

TEEKAY CORPORATION
COMPENSATION AND HUMAN RESOURCES COMMITTEE
CHARTER

Purpose and Authority:

The purpose of the Compensation and Human Resources Committee (the "Committee") is to discharge the responsibilities of the Board relating to compensation of the Company's executives and its Board of Directors. The Committee shall have overall responsibility for approving and evaluating compensation plans, policies and programs of the Company. In addition, the Committee shall cause the preparation of any executive compensation report of the Committee included in the Company's annual proxy statement or in any public disclosure of the Company

The Committee shall have the sole authority to engage or terminate any outside compensation consultant that is used to assist the Committee in the evaluation of Chief Executive Officer, executive officer and director compensation, including the sole authority to approve fees and other retention terms. The Committee shall also have all authority necessary to fulfill the duties and responsibilities assigned to the Committee in this Charter or otherwise assigned to it by the Board.

The Committee may obtain advice and assistance from outside legal, accounting and other advisors as the Committee deems necessary to carry out its duties, and shall have the authority to select, retain and compensate these advisors without seeking Board approval.

The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Board.

Composition:

Independence

The Committee shall be composed of three or more directors, as determined by the Board, each of whom shall meet, as determined by the Board, the independence standards established by the New York Stock Exchange, other applicable laws and regulations governing independence, and the Company's Corporate Governance Guidelines from time to time.

Appointment and Removal of Members

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Governance Committee. The Board may remove any member from the Committee at any time with or without cause.

Duties and Responsibilities:

The Committee shall have the following duties and responsibilities, in addition to any duties and responsibilities assigned to the Committee from time to time by the Board.

Compensation Philosophy and Goals

- Review, oversee, and recommend to the Board an executive compensation philosophy for the Company and approve and annually review policies regarding executive compensation programs and practices.
- Review and recommend to the Board for approval any material changes thereto.

CEO and Executive Compensation

- Annually review and approve corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance in light of these goals and objectives, and use the Committee's sole authority to set the Chief Executive Officer's total compensation (including salary, bonus, perquisites, incentive and equity compensation) based on this evaluation. In determining the long-term incentive component of the Chief Executive Officer's compensation the Committee may consider, among other relevant factors, the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the Chief Executive Officer in past years.
- Annually review and approve the evaluation process and compensation structure for the Company's executive officers other than the Chief Executive Officer, oversee and approve the CEO's decisions on the performance of these other executive officers, and approve the total compensation (including salary, bonus, perquisites, incentive and equity compensation) for these other executive officers based on this evaluation.
- Provide oversight of management's decisions concerning the performance and total compensation of non-executive officers.
- Establish and oversee annual and long-term incentive compensation plans for executive officers.
- Recommend to the Board for its approval and, where appropriate, submission to the Company's shareholders, incentive compensation plans and equity-based plans, and periodically review these plans and recommend to the Board any changes.
- Recommend to the Board for its approval changes to executive compensation policies and programs.
- Review and approve all special executive employment, compensation, severance, change in control and retirement agreements or arrangements, including any arrangement for an executive involving any subsidiary, affiliate or special purpose entity.

Stock Ownership Guidelines

- Annually review executive stock ownership and, if determined to be appropriate by the Committee, develop and recommend to the Board, executive stock ownership guidelines, and monitor progress toward meeting any such guidelines.

Retirement Plans

- Recommend to the Board for Board action all retirement plans (including executive-only and rank and file plans) and all plan amendments that are non-administrative in nature.
- Fulfill fiduciary and non-fiduciary functions in accordance with applicable law, including, without limitation, by approving and recommending to the Board for Board action:
 - the designation of the trustee and the execution of trust agreements for any such plan or plans;
 - the termination, merger or consolidation of any such plan or plans; and
 - the extension of plan participation to employees of affiliates or subsidiaries.
- Periodically review plan administration, participation and regulatory compliance of all retirement plans.

Non-executive Incentive Plans

- Review management's recommendations for other non-executive incentive plans and annually review plan goals and results.

Board Compensation

- Review the Company's director compensation practices in relation to comparable companies, and recommend to the Board, as appropriate, revisions to director compensation practices.
- Periodically review the desirability of, and, if determined to be appropriate by the Committee, develop and recommend to the Board, director stock ownership guidelines and monitor compliance with such guidelines.

Reports

- Regularly report to the Board on significant matters arising from the Committee's activities.

Meetings:

The Committee shall establish a meeting calendar annually. The Committee may hold such other meetings as are necessary or appropriate for the Committee to fulfill its responsibilities.

The Committee should hold an *in-camera* session without management present, including management directors at least once annually.

Evaluation:

The Committee shall review and reassess this Charter at least annually and, if appropriate, propose changes to the Board.

The Committee shall obtain or perform an annual evaluation of the Committee's performance and effectiveness of the Committee against its Charter and make applicable recommendations for improvement.

Last Reviewed: June 2009