

**COMPTON PETROLEUM CORPORATION  
CORPORATE GOVERNANCE COMMITTEE**

**CHARTER**

**MANDATE OF THE COMMITTEE**

**(A) Governance**

The Corporate Governance 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 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 has the responsibility to, without limitation:

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 relevant legislation and 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 Chair 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, approve or make recommendations to the Board or the board(s) of 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 and Risk Committee), and
  - (c) the content of and compliance with the Code of Business Conduct and Ethics;
9. develop and recommend to the Board a set of corporate governance principles and guidelines applicable to the Company;
10. evaluate corporate communications policies and practices and oversee management's Disclosure Committee;
11. 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
12. 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) 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 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 hereto.
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.
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.

## COMPTON PETROLEUM CORPORATION STANDARDS OF INDEPENDENCE

Compton Petroleum Corporation (“Compton” or “the Company”) has adopted the following standards for determining whether a director is independent within the meaning of applicable Canadian and United States securities laws and the New York Stock Exchange corporate governance rules.

These Standards will be periodically reviewed and may be modified by Compton’s Board of Directors (“the Board”). Except where required by applicable law or the rules of the New York Stock Exchange, the criteria set forth in these standards are not intended to constitute rigid rules that govern the Board’s determination of whether a director is independent from the Company or an interpretation of any applicable law, rule or regulation.

To be considered independent for purposes of these standards, the Board must affirmatively determine on an annual basis that the director being reviewed has no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. In each case, the Board shall consider all relevant facts and circumstances.

Additionally, a director will not be deemed to be independent if:

- (a) the director is, or has been within the last three years, an employee or executive officer of the Company, or an immediate family member<sup>(1)</sup> of the director is, or has been within the last three years, an executive officer of the Company;
- (b) the director is a current partner or employee of a firm that is the Company’s internal or external auditor, or was within the last three years, a partner<sup>(2)</sup> or employee of that firm and personally worked on the Company’s audit within that time;
- (c) an immediate family member of the director is a current partner of a firm that is the Company’s internal or external auditor, or is a current employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or was, within the last three years a partner or employee of that firm and personally worked on the Company’s audit within that time;
- (d) the director, or an immediate family member of the director, is or has been within the last three years, an executive officer of an entity on which any of the Company’s current executive officers serves or served at that same time on the entity’s compensation committee;
- (e) the director or an immediate family member of the director who is employed as an executive officer of the Company has received, during any twelve month period within the last three years, more than \$75,000 in direct compensation from the Company, other than 1) director and committee fees, 2) pension or other forms of deferred compensation for prior service provided that such compensation is not contingent in any way on continued service and 3) compensation for previously acting as an interim chief executive officer of the Company or previously acting as a chairman of the board on a part-time basis;

- (f) the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues;
- (g) the director accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary entity of the Company, other than as remuneration for acting in the director's capacity as a member of the board or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or is an affiliated entity of the Company or any of its subsidiary entities.

Other compensatory fees includes acceptance of a fee by an immediate family member or an entity in which the director is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Company or any subsidiary entity of the Company. Compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company if the compensation is not contingent in any way on continued service.

- (h) the director is an affiliated<sup>(3)</sup> person of the Company.

<sup>(1)</sup> An immediate family member is defined as a director's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares the director's home.

<sup>(2)</sup> A partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

<sup>(3)</sup> Affiliated person of another person means:

- (a) any person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of such other person;
- (b) any person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other person;
- (c) any person directly or indirectly controlling, controlled by, or under common control with, such other person;
- (d) any officer, director, partner, copartner, or employee of such other person;
- (e) if such other person is an investment company, any investment adviser thereof or any member of an advisory board thereof; and
- (f) if such other person is an unincorporated investment company not having a board of directors, the depositor thereof.