

# InterOil Corporation

## Charter of the Nominating and Governance Committee of the Board of Directors

This Nominating and Corporate Governance Committee Charter (the “**Charter**”) sets forth the purpose and membership requirements of the Nominating and Corporate Governance Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of InterOil Corporation (the “**Company**”) and establishes the authority and responsibilities delegated to it by the Board.

1. **Purpose.** The purpose of the Committee is to (i) identify and recommend to the individuals qualified to be nominated as members of the Board and Board Committees, (ii) recommend to the Board the members and Chairperson for each Board committee, (iii) periodically review and assess the Company’s Code of Ethics and Business Conduct and make recommendations for changes thereto to the Board, (iv) review and report to the Board on a periodic basis with regards to matters of corporate governance, and (v) oversee the process to assess the independence, performance and effectiveness of the Board, the Committee and individual directors and the annual evaluation of the Company’s management.

In addition, the Committee is responsible for providing advice, on a confidential basis, to Company employees, officers and directors pursuant to the Company’s Code of Ethics and Business Conduct.

### 2. **Committee Membership.**

2.1. **Composition and Appointment.** The Committee shall consist of two or more members of the Board. The Board shall designate members of the Committee. Membership on the Committee shall rotate at the Board’s discretion. The Board shall fill vacancies on the Committee and may remove a Committee member from the membership of the Committee at any time without cause. Members shall serve until their successors are appointed by the Board and as otherwise required by applicable law or the rules of the New York Stock Exchange (“**NYSE**”).

2.2. **Independence.** Each member of the Committee must qualify as an independent director pursuant to National Instrument 58-101 – Disclosure of Corporate Governance Practices (as implemented by the Canadian Securities Administration), as amended from time to time, and meet the independence requirements, or an applicable exception, of the NYSE and applicable U.S. federal securities laws, including the rules and regulations of the Securities and Exchange Commission (“**SEC**”).

2.3. **Subcommittees.** The Committee shall have the authority to delegate authority and responsibilities to subcommittees; provided that no subcommittee shall consist of less than two members.

3. **Advisors.** The Committee shall have the authority to (i) retain, at the Company's expense, a search firm, external counsel and other expert advisors ("**Advisors**") as it deems necessary to fulfill its responsibilities and (ii) determine, on behalf of the Company, the compensation of such Advisors. The Committee shall have sole authority to terminate any such Advisor, including sole authority to approve the fees and other retention terms.

4. **Meetings.**

4.1. **Frequency of Meetings.** The Committee shall meet at least once annually and as otherwise appropriate. The schedule for regular meetings of the Committee shall be established by the Committee. The Chairperson of the Committee may call a special meeting at any time he or she deems advisable. Meetings may be by written consent. When necessary, the Committee will meet in executive session outside the presence of any senior executive officer of the Company.

4.2. **Minutes.** Minutes of each meeting of the Committee shall be kept to document the discharge by the Committee of its responsibilities.

4.3. **Quorum.** A quorum shall consist of at least one-half of the Committee's members, but no fewer than two persons. The act of a majority of the Committee members present at a meeting at which a quorum is present shall be the act of the Committee. However, nominations for directors that are submitted to the Board must be approved by the two-thirds vote of the standing members of the Committee.

4.4. **Agenda.** The Chairperson of the Committee shall prepare an agenda for each meeting of the Committee, in consultation with Committee members, the Chairperson of the Board and any appropriate member of the Company's management or staff, as necessary. As requested by the Chairperson, members of the Company's management and staff shall assist the Chairperson with the preparation of any background materials necessary for any Committee meeting.

4.5. **Presiding Officer.** The Chairperson of the Committee shall preside at all Committee meetings. If the Chairperson is absent at a meeting, a majority of the Committee members present at a meeting shall appoint a different presiding officer for that meeting.

## 5. **Board and Committee Members.**

5.1. **Nominee Criteria and Qualifications.** The Committee shall formulate the criteria for directors, and shall consider personal characteristics and core competencies required of Board members when evaluating persons to be nominated for election to the Board, taking into account the composition of the Board as a whole. In addition, the Committee shall consider a candidate's qualification as "independent" as well as a candidate's depth of experience and availability, the balance of the business interest and experience of the incumbent directors or new nominees, and the need for any required expertise on the Board or one of its committees. With respect to incumbent members of the Board, the Committee shall also consider the performance of the incumbent director.

5.2. **Consideration of Shareholder Recommendations.** The Committee shall be responsible for establishing a policy regarding consideration of director candidates recommended by the Company's shareholders and the procedures to be followed by shareholders that desire to submit such a recommendation.

5.3. **Identification of Board Candidates.** The Committee shall identify, screen and recruit candidates to serve on the Board. The Committee shall also annually review each incumbent director's past performance and recommend to the Board whether such director should be nominated for re-election. The Committee shall consider recommendations by the Chairperson of the Board and the CEO who shall be included in the process on a non-voting basis.

5.4. **Recommendation of Board Nominees.** The Committee shall recommend to the Board nominees for election to the Board at the next annual meeting of shareholders and to fill any vacancies in the intervening period.

5.5. **Recommendation of Committee Members.** The Committee shall annually and as otherwise appropriate recommend to the Board the membership of each Board committee (including this Committee) and a Chairperson for each committee. As part of such review, the Committee shall review the qualifications of the members of each committee to ensure that each committee has a membership that meets any criteria of applicable law and the rules and regulations of the SEC and NYSE. There is no policy limiting the length of service on any committee.

## 6. **Board Matters.**

6.1. **Director Orientation and Continuing Education.** The Committee shall oversee a director orientation program and may recommend continuing

education for any and all directors, to the extent deemed necessary by the Committee.

6.2. **Board Composition and Structure.** The Committee shall annually review, assess and make recommendations to the Board regarding Board size, composition and operation of the Board to ensure effective decision-making. The Committee shall annually review and assess the size, composition and chairpersons of all Board committees and the Board and make recommendations to the Board for consideration. The Committee shall regularly review successors for the chairperson of the Board and chairpersons of the Board committee and make recommendations to the Board for consideration. The Committee shall annually review and, in the Committee's discretion, recommend to the Board for consideration those individual directors to be designated as independent and as financially literate under applicable law.

6.3. **Board Attendance at Annual Meeting.** The Committee shall be responsible for determining whether or not the Company should have a policy regarding Board members' attendance at the Company's annual meetings of shareholders.

## 7. **Management Succession and Appointment of Officers.**

7.1. **Management Plan.** In consultation with the CEO, the Committee shall develop a succession plan for senior management of the Company.

7.2. **CEO Succession.** The Committee shall recommend to the Board a successor to the CEO when a vacancy occurs.

7.3. **Appointment of Officers.** In consultation with the CEO, the Committee shall recommend to the Board the persons to be appointed officers by the Board and review any proposed personnel changes involving such officers.

8. **Communications with Security Holders.** The Committee shall be responsible for establishing a process for security holders to send security holder communications to Board members, including whether security holder communications will be screened to determine the communications that will be relayed to Board members. The Committee shall be responsible for determining whether or not to seek the approval of such policy by the independent Board members.

## 9. Reports and Assessments.

- 9.1. **Board Reports.** The Chairperson of the Committee shall report to the Board on Committee actions and on the fulfillment of the Committee's responsibilities under this Charter.
- 9.2. **Evaluation of Committee Charters.** The Committee shall annually review and assess the adequacy of this Charter and advise the Board of its assessment and of its recommendation for any changes to the Charter. The Committee shall, as deemed necessary from time to time, assist the relevant committees and the Board with the review of the Board or other Board committee charters. In connection therewith, the Committee shall review the recommendations of each Board committee regarding the charter of its committee. The Committee shall, if requested by management, assist management with the preparation of any certification to be presented to the NYSE or to Canadian Securities Administrators affirming that the adequacy of this Charter and any other Board or Board committee charters have been reviewed and assessed.
- 9.3. **Committee Self-Assessment.** The Committee shall annually make a self-assessment of its performance, and shall report the results of such assessment to the Board.
- 9.4. **Assessment of Board.** The Committee shall annually oversee an assessment of the full Board. The Committee shall be responsible for establishing the evaluation criteria and implementing the process for such evaluation.
- 9.5. **Corporate Governance.** The Committee shall bring to the attention of the Board such corporate governance issues as necessary for the proper governance of the Company and shall develop the approach of the Company in matters of corporate governance including the written statement of corporate governance principles applicable to the Company as set forth in the Company's annual management information circular, and make recommendations to the Board with respect to all such matters.
- 9.6. **Code of Ethics and Business Conduct.** The Committee shall conduct an annual review and assessment of the Company's Code of Ethics and Business Conduct and recommend to the Board any changes to such code that it deems necessary. The Committee shall monitor compliance with the Code of Ethics and Business Conduct and shall inquire of management as to their knowledge of (i) any violation of the Code of Ethics and Business Conduct, (ii) any waiver of compliance with such code and (iii) any investigations undertaken with regard to compliance with such code. The Committee may make recommendations to the

Board regarding the waiver of any provision of the Ethics and Business Conduct.