

**COMPTON PETROLEUM CORPORATION**  
**CORPORATE GOVERNANCE, HUMAN RESOURCES & COMPENSATION COMMITTEE**

**CHARTER**

**MANDATE OF THE COMMITTEE**

The Corporate Governance, Human Resources & Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Compton Petroleum Corporation (the “**Company**”) shall, as permitted by the *Business Corporations Act* (Alberta) (the “**ABCA**”) and the Articles and By-laws of the Company, be responsible for: (i) developing the Company’s approach to governance issues and assisting the Board in fulfilling its oversight responsibilities with respect to the development and implementation of principles and systems for the management of corporate governance, with a view to fostering a culture of integrity within the Company; and (ii) developing the Company’s overall policies and guidelines with respect to human resources and compensation, and in respect thereof has the responsibility to, without limitation:

**(A) Governance**

1. propose to the Board criteria for qualification as a member of the Board;
2. identify and propose to the Board new qualified nominees to the Board and to committees of the Board. In making its recommendations, the Committee shall:
  - (a) identify the competencies and skills that the Board considers to be necessary for the Board, as a whole to possess; that the Board considers each existing director to possess; and that each new nominee will bring to the Board,
  - (b) consider corporate governance requirements for independent directors imposed by applicable laws,
  - (c) consider and, if appropriate in the circumstances, retain a search firm to be used to assist in identifying director candidates,
  - (d) avoid conflict of interest situations in both the interview and determination process.

Individuals selected as nominees shall have the highest personal and professional integrity, shall have demonstrated exceptional ability and judgement and shall, in the opinion of the Committee, be most effective, in conjunction with the other directors, in collectively serving the long-term interests of the shareholders;

3. prior to each annual meeting of shareholders and in accordance with the criteria set out above, propose to the Board nominees for election or re-election as directors by the shareholders at the annual meeting;
4. propose to the Board criteria for assessing the performance of the Board and assessing, on an on-going basis (and at least annually) in accordance with an evaluation process

established by the Board, the effectiveness and performance of the Board as a whole, Chair of the Board, committees of the Board, committee Chairmen and the contribution of individual directors thereto, and make recommendations to the Board in respect thereof;

5. propose and make recommendations to the Board and Committees of the Board with respect to:
  - (a) plenary powers including the mandate and charter of each Committee,
  - (b) composition and size,
  - (c) meetings,
  - (d) strategic planning,
  - (e) risk identification and management, and
  - (f) corporate communication policies and practices;
6. develop an orientation program and continuing education program for new directors with respect to the Company and with respect to their duties as directors;
7. make recommendations to the Board in respect of the termination of the directorship of any Director for appropriate reasons;
8. review, from time to time, events or matters that would trigger the resignation or retirement of Board members such as, age, changes in principal occupation and other relevant circumstances;
9. monitor the quality of the relationship between management and the Board and recommend improvements as deemed necessary or desirable;
10. review, approve or make recommendations to the Board or the board(s) of the Company's subsidiaries and affiliates in respect of guidelines, policies, procedures and practices relating to matters of corporate governance, including, but not limited to:
  - (a) the indemnification by the Company or its subsidiaries and affiliates of any director or officer of the Company, its subsidiaries or affiliates,
  - (b) the appropriate resolution of any conflict of interest involving an officer, director or shareholder, which is properly directed to the Committee by the Chair of the Board, a director, a shareholder, the Board, the internal auditors, the external auditors, or an officer of the Company (in respect of conflicts of interest relating to audit, finance or risk matters, the Committee will liaise with the Audit, Finance & Risk Committee), and
  - (c) the content of and compliance with the Code of Business Conduct and Ethics;

11. develop and recommend to the Board a set of corporate governance principles and guidelines applicable to the Company;
12. monitor best governance practices and annually review the Company's governance practices with a view to maintaining high standards of corporate governance;
13. evaluate corporate communications policies and practices and oversee management's Disclosure Committee;
14. oversee management's preparations for the Company's Annual General Meeting of Shareholders;
15. recommend for approval by the Board and, where appropriate, its subsidiaries and affiliates, the descriptions contained in the required public disclosure documents concerning the governance standards of the Company in respect of compliance with applicable legislative, regulatory and stock exchange requirements or standards; and
16. review management's periodic status and assessment reports, not less than annually, with respect to compliance by the Company and, where appropriate, its subsidiaries and affiliates, with corporate governance policies and with respect to applicable legislative, regulatory and stock exchange standards regarding matters of corporate governance.

**(B) Human Resources and Compensation**

1. review, approve, make recommendations and oversee the Company's human resource policies and guidelines;
2. review, approve, make recommendations and oversee the Company's overall compensation policies and guidelines as well as corporate succession and development plans at the executive and senior officer level and determine that such policies and guidelines are aligned with the Company's values and mission and will attract, retain and motivate the selected personnel;
3. provide information in order that the Board and the Company are aware of legislative, regulatory and stock exchange rules and guidelines relating to director and executive compensation including, without limitation, that the Company shall not make any loans to directors or officers of the Company;
4. recommend to the Board the compensation of directors (including annual retainer, meeting fees, stock option plan participation and other benefits) and determine that such compensation realistically reflects the responsibilities and risks involved in being an effective director, and where the Committee considers it appropriate, engage an independent consultant to report on director's compensation;
5. consider and recommend to the Board annual compensation budgets;
6. consider and recommend to the Board:
  - (a) benefit plans,

- (b) retirement plans,
- (c) bonus, stock savings and incentive plans, and
- (d) stock option and other medium or long-term incentive plans or certain terms or elements thereof,

and oversee the administration of such plans, subject to Board approval as required, and assess the effectiveness and appropriateness of such plans on an ongoing basis;

7. review the qualifications of, and make recommendations to the Board in respect of, candidates for appointment to senior management, executive and officer positions and their initial compensation;
8. conduct, on an annual basis, an assessment of the performance of the Chief Executive Officer ("CEO") of the Company including, without limitation:
  - (a) proposing to the Board criteria for assessing the performance of the CEO, including recommending to the Board the corporate objectives which the CEO is responsible for attaining,
  - (b) reviewing the annual performance of the CEO in light of those objectives, and
  - (c) making recommendations to the Board with respect to the CEO's compensation and entitlement to bonuses (if any), in light of the CEO's annual performance and in light of criteria proposed by the Committee and adopted by the Board;
9. review, develop and make recommendations to the Board in respect of training and monitoring of senior management;
10. propose to the Board criteria for assessing the performance of senior management and assess, on an annual basis, in accordance with an evaluation process established by the Board, the performance of senior management, and make recommendations to the Board in respect of the compensation and entitlement to bonuses (if any) of senior management. The Committee has the authority, where it considers it appropriate, to engage an independent consultant to report on the compensation of senior management;
11. review executive compensation disclosure before the Company publicly discloses the information in its annual proxy circular or as otherwise required pursuant to applicable securities laws;
12. consider and make recommendations to the Board with respect to management succession and development plans and assess such plans on an on-going basis in accordance with an evaluation process established by the Board; and
13. consider and make recommendations to the Board with respect to termination policies, and, if requested by the Board, with respect to specific termination arrangements to be made with respect to an executive or senior officer.

(C) **General**

The Committee also has the responsibility to:

1. retain and compensate independent advisors (including legal counsel), as deemed necessary by the Committee;
2. meet separately with senior management, employees or independent advisors in respect of governance, human resources and compensation matters, as deemed necessary by the Committee;
3. review and assess annually the adequacy of this Charter and recommend any approved changes to the Board;
4. annually evaluate the performance of the Committee and Committee Chair;
5. prepare the Committee's report or reports for publication in applicable disclosure documents;
6. report regularly to the Board through the Chair of the Committee or through such other person appointed by the Committee, the conclusions reached and the issues considered by the Committee;
7. consider and make recommendations to the Board with respect to any other matters properly referred to the Committee by the Board; and
8. perform any other activities consistent with this Charter as the Committee deems necessary or appropriate in order to carry out its mandate.

**COMPOSITION OF THE COMMITTEE**

1. The Committee shall be comprised of at least three directors.
2. Each member of the Committee shall be "independent" as affirmatively determined by the Board, and as defined in the Company's Standards of Independence attached to the Charter of the Board of Directors.
3. At least half of the members of the Committee must be resident Canadians, as that term is defined in the ABCA.
4. The Board shall appoint the members of the Committee at the first meeting of the Board following each annual meeting (an "**Annual Meeting**") of the shareholders of the Company.
5. The Board shall appoint one member of the Committee to be the Chair of the Committee.
6. A director appointed by the Board to the Committee shall be a member of the Committee until the next Annual Meeting or until his or her earlier resignation or

removal by the Board. A member shall cease to be a member of the Committee upon ceasing to be a director of the Company.

7. The Board may remove or replace any member of the Committee at any time.
8. The Company's Corporate Secretary, or in his or her absence, one of the members chosen by the Committee, shall be the Secretary of the Committee.

#### **MEETINGS OF THE COMMITTEE**

1. The Committee shall convene at such times and places designated by the Chair of the Committee at least on a quarterly basis and whenever a meeting is requested by the Board, a member of the Committee or a senior officer of the Company.
2. Notice of each meeting of the Committee shall be given to each member of the Committee.
3. Notice of a meeting of the Committee shall:
  - (a) be in writing (which may be communicated by electronic, facsimile or other communication facilities);
  - (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 24 hours preceding the time stipulated for the meeting; however, this may be waived by agreement of all members of the Committee in writing.
4. A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee.
5. A 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. A member participating in such a meeting by any such means is deemed to be present at that 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 and, in the absence of the Secretary of the Committee, the members shall choose one of the persons present to be the Secretary of the meeting.
7. Management of the Company may attend meetings of the Committee, as deemed appropriate by the Committee, and shall attend meetings of the Committee when requested to do so by the Committee.

8. Minutes shall be kept of all meetings of the Committee and shall be signed by the Chairman and Secretary of the meeting. The minutes shall be maintained with the Company's records, shall include copies of all resolutions passed at each meeting and shall be available for review by members of the Committee, the Board and management.

#### **ROLE OF THE CHAIR**

1. The Board shall appoint a Chair of the Committee who shall:
  - (a) review and approve the agenda for each meeting of the Committee and as appropriate, consult with members of management;
  - (b) preside over meetings of the Committee;
  - (c) make suggestions and provide feedback from the Committee to management regarding information that is or should be provided to the Committee; and
  - (d) report to the Board on the activities of the Committee relative to its recommendations, resolutions, actions and concerns.