

# ***OPERATIONS COMMITTEE CHARTER***

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<b>VERSION NUMBER:</b>	1.4

# North American Construction Group Ltd.

## OPERATIONS COMMITTEE CHARTER

### 1. PURPOSE

The Board of Directors (the “Board”) of North American Construction Group Ltd. (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, including the processes and programs established by management for monitoring compliance with legal and regulatory requirements related to health, safety and environment matters; (b) identification, assessment and monitoring of operational and non-financial risks, including projects and work contracts, significant bid proposals, and the processes and programs established by management to identify, assess, monitor and respond to operational and non-financial risks.

### 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) meet and communicate directly with the Company’s officers, outside counsel and consultants, all as the Committee may deem necessary;
- (e) access all documents of the Company that the Committee may deem relevant to it in carrying out its responsibilities; and
- (f) undertake any other activity that may be reasonably necessary for the Committee to carry out its responsibilities as set out in this Charter.

### 3. COMPOSITION AND QUALIFICATIONS

- 3.1. The Committee will consist of at least two and not more than four directors of the Company. The Board will appoint the Committee and its Chair from time to time, upon recommendation of the Governance Committee, with members to hold office until their successors are appointed or until they cease to be directors of the Company.

- 3.2. The majority of the members of the Committee must be “independent” as that term is defined under the requirements of applicable securities laws and the standards of any stock exchange on which the Company’s securities are listed.
- 3.3. Determinations as to whether a particular director meets the requirements for membership on the Committee will be made by the Board upon recommendation of the Governance Committee.

#### **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 two members 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 kept with the records of the Company.

#### **5. RESPONSIBILITIES**

The Committee will carry out the following responsibilities:

- 5.1. **Health, Safety and Environment**

- (a) Annually review and evaluate with management the existing health, safety and environment policies of the Company for conformity with industry standards and best practices;
- (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 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;
- (i) review annually the Company's safety results against industry standards and peers;

## **5.2. Business Risk Management**

- (a) Receive management 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 non-financial 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, including customer tenders, contracts and commitments, including accumulated change orders on contracts, that require Operations Committee approval under the Company's Delegation of Authority Guideline;
- (e) Forward to the Board for ratification any matter submitted to it for approval under subsection (d) above if, in the opinion of the Committee, the matter is of a magnitude, scope or risk level that it should be referred to the full Board for approval notwithstanding that the Committee may have the authority to determine the matter hereunder;
- (f) Review reports on management's approach for safeguarding corporate assets; security practices and procedures; 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;
- (g) Work with management and the Board to assess, establish and monitor the appropriate 'risk appetite' for the Company;
- (h) 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;
- (i) Review and approve any other matter in the Delegation of Authority Guideline which is above the approval limit of the CEO and not specifically reserved for full Board approval;
- (j) Review and monitor the Company's loss prevention policies and review the adequacy of insurance coverage (excluding corporate liability protection programs for directors and officers, which are the responsibility of the Governance Committee); and
- (k) Review with management the annual insurance report including the Company's risk retention philosophy and resulting uninsured exposure;

### **5.3. Other Responsibilities**

- (a) 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, submit such evaluation to the Governance Committee and recommend any proposed changes to the Governance Committee to bring forward 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.

**4. GENERAL**

- 4.1. While the Committee will have the responsibilities and powers set forth in this Charter, it will not be the responsibility of the Committee to manage health, safety and environment matters or risks faced by the Company. These are the responsibilities of management.
- 4.2. 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. It is not the responsibility of the Committee to conduct investigations or to ensure compliance with laws, regulations or Company policies.

Prepared By:  /s/ Jordan Slator  Jordan Slator Vice-President and General Counsel	Approved By:  /s/ John Pollesel  John Pollesel, Chair Operations Committee	Date of Approval and Issue:  November 17, 2021
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