

## TEEKAY CORPORATION

### NOMINATING AND GOVERNANCE COMMITTEE CHARTER

***Purpose:***

The purpose of the Nominating and Governance Committee (the "Committee") is to:

- identify individuals qualified to become members of the Board and recommend to the Board nominees for election as Directors;
- maintain oversight of the operation and effectiveness of the Board of Directors and the corporate governance and management of the Company;
- develop, update as necessary and recommend to the Board corporate governance principles and policies applicable to the Company, including Corporate Governance Guidelines; and
- monitor compliance with such principles and policies.

***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 and other applicable laws and regulations governing independence.

*Appointment and Removal of Members*

The members of the Committee shall be appointed by the Board on the recommendation of the Chair of the Board following the Chair's consultation with the incumbent Chair of the 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 other duties and responsibilities assigned to the Committee from time to time by the Board.

*Director Selection*

- Review the qualifications of all Director candidates and nominees and recommend for approval by the Board the nominees to stand for election as a Director of the Company (at the Company's annual meeting of shareholders and, as the need arises, to fill any Board vacancies), based on the Director Selection Guidelines outlined in **Exhibit A** to this Charter.

- Establish and periodically review policies and procedures related to stockholder recommendation or nomination of Director candidates.
- Periodically review and recommend to the Board appropriate revisions to the Director Selection Guidelines outlined in **Exhibit A** to this Charter.
- Establish and periodically review procedures for the review, approval and recommendation of Director candidates.

#### *Board and Board Performance*

- Periodically review the size, structure and overall composition of the Board and its committees and recommend to the Board any changes.
- Periodically review the appropriateness of any restrictions on Board service, such as any term limits and any retirement policy.
- Annually (or as the need arises to fill any vacancies) recommend to the Board the appointment of Directors to Committees of the Board and advise the Board and the committees about the selection of committee Chairs.
- Oversee annual evaluations of the performance of the Board, its Chair and its Committees.
- Receive the resignations of Directors who change the principal occupation they held when elected to the Board, review the continued appropriateness of Board membership by such person, and make a recommendation to the Board regarding acceptance of the resignation.
- Investigate any potential conflict of interest by a Director as assigned to it by the Board.
- Determine the method of communications between (a) employees, shareholders and other interested parties and (b) non-management Directors or the presiding non-management Director.
- Recommend the frequency of regular meetings of non-management Directors and develop the format for such meetings, including, if the Board does not have a non-management Chair, the selection of the presiding Director at such meetings.
- Design and oversee an orientation program for new Directors and any continuing education programs for the Directors.

#### *Governance Policies*

- Develop and at least annually review and recommend to the Board appropriate revisions to the Company's Corporate Governance Guidelines pursuant to, and to the extent required by, regulations and listing standards applicable to the Company from time to time.
- Monitor compliance with and the effectiveness of the Corporate Governance Guidelines.

- Monitor developments in the corporate governance field, develop, review and recommend to the Board, as appropriate, other principles and policies relating to corporate governance, and monitor compliance with and the effectiveness of such principles and policies, as appropriate.

#### *Reports*

- Regularly report to the Board on significant matters arising from the Committee's activities, and annually regarding the Committee's assessment of the Board's performance.

#### ***External Advisors:***

The Committee shall have the sole authority to engage and terminate any search firm that is used to identify Director candidates, including the sole authority to approve fees and other retention terms. The Committee also shall 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 (including in the Corporate Governance Guidelines).

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

As the Committee deems appropriate, it may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee.

#### ***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. In the absence of a member designated by the Board to serve as Chair, the members of the Committee may appoint from among their number a person to preside at their meetings.

#### ***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 make applicable recommendations for improvement.

**Reviewed: June 2011**

## **EXHIBIT A**

### **TEEKAY CORPORATION**

#### **Director Selection Guidelines**

The Charter of the Nominating and Governance Committee (the "Committee") of the Board requires the Committee to periodically review and recommend to the Board appropriate revisions to these Director Selection Guidelines. The following guidelines have been adopted by the Board upon the recommendation of the Committee.

#### ***Director Qualifications:***

When considering potential Director candidates for nomination or election, Directors should consider the following qualifications, among others, of each Director candidate:

- High standard of personal and professional ethics, integrity and values;
- Training, experience and ability at making and overseeing policy in business, government or education sectors;
- Willingness and ability to keep an open mind when considering matters affecting interests of the Company and its constituents;
- Willingness and ability to devote the required time and effort to fulfill effectively the duties and responsibilities related to Board and committee membership, including consideration of, among other factors, employment demands and other board and committee service;
- Willingness and ability to serve on the Board for multiple terms, if nominated and elected, to enable development of a deeper understanding of the Company's business affairs;
- Commitment not to engage in activities or interests that may create a conflict of interest with a director's responsibilities and duties to the Company and its constituents; and
- Commitment to act in the best interests of the Company and its constituents, and objectively assess Board, committee and management performances.

#### ***Board Composition Selection Criteria:***

The Board believes that its effectiveness depends on the overall mix of the skills and characteristics of its Directors. Accordingly, the following factors, among others, relating to Board composition should be considered when determining Board needs and evaluating Director candidates to fill such needs:

- Independence;
- Diversity;
- Professional experience;
- Other demands on the candidate's time and energies, including employment and other board and committee service;

- Industry knowledge (e.g., relevant industry or trade association participation);
- Skills and expertise (e.g., accounting or financial);
- Leadership qualities;
- Public company board and committee experience;
- Non-business-related activities and experience (e.g., academic, civic, public interest, other);
- Board continuity (including succession planning);
- Board size;
- Number and type of committees, and committee sizes; and
- Legal and New York Stock Exchange requirements and recommendations, and other corporate governance-related guidance regarding board and committee composition.

***Selection Procedures:***

Potential Director candidates should be referred to the Chair of the Committee for consideration by the Committee and possible recommendation to the Board. The Committee shall maintain a list of Director candidates to consider and propose to the Board, as required. If necessary or desirable in the opinion of the Committee, the Committee will determine appropriate means for seeking additional Director candidates, including engagement of any search firm to assist the Committee in the identification of Director candidates. The Committee shall be responsible for conducting appropriate inquiries into the backgrounds and qualifications of potential Director candidates.

The Committee shall decide on the appropriate means for the review of individual Director candidates, including current Directors, and the recommendation of Director candidates to the Board. In the event of a vacancy on the Board, the Chair of the Committee shall initiate the effort to identify appropriate Director candidates.

**Reviewed: June 2011**