
AUDIT COMMITTEE

MANDATE AND TERMS OF REFERENCE

ROLE AND OBJECTIVES

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of Trican Well Service Ltd. (the "Corporation") to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for board of director approval, the audited financial statements and other mandatory disclosure releases containing financial information. The objectives of the Committee are as follows:

1. To assist directors in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the Corporation's financial statements and related matters;
2. To provide effective communication between directors and external auditors;
3. To support the external auditors' independence;
4. To support the credibility and objectivity of financial reports;
5. To monitor the performance and promote the effectiveness of the Corporation's internal control certification function; and
6. To strengthen the role of the outside directors by facilitating in depth discussions between directors on the Committee, management and external auditors.

MEMBERSHIP OF THE COMMITTEE

1. The Committee shall be comprised of three members or such greater number as the Board may from time to time determine, all of whom shall be independent (in accordance with the definition of "independent" set out in Multilateral Instrument 52-110 – *Audit Committees*).
2. The Board shall designate one of the members of the Committee, who shall be unrelated, to be the Chair of the Committee.
3. All of the members of the Committee shall be "financially literate" (in accordance with the definition of "financial literacy" set out in MI 52-110.)
4. The Secretary to the Board shall act as Secretary to the Committee.

MANDATE AND RESPONSIBILITIES OF THE COMMITTEE

1. In addition to any other duties and authorities delegated to it by the Board from time to time, the Committee will have the authority and responsibility for:
 - a. overseeing the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting;
 - b. satisfying itself on behalf of the Board that the Corporation's internal control systems and disclosure control systems are satisfactory and operating effectively;

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- c. reviewing the Corporation's annual financial statements prior to their submission to the Board for approval.
 - d. reviewing, and making a recommendation to the Board with respect to their approval of, the financial statements, prospectuses, management discussion and analysis ("**MD&A**"), annual information forms ("**AIF**") and all public disclosure containing audited or unaudited financial information before release and prior to board approval;
 - e. satisfying itself that adequate procedures are in place for the review of the Corporation's disclosure of all other financial information and periodically assessing the effectiveness of those procedures;
 - f. with respect to the appointment of external auditors by the Board:
 - i. recommending to the Board the appointment of the external auditors;
 - ii. recommending to the Board the terms of engagement of the external auditors, including the compensation of the auditors and a confirmation that the external auditors shall report directly to the Committee;
 - iii. reviewing annually with the external auditors their plan for their audit;
 - iv. reviewing and approving any non-audit services to be provided by the external auditors' firm and considering the impact on the independence of the auditors; and
 - v. when there is to be a change in auditors, reviewing the issues related to the change and the information to be included in the required notice to securities regulators of such change.
 - g. With respect to internal audit, the Corporation may engage the services of an internal auditor(s). The Committee shall:
 - i. have the right to review and approve the appointment, the terms of engagement, replacement or dismissal of the internal auditor(s). The Committee may delegate the appointment of the internal auditor(s) to management;
 - ii. have access to the internal auditor(s) to discuss their audit plan for the year, progress of their activities, any significant findings stemming from internal audits, any changes required in the planned scope of their audit plan and whether there are any disputes, restrictions or limitations on the internal auditor(s);
 - iii. review summaries of the significant reports to management prepared by the internal auditor(s), or the actual reports for the identifying and monitoring of financial reporting; and
 - iv. advise the Board on any significant issues relating to the internal audit function.
 - h. Upon the external auditors' completion of the audit, reviewing the external auditors' reports upon the financial statements of the Corporation and its subsidiaries;
 - i. With respect to the internal control certification function, the Committee shall review with management and assess the Corporation's disclosure procedures and controls and material changes to the design of the Corporation's disclosure procedures and controls;
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- ii. review disclosures made respecting the design and operation of internal controls over financial reporting and disclosure controls and procedures, including any disclosure of limitations on their assessment by the Chief Executive Officer and Chief Financial Officer review any deficiencies in their design or operating effectiveness and any fraud involving persons who have a significant role in the Corporation's internal controls;
- iii. exercise oversight of, review and discuss with management and the external auditor, the internal auditor(s), as applicable (together and separately, as it deems necessary):
 - a) The adequacy and effectiveness of the Corporation's internal control over financial reporting and disclosure controls and procedures;
 - b) Any significant deficiencies or material weaknesses in internal control over financial reporting or disclosure controls and procedures, and the status of any plans for their remediation;
 - c) The adequacy of the Corporation's internal controls and any related findings and recommendations of the external auditor and internal auditor(s) together with management's response thereto; and
 - d) Compliance with such controls, procedures and systems with legal, ethical and regulatory requirements.
- i. establishing a procedure for the handling of whistleblower complaints which procedure shall include provisions for:
 - i. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - ii. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- j. reviewing and approving the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation;
- k. investigating, or assigning responsibility for the investigation to management, the external auditor or internal auditor, any financial activity of the Corporation (with which investigations all employees of the Corporation shall cooperate as requested by the Committee); and
- l. retaining, as it determines appropriate, persons having special expertise and/or obtaining independent professional advice to assist in filling their responsibilities at the expense of the Corporation and without any further approval of the Board.

MEETINGS AND ADMINISTRATIVE MATTERS

1. At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote.
2. The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for the purposes of the meeting.

3. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.
4. Meetings of the Committee should be scheduled to take place at least quarterly and at such other times as the Chair of the Committee may determine.
5. Agendas, approved by the Chair, will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
6. The Committee may invite such officers, directors and employees of the Corporation as it sees fit from time to time to attend at meetings of the Committee and to assist in the discussion and consideration of the matters being considered by the Committee. However, the Committee shall ensure that at each meeting of the Committee, its members meet on an *in-camera* basis without the participation of non-independent directors, management, or external auditors.
7. The Committee shall forthwith report the results of meetings and reviews undertaken and any associated recommendations to the Board. Minutes of the Committee will be recorded and maintained by the Secretary to the Committee, and shall be made available to all directors of the Board.
8. Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.
9. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated by the Committee Chair to the Chairman of the Board or to the Lead Director, as appropriate.
10. The Committee shall meet with the external auditor at least once per year (in connection with the preparation of the year-end financial statements) and at such other times as the external auditor and the Committee consider appropriate.
11. The Committee may request a meeting in a separate, non-management, closed session with the internal auditor at each regularly scheduled meeting.