

## 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. annually review and acknowledge in accordance with the Corporation's customary practice the Code of Business Conduct and Ethics; and
- C. always ensure the best overall interests of Vermilion Energy Inc. (the "Corporation") 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 in advance of introducing significant and previously unknown information at a Board meeting;
- F. as necessary and appropriate, communicate with the President between meetings; and
- G. demonstrate a willingness and availability for individual consultation with the President.

### 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.

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### 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 the Corporation'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 the Corporation; and
- E. respect the fact that the President is the chief spokesperson for the Corporation and individual directors are only involved in external communications at the request of, and/or with the approval of, and in coordination with, the President.

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

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### VII. CONFLICT OF INTEREST AND OTHER COMMITMENTS

Directors are reminded of the Conflict of Interest provisions of the Code of Business Conduct and Ethics. A conflict of interest or a perceived conflict of interest may preclude a director from being able to discharge that director's responsibilities to the Corporation. Directors are encouraged to avoid any such conflicts of interest and when any such conflicts arise or a director is considering an activity that may give rise to a conflict the director should report the conflict or potential conflict and discuss it with the Chairman of the Board. A conflict of interest can arise in a variety of circumstances including:

- A. where a director is an officer or director of another entity which competes with the Corporation; or
- B. where a director's personal or business interests conflict with the interests of the Corporation; or
- C. by the misuse of corporate property or information.

To assist in avoiding a situation where a conflict of interest may occur or where the perception of a conflict of interest may be created, (i) no director will serve on the board of any other oil and gas company if that company operates within the Corporation's core areas including conventional and un-conventional production (but excluding oil sands); and (ii) directors may serve on the board of directors of other oil and gas companies only if they notify and obtain the prior written approval of the Chairman of the Board or Lead Director prior to any such appointment, and during the nomination process for any new director candidate the Chairman of the Board or Lead Director may consider any such appointment(s) as they determine appropriate.

### VIII. EXTERNAL BOARD MEMBERSHIP

A director is encouraged to be mindful of the number of other board roles and other commitments a director has and be satisfied the director has the time and availability to be an effective member of the Board.

The number of public boards a director can serve as a board member is limited in accordance with the following guidelines:

- A. where a director is a CEO of a public company, the number of public boards a director can serve as a board member is limited to one public board in addition to the board of which the director is a CEO;
- B. where a director is not a CEO of a public company, the number of public boards a director can serve as a board member is limited to four public boards in total; and

**TERMS OF REFERENCE FOR A DIRECTOR**

- C. number of director interlocks (two directors serving on the same board or committee, excluding Vermilion) is limited to one.

Prior to accepting any position as a board member, a director shall obtain the written consent of the Executive Chairman of the Board or the Lead Director.

If a request to join a board does not conform to the guidelines noted above, special approval shall be obtained from the Executive Chairman of the Board or the Lead Director.