



The Governance Committee

The by-laws of Suncor Energy Inc. ("Suncor") provide that the Board of Directors (the "Board") may establish Board committees to whom certain duties may be delegated by the Board. The Board has established, among others, the Governance Committee, and has approved this mandate, which sets out the objectives, functions and responsibilities of the Governance Committee.

Objectives

The Governance Committee assists the Board of Directors by:

- Acting as an effective sounding board for management on key strategic initiatives.
- Reviewing and assessing the processes relating to long range planning and budgeting.
- Reviewing and monitoring key matters pertaining to corporate culture, values, beliefs and standards of ethical conduct.
- Reviewing and monitoring key matters pertaining to corporate governance, including the organization and composition of the Board of Directors, the organization and conduct of Board meetings, the effectiveness of the Board of Directors, Board committees and individual directors in performing and fulfilling their responsibilities, and Suncor's corporate governance practices.
- Reviewing candidates, as identified by and in consultation with the Human Resources and Compensation Committee, for the position of President and Chief Executive Officer of the Corporation when a vacancy occurs or is about to occur.
- Reviewing the competitiveness and form of compensation for the Board of Directors.

The Governance Committee does not have decision-making authority except where, and to the extent that, such authority is expressly delegated by the Board of Directors. The Governance Committee conveys its findings and recommendations to the Board of Directors for consideration and, where required, decision by the Board of Directors.

Constitution

The Terms of Reference of Suncor's Board of Directors set out requirements for the composition of Board committees and the qualifications for committee membership and specify that the chair and membership of the committees are determined annually by the Board. As required by Suncor's by-laws, unless otherwise determined by resolution of the Board of Directors, a majority of the members of a committee constitute a quorum for meetings of committees, and in all other respects, each committee determines its own rules of procedure.

Functions and Responsibilities

The Governance Committee has the following functions and responsibilities:

Corporate Governance

1. Continually monitor developments and best practices relating to corporate governance and determine Suncor's corporate governance practices and principles for recommendation to the Board of Directors.

Board Structure, Composition and Process

2. Assess and recommend timely changes in the role, composition and structure of the Board of Directors, including the role of Chair of the Board, and, with input from the Chair of the Board, annual recommendations for the composition and chair of the respective Board committees. The Chair of the Board and the Chair of the Governance Committee will review retirement and committee service dates in connection with this annual assessment.
3. With input from the Board of Directors, establish and review annually, a policy for the process of assessing the capabilities, competencies, skills and qualities represented on the current Board, identifying capabilities, competencies, skills and qualities desired to be added to the Board in light of the Board's current needs and priorities, establishing criteria for prospective new board members, identifying, assessing and contacting candidates, and recommending nominees to the Board. The policy will include a process for retaining, instructing and determining the remuneration of any consulting firms engaged to assist in the process.
4. Assess the needs of the Board of Directors in terms of frequency and location of Board meetings, meeting agenda and conduct of meetings.
5. Formulate policies, rules and guidelines governing and regulating the affairs of the Board of Directors, such as tenure and retirement of directors, for approval by the Board of Directors.

Board Effectiveness

6. Ensure that the information needs of the members of the Board of Directors are being met on a timely basis.
7. Evaluate the performance and contribution of individual members of the Board of Directors in their capacity as directors and as members of any Board committee, the effectiveness of Board committees, and the effectiveness of the Board of Directors as a whole.
8. Establish and monitor a policy for the formal orientation of each new director and to facilitate the continuing educational needs of each director, including management of the strategic education of directors through internal and external speakers on topics germane to Suncor's key strategies, issues and business context.

Board Compensation

9. Annually review the competitiveness and form of the Board of Directors' compensation and share ownership guidelines and make recommendations to the Board of Directors for setting Board compensation and share ownership guidelines.

Conflict and Independence

10. Review, in conjunction with the Chair of the Board, and report to the Board of Directors any requests by the President and Chief Executive Officer to serve on outside boards of directors of "for profit" business organizations.
11. Review and assess and, where appropriate, make recommendations to the Board of Directors on, the independence of individual directors and conflicts of interest, actual or perceived, between Suncor and individual directors, including any issues that arise as a result of a material change in circumstance of any director.



Corporate Responsibility

12. Periodically review Suncor's key statements and policies regarding corporate culture, values, beliefs and standards of ethical conduct.

Planning, Budgeting and Strategic Initiatives

13. Review, monitor and assess the planning and budgeting processes and recommend such changes and improvements as warranted.
As part of the Board's strategic review process, act as a sounding board for management on key strategic initiatives and ensure that timely Board reviews occur throughout the year, and at the annual strategy session.
14. With input from the Board of Directors, work with management to design the agenda for the Board's annual strategy review session.
15. Review and assess emerging risk areas for Suncor that do not fall under the mandate of another Board committee.
16. Conduct periodic review of and provide oversight on the specific Suncor principal risks as identified by the Enterprise Risk Management Program, or any successor thereto, which the Board has delegated to the Committee for oversight, as reflected in the Committee's forward agenda.

Other Matters

17. Review and/or approve such other matters related to the foregoing as are specifically delegated to it by the Board of Directors.

Reporting to the Board

The Committee shall report to the Board of Directors on the activities of the Governance Committee with respect to the foregoing matters at each Board meeting and at any other time deemed appropriate by the Governance Committee or upon request of the Board of Directors.

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