

TEEKAY OFFSHORE PARTNERS L.P.

Corporate Governance Guidelines

The following guidelines have been approved by the Board of Directors (the "Board") of Teekay Offshore GP L.L.C., a Marshall Islands limited liability company and the general partner (the "General Partner") of Teekay Offshore Partners L.P., a Marshall Islands limited partnership (the "Partnership"). The General Partner is owned by Brookfield TK TOGP L.P., a Bermuda limited partnership (the "GP Owner"), which is an affiliate of Brookfield Business Partners L.P.

These guidelines, together with the charters of the Board committees and applicable provisions of the Partnership's partnership agreement, provide the framework for the Partnership's corporate governance. The Board or the Corporate Governance Committee of the Board will review these guidelines and other aspects of the Partnership's corporate governance annually or more often if deemed necessary.

Board and Management Roles

The directors of the General Partner oversee the General Partner's management and the Partnership's business. The day-to-day affairs of the Partnership's business are managed by officers of the General Partner and key employees of the Partnership's operating subsidiaries. Employees of certain subsidiaries of Teekay Corporation ("TKC"), which designates one member of the Board, also provide assistance to the Partnership and its operating subsidiaries pursuant to service agreements.

Both the Board and management recognize the overarching importance of ensuring the Partnership conducts its business in full compliance with health, safety and environmental regulations, and that the unitholders' long-term interests are advanced by responsibly addressing the concerns of other stakeholders and interested parties, including employees, customers, suppliers, partners, government agencies and the public at large.

Board Functions and Responsibilities

The Board has four regularly scheduled meetings each year. At these meetings, the Board reviews and discusses, among other things: management reports on the Partnership's performance, including the Partnership's health, safety and environmental performance, and the Partnership's plans, objectives and prospects; Board committee or management proposals; and immediate issues facing the Partnership. The Board may also call other meetings to act on important matters as needed. Directors are expected to review in advance all meeting materials and to attend all scheduled Board and committee meetings. In addition to its general oversight of management, the Board or designated Board committees also perform a number of specific functions. Some of these functions include:

- reviewing and approving policies and overseeing the Partnership's response to and compliance with health, safety and environmental matters;
- reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;

- overseeing the assessment of major risks facing the Partnership and available options to address those risks;
- reviewing and approving certain Securities and Exchange Commission ("SEC") filings of the Partnership;
- reviewing specific material matters that may involve conflicts of interest, including certain conflicts of interest that may arise between the Partnership and the GP Owner or its affiliates (other than the Partnership and its subsidiaries);
- evaluating and overseeing compliance with the Partnership's corporate governance policies and practices; and
- monitoring that processes are in place for maintaining the Partnership's integrity, including oversight of financial statement integrity, compliance with law and ethics, and the integrity of relationships with customers and other stakeholders.

The Board recognizes that its actions set the tone for ethical business conduct by officers and employees of the General Partner and the Partnership.

Director Appointment and Qualifications

The General Partner's operating agreement authorizes the General Partner's member to appoint, remove and replace the directors on the Board and to fill any vacancies arising on the Board, subject to the terms and conditions of the operating agreement. Accordingly, holders of the Partnership's common units will not vote on the election of directors. Subject to certain exceptions, a majority of the directors at all times will be persons who are not residents of Canada.

Director Independence

At least three of the directors on the Board shall be independent directors under the corporate governance rules of the New York Stock Exchange ("NYSE"). Directors who do not meet the NYSE independence standards also make valuable contributions to the Board and the Partnership by reason of their abilities and experience.

To be considered independent under the NYSE standards, the Board must determine that a director does not have any direct or indirect material relationship with the General Partner or the Partnership or any parent or subsidiary in a consolidated group with the Partnership (each a "Covered Entity"), other than as a director of the General Partner. The Board has established the following guidelines to assist it in determining director independence in accordance with the NYSE rules:

A director will not be independent if:

1. The director is, or has been within the preceding three years, employed by a Covered Entity;
2. An immediate family member of the director is, or has been within the preceding three years, employed as an executive officer of a Covered Entity;

3. During any 12-month period within the preceding three years, the director, or an immediate family member of the director, has received more than \$120,000 in direct compensation from Covered Entities, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
4. The director, or an immediate family member of the director, is a current partner of a firm that is the internal or external auditor of a Covered Entity (each a "Covered Auditor");
5. The director is a current employee of a Covered Auditor;
6. An immediate family member of the director is a current employee of a Covered Auditor and personally works on a Covered Entity's audit.
7. The director, or an immediate family member of the director, (a) was within the preceding three years (but is no longer) a partner or employee of a Covered Auditor and (b) personally worked on a Covered Entity's audit within that time;
8. The director, or an immediate family member of the director, is, or has been within the preceding three years, employed as an executive officer of another company where any present executive officer of a Covered Entity at the same time serves or served on that company's compensation committee; or
9. The director is a current employee, or an immediate family member of the director is a current executive officer, of a company (other than any tax exempt organization) that, during any of the three preceding fiscal years, made payments to, or received payments from, the Covered Entities for property or services in an amount which exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

NYSE has indicated that its independence standards are based on a concern with independence from management, and that it does not view ownership of even a significant amount of equity, by itself, as disqualifying a director from being independent. Accordingly, the direct or beneficial ownership by a director, or an immediate family member, affiliate or employer of a director, of a significant amount of units of the Partnership or interests in the General Partner will not be considered a material relationship that would impair the director's independence.

For relationships not covered by the guidelines outlined above, the determination of whether the relationship is material, and therefore whether the director would be independent, will be made by the directors who satisfy the independence guidelines set forth above.

The Board will annually review all relationships of directors.

Audit Committee and Conflicts Committee Member Independence

In addition to the general independence standards discussed above, members of the Board's Audit Committee must also satisfy additional NYSE and SEC independence requirements for audit committee members. The Board also requires members of the Conflicts Committee to satisfy these heightened requirements. Specifically, members of the Audit Committee or the Conflicts Committee may not receive, directly or indirectly, any compensation from any Covered

Entity other than their directors' compensation, and they may not be an “affiliated person” of a Covered Entity (as set forth in applicable SEC rules). In addition, members of the Conflicts Committee may not be (a) security holders, officers or employees of the General Partner, (b) officers, directors or employees of any affiliate of the General Partner or (c) holders of any ownership interest in the Partnership group other than Partnership common units.

Compensation Committee and Corporate Governance Committee Member Independence

Because the Partnership is a publicly traded limited partnership, the NYSE does not require the Board to have a compensation committee or a nominating and governance committee comprised entirely of independent directors. Despite this exemption, the Board has established the Compensation Committee and the Corporate Governance Committee to fulfill the duties set forth in their respective charters. As permitted by the NYSE exemption for listed limited partnerships, the charters for these committees do not include independence standards required for membership on these committees.

Size of Board

Pursuant to the General Partner’s operating agreement, the Board may, from time to time, establish the size of the board, provided the size of the Board may not be fewer than five directors or greater than fifteen directors.

Board Committees

The Board has established the following committees to assist the Board in discharging its responsibilities and to function more effectively:

- Audit Committee;
- Conflicts Committee;
- Corporate Governance Committee; and
- Compensation Committee.

The Conflicts Committee reviews specific material matters that the Board believes may involve conflicts of interest, including certain conflicts of interest that may arise between the Partnership and the GP Owner or its affiliates (other than the Partnership and its subsidiaries). If the Board refers a particular matter to the Conflicts Committee, the Committee will determine such matter in accordance with the standards set forth in the Partnership's partnership agreement as then in effect and applicable law. Any matters approved by the Conflicts Committee generally will be conclusively deemed to be approved by all the Partnership's partners and not a breach by the General Partner of any duties it may owe to the Partnership or its unitholders.

Because the Partnership is a publicly traded limited partnership, NYSE does not require the Board to have a Compensation Committee or a Nominating and Governance Committee. Despite this exemption, the Board has established the Corporate Governance Committee and the Compensation Committee to fulfill the duties set forth in their respective charters.

The current charters of the Audit Committee, the Corporate Governance Committee, the

Conflicts Committee and the Compensation Committee are available on the Partnership's website at www.teekayoffshore.com, and will be mailed to unitholders on written request. The committee Chairs report the highlights of their meetings to the full Board following each meeting of the respective committees. The Corporate Governance Committee, among other things, recommends to the Board director membership on Board committees and advises the Board and the committees about the selection of committee Chairs.

The Board has also established a Project and Opportunity Review Committee to undertake further reviews, in consultation with management, of capital projects and other commercial opportunities proposed by management that require the Board's approval. Whilst the NYSE does not require the Board to form such a committee, it has established this committee in furtherance of good governance objectives but without derogating in any way from the Board's ultimate responsibility to review and approve relevant projects and opportunities.

Non-management Directors Meetings

The Board will hold at least four regularly scheduled meetings each year for the non-management directors without management present. A non-management director will preside over each executive session of the non-management directors, although the same director is not required to preside over each session. Any non-management director may request that additional executive sessions of the non-management directors be held, and the presiding non-management director for the previous session will determine whether to call any such meeting.

Board and Committee Self-Evaluations

The Board and each of the committees will perform an annual self-evaluation, as indicated in the Board committee charters. As part of these evaluations, the directors will provide their assessments of the effectiveness of the Board and the committees on which they serve.

Setting Board Agenda

The Board is responsible for its agenda. Prior to each Board or committee meeting, the Chair of the Board or committee Chair, in consultation with management, other directors or appropriate advisors, will discuss specific agenda items for the meeting. The Chair of the Board or committee Chair will determine the nature and extent of information that will be provided regularly to the directors before each scheduled Board or committee meeting. Directors are encouraged to suggest agenda items or additional pre-meeting materials to the Chair of the Board or appropriate committee Chair.

Ethics and Conflicts of Interest

The Board expects its directors, as well as officers and employees of the General Partner and the Partnership, to act ethically at all times and to acknowledge their adherence to the policies comprising the Partnership's Standards of Business Conduct. If an actual or potential conflict of interest arises for a director, the director is expected to promptly inform the Chair of the Conflicts Committee. If a significant conflict exists and cannot be resolved, the director should resign. All directors are expected to recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Conflicts Committee will resolve any conflict of interest question involving any director or executive officer, and the CEO will resolve any conflict of interest issue involving any non-executive officer.

Board Compensation

The Compensation Committee will annually review the General Partner's director compensation practices and recommend to the Board the form and amount of compensation and benefits for non-employee directors. The Compensation Committee will consider the following principles in discharging these duties:

- compensation should fairly pay directors for work required in a company of the Partnership's size and scope;
- compensation should align the directors' interests with the long-term interests of unitholders; and
- the structure of the compensation should be simple, transparent and easy for unitholders to understand.

Management Succession Plans

The Board will be responsible for long-range succession planning for members of the General Partner's senior management team, if any, and for executive officers of key subsidiaries of the Partnership. The Board will also develop and maintain a short-term succession plan for unexpected situations affecting members of such senior management team or executive officers.

Annual Compensation Review of Executive Officers

The Compensation Committee will annually approve the performance goals and objectives for the executive officers of the General Partner and the Partnership's key subsidiaries (the "Executive Officers"). The Compensation Committee will evaluate the performance of the Executive Officers in light of these goals in setting the salary, bonus and other compensation for the Executive Officers.

Review of Service Provider

Employees of certain subsidiaries of TKC provide, pursuant to Services Agreements, various services to the General Partner and the Partnership, including in the case of the Partnership's operating subsidiaries, various managerial, operational and administrative services and other technical and advisory services, and in the case of the General Partner and the Partnership, various administrative services. While any of these Services Agreements remain in effect, the Board, with input as required from the Conflicts Committee, will at least annually review the performance of TKC and its subsidiaries under the Services Agreements to ensure the strategic goals and objectives of the Partnership are being met, that TKC has sufficient resources to meet the present and future requirements of the Partnership and the General Partner under the Services Agreements, and that TKC has in place appropriate succession plans to ensure the continued level of service required by the Partnership and the General Partner.

Director Access to Senior Management

Non-employee directors are encouraged to contact directly members of the senior management teams of the General Partner and the Partnership or its key subsidiaries, either alone or with other members of senior management present. Members of such senior management teams,

as invited, are encouraged to attend Board meetings when practical.

Board and Committee Access to independent Advisors

In fulfilling their duties, the Board and its committees have the right at any time to retain independent outside financial, legal or other advisors at the Partnership's expense.

Director Orientation and Continuing Education

The Board or the Corporate Governance Committee will be responsible for providing an orientation program for new directors, and periodically to provide materials or briefing sessions for all directors on subjects that would assist them in discharging their duties. Directors are also encouraged to participate in continuing education programs at the Partnership's expense.

Amended: June 2019