

**TERMS OF REFERENCE FOR THE
PRESIDENT AND CHIEF EXECUTIVE OFFICER**

I. INTRODUCTION

The primary focus for the President and Chief Executive Officer (the "President and CEO") is:

- A. providing overall leadership and vision in developing, in concert with the Board of Directors, Vermilion Energy Inc.'s (the "Corporation") strategic direction;
- B. providing overall leadership and vision in developing the tactics and business plans necessary to realize corporate objectives; and
- C. managing the overall business to ensure strategic and business plans are effectively implemented, the results are monitored and reported to the Board, and financial and operational objectives are attained.

II. DUTIES AND RESPONSIBILITIES

- A. Lead and manage the Corporation within parameters established by the Board and relevant committees.
- B. Develop and recommend strategic plans to the Board that will guide the Corporation's profitable growth and overall success. This includes updating and making changes as required, and involving the Board in the early stages of developing strategy.
- C. Successfully implement the corresponding capital and operating plans. Review and report regularly to the Board on the overall progress and results against operating and financial objectives and initiates courses of action for improvement.
- D. Develop annual capital commitment and expenditure budgets for approval by the Board.
- E. Develop annual operating forecasts of revenue, expenditures, operational results, and financial performance. These forecasts serve as operating and financial guidelines and do not require Board approval except for those components that are specifically utilized in setting objectives for compensation purposes.

**TERMS OF REFERENCE FOR THE
PRESIDENT AND CHIEF EXECUTIVE OFFICER**

- F.** Authorize the commitment of funds to capital projects included in budgets approved by the Board.
- G.** Authorize commitment of corporate resources. Enter into agreements, contracts, leases, etc. in the ordinary course of business, in order to pursue the approved strategies, business plans, and objectives of the Corporation, provided however, that major commitments, exposures, and risks shall be reported to the Board in a regular and timely basis.
- H.** Identify the principal risks of the Corporation's business and implement appropriate systems to manage these risks.
- I.** Authorize the appointment and discharge of staff with the exception of officers of the company whose liaison with the Board is required.
- J.** Develop and maintain a sound, effective organization structure, and ensure, progressive employee training and development programs.
- K.** Annually establish and maintain a plan for senior management development and succession, and report on such matters to the Board and Governance and Human Resources Committee.
- L.** Provide the Board, at Board and committee meetings, with exposure to the Corporation's key management.
- M.** Ensure that all members of the organization have their responsibilities and authorities clearly established.
- N.** Establish effective control and co-ordination mechanisms for all operations and activities. Ensure the integrity of the internal control and management systems.
- O.** Maintain or cause to be maintained such industry, governmental, public or other external relationships as are deemed advisable and in the interests of the Corporation. Ensure the Corporation's assets are adequately safeguarded and optimized in the best interests of the shareholders.
- P.** Manage and oversee the required interfaces between the Corporation and the public and act as the principal spokesperson for the Corporation.

**TERMS OF REFERENCE FOR THE
PRESIDENT AND CHIEF EXECUTIVE OFFICER**

- Q.** Ensure that structures, systems and procedures are implemented to achieve the safe, efficient operation of the Corporation and ensure compliance with the Corporation's environment, health and safety policies and practices.
- R.** Obtain Board approval when considering significant public service commitments and/or accepting outside Board appointments.
- S.** Ensure that structures, systems and procedures are implemented such that all operations and activities of the Corporation are conducted in accordance with laws, regulations, the Corporation's Code of Conduct, sound business practice and in accordance with the policies and practices approved by the Board of Directors.
- T.** Sign and confirm filing of certification of annual and interim filings required by regulatory authorities, and ensure the same is done by the Corporation's Chief Financial Officer.
- U.** Foster a corporate culture that promotes ethical practices and compliance and encourages individual integrity and social responsibility.
- V.** With respect to the Board and shareholders, the President and CEO shall:
 - i) chair shareholder meetings;
 - ii) maintain an open and effective relationship with the Chairman;
 - iii) ensure the Corporation's management and, where applicable, the Board are appropriately represented at official functions and meetings with major shareholder groups, and other stakeholder groups;
 - iv) ensure effective communications and appropriate relationships are maintained with the shareholders of the Corporation and other stakeholders;
 - v) keep the Board fully informed of all significant operational, financial and other matters relevant to the Corporation including external items emanating from governments and regulators on issues such as fiscal and monetary policies, legislation, etc.;

**TERMS OF REFERENCE FOR THE
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- vi) act as a principal link between the senior management team and the Board;
- vii) ensure management strategies, plans and performance are appropriately represented to the Board;
- viii) set agendas for Board meetings in consultation with the Chairman;
- ix) provide support to the Governance and Human Resources Committee in determining the annual slate of directors to be nominated to the Board; and
- x) provide support to the Governance and Human Resources Committee with its recommendation of the committee members and committee chair appointments to the Board for approval and their review of the need for, and the performance and suitability of, those committees.