



CO₂ SOLUTIONS INC. MANDATE OF THE BOARD OF DIRECTORS

1. Introduction

The Board of Directors (the “Board”) is responsible for the stewardship of CO₂ Solutions Inc. (the “Corporation”) and overseeing the management of the Corporation in accordance with applicable requirements under corporate and securities laws and regulations. The Board may delegate any of its responsibilities and duties to committees of the Board and to management. The specific duties delegated to each committee of the Board are outlined in the committee mandates and in the minutes of Board meetings. The Board may not delegate any matter which is required under applicable corporate or securities laws and regulations to be decided by the Board as a whole.

2. Meetings

- (a) The Board will hold regularly scheduled meetings in person at least once each quarter, and may hold additional meetings in person or via teleconference as required.
- (b) The Chair, with the assistance of the Corporate Secretary, will be responsible for the agenda for each Board meeting.
- (c) The Board may invite management to attend Board meetings, where appropriate, to provide additional insight to matters being considered by the Board.
- (d) The Board shall hold an in-camera session without management present, including any management directors, as a regular feature of each in-person Board meeting.
- (e) Resolutions may not be adopted by the Board during any in-camera session of a Board meeting in the absence of directors who have been excluded from such in-camera sessions but who have attended the Board meeting, unless such excluded directors have consented to such resolution being adopted in their absence during the in-camera session.
- (f) The quorum necessary for the transaction of business of the Board will be a majority of the directors.

3. Election or Appointment of Directors

The Board, following recommendation by the Corporate Governance and Human Resources Committee (“CGHRC”), will:

- (a) approve the management slate of nominees proposed for election as directors at annual general meetings of the Corporation;
- (b) approve candidates to fill any casual vacancy occurring on the Board; and
- (c) fix the number of directors as permitted by the Corporation’s incorporation documents.

4. Committees of the Board

The Board will create the following standing committees and, after considering the recommendation of the CGHRC, approve and/or modify their committee mandates:

- (a) Audit Committee; and
- (b) Corporate Governance and Human Resources Committee.

The Board may establish a new standing or ad hoc committee and the composition of such committee shall be in compliance with applicable laws and regulations. Each committee will report to the Board on its meetings and each member of the Board will have access to minutes of committee meetings, regardless of whether the director is a member of such committee.

5. Selection of Management

- (a) The Board is responsible for appointing and replacing the Chief Executive Officer of the Corporation and, after considering the recommendation of the CGHRC, approving the Chief Executive Officer's compensation.
- (b) Upon considering the advice of the Chief Executive Officer and the recommendation of the CGHRC, the Board will approve the appointment of all officers of the Corporation.
- (c) The Board is responsible for satisfying itself as to the integrity of the Chief Executive Officer and other senior management of the Corporation, and ensuring that management creates a culture of integrity throughout the organization.
- (d) The Board is responsible for overseeing succession planning for the position of Chief Executive Officer.

6. Strategy Determination

The Board will:

- (a) annually consider and approve the Corporation's objectives and goals, its strategic plan to achieve those objectives and goals and approve any material changes thereto;
- (b) monitor and assess the resources required to implement the Corporation's strategic plan, including the annual budget;
- (c) monitor and assess developments which may affect the Corporation's strategic plan;
- (d) evaluate and, as required, enhance the effectiveness of the strategic planning process; and
- (e) monitor and, as required, enhance the execution of the strategic plan by management and monitor corporate performance against the Corporation's objectives and goals.

7. Material Transactions

Subject to delegation by the Board to management and to committees of the Board, the Board will review and approve all material transactions to be entered into by the Corporation, prior to the execution thereof.

8. Public Reporting

The Board is responsible for:

- (a) ensuring that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and regular basis in accordance with applicable laws and regulations;
- (b) ensuring that the financial results are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements;
- (c) ensuring that appropriate policies and procedures are in place to ensure the timely disclosure of any other developments that have a significant and material impact on the Corporation;
- (d) providing for measures that accommodate feedback from shareholders; and
- (e) monitoring and reviewing the application of the Corporation's Disclosure, Confidentiality & Trading Policy.

9. Monitoring Risks and Internal Controls

The Board is responsible for:

- (a) identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks; and
- (b) ensuring the integrity of the Corporation's internal control and management information systems.

10. Procedures and Policies

The Board will monitor compliance with all significant policies and procedures by which the Corporation is operated.

11. Evaluation

The members of the Board will evaluate annually the effectiveness of the Board and the committees as a whole. The CGHRC will review such evaluations and provide a report to the Board for its consideration.

Terms of Reference for Directors

Each director owes a fiduciary duty to the Corporation and must ensure that he or she:

- a. acts honestly and in good faith with a view to the best interests of the Corporation; and
- b. exercises the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In carrying out his or her duties as a director, each director should:
 - maintain confidentiality of all information which is learned in his or her capacity as a director except when such director is required to disclose by law or when such information is publicly available;
 - exercise good judgment and act with integrity;
 - declare conflicts of interest to the Board and ensure that such conflicts are handled in an appropriate manner;
 - disclose contracts or arrangements with the Corporation in which the director has an interest;
 - promptly inform the Board of any change in his/her personal or professional circumstances that might reasonably be perceived as adversely affecting his/her ability to effectively serve as a director of the Corporation;
 - be an available resource to management and the Board;
 - support and encourage legal, ethical and credible business practices;
 - be available for communications with the Chairman and/or Chief Executive Officer between meetings; and
 - if he/she is a non-executive director, be able to serve on one or more committees of the Board.

To promote the effectiveness of Board and committee meetings, each director should:

- a. prepare for such meetings by reviewing the materials sent out in advance of the meeting;
- b. attend each meeting whenever possible, and in any case (subject to extenuating circumstances such as illness) attend not less than 70% of all meetings of the Board and committees on which he/she serves;
- c. be in attendance for the full duration of the meeting, whenever possible;
- d. participate fully and frankly in deliberations and discussions during the meeting;
- e. encourage free and open discussion of the affairs of the Corporation by the Board members; and
- f. question senior management appropriately regarding strategy, operations and results.

In order to be able to make well-informed decisions, each director should:

- a. remain knowledgeable about the Corporation's technology and industry;

- b. develop a thorough understanding of the Corporation's role in the industry and the community;
- c. maintain an understanding of the regulatory, business, social and political environments in which the Corporation operates; and
- d. remain knowledgeable about the Corporation's facilities and visit them when appropriate.