

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, in respect of the Corporation as well as Precision Drilling Trust (the “Trust”), 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 a majority 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 units of the Trust 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. 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. 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 unitholders of the Trust (the “Unitholders”) after his or her election or until his or her successor shall be duly elected and qualified.

(c) Quorum

The Committee shall have a quorum of not less than a majority of its members.

(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 Trust’s website and, where required by applicable securities laws

or regulatory requirements, in the annual management information circular or annual report of the Trust.

(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) Other Authority

The Committee may request any officer or employee of the Corporation or the Corporation's or the Trust's legal counsel to attend a meeting of the Committee or to meet with any members of, or consultants to the Committee.

The Committee may retain special legal, accounting, financial or other consultants to advise the Committee at the Corporation's expense.

Purpose

The Committee shall have responsibility for overseeing the Corporation's and the Trust's corporate governance matters. The Committee's purpose is to assist the Board of Directors by:

- (a) overseeing and assessing the functioning of the boards of the Corporation, the Trust and 1194312 Alberta Ltd. (collectively, the "Precision Boards") and any committees thereof, if any;
- (b) developing, recommending, implementing and assessing the effectiveness of the corporate governance principles of each of the Corporation, the Trust and 1194312 Alberta Ltd. (the "General Partner"), as applicable;
- (c) identifying candidates to act as trustees of the Trust;
- (d) identifying candidates to act as directors of the Corporation and the General Partner and recommending to the board of directors of the Corporation qualified director candidates for approval by the unitholders at the next Annual Meeting;
- (e) overseeing the evaluation of each Precision Board;

- (f) carrying out the Committee's mandate as set forth in this Charter and Terms of Reference;
- (g) reviewing and/or approving such other matters as may be specifically delegated to the Committee by the Precision Boards from time to time; and
- (h) undertaking such other corporate governance initiatives as may be necessary or desirable to enable the Precision Boards to:
 - (i) provide effective corporate governance for the Trust, the Corporation and the General Partner, as the case may be;
 - (ii) contribute to the success of the Trust and the Corporation; and
 - (iii) enhance value for Unitholders.

Committee Responsibilities

The Committee shall:

In Respect of Operations of the Precision Boards

- assess the needs and the mandates of each Precision Board with respect to the conduct of its affairs;
- recommend at the first meeting of each Precision Board following the Annual Meeting, the allocation 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 trustees and directors;
- establish and monitor procedures for administering the relationship of each Precision Board with the officers of the Corporation and the General Partner, if any (collectively "Management") and ensure that each Precision Board can function independently of Management and ensure that the Chair of each committee of each Precision Board shall have unimpeded access to Management;
- meet at least four times annually and as many additional times as needed to carry out its duties effectively;
- 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 Trust's, the Corporation's and the General Partner's approach to governance issues and the development and continued effectiveness of the Corporate Governance Guidelines of the Trust and the Corporation and recommend any proposed changes to such guidelines to the Board of Directors for consideration;
- review annually the mandate for each Precision Board and the position description for the Chairman of each committee and the Chairman of the Board 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: trustees and directors; the Precision Boards; and each Precision Board committee;
- review annually the trustee or director qualification criteria for the Precision Boards including:
 - the number of boards on which a trustee or director may sit;
 - tenure;
 - retirement; and
 - succession;
- review annually the procedure to enable an individual trustee or director to engage an outside advisor at the expense of the Trust, the Corporation or the General Partner, as applicable; and
- establish and monitor procedures by which each Precision 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 Trustee/Director Nominations

- review annually the competencies, skills and personal qualities required of each trustee or director in order to add value to the Trust, the Corporation or the General Partner, as applicable, in light of:
 - the activities of the Trust, the Corporation or the General Partner, as applicable, and the nature of their respective investments;
 - the need to ensure that a majority of the Trustees and a majority of the directors on each Precision Board are "independent";

- the constating documents of the Trust, the Corporation or the General Partner, as the case may be; and
- the Corporate Governance Guidelines of the Trust and the Corporation;
- review any significant change in the primary occupation of such trustee or director;
- identify and recommend to the Board of Directors qualified trustee nominees for election at the Annual Meeting of the unitholders of the Trust and qualified director nominees for approval at the Annual Meeting of the unitholders of the Trust;
- recruit, as required, candidates for the positions of trustee or director and recommend candidates based on the competencies, skills and personal qualities required;
- ensure candidates understand the demands on and expectations of trustees and directors and the role of each Precision Board and its committees;
- oversee an orientation program to familiarise new trustees and directors with the business and operations of the Trust and the Corporation, as the case may be, including the reporting structure, strategic plans, significant financial, accounting and risk issues, compliance policies, Management and the external auditors; and
- make recommendations to each Precision Board in respect of trustee and director resignations.

In Respect of Trustee/Director Protection

- review annually the directors and officers insurance policy applicable to the Trust, the Corporation and the General Partner, as applicable, and make recommendations for its renewal or amendment or the replacement of the insurer; and
- review all policies of the Trust, the Corporation and the General Partner with respect to the indemnification of the trustees, directors and Management.

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 Trust's website describing the corporate governance practices of the Trust, the Corporation and the General Partner as required under applicable securities laws and the rules of any stock exchange on which the Trust's units are listed for trading;
- review and approve the disclosure relating to the corporate governance of the Trust to be made in the Trust's Annual Report to Unitholders;
- disclose the number of Precision Board and committee meetings held during the preceding calendar year and attendance of individual trustees and directors at such meetings;

- review the disclosure of all significant differences in the Trust's corporate governance practices from those followed by domestic issuers under the NYSE listing standards and include such disclosure on the Trust's website;
- review periodically the Insider Trading Policy, including the imposition of mandatory black-out periods during which trustees, directors and Management will be prohibited from trading in units of the Trust; and
- verify 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 February 13, 2008