

## **VERO ENERGY INC.**

### **CORPORATE GOVERNANCE COMMITTEE**

#### **MANDATE AND TERMS OF REFERENCE**

##### **Role and Objective**

The Corporate Governance Committee (the "Committee") is a committee of the board of directors (the "Board") of Vero Energy Inc. ("Vero") to which the Board has delegated the responsibility for developing the approach of the Corporation to matters concerning corporate governance and, from time to time, shall review and make recommendations to the Board as to such matters.

##### **Membership of the Committee**

1. The Committee will be comprised of at least three (3) directors of Vero or such greater number as the Board may determine from time to time and all members of the Committee shall be "independent" (as such term is defined for purposes of National Policy 58-201 – Corporate Governance Guidelines).
2. The Board may from time to time designate one of the members of the Committee to be the Chair of 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) annually reviewing the mandates of the Board and its committees and recommend to the Board such amendments to those mandates as the Committee believes are necessary or desirable;
  - (b) considering and, if thought fit, approving requests from directors or committees of directors of the engagement of special advisors from time to time;
  - (c) preparing and recommending to the Board annually a statement of corporate governance practices to be included in the Corporation's annual report or information circular as required by the Toronto Stock Exchange and any other regulatory authority;
  - (d) making recommendations to the Board as to which directors should be classified as "independent directors", "related" directors or "unrelated" directors pursuant to any such report or circular;
  - (e) reviewing on a periodic basis the composition of the Board and ensuring that an appropriate number of independent directors sit on the Board, analyzing the needs of the Board and recommending nominees who meet such needs;
  - (f) assessing, at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors (including the competencies and

skills that each individual director is expected to bring to the Board), including considering the appropriate size of the Board;

- (g) recommending suitable candidates for nominees for election or appointment as directors, and recommending the criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors and in making such recommendations, the Committee should consider:
  - (i) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
  - (ii) the competencies and skills that the Board considers each existing director to possess;
  - (iii) the competencies and skills each new nominee will bring to the boardroom; and
  - (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board;
- (h) as required, developing, for approval by the Board, an orientation and education program for new recruits to the Board
- (i) to act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
- (j) developing and recommending to the Board for approval and periodically review structures and procedures designed to ensure that the Board can function effectively and independently of management;
- (k) making recommendations to the board of directors regarding appointments of corporate officers and senior management;
- (l) reviewing annually the Committee's Mandate and Terms of Reference;
- (m) reviewing and considering the engagement at the expense of the Corporation of professional and other advisors by any individual director when so requested by any such director;
- (n) establishing, reviewing and updating periodically a Code of Business Conduct and Ethics (the "Code") and ensure that management has established a system to monitor compliance with the Code; and
- (o) reviewing management's monitoring of the Corporation's compliance with the Code.

### **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 Chairman of the meeting shall 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 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 one time per year 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 assist in the discussion and consideration of the matters being considered by the Committee.
7. Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.
8. The Committee may retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation.
9. 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.
10. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chairman of the Board by the Committee Chair.