



## GIBSON ENERGY INC.

### CORPORATE GOVERNANCE, COMPENSATION AND NOMINATION COMMITTEE CHARTER

#### A. POLICY STATEMENT

It is the policy of Gibson Energy Inc. (the "**Company**") to establish and maintain a Corporate Governance, Compensation and Nomination Committee (the "**Committee**"), to assist the Board of Directors of the Company (the "**Board**").

The Committee is responsible for ensuring that the mission and strategic direction of the Company is reviewed annually and that the Board and of each of its committees carries out its functions in accordance with due process. The Committee is also responsible for assessing the effectiveness of the Board as a whole, the effectiveness of each Board committee and the contribution of each individual director. It is also the responsibility of the Committee to address governance issues and to identify, recruit, determine compensation of, endorse, recommend the appointment of and orient new directors.

The Committee is also responsible for the Company's human resources and compensation policies and processes. The Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board, including administrative support. If determined necessary by the Committee, it will have the discretion to investigate and conduct reviews of any human resource or compensation matter including the standing authority to retain experts and, with approval of the Board, special counsel.

#### B. COMPOSITION OF COMMITTEE

1. The Committee shall consist of a minimum of three directors. The Board shall appoint the members of the Committee. The Board shall appoint one member of the Committee to be the Chair of the Committee (the "**Chair**").
2. Unless otherwise determined by the Board and subject to applicable laws or stock exchange requirements applicable to the Company, each director appointed to the Committee by the Board shall be independent, as defined by National Policy 58-201 – Corporate Governance Guidelines (or any successor instrument) of the Canadian Securities Administrators.



3. A director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.

#### **C. MEETINGS OF THE COMMITTEE**

1. The Committee shall convene at such dates, times and places as may be designated or approved by the Chair of the Committee whenever a meeting is requested by the Board, a member of the Committee, or the Chief Executive Officer of the Company (the "CEO"). The Committee shall convene a minimum of two times per year.
2. Notice of each meeting shall be given to each member of the Committee and the CEO, who shall attend whenever requested to do so by a member of the Committee.
3. Notice of a meeting of the Committee shall:
  - (a) be in writing;
  - (b) state the nature of the business to be transacted at the meeting in reasonable detail;
  - (c) to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and
  - (d) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.
4. A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of its members. However, it shall be the practice of the Committee to require review, and, if necessary, approval of certain important matters by all members of the Committee.
5. Any member of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at the meeting.
6. In the absence of the Chair of the Committee, the members of the Committee shall choose one of the members present to be Chair of the meeting.
7. The Secretary of the Company shall be the Secretary of the meeting or, alternatively, the members of the Committee may choose one of the persons present to be the Secretary of the meeting.
8. Minutes shall be kept of all meetings of the Committee and shall be signed by the Chair and the Secretary of the meeting.

9. Minutes of Committee meetings will be sent to all Board members and relevant executive and management staff. Reports on the conduct of the meetings will be made to the Board.

**D. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

1. The Committee shall make such rules and regulations as may be necessary to carry out its responsibilities, which shall include the following:
  - (a) evaluating whether the necessary and appropriate committees exist to support the work of the Board and making recommendations to the Board as necessary and appropriate for the reorganization of responsibilities among committees, the creation of additional committees or subcommittees or the elimination of committees;
  - (b) in the event of a vacancy occurring on the Board, however caused, the Committee shall recommend to the Board a person or persons for appointment as a director to fill the vacancy. The Board shall thereupon approve one such recommendation in respect of each vacancy and direct the Committee to obtain the consent of that person to his or her appointment as a director and, upon such consent being obtained, the Board may appoint that person a director;
  - (c) the Committee shall, based upon a consideration of a director's performance in office and any other factors considered relevant, recommend to the Board whether such director should be nominated for election or re-election at any annual meeting of shareholders at which he or she is eligible to be elected a director;
  - (d) the Committee shall consider nominees recommended by shareholders for election as directors;
  - (e) the Committee shall make recommendations to the Board regarding continuing tenure of directors, in accordance with policies that may be determined from time to time by the Board;
  - (f) notwithstanding subparagraphs D.1(a) through (d), the Board may direct the Committee to give consideration to other nominations or may propose, appoint, elect or nominate any person to fill any vacancy on the Board or the Committee, and, in connection with the foregoing, and otherwise as may be determined appropriate by the Committee, the Committee shall:
    - i. consider the competencies and skills the Board as a whole should possess;
    - ii. consider the criteria for candidates, after considering the competencies and skills of the existing directors;



- iii. consider the competencies and skills of each potential new nominee;
  - iv. determine how potential candidates should be identified;
  - v. establish the procedure for approaching prospective candidates; and
  - vi. consider the appropriate size of Board from time to time;
- (g) in the event of a vacancy occurring on a committee of the Board, however caused, the Committee shall recommend to the Board a person or persons for appointment as a member to fill such vacancy; and
- (h) the Committee shall make recommendations from time to time to the Board concerning such other matters, including matters related to corporate governance, as the Committee may deem appropriate or as may be referred to it from time to time by the Board.
2. The Committee shall annually review and evaluate the role of the Board and its Committees and the methods and processes by which the Board fulfills its duties and responsibilities, including the methods and processes for evaluating Board effectiveness.
3. The Committee shall monitor and review the Company's corporate insider trading policy, continuous disclosure policy, and corporate guidelines for maintaining confidentiality, and recommend changes and action required to deal with breaches of policy or guidelines.
4. With respect to Board training and development, the Committee shall:
- (a) approve any appropriate training and development or continuing education experiences funded by the Company for the Board as a whole or for individual directors; and
  - (b) monitor and assess the value of any training programs and recommend changes.
5. The Committee shall ensure that the Company establishes and maintains a comprehensive orientation and continuing education programs for new Board members and committee members.
6. The Committee shall ensure that the Board members are knowledgeable about their roles and responsibilities.
7. The Committee's primary duties and responsibilities relating to compensation matters are to review and make recommendations to the Board in respect of:
- (a) compensation policies and guidelines;

- (b) management incentive and perquisite plans and any non-standard remuneration plans;
  - (c) senior management, executive and officer appointments and their compensation;
  - (d) management succession plans, management training and development plans, termination policies and termination arrangements;
  - (e) Board compensation matters; and
  - (f) indemnification and insurance for officers and directors.
8. In carrying out its duties and responsibilities relating to compensation matters, the Committee shall:
- (a) annually assess and make a recommendation to the Board with regard to the competitiveness and appropriateness of the compensation package of the CEO, all other officers of the Company and such other key employees of the Company or any subsidiary of the Company as may be identified by the CEO and approved by the Committee (collectively, the "**Designated Employees**");
  - (b) annually review the performance goals and criteria for the CEO and evaluate the performance of the CEO against such goals and criteria and recommend to the Board the amount of regular and incentive compensation to be paid to the CEO;
  - (c) annually, review and make a recommendation to the Board regarding the CEO's performance evaluation of Designated Employees and his recommendations with respect to the amount of regular and incentive compensation to be paid to such Designated Employees;
  - (d) review and make a recommendation to the Board regarding any employment contracts or arrangements with each of the Designated Employees, including any retiring allowance arrangements or any similar arrangements to take effect in the event of a termination of employment;
  - (e) from time to time, review and make recommendations to the Board in respect of the design, benefit provisions, and text of applicable pension, retirement and savings plans, or related matters as set out in the Retirement and Savings Committee Governance Policy;
  - (f) annually, in conjunction with the Company's general and administrative budget, review and make recommendations to the Board regarding compensation guidelines for the forthcoming budget period;

- (g) when requested by the CEO, review and make recommendations to the Board regarding short term incentive or reward plans and, to the extent delegated by the Board, approve awards to eligible participants;
  - (h) when requested by the CEO, review and make recommendations to the Board regarding incentive stock option plans or any other long term incentive plans and to the extent delegated by the Board, approve grants to participants and the magnitude and terms of their participation;
  - (i) as required, fulfill the obligations assigned to the Committee pursuant to any other employee benefit plans approved by the Board;
  - (j) annually, prepare or review the report on executive compensation required to be disclosed in the Company's information circular or any other human resource or compensation matter required to be publicly disclosed by the Company;
  - (k) periodically, but at least every third year, review and make a recommendation to the Board regarding the compensation of the Board;
  - (l) review and make recommendations to the Board regarding any material outside community or professional service or outside Board opportunities being considered by Designated Employees prior to their acceptance of such positions;
  - (m) as required, retain independent advice in respect of human resources and compensation matters and, if deemed necessary by the Committee, meet separately with such advisors;
  - (n) assess, on an annual basis, the adequacy of this Charter and the performance of the Committee; and
  - (o) consider any other matter properly referred to the Committee by the Board, a director or the CEO for review, recommendation or decision.
  - (p) review and confirm that the reporting and performance standards set out in the Retirement and Savings Committee Governance Policy have been satisfied.
9. In addition to the foregoing, the Committee shall undertake on behalf of the Board such other initiatives as may be necessary or desirable to assist the Board in discharging its responsibility to ensure that appropriate performance evaluation, compensation and succession planning programs are in place and operating effectively.
10. In carrying out its duties and responsibilities relating to governance matters, the Committee shall:

- (a) work with the CEO and other members of senior management to foster an effective governance culture within the Company; and
- (b) monitor developments in the area of governance and recommend initiatives that will help the Company maintain high standards of governance.

**E. MISCELLANEOUS**

1. The Committee shall report regularly to the Board and bring its recommendations to the full Board for its approval.
2. The Committee shall have the authority to engage and compensate any outside advisors that it determines to be necessary to permit it to carry out its duties, and, if deemed necessary by the Committee, meet separately with such advisors.
3. The Committee will review its terms of reference annually and recommend any changes to the Board.

