



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

## ***GOVERNANCE COMMITTEE CHARTER***

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<b>VERSION NO.:</b>	1
<b>PROCEDURES:</b>	

# North American Energy Partners Inc.

## GOVERNANCE COMMITTEE CHARTER

### 1. MANDATE & AUTHORITY

- 1.1. The Board of Directors (the “Board”) of North American Energy Partners Inc. (the “Company”) has established a Governance Committee (the “Committee”) to assist the Board in meeting its oversight responsibilities. The Committee’s primary responsibilities are to:
- develop and monitor the Company’s approach to corporate governance;
  - review the composition of the board and the board committees and recommend the nomination or removal of directors to or from the Board and the committees;
  - establish a process for regular assessments of directors, committees of the Board and the Board as a whole; and
  - develop an orientation and ongoing education plan for directors.
- 1.2. The Committee has the power to conduct or authorize investigations into any matters within its scope of responsibilities. The Committee has the authority to engage and compensate independent counsel and other advisors, as it determines necessary to carry out its duties. The Company will provide the resources and funding required by the Committee to carry out its duties.
- 1.3. The Committee will take reasonable steps to ensure that management establishes and maintains the controls, procedures and processes that comply with all appropriate laws, regulations or policies of the Company. Except as prescribed in Clause 4.3.7, is not the responsibility of the Committee to conduct investigations or to ensure compliance with laws, regulations or regulations or Company policies. Management is responsible for establishing and maintaining the controls, procedures and processes over these matters and the Committee has the responsibility to ensure they exist.
- 1.4. The Committee will have unrestricted access to the Company’s personnel and documents and direct communication channels to any member of management as it deems appropriate.

### 2. MEMBERSHIP

- 2.1. The Committee will be composed of a minimum of three directors of the Company. Each member of the Committee will be appointed by the Board.

- 2.2. The Chair of the Board will appoint one of the members as Chair of the Committee.
- 2.3. All members of the Committee must be independent as that term is defined in the Company's Corporate Governance Policy.
- 2.4. Members will serve a one-year term and may serve consecutive terms to ensure continuity of experience. The Board will appoint members annually to the Committee at the Board meeting that coincides with the annual shareholder meeting. Any member who ceases to be a director of the Company is automatically removed as a member of the Committee. Any member may resign from the Committee and the Board maintains the authority to remove the Chair or any member from the Committee.
- 2.5. The responsibilities and duties of a member of the Committee are in addition to that member's responsibilities and duties as a director.
- 2.6. The Board will provide orientation and continuing education opportunities for the members of the Committee.

### **3. MEETINGS**

- 3.1. Committee meetings will be conducted in a manner consistent with the Company By-laws, the Canada Business Corporations Act and this Charter.
- 3.2. The Notice of Meeting will be governed by the Company By-laws. Meetings will be called by the Chair or any other member of the Committee when is it otherwise appropriate.
- 3.3. The Chair will determine the time, place and procedures for Committee meetings, subject to the requirements of this Charter.
- 3.4. Any director of the Company may attend Committee meetings; however, only members of the Committee are eligible to vote or establish a quorum.
- 3.5. The Committee will meet a minimum of two times per year and will determine whether additional meetings are required.
- 3.6. The Chair of the Committee will preside at and chair all meetings of the Committee. If the Chair is absent from a meeting, the remaining members of the Committee will appoint a member to act as Chair for that meeting.
- 3.7. A quorum for a meeting will be established if a majority of the members are present. 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.

- 3.8. In the event of a tie vote on a resolution, the issue will be forwarded to the full Board for a vote.
- 3.9. A resolution signed 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.
- 3.10. In-camera sessions may be held, as deemed necessary, with any advisor engaged by the Committee.
- 3.11. The Corporate Secretary or another person appointed by the Chair will act as secretary of the Committee meetings.
- 3.12. The Corporate Secretary or another person appointed by the Chair will keep minutes of each meeting, which will record the decisions reached by the Committee.
- 3.13. The minutes will be distributed to Committee members with copies provided to (a) the Board; (b) the CEO; and (c) the external auditors.
- 3.14. The Secretary or another person appointed by the Chair will file the Committee minutes and all meeting material with the corporate minute books.

#### **4. RESPONSIBILITIES**

The Committee is responsible for the following:

##### **4.1. General**

- 4.1.1. The Committee will meet as set out in section 3 above.
- 4.1.2. The Committee will report to the Board on all matters in this Charter as well as such matters as the Board may from time to time refer or delegate to the Committee.
- 4.1.3. The Committee will assess the adequacy of this charter annually and submit such evaluation to the Board for approval, together with any recommended changes.
- 4.1.4. The Committee members will annually conduct an assessment of the effectiveness of the Committee.

## 4.2. Corporate Governance

4.2.1. The Committee will 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.

4.2.2. The Committee will 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.

## 4.3. Nomination of Directors

4.3.1. The Committee will 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.
- 4.3.2. The Committee will 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.
- 4.3.3. The Committee will have the sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other retention terms.
- 4.3.4. The Committee will 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.
- 4.3.5. The Committee will recommend to the Board the removal of a director in extraordinary circumstances.
- 4.3.6. The Committee will recommend to the Board the composition of Board committees and will review their respective charters and the limits of authority to be delegated to each committee.
- 4.3.7. The Committee will 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.

#### 4.4. **Board Assessments**

- 4.4.1. The Committee will establish appropriate processes for the annual assessment of the effectiveness of the Board as a whole, each committee of the Board and individual. 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.

#### 4.5. Director Orientation and Education

4.5.1. The Committee will 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.

#### 4.6. Reporting

4.6.1. The Committee will 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.

Prepared By:	Approved By:	Date of Approval and Issue:
/s/ Vincent Gallant  Vincent Gallant Vice President, Corporate and Secretary	/s/ Peter Tomsett  Peter Tomsett, Chair Governance Committee	December 7, 2006