

**SOUTHERN ENERGY CORP.  
CORPORATE GOVERNANCE AND COMPENSATION COMMITTEE CHARTER**

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**I. COMPOSITION**

1. The Corporate Governance and Compensation Committee (the “**Committee**”) will be composed of at least three directors of Southern Energy Corp. (the “**Corporation**”), none of whom are full-time employees of the Corporation or any of its affiliates. A quorum will be a simple majority of Committee members (“**Members**”).
2. The Board of Directors of the Corporation (the “**Board**”) shall appoint one of the Members to act as Committee chairperson (the “**Chair**”).

**II. MEETINGS**

1. The Committee shall meet at least once annually or otherwise as may be directed by the Board or as circumstances warrant.
2. A Member or an officer of the Corporation, or any other person selected by the Committee, shall be appointed at each meeting to act as secretary for the purposes of recording the minutes of each meeting.

**III. REPORTING**

1. The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes of such meeting. Where minutes have not yet been published, the Chair shall provide the Board with oral reports as requested.
2. All information reviewed and discussed by the Committee at any meeting shall be retained and made available for examination by the Board upon request to the Chair.

**IV. OUTSIDE CONSULTANTS OR ADVISORS**

1. The Committee, when it considers it necessary or advisable, may retain, at the Corporation's expense, outside consultants or advisors, including compensation consultants, to assist or advise the Committee independently on any matter within its mandate.
2. The Committee shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to approve the fees and other retention terms for such persons.

**V. RESPONSIBILITIES**

The Committee's primary responsibilities are: (i) reviewing and determining the compensation policies of the Corporation with respect to directors, officers, employees and consultants of the Corporation; (ii) proposing to the full Board new nominees to the Board and for assessing directors on an ongoing basis; and (iii) responding to and implementing the guidelines set forth

from time to time, by any applicable regulatory authorities (the “**Guidelines**”). The specific functions of the Committee in carrying out these responsibilities are:

1. Compensation:
  - (a) recommend executive compensation policies, practices and overall compensation philosophy;
  - (b) recommend total compensation packages for all officers, employees and consultants of the Corporation;
  - (c) recommend bonus, stock options and grants of other equity securities;
  - (d) recommend major changes in the Corporation’s benefit plans; and
  - (e) review, and retain outside consultants and advisors to review (as necessary), the adequacy and form of directors’ compensation to ensure it realistically reflects the responsibilities and risks of membership on the Board.
2. Nominating and Assessment:
  - (a) to consider and recommend candidates to fill new positions on the Board created by either expansion or vacancies that occur by resignation, retirement or for any other reason;
  - (b) to review candidates recommended by shareholders;
  - (c) to conduct inquiries into the backgrounds and qualifications of possible candidates;
  - (d) to recommend the director nominees for approval by the Board and the shareholders;
  - (e) to consider questions of possible conflicts of interest of Board members;
  - (f) to recommend members and chairs of the Corporation’s committees;
  - (g) to establish director retirement policies; and
  - (h) to establish and implement an orientation and education program for new members of the Board.
3. Corporate Governance:
  - (a) to consider and review the Corporation’s corporate governance principles and process and to compare the same to the Guidelines;
  - (b) to propose changes to the Board necessary to respond to or comply with the Guidelines;
  - (c) to act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance

of management or individual members of management or the performance of the Board or individual members of the Board;

- (d) to develop and recommend to the Board for approval and periodically review structures and procedures designed to ensure that the Board can function effectively and independently of management;
- (e) to recommend appointments of corporate officers and senior management to the Board;
- (f) to establish, review and update periodically a Code of Business Conduct and Ethics (the “**Code**”) and ensure that management has established a system to monitor compliance with the Code; and
- (g) to review the Corporation’s disclosure of its corporate governance program and compliance with the Guidelines in the Corporation’s annual report or management proxy circular for each annual general meeting.