

## TERMS OF REFERENCE FOR A DIRECTOR

The Board has established the following standards for directors.

### I. GENERAL

As a member of the Board of Directors (the “Board”), each director will:

- A. fulfill the legal requirements and obligations of a director, which includes a comprehensive understanding of the statutory and fiduciary roles;
- B. review and sign the Code of Business Conduct and Ethics (Tab 7) annually; and
- C. always ensure the best overall interests of Vermilion Energy Trust. (“Vermilion” or the “Trust”) are paramount.

### II. BOARD OF DIRECTORS ACTIVITY

As a member of the Board, each director will:

- A. act with integrity;
- B. respect confidentiality;
- C. use his or her ability, experience and influence constructively;
- D. be available as a resource to management and the Board;
- E. advise the President and Chief Executive Officer (the “CEO”) in advance of introducing significant and previously unknown information at a Board meeting;
- F. as necessary and appropriate, communicate with the CEO between meetings; and
- G. demonstrate a willingness and availability for individual consultation with the CEO.

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### III. PREPARATION AND ATTENDANCE

To enhance the effectiveness of Board and committee meetings, each director will:

- A. prepare for each Board and committee meeting by reading the reports and background materials provided for the meeting; and
- B. maintain an excellent Board and committee meeting attendance record<sup>1</sup>.

### IV. COMMUNICATION

Communication is fundamental to Board effectiveness and therefore each director will:

- A. participate fully and frankly in the deliberations and discussions of the Board;
- B. encourage free and open discussion of Vermilion's affairs by the Board;
- C. establish an effective, independent and respected presence and a collegial relationship with other directors;
- D. focus inquiries on issues related to strategy, policy, and results rather than issues relating to the day-to-day management of Vermilion; and
- E. respect the fact that the CEO is the chief spokesperson for Vermilion and individual directors are only involved in external communications at the request of, and/or with the approval of, and in coordination with, the CEO.

### V. COMMITTEE WORK

In order to assist Board committees in being effective and productive each director will:

- A. participate on committees and become knowledgeable about the purpose and goals of each committee; and

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<sup>1</sup> The target is 100% attendance. Anything less than 80%, without extenuating circumstances, would create considerable concern for the Board.

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- B. understand the process of committee work, and the role of management and staff supporting the committee.

**VI. INDUSTRY AND CORPORATE KNOWLEDGE**

Recognizing that decisions can only be made by well-informed directors, each director will:

- A. become generally knowledgeable about Vermilion's business and its industry;
- B. participate in director orientation and development programs developed by Vermilion from time to time;
- C. maintain an understanding of the regulatory, legislative, business, social and political environments within which Vermilion operates; and
- D. become acquainted with Vermilion's senior managers.

**VII. CONFLICT OF INTEREST**

To avoid a situation whereby a conflict of interest may occur or where the perception of a conflict of interest may be created, no director will serve on the board of any other oil and gas trust.