



BOARD OF DIRECTORS CHARTER

PURPOSE

The Board of Directors (the **Board of Directors**) of Precision Drilling Corporation (the **Corporation**) is responsible for the stewardship of the business and affairs of the Corporation. The Board of Directors discharges its responsibility by providing direction to management of the Corporation (**Management**) and overseeing that all major issues affecting the business and affairs of the Corporation are given proper consideration.

BOARD OF DIRECTORS RESPONSIBILITIES

The Board of Directors shall:

Strategy and Budget

- be responsible for the strategic direction and planning for the Corporation, taking into account, among other things, the opportunities and risks of the business as they evolve over time. The strategic plan is reviewed and adopted on an annual basis at a special strategy session of the Board of Directors and Management;
- approve all significant transactions involving the Corporation, including all banking relationships and key borrowing and financing decisions;
- approve the annual business plan of the Corporation and its annual operating and capital budgets;
- approve, as recommended by the Audit Committee of the Board of Directors (the **Audit Committee**), requests from Management for (a) any additional unbudgeted capital and (b) any replenishment of the Chief Executive Officer's (**CEO**) and/or Chair of the Board's capital approval authority under the Corporation's Corporate Policy No. 2 – *Authority Levels*;
- approve all amendments or departures proposed by Management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business;
- oversee the Corporation's plans and strategies for stakeholder engagement and communications;

Senior Management

- appoint the CEO and, on the recommendation of the Human Resources and Compensation Committee of the Board of Directors (the **HRCC**), appoint or confirm the other senior executive officers of the Corporation;
- approve the corporate goals and objectives, and review the performance against these goals and objectives, for the CEO and the senior executive officers who report directly to the CEO, as recommended by the HRCC;
- approve the compensation of the CEO and the senior executive officers who report directly to the CEO, as recommended by HRCC (with respect to the compensation of the CEO, such

compensation will be determined and approved by the independent Directors of the Board of Directors only);

- review the Corporation's succession plan for key positions at least annually, including emergency succession plans and long-term succession plans, and receive reports from the HRCC on key succession issues from time to time;
- review the Corporation's talent management, work force engagement and retention strategies, and receive reports from the HRCC on any key human capital management issues from time-to-time;

Health & Safety and Corporate Responsibility

- oversee the Corporation's Global Quality Health, Safety and Environmental Management System;
- receive periodic reports from the Corporation's Safety and Corporate Responsibility Council;
- together with the respective committees of the Board of Directors and the HSE & Corporate Responsibility Council, oversee the Corporation's commitment, approach, planning, performance, monitoring and disclosure related to sustainability and environment, social and governance (**ESG**) matters, including an annual review and quarterly reports on:
 - ESG mapping and materiality assessment to evaluate ESG factors and considerations relevant to the Corporation's business, operations and locations;
 - Determining the Corporation's ESG risks, opportunities, priorities and commitments, together with related timelines and strategies for executing those commitments;
 - Developing related performance metrics under its corporate performance scorecard and its compensation strategies;
- Oversee the approach to mandatory and voluntary reporting on climate and ESG matters, and reviewing reports and disclosure related to climate, sustainability, diversity and other ESG matters and commitments;
- monitor regulatory regimes, trends and issues related to climate, environment, occupational health and safety, diversity and other ESG matters and assess any related risks, opportunities and external stakeholder concerns;

Financial Reporting and Risk Management

- be responsible for the integrity of the Corporation's internal controls and management information systems and receive regular reports from the Audit Committee. The Audit Committee is responsible for reviewing internal controls over accounting and financial reporting systems, receiving quarterly financial presentations from Management and meeting separately with, and receiving direct reports from, the internal and external auditors of the Corporation and reporting to the Board of Directors on such matters;
- approve the annual audited consolidated financial statements and the interim unaudited consolidated financial statements of the Corporation. The Board of Directors may at any time and from time to time delegate approval of interim unaudited consolidated financial statements to the Audit Committee;
- approve and recommend to the Shareholders of the Corporation (the **Shareholders**), the appointment/re-appointment of the external auditor, as recommended to the Board of Directors by the Audit Committee;

- together with the committees of the Board of Directors, ensure that Management identifies the principal risks of the Corporation's business and ensure the implementation of a risk management system to manage all material risks. The Board of Directors and the respective committees shall consider such risks and discuss the management of such risks on a regular basis, with the assistance of Management, who reports to the Board of Directors on the risks of the Corporation's business, directly or through its committees who have specific oversight over areas of risk on behalf of the Board of Directors;
- receive reports from Management on quarterly environmental and occupational health and safety matters, significant litigation matters, compliance matters, key risk areas, and review the recommendations of the Corporate Governance, Nominating and Risk Committee (the **CGNRC**) regarding same;
- consider appropriate measures it may take if the performance of the Corporation falls short of its goals or as other circumstances warrant;
- oversee the accurate reporting of the financial performance of the Corporation to the Shareholders and the investment community and ensure that the financial results of the Corporation are reported fairly and in accordance with applicable international financing reporting standards. The Board of Directors requires that the Corporation make accurate, timely and effective communication of all material information to Shareholders, the investment community and other stakeholders;

Ethics, Disclosure and Corporate Conduct

- to the extent feasible, satisfy itself of the integrity of the CEO and the other senior executive officers appointed by the Board of Directors and ensure that such individuals create a culture of integrity throughout the organization;
- ensure the Corporation meets its continuous disclosure and public reporting obligations. The Board of Directors may delegate this ongoing reporting responsibility to Management and ensure an appropriate Disclosure Policy is in place. Issues arising from the Disclosure Policy are dealt with by a committee of senior executive officers of the Corporation consisting of the Chief Financial Officer and the Chief Legal & Compliance Officer, and such others as may be determined by them from time to time;
- approve material disclosure including the Corporation's Annual Information Form, Annual Report, and annual Management Information Circular;
- approve the date of the Annual Meeting of Shareholders (the **Annual Meeting of Shareholders**), including the record date and meeting location;
- be responsible for approving a Code of Business Conduct and Ethics (the **Code**) applicable to the Corporation's Directors, officers, employees, contractors and consultants, and approve any waivers from the Code by any officer or Director of the Corporation;
- through regular Management reports, monitor compliance with the Code and review a summary of complaints received by the PD *EthicsLine* and conduct investigations when needed;

Delegation and Board Composition

- establish the following permanent committees to assist it with the discharge of its duties: the Audit Committee, the CGNRC and the HRCC. The Board of Directors may also appoint ad hoc or special committees of the Board of Directors as it may determine from time to time. The Board of Directors will review and consider the reports and recommendations of its committees;
- retain its oversight function for all delegated responsibilities. As permitted by applicable law, the Board of Directors may from time to time delegate certain of its responsibilities to Management;

- be responsible for the appointment and removal of members and chairs of its committees;
- establish, through its CGNRC, the Corporation's approach to corporate governance, including oversight of governance of the Corporation's subsidiaries and affiliates, oversight of processes for general management of risk and reporting to the Board of Directors on all matters relating to the governance of the Corporation;
- review on an annual basis, by receiving the report of the CGNRC, the effectiveness of the Board of Directors, its committees and individual Directors, as well as the effectiveness of the Board of Directors' evaluation process;
- determine, upon recommendation by the CGNRC, the near term and long term succession plans and any resultant refreshment and recruitment needs for the Board;
- review on an annual basis and approve, upon recommendation by the CGNRC, any amendments to the Charters and chair position descriptions of each of its committees;

Board of Directors Process/Effectiveness

- review and approve, on recommendation from the CGNRC, the Directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a Director of the Corporation and is consistent with other comparable companies and market standards;
- approve policies designed to ensure that the Corporation operates at all times within applicable laws and regulations and to monitor compliance with all such policies;
- review on an annual basis and approve upon recommendation by the CGNRC, the Corporate Governance Guidelines; and
- adhere to all other Board of Directors responsibilities as set forth in the Corporation's by-laws, articles, applicable policies and practices and other statutory and regulatory obligations, such as approval of dividends, issuance of securities, etc.

Structure and Authority

(a) Composition

The composition of the Board of Directors, including the qualifications of each Director, will comply with all requirements of the *Business Corporations Act* (Alberta), the articles and by-laws of the Corporation, applicable securities legislation and the rules of any stock exchange upon which the securities of the Corporation are listed for trading.

A majority of the Board of Directors will be comprised of Directors who must be determined to be "independent" as defined in applicable securities laws and the rules or guidelines of any stock exchange upon which the securities of the Corporation are listed for trading.

The Directors, in exercising the powers and authority conferred upon them, will act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A Director will not be liable in carrying out his or her duties except in cases where the Director fails to act honestly and in good faith with a view to the best interests of the Corporation or to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(b) Election, Appointment and Replacement

The CGNRC will recommend to the Board of Directors candidates for nomination as Directors. The Board of Directors approves the final choice of candidates to be submitted to Shareholders and voted upon in accordance with the Corporation's majority voting policy on the election of Directors.

The Board of Directors will appoint the Chair of the Board from among the Corporation's directors. The term of each Director will expire at the close of the next Annual Meeting of Shareholders or when a successor is duly elected or appointed.

If it becomes necessary to appoint a new Director to fill a vacancy on the Board of Directors or to complement the existing Board of Directors, the Board of Directors will, under the leadership of the CGNRC, consider a wide base of potential candidates and assess the qualifications of proposed new Directors against a range of criteria, including background experience, professional skills, personal qualities, gender, ethnicity, age, stakeholder perspectives, geographic backgrounds, the potential for the candidate's skills to augment the existing Board of Directors and the candidate's availability to commit to the Board of Directors' activities.

The Board of Directors may, between Annual Meetings of Shareholders, appoint one or more additional Directors for a term to expire at the close of the next Annual Meeting of Shareholders, provided that the number of additional Directors so appointed will not exceed one-third of the number of Directors who held office at the immediately preceding Annual Meeting of Shareholders.

Directors must have an appropriate mix of skills, knowledge and experience in business and a history of achievements. Directors are required to commit the requisite time for all of the Board of Directors' business and activities and will demonstrate integrity, accountability and informed judgement.

(c) Meetings and Quorum

A majority of Directors 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.

The Board of Directors will not transact business at a meeting of the Board of Directors unless a quorum is present.

The Board of Directors meets at least quarterly and as many additional times as needed to carry out its duties effectively. At each regularly scheduled meeting, the Board of Directors meets in *in-camera* sessions, without Management present and as a group of only the independent Directors. The Board of Directors also meets with any internal personnel or outside advisors as needed or appropriate to discharge its responsibilities, in open or closed sessions as appropriate.

Each Director is expected to attend all regularly scheduled meetings in person. To prepare for meetings, Directors are expected to review the materials that are sent to them in advance of such meetings.

(d) Review of Charters and Position Descriptions

The Board of Directors shall review and assess the adequacy of all Board of Directors and committee charters and all CEO and chair position descriptions at least annually and consider and adopt changes as appropriate.

Stakeholder Engagement

- The Board of Directors has adopted a Shareholder Communication Policy to express its commitment to communicate openly with Shareholders and other stakeholders and interested parties. To communicate with the Board of Directors and with the independent members of the Board of Directors contact the Corporate Secretary at the offices of Precision Drilling Corporation, 800, 525 – 8th Avenue S.W., Calgary, Alberta, Canada, T2P 1G1, by telephone at 403.716.4500, facsimile at 403.264.0251 or email at CorporateSecretary@precisiondrilling.com.
- All communications received from any stakeholder will be reviewed and delivered as requested, or if an individual member of the Board of Directors is not specified by the communication, to the appropriate member at the Corporate Secretary's discretion. The process for communication with the Corporate Secretary is also posted on the Corporation's website at www.precisiondrilling.com.

Approved effective July 31, 2023