENCE

Global

Date: November 2, 2017



4. Meetings and Administrative Matters

- a) At all meetings of the Committee every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall be entitled to a second or casting vote.
- b) The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.
- c) A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.
- d) Meetings of the Committee should be scheduled to take place at least one time per year and at such other times as the Chair of the Committee may determine.
- e) Agendas, approved by the Chair, will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
- f) The Committee may invite such officers, directors and employees of Phoenix and its subsidiaries as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.
- g) Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.
- h) The Committee may retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities at the expense of Phoenix or the Corporation, as determined by the Committee.
- i) Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.
- j) Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chair of the Board and, if applicable, the Lead Director, by the Committee Chair.

TERMS OF REFERENCE FOR THE NOMINATION AND CORPORATE GOVERNANCE COMMITTEE CHAIR

Global

Date: November 2, 2017



TERMS OF REFERENCE FOR THE NOMINATION AND CORPORATE GOVERNANCE COMMITTEE CHAIR

The term "**Corporation**" refers to PHX Energy Services Corp., the term "**Board**" refers to the Board of Directors of the Corporation, the term "**Committee**" refers to the Nomination and Corporate Governance Committee of the Board, and the term "**Chair**" refers to the Chair of the Committee and the term "**CEO**" refers to Chief Executive Officer of the Corporation.

1. Introduction

- a) The Chair is appointed annually by the Board and reports to the Board.
- b) The Chair's primary role is managing the affairs of the Committee, including ensuring the Committee is organized properly, functions effectively and meets its obligations and responsibilities, including those matters set forth in the mandate of the Committee.
- c) The Chair works principally with the CEO of the Corporation to ensure effective relations with Committee members.
- d) The Chair maintains on-going communications with the CEO and with such other officers of the Corporation as the Chair determines appropriate.

2. Duties and Responsibilities

a) Working with the Corporation

The Chair has the responsibility to:

- i. lead the Committee in overseeing management's formulation of corporate governance policies and procedures;
- ii. lead the Committee in overseeing the preparation of the Corporation's public disclosure relating to its corporate governance policies and procedures, and generally relating to compliance with corporate governance related legal and regulatory requirements;
- iii. lead the Board in assessing the Corporation's compliance with and adherence to said policies and procedures; and
- iv. report to the Board after each Committee meeting at the Board's next meeting.

TERMS OF REFERENCE FOR THE NOMINATION AND CORPORATE GOVERNANCE COMMITTEE CHAIR

Global

Date: November 2, 2017



b) Managing the Committee

The Chair has the responsibility to:

- i. attempt to ensure the Committee is alert to its obligations to the Board and pursuant to law;
- ii. chair Committee meetings;
- iii. establish the frequency of Committee meetings and review such frequency from time to time, as considered appropriate (provided, however, that Committee meetings may be called by the Chair at the request of two members of the Committee);
- iv. assist the Board in its recommendation of Committee members and its review of the performance and suitability of the Committee members;
- v. co-ordinate the agenda, information packages and related events for Committee meetings in conjunction with the CEO;
- vi. maintain a liaison and communication with Committee members, other directors and the Board Chair to co-ordinate input from Committee members and directors, and optimize the effectiveness of the Committee;
- vii. in collaboration with the CEO, assist in ensuring information requested by Committee members is provided and meets their needs; and
- viii. in conjunction with the Board (or a committee of the Board to which responsibility in respect thereof may be delegated), review and assess Committee attendance, performance and compensation and the size and composition of the Committee.

MAJORITY VOTING POLICY

Global

Date: November 2, 2017



MAJORITY VOTING POLICY

Nominees for election to the Board of Directors (the "**Board**") of PHX Energy Services Corp. ("**Phoenix**" or the "**Corporation**") will be asked annually to subscribe in writing to this Policy before their names are put forward by the Board for consideration at the annual meeting of shareholders of the Corporation.

Forms of proxy for the vote at shareholders' meetings where directors are to be elected will enable shareholders to vote "for", or to "withhold" from voting, separately for each nominee. At the shareholders' meeting, the chairman of the meeting will call for a vote by ballot on the election of directors. The scrutineers will record with respect to each nominee the number of votes cast "for" or "withheld" from a nominee, such numbers to be adjusted if required in accordance with the Corporation's share provisions, by-laws, policies and procedures.

This Policy applies only to uncontested elections. An "uncontested election" means any election of directors where the election does not involve the circulation of proxy material required by applicable securities legislation in support of one or more nominees who are not part of the nominee group supported by the Board.

In an uncontested election, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election (a "majority withhold vote") shall immediately tender his or her resignation for consideration by the Board to the Chair of the Nomination and Corporate Governance Committee promptly following certification of the shareholder vote. If the Chair of the Nomination and Corporate Governance Committee received a majority withhold vote, then he or she shall tender his or her resignation to the Chair of the Corporation. The resignation shall be made effective only upon acceptance by the Board.

The Nomination and Corporate Governance Committee will promptly consider the tendered resignation and recommend to the Board whether to accept or reject it. In determining whether to recommend acceptance or rejection of the tendered resignation, the Nomination and Corporate Governance Committee will consider all factors it deems relevant including, without limitation:

- a) the reasons, if known, why shareholders "withheld" or were requested or recommended to "withhold" votes from the director. In particular, the Nomination and Corporate Governance Committee will consider if shareholders "withheld" or were requested or recommended to "withhold" votes from the director for reasons other than the qualifications or individual actions of the director;
- b) the current mix of skills and attributes of the directors on the Board;
- c) the impact with respect to covenants in agreements or plans; and
- d) legal requirements, policies or guidelines (regulatory, securities or corporate laws, or stock exchange rules) for director numbers and qualifications.

MAJORITY VOTING POLICY

Global

Date: November 2, 2017



The Board will consider the Nomination and Corporate Governance Committee's recommendation as soon as practicable and, in any event, not later than 90 days, following the date of the shareholders' meeting at which the election occurred. In deciding whether to accept or reject the tendered resignation, the Board will consider the factors considered by the Nomination and Corporate Governance Committee and any additional information and factors the Board believes to be relevant. The Board shall accept the tendered resignation absent a determination by the Board that exceptional circumstances support a decision to reject the tendered resignation.

Promptly following the Board's decision, and not later than 90 days following the date of resignation, the Corporation will disclose that decision, including an explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation, in a press release, a copy of which must be provided to the Toronto Stock Exchange. If the Board decides to accept the director's resignation, the Nomination and Corporate Governance Committee will recommend to the Board whether to fill the resulting vacancy or to continue with the reduced size of the Board.

Any director who tenders his or her resignation pursuant to this Policy will not participate in the Nomination and Corporate Governance Committee's recommendation or the Board consideration whether to accept or reject the tendered resignation including any meetings in respect thereof. If a majority of the members of the Nomination and Corporate Governance Committee received a majority withhold vote at the same election, then the independent directors who did not receive a majority withhold vote will appoint a Board committee among themselves solely for the purpose of considering the tendered resignations and such special committee will recommend to the Board whether to accept or reject them within the 90 day period.

If there are not at least three independent directors who did not receive a majority withheld vote, then such director(s) may be counted for quorum requirements at a meeting of directors but shall not participate in any decision to accept or reject the tendered resignations. Except as set forth in this paragraph, a director who tenders his or her resignation pursuant to this Policy will continue to participate in all meetings of the Board and any applicable committees of the Board on which such director serves until such time, if applicable, as the Board decides to accept the director's tendered resignation.

In the event that any director who received a majority withhold vote does not tender his or her resignation in accordance with this Policy, he or she shall not be re-nominated by the Board and shall not be entitled to any benefits (financial or otherwise) of a director or past director of the Corporation.

The Nomination and Corporate Governance Committee may adopt such procedures as it sees fit to assist in its determinations under this Policy.

This Policy will be summarized or included in each management proxy circular relating to an election of directors of the Corporation.

ADVANCE NOTICE BY-LAW

Global

Date: November 4, 2015



BY-LAW NO. 2

ADVANCE NOTICE BY-LAW

(Adopted by the Board of Directors with immediate effect on November 4, 2015)

A by-law relating to the advance notice of nominations of directors of

PHX ENERGY SERVICES CORP.

(hereinafter referred to as the "**Corporation**")

INTRODUCTION

The Corporation is committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

The purpose of this Advance Notice By-Law (the "**By-Law**") is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors. This By-Law fixes a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

It is the position of the Corporation that this By-Law is in the best interests of the Corporation, its shareholders and other stakeholders. This By-Law will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

IT IS HEREBY ENACTED as a by-law of the Corporation as follows:

1. Subject only to the provisions of the *Business Corporations Act* (Alberta) (the "**Act**") and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation (the "**Board**") may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors. Such nominations may be made in the following manner:
 - (a) by or at the direction of the Board, including pursuant to a notice of meeting;
 - (b) by or at the direction or request of one or more shareholders of the Corporation pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of a

ADVANCE NOTICE BY-LAW

Global

Date: November 4, 2015



meeting of the shareholders of the Corporation made in accordance with the provisions of the Act; or

- (c) by any person (a "**Nominating Shareholder**") who: (i) at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this By-Law and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation; and (ii) complies with the notice procedures set forth below in this By-Law.
2. In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation.
3. To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:
- (a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.
- To the extent that the applicable annual meeting or special meeting of shareholders is adjourned or postponed, the time periods for the giving of a Nominating Shareholder's notice set forth above shall be calculated based on the new adjourned or postponed date of the annual meeting or special meeting of shareholders and not based on the original date of such meeting.
4. To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth:
- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the principal occupation, business or employment of the person for the most recent five years, and the name and principal business of any company in which any such

ADVANCE NOTICE BY-LAW

Global

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employment is carried on; (iii) the citizenship of such person; (iv) the number of securities of each class or series of securities in the capital of the Corporation which are owned beneficially or of record by the person or under the control or direction, directly or indirectly, of the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (v) such person's written consent to being named in the notice as a nominee and to serving as a director of the Corporation if elected; and (vi) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and

- (b) as to the Nominating Shareholder giving the notice: (i) the name and address of such Nominating Shareholder, as they appear on the securities register of the Corporation; (ii) the number of securities of each class or series of securities of the Corporation owned of record and beneficially by, or under the control or direction of, directly or indirectly, such Nominating Shareholder; (iii) full particulars regarding any agreement, arrangement or understanding with respect to the nomination between or among such Nominating Shareholder, any of their respective affiliates or associates, and any others acting jointly or in concert with any of the foregoing, including the nominee; (iv) full particulars regarding any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the notice by, or on behalf of, such Nominating Shareholder, whether or not such instrument or right shall be subject to settlement in underlying securities of the Corporation, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such Nominating Shareholder with respect to securities of the Corporation; (v) full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct or control the voting of any securities of the Corporation; and (vi) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

In addition, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

The information requested pursuant to this paragraph 4, to the extent provided by the Nominating Shareholder or proposed nominee, shall be publicly disclosed by the Corporation as necessary to comply with the provisions of the Act and Applicable Securities Laws.

5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this By-Law; provided, however, that nothing in this By-Law shall

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be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairperson of the meeting. The Chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

6. For purposes of this By-Law:
 - (a) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
 - (b) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
7. Notwithstanding any other provision of this By-Law, notice given to the Corporate Secretary of the Corporation pursuant to this By-Law may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the principal executive offices of the Corporation, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.
8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any provisions in this By-Law.
9. This By-Law was approved and adopted by the Board on November 4, 2015 (the "**Effective Date**") and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date. Notwithstanding the foregoing, if this By-Law is not approved by ordinary resolution of shareholders of the Corporation present in person or voting by proxy at the next meeting of those shareholders validly held following the Effective Date, then this By-Law shall terminate and be void and of no further force and effect following the termination of such meeting of shareholders.

This By-Law shall be interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in that province.