

PRECISION DRILLING CORPORATION
CORPORATE GOVERNANCE AND NOMINATING COMMITTEE
CHARTER AND TERMS OF REFERENCE

General

The purpose of this document is to establish the terms of reference of the Corporate Governance and Nominating Committee (the “Committee”) of Precision Drilling Corporation (the “Corporation”). The Committee is a standing committee of the Board of Directors of the Corporation (the “Board of Directors”) appointed to assist the Board of Directors by reviewing corporate governance issues, and making recommendations thereon to the Board of Directors as appropriate.

Committee Structure and Authority

(a) Composition

The Committee shall consist of no fewer than three members, at least 25 percent of whom must be resident Canadians. Each member of the Committee shall be “independent” under the requirements or guidelines for corporate governance committee service under applicable securities laws and the rules of any stock exchange on which the shares of the Corporation are listed for trading.

(b) Appointment and Replacement of Committee Members

Each member of the Committee shall serve at the pleasure of the Board of Directors. Any member of the Committee may be removed or replaced at any time by the Board of Directors and shall automatically cease to be a member of the Committee upon ceasing to be a Director of the Corporation. The Board of Directors may fill vacancies on the Committee by appointment from among its number. The Board of Directors shall fill any vacancy if the membership of the Committee is less than three Directors or minimum Canadian residency requirements are not met. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all their power so long as a quorum remains in office and the minimum Canadian residency requirements are met. Subject to the foregoing, the members of the Committee shall be appointed by the Board of Directors annually and each member of the Committee shall hold office as such until the next annual meeting (the “Annual Meeting”) of the shareholders of the Corporation (the “Shareholders”) after his or her election or until his or her successor shall be duly elected or appointed.

(c) Quorum

A majority of the Committee with at least 25 percent resident Canadians, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other, shall constitute a quorum.

(d) Review of Charter

The Committee shall review and reassess the adequacy of this Charter and Terms of Reference at least annually and otherwise as it deems appropriate, and recommend changes to the Board of

Directors. The Committee shall evaluate its performance with reference to this Charter and Terms of Reference annually. The Committee will approve the form of disclosure of this Charter and Terms of Reference on the Corporation's website and, where required by applicable securities laws or regulatory requirements, in the annual management information circular or annual report of the Corporation.

(e) Delegation

The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.

(f) Reporting to the Board

The Committee will report, through the Chair of the Committee, to the Board of Directors following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter and Terms of Reference.

(g) Committee Chair Responsibilities

The Board of Directors shall appoint a Chair of the Committee. The primary responsibility of the Chair of the Committee is to provide leadership to the Committee to enhance its effectiveness. In such capacity, the Chair of the Committee will perform the duties and responsibilities set forth in the "Position Description for the Corporate Governance and Nominating Committee Chair".

(h) Absence of Committee Chair

If the Committee Chair is not present at any meeting of the Committee, one of the other members of the Committee, present at the meeting shall be chosen by the Committee to preside at the meeting.

(i) Meetings

The Committee Chair, or any member of the Committee, may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as is needed to carry out its duties effectively.

(j) Notice of Meetings

Notice of the time and place of every meeting shall be given in writing or electronic communication to each member of the Committee at least 48 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive notice of a meeting. Attendance of a member at a meeting is a waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

(k) Procedure, Records and Reporting

Subject to any statute or articles or by-laws of the Corporation, the Committee shall fix its own procedures at meetings, keep records of its proceedings and report to the Board of Directors, generally not later than the next scheduled meeting of the Board of Directors that follows the

Committee meeting. In discharging its responsibilities, the Committee shall have full access to any relevant records of the Corporation.

(l) Attendance of Officers or Employees at Meetings

(m) The Committee may request any officer or employee of the Corporation to attend a meeting of the Committee or meet with any members of, or consultants to the Committee. Outside Experts and Advisors

The Committee may retain any outside expert or advisor, including but not limited to, legal, accounting, financial or other consultants, at the Corporation's expense, in order to permit the Committee to carry out its duties. The Committee will assure itself as to the independence of any outside expert or advisor.

Purpose

The Committee shall have responsibility for overseeing the Corporation's corporate governance matters. It shall oversee and assess the functioning of the Board of Directors and its Committees, identify candidates to act as Directors and undertake such other corporate governance initiatives as may be necessary or desirable to enable the Board to provide effective corporate governance for the Corporation and contribute to the success of the Corporation and enhance value for Shareholders.

Committee Responsibilities

The Committee shall:

In Respect of Operations of the Board

- assess the needs of the Board with respect to the conduct of its affairs, including:
 - the size of the Board;
 - the frequency and location of Board and committee meetings;
 - procedures for establishing meeting agendas and the conduct of meetings; and
 - the availability, relevance and timeliness of discussion papers, reports and other information required by the Board;
- recommend at the first meeting of the Board following the Annual Meeting, the appointment of Directors to committees of the Board of Directors of the Corporation and thereafter, where a vacancy occurs at any time in the membership of any such committee, recommend a particular Director to fill such vacancy having regard to the criteria for membership on each such committee;
- ensure the access and availability of continuing education for all Directors;
- establish and monitor procedures for administering the relationship of the Board with Management and ensure that the Board can function independently of Management and

ensure that the Chair of each committee of the Board shall have unimpeded access to Management;

- meet in separate, non-management, closed sessions with internal personnel or outside advisors, as needed or appropriate; and
- meet in separate, non-management, in camera sessions at each regularly scheduled meeting.

In Respect of Corporate Governance

- review annually the Corporation's approach to governance issues and the development and continued effectiveness of the Corporate Governance Guidelines of the Corporation and recommend any proposed changes to such guidelines to the Board of Directors for consideration;
- review annually the mandate for the Board and the position description for the Chair and Lead Director thereof, if any;
- review annually the charter and terms of reference of the committees of the Board of Directors of the Corporation and make recommendations thereon including with respect to changes in the role, size, composition and structure of such committees;
- review annually the effectiveness of: Directors; the Board; and each committee;
- review annually the Director qualification criteria including:
 - the number of boards on which a Director may sit;
 - tenure;
 - retirement; and
 - succession;
- review annually the procedure to enable an individual Director to engage an outside advisor at the expense of the Corporation; and
- establish and monitor procedures to ensure that the Board is made aware of current and evolving legislation, regulations and guidelines relating to corporate governance issues applicable to regulated public issuers.

In Respect of Board Composition and Director Nominations

- review annually the competencies, skills and personal qualities required of each Director in order to add value to the Corporation, in light of:
 - the activities of the Corporation and the nature of its investments;
 - the need to ensure that a majority of the Directors on the Board are “independent”;
 - the constating documents of the Corporation; and
 - the Corporate Governance Guidelines of the Corporation;
- review any significant change in the primary occupation of such Director;
- identify and recommend to the Board of Directors qualified Director nominees for election at the Annual Meeting of the shareholders of the Corporation;
- recruit, as required, candidates for the positions of Director and recommend candidates based on the competencies, skills and personal qualities required;
- ensure candidates understand the demands on and expectations of Directors and the role of the Board and its committees;
- oversee an orientation program to familiarise new Directors with the business and operations of the Corporation, including the reporting structure, strategic plans, significant financial, accounting and risk issues, compliance policies, Management and the external auditors; and
- make recommendations to the Board in respect of Director resignations submitted as a result of a major change in a Director’s principal occupation and in accordance with Precision’s Director Voting policy if required.

In Respect of Director Protection

- review annually the Directors’ and Officers’ insurance policy applicable to the Corporation, and make recommendations for its renewal or amendment or the replacement of the insurer; and
- administer all policies or agreements of the Corporation with respect to the indemnification of the Directors and Management.

In Respect of Management and Employees

- annually review, with the Compensation Committee, the Position Description for the Chairman of the Board of the Corporation.

In Respect of Reporting and Disclosure Requirements

- review and approve the Statement of Corporate Governance to be made in the management information circular prepared in connection with the Annual Meeting and on the Corporation's website describing the corporate governance practices of the Corporation as required under applicable securities laws and the rules of any stock exchange on which the Corporation's shares are listed for trading;
- review and approve the disclosure relating to the corporate governance of the Corporation to be made in the Corporation's Annual Report to Shareholders;
- disclose the number of Board and committee meetings held during the preceding calendar year and attendance of individual Directors at such meetings;
- review the disclosure of all significant differences in the Corporation's corporate governance practices from those followed by domestic issuers under the NYSE listing standards and include such disclosure on the Corporation's website;
- review periodically the Insider Trading Policy, including the imposition of mandatory black-out periods during which Directors and Management will be prohibited from trading in shares of the Corporation; and
- ensure that there is an adequate process administered by the Corporation's Audit Committee to allow all levels of employees to bring "Whistle Blower" issues to such committee which are not being adequately dealt with by Management.

Approved effective June 1, 2010.