



ETHICS REPORTING

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ETHICS REPORTING

1. Introduction

To comply with the *Sarbanes Oxley Act*, the Audit Committee must establish procedures for the receipt, retention and treatment of complaints received by the Company regarding Financial Matters. The procedures must accommodate confidential and anonymous submissions.

An important element of our Company's Code of Conduct and Ethics Policy is reporting on violations of our Code:

“We are accountable for our actions, we hold each other accountable to this policy and we report violations of this policy.”

This policy details the reporting options available to all employees to use either the internal reporting process or, in the event of a desire to report sensitive matters, to use the services of an independent ethics reporting firm particularly when anonymity is desired. While our policy provides for the inclusion of an outside firm to document anonymous reporting of conduct and ethics issues by our employees, we acknowledge that the Company and all our stakeholders are responsible for all aspects of our Code and the reporting thereon.

2. Objective

2.1. To provide a means of reporting non-compliance with our Code of Conduct & Ethics Policy.

2.2. To comply with Sarbanes Oxley Act and regulations.

3. Definitions

3.1. Audit Committee - means a committee of the Board of Directors, which has been delegated responsibility to assist the Board in its oversight role of Financial Matters.

3.2. Company personnel - means employees, officers, directors, agents and representatives of North American Construction Group.

3.3. Control Reviewer - means the individual assigned the responsibility for the review of the investigation of a Reported Violation.

3.4. COSO - means the Committee of Sponsoring Organizations of the Treadway Commission.

3.5. Financial Matters - means financial reporting, accounting, internal accounting controls and auditing matters.

- 3.6. First Person Reporter - means a Reporter who is reporting a violation of the Code and personally observed a violation or a suspected violation.
- 3.7. Master Reviewer - means the individual responsible for a thorough investigation of Reported Violations of our Code.
- 3.8. Our “Code” - means Code of Conduct and Ethics Policy.
- 3.9. Our “Company” - means North American Construction Group Ltd. and all its subsidiary companies and joint ventures. All companies share the same trade name: North American Construction Group or NACG.
- 3.10. “Our”, “We”, “Us” - means employees, officers, directors, agents and representatives of the Company.
- 3.11. Reported Violations - any violation, or suspected violation of our Code.
- 3.12. Reporter - the individual who reports, either as a First Person Reporter or as a Third Person Reporter.
- 3.13. SOX - means the Sarbanes Oxley Act.
- 3.14. System - means the method by which we will receive, retain and treat reported violations by using the independent ethics reporting firm for internal reporting and external reporting violations of the Code.
- 3.15. Third Person Reporter - means a Reporter who is reporting a violation of the Code and who was informed of the violation, or suspected violation by another individual.

4. Scope

- 4.1. In addition to the SOX requirement to address Financial Matters, we extend all aspects of our Code of Conduct and Ethics Policy and Ethics Reporting Policy to provide added value to the Company by including the “operations” and “compliance” components of the COSO control framework.

5. Policy

- 5.1. Company personnel are required to report any conduct which they believe, in good faith, to be a violation or apparent violation of our Code.
- 5.2. We keep the identity of the person making the report for every Reported Violation confidential (except as otherwise required by law) and we keep all Reported Violations confidential until action is taken to correct the violation, at which time the violation may become public but not the identity of the Reporter.

- 5.3. We do not retaliate in any way against the Reporter.
- 5.4. We have the option to report violations of our Code either internally or externally in the following ways:
- Internal reporting is through our supervisor, our executive or our Board of Directors and its Committee
 - effective anonymous reporting is through an independent ethics reporting firm; or
 - directly to the Audit Committee Chairman, Lead Director or, where no Lead Director has been appointed, the Chairman of the Board.
- 5.5. In all cases there are two reviewers for each Reported Violation, the Master Reviewer and the Control Reviewer. This provides for an effective independent review and a control over segregation of reviewing responsibility to ensure that Reported Violations are investigated appropriately and thoroughly. For serious violations of the Code, the Audit Committee Chairman, Lead Director or, where no Lead Director has been appointed, the Chairman of the Board will be advised immediately of the Reported Violation.
- 5.6. The Master Reviewer is responsible for ensuring:
- that all Reported Violations are attended to in a timely manner as appropriate;
 - that additional facts are obtained, if possible, to aid in the investigation;
 - that the Reported Violation is properly categorized in the System;
 - that the Audit Committee Chairman is notified, as appropriate;
 - that a thorough investigation is conducted through to completion. The Master Reviewer is responsible for exercising good judgment and common sense, to err on the side of caution and if in doubt to consult with legal counsel. Outside legal counsel and / or law enforcement officials will be consulted as appropriate during the investigation; and
 - that a report is provided back to the Reporter of the outcome of the reported violation.
- 5.7. The Control Reviewer is responsible for:
- oversight of the investigation of a Reported Violation; and
 - review of the reports.

- 5.8. The Company will investigate thoroughly, as appropriate, all Reported Violations. We will cooperate fully with any investigation.
- 5.9. We will report and summarize, on a periodic basis no less than quarterly, all Reported Violations to the Audit Committee. We will report serious violations of our Code immediately to the Audit Committee Chairman, Chairman of the Board and Lead Director. The Audit Committee Chairman, Chairman of the Board and Lead Director will have access through our System, at all times, to the status and content of Reported Violations.
- 5.10. We will retain documentation in a secure location with our independent ethics reporting firm for all Reported Violations of our Code.

Prepared By:	Approved By:	Date Approved / Issued:
<p>Jordan Slator General Counsel</p> <p>Dave Kallay GNM, HR, HSE & Training</p>	<p>Martin Ferron, Chair Board of Directors</p>	<p>TBD</p>