



***NORTH  
AMERICAN***  
***ENERGY PARTNERS INC.***

# ***OPERATIONS COMMITTEE CHARTER***

<b>DATE OF APPROVAL:</b>	November 30, 2016
<b>VERSION NUMBER:</b>	1

# **North American Energy Partners Inc.**

## **OPERATIONS COMMITTEE CHARTER**

### **1. PURPOSE**

The Board of Directors (the “Board”) of North American Energy Partners Inc. (the “Company”) has established the Operations Committee (the “Committee”) for the purpose of assisting the Board in meeting its responsibilities in relation to: (a) oversight of health, safety and environment matters; (b) oversight of business risk matters (c) development, implementation and monitoring of the Company’s governance policies and practices; (d) periodic review of the composition of the Board and its committees; (e) establishment of a process for periodic assessment of directors, committees of the Board and the Board as a whole; and (f) development of orientation and ongoing education plans for directors.

### **2. AUTHORITY**

The Committee has the authority to:

- (a) conduct or authorize investigations into any matter within its scope of responsibilities;
- (b) retain and compensate independent counsel and others to advise the Committee or assist it with respect to its responsibilities;
- (c) seek any information it requires from employees of the Company, all of whom will be directed by management to co-operate with the Committee’s requests;
- (d) access all documents of the Company that the Committee may deem relevant to it in carrying out its responsibilities; and
- (e) undertake any other activity that may be reasonably necessary in order for the Committee to carry out its responsibilities as set out in this Charter.

### **3. COMPOSITION**

- 3.1.** The Board will appoint annually, from among its members, the Committee and its Chair. The Committee will consist of at least two and not more than four members.
- 3.2.** Each member of the Committee must be “independent” as that term is defined under the Company’s Corporate Governance Policy.

### **4. MEETINGS**

- 4.1.** The Committee will meet at least twice each fiscal year, with authority to convene additional meetings as circumstances require. A meeting may be convened by the Chair, any member of the Committee or the chief executive officer of the Company. The Chair will determine the time, place and procedures for calling and conducting

Committee meetings, subject to the requirements of the bylaws of the Company, of this Charter and of the *Canada Business Corporations Act*.

- 4.2. A majority of the members of the Committee will constitute a quorum. Members of the Committee may participate in a meeting through any means which permits all parties to communicate adequately with each other. Any member not physically present but participating in the meeting through such means is deemed to be present at the meeting. A quorum, once established, is maintained even if members of the Committee leave before the meeting concludes.
- 4.3. In the event of a tie vote on a resolution, the issue will be forwarded to the full board for a vote.
- 4.4. A resolution signed (including signatures communicated by fax or electronic mail) by all members of the Committee entitled to vote on that resolution is as valid as if it had been passed at a meeting of the Committee.
- 4.5. The Committee may invite such officers, directors and employees of the Company as it may see fit from time to time to attend at meetings and provide information pertinent to any matter being discussed. Any director of the Company is entitled to attend Committee meetings, however, only members of the Committee are eligible to vote or establish a quorum. The Committee may periodically meet *in camera*.
- 4.6. The Chair will ensure that meeting agendas are prepared and provided in advance to members of the Committee, along with appropriate briefing materials. The Committee will keep and approve minutes of each meeting which record the decisions reached by the Committee. Once approved, the minutes will be distributed to Committee members with copies provided to the Board, the chief executive officer of the Company and the Company's external auditors.

## 5. RESPONSIBILITIES

The Committee will carry out the following responsibilities:

### 5.1. Health, Safety and Environment

- (a) Review and recommend to the Board revisions, if any, to the Company's Health, Safety and Environment Policy annually;
- (b) Confirm that the Company has in place and maintains systems to effectively manage the material health, safety and environmental aspects of the business;
- (c) Confirm that the Company has in place systems to identify risks to health, safety and the environment from the Company's operations and manage their consequential risks to the Company, its Directors, Officers and Employees;
- (d) Confirm, through internal and external audits, that appropriate health, safety and environmental policies, standards, processes, programs, practices and procedures are in place, understood and being adhered to, for the purposes of

enabling the Company to comply with applicable laws, regulations, recognized industry practice and permits;

- (e) Review the findings of all health, safety and environmental audits performed on the Company's facilities and operations, supervise and/or monitor the progress of actions taken or to be taken to remedy any deficiencies or outstanding issues identified therein, with Corporate HS&E to report to the Committee on the progress and ensure the timely follow-up on any matters remaining unresolved;
- (f) Confirm and report to the Board any changes to applicable Health, Safety and Environmental laws, regulations or voluntary programs substantially impacting the Company's business;
- (g) Research, monitor and report to the Board trends and current and emerging public policy issues in matters of health, safety and environment as they may impact or require change of the Company's operations;
- (h) Review the adequacy of the Company's environmental and Workers' Compensation Board insurance coverage at least annually;

## **5.2. Business Risk Management**

- (a) Receive adequate presentations and other information to understand the significant business risks to which the Company is exposed;
- (b) Review with management and approve the Company's nonfinancial risk policies and the procedures developed and implemented to measure non-financial risk exposures and for identifying, evaluating and managing significant business risks;
- (c) Regularly monitor the Company's risk management performance and obtain reasonable assurance that the risk management policies and procedures for significant non-financial risks are being adhered to;
- (d) Approve delegation of risk limits to management and approve any transactions exceeding those delegated authorities;
- (e) Review reports on management's approach for safeguarding corporate assets and information systems; business continuity plans, including work stoppage and disaster recovery; environmental risk management activities and results; risk mitigation plans and employee health and safety programs and results;
- (f) Consider and provide advice to the Board, when appropriate, on the risk impact of any strategic decision that the Board may be contemplating, including considering whether any strategic decision is within the 'risk appetite' established for the Company and its individual business units;

- (g) Review and approve tender bids and contracts that are greater than \$50 million in expected revenue;
- (h) Forward to the Board for ratification any tender bids or contracts that, in their view, required full Board approval taking into account the length of the contract, the total dollar amount and any other risk factors that would warrant such approval;
- (i) Review and approve any other matter in the Delegation of Authority Guideline (DOAG) which is above the approval limit of the President & CEO;
- (j) Review and monitor the Company's loss prevention policies and review the adequacy of insurance coverage including corporate liability protection programs for directors and officers;
- (k) Review with management the annual insurance report including the Company's risk retention philosophy and resulting uninsured exposure, if any;

### **5.3. Corporate Governance**

- (a) Establish an appropriate system of corporate governance including practices designed to permit the Board to function independently of management, including:
  - making recommendations to the Board as to which directors should be classified as independent directors;
  - arranging for independent directors to hold regular in-camera sessions, at which non-independent directors and members of management are not in attendance; and
  - acting as a forum for the discussion of concerns of individual directors in respect of matters that are not readily or easily discussed in a Board meeting, including the performance of the Board or individual directors. The Chair will be responsible for developing a response to any such concerns.
- (b) Establish written terms of reference for directors that describe and communicate performance expectations of a director, including minimum attendance expectations and provide a benchmark for developing an approach to individual director assessment and evaluation.
- (c) Annually review the charters of committees of the Board, including the limits of authority to be delegated to each committee, and recommend any amendments to such charters to the Board for approval.

### **5.4. Board and Committee Composition**

- (a) Assess the skills and competencies required for members of the Board and its committees and recommend selection criteria for new directors. This assessment will consider:

- the appropriate size of the Board, with a view to facilitating effective decision-making;
  - the competencies and skills that the Board considers necessary for the Board as a whole to possess, the competencies and skills possessed by each current director and the competencies and skills each new nominee should bring to the Board;
  - the desirability of maintaining a reasonable diversity of personal characteristics such as age, gender and geographic residence;
  - the value of some regular turnover in Board membership to provide ongoing input of fresh ideas and views;
  - if any director's qualifications or credentials since his or her appointment have changed or other circumstances arisen so as to warrant a recommendation that such member resign;
  - whether any two or more directors serve together on the board of another publicly-traded company and whether the composition of the Board needs to be changed to eliminate these interlocks;
  - appropriate retirement criteria of directors;
  - an individual's capability to devote sufficient time and resources to the Company.
- (b) Identify candidates for new directors using the selection criteria of the skills and competency assessment, as well as a candidate's education, business, governmental and civic experience, communication and interpersonal skills and any other matters that are relevant to the Board's objectives. Directors are encouraged to identify potential candidates and the Board Chair and the President & CEO will have input into the process.
- (c) Retain and terminate any search firm to be used to identify director candidates and approve the search firm's fees and other retention terms.
- (d) Recommend to the Board candidates for nomination for election by the shareholders at each annual meeting and recommend to the Board candidates to fill vacancies that occur between annual meetings. An invitation to stand as a nominee for election to the Board will be made to a candidate through the Board Chair or the Chair's delegate.
- (e) Recommend to the Board the removal of a director in extraordinary circumstances.
- (f) Recommend to the Board the composition of Board committees.
- (g) Take reasonable steps to ensure that the Board and its committees comply with all legislative and regulatory requirements relating to the structure of the Board and its committees.

## 5.5. Assessments

Establish appropriate processes for the annual assessment of the effectiveness of the Board as a whole, each committee of the Board and individual directors. The objective of assessments is to ensure the continued effectiveness of the Board, each committee and each individual director and to contribute to a process of continuing improvement.

## 5.6. Director Orientation and Education

Develop an orientation and ongoing education plan to ensure that directors:

- remain sufficiently knowledgeable about the Company's business, services, principal regulators and industry;
- understand the role of the Company in the communities in which it operates;
- understand the legislative, business, social and political environments within which the Company operates;
- understand the strategic planning process and principal risks of the Company;
- remain knowledgeable about the senior executive structure and overall management of the Company; and
- keep abreast of corporate governance developments and emerging best practices in corporate governance.

## 5.7. Other Responsibilities

- (a) Review and recommend to the Board for approval, the need for disclosure of any information and reports concerning the Company's corporate governance practices, as required by regulatory authorities.
- (b) Regularly report to the Board about Committee activities, issues and related recommendations, including such matters as the Board may from time to time refer or delegate to the Committee.
- (c) Annually assess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
- (d) Evaluate the performance and effectiveness of the Committee on an annual basis.
- (e) Perform any other activities consistent with the Committee's mandate, the Company's governing laws and the regulations of relevant stock exchanges as the Committee or the Board deems necessary or appropriate.

Prepared By:	Approved By:	Date of Approval and Issue:
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