



GMP CAPITAL INC. (the “Corporation”)

GOVERNANCE GUIDELINES

INTRODUCTION

The Board of Directors of the Corporation is committed to fulfilling its statutory mandate to supervise the management of the business and affairs of the Corporation, and its subsidiaries and Affiliates (as defined in section 1.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions*) (the “**GMP Group**”) with the highest standards of ethical conduct and in the best interests of the shareholders of the Corporation. The Board of Directors, acting on the recommendation of its Governance Committee, has adopted these governance guidelines to promote the effective functioning of the Board of Directors and its committees, to promote the interests of shareholders, and to establish a common set of expectations as to how the Board of Directors, its various committees, individual directors and management should perform their functions.

GUIDELINES

Board Responsibilities

The business and affairs of the GMP Group are managed by or under the supervision of the Board of Directors in accordance with Canadian corporate law. The responsibility of the Board of Directors is to provide direction and oversight. The Board establishes the strategic direction of the GMP Group and oversees the performance of the GMP Group’s business and management. The management of the GMP Group is responsible for presenting strategic plans to the Board for review and approval and for implementing the GMP Group’s strategic direction.

In performing their duties, the primary responsibility of the directors is to exercise their business judgement in what they reasonably believe to be the best interests of the Corporation. In discharging that obligation, directors are entitled to rely on the honesty and the integrity of the GMP Group’s senior executives and outside advisors and auditors. The directors also are entitled to have the Corporation purchase reasonable directors’ and officers’ liability insurance on their behalf, and to the benefits of indemnification to the fullest extent permitted by applicable law and to exculpation as provided by applicable law.

In fulfilling its statutory mandate and discharging its duty of stewardship of the GMP Group, the Board of Directors assumes responsibility for those matters set out in its mandate, a copy of which is attached as Schedule A.

Board Composition and Size

The members of the Board of Directors collectively should possess a broad range of skills, expertise, industry and other knowledge, and business and other experience useful to the effective oversight of the GMP Group’s business. A majority of the Board of Directors should meet the Corporation’s categorical standards for directors’ independence attached as Schedule B.

It is the sense of the Board of Directors that, absent special circumstances, the Board should consist of no more than 10 members and no less than five members to facilitate its effective functioning, of which no less than a majority should be independent.

Chairman of the Board and Chief Executive Officer

The Board of Directors believes the roles of Chairman and Chief Executive Officer should, except in exceptional circumstances, be separate. The Board of Directors also believes the Chairman should be selected from the independent directors. Finally, it is the view of the Board of Directors that if, as a result of exceptional circumstances, the roles of Chairman and Chief Executive Officer are held by the same individual, there should be a “lead director” appointed by the Board of Directors from its independent members.

Selection of Directors

The Governance Committee will be responsible for identifying and recommending to the Board of Directors individuals qualified to become members of the Board, based primarily on the following criteria:

- judgement, character, expertise, skills and knowledge useful to the oversight of the GMP Group’s business,
- diversity of viewpoints, backgrounds, experiences and other demographics,
- business or other relevant experience (including previous board experience), and
- the extent to which the interplay of the individual’s expertise, skills, knowledge and experience with that of other members of the Board of Directors will build a board that is effective, collegial and responsive to the needs of the GMP Group.

The Governance Committee also will be responsible for initially assessing, against the Corporation’s categorical standards for directors’ independence, whether a candidate would be independent and advising the Board of Directors of that assessment.

The Board of Directors, taking into consideration the recommendations of the Governance Committee, will be responsible for selecting the nominees for election to the Board of Directors and for appointing directors to fill vacancies. The Board of Directors, taking into consideration the assessment of the Governance Committee, also will make a determination as to whether a nominee or appointee would be independent.

Continuation as a Director

The Board of Directors does not believe that it should establish term limits. While term limits could help ensure that there are fresh ideas and points of view available to the Board of Directors, they hold the disadvantage of losing the contributions of directors who have been able to develop, over a period of time, increasing insight into the GMP Group and its business and are able to provide an increasing contribution to the Board as a whole.

When a director's principal occupation or business association changes substantially from the position he or she held when originally invited to join the Board of Directors (determined by reference to factors such as country of principal residence, principal occupation, industry affiliation, other boards on which the director serves etc.), that director should advise the chair of the Governance Committee of such change. The Governance Committee will review that director's continuation on the Board of Directors and recommend to the Board of Directors whether, in light of all the circumstances, the Board of Directors should request that the director resign.

Committees of the Board

The Board of Directors expects to accomplish a substantial amount of its work through committees. The Board of Directors will have at least three committees: the Audit Committee, the Compensation Committee and the Governance Committee. The Board of Directors may, from time to time, establish or maintain additional committees as it determines to be necessary or appropriate. Each committee should have a written charter or mandate and should report regularly to the Board of Directors, summarizing the committee's actions and any significant issues considered by the committee.

Each of the Audit Committee, the Compensation Committee and the Governance Committee will be composed of no fewer than three members of the Board of Directors, each of whom will satisfy the membership criteria set out in the relevant committee charter. Members of committees will be appointed by the Board of Directors upon the recommendation of the Governance Committee, with consideration for the desires of individual directors. A director may serve on more than one committee. The Board of Directors, taking into account the views of the Chairman, will designate one member of each committee as chairperson of that committee.

Meetings

The Board should meet at least four times each year and more frequently if required. Each Committee should meet as provided in its charter.

The agenda for each meeting of the Board of Directors will be established by the Chairman, in consultation with the Chief Executive Officer, Chief Financial Officer, appropriate directors and appropriate members of the GMP Group senior executive. Any director may suggest the inclusion of additional subjects on the agenda. Each director is free to raise at any meeting of the Board of Directors subjects that are not on the agenda for that meeting. The Board of Directors will review the GMP Group's long term strategic plans and the principal issues that the GMP Group expects to face in the future during at least one meeting each year.

The agenda for each committee meeting will be established by the Chairman of that committee in consultation with appropriate members of the committee and appropriate members of the GMP Group senior executive.

Although management will seek to provide appropriate materials in advance of meetings of the Board of Directors and its committees, this will not always be consistent with the timing of transactions and the operations of the business, and in certain cases it may not be possible to circulate materials in advance of the meeting. Materials presented to the directors should provide

the information needed for the directors to make an informed judgement or engage in informed discussion.

Unless a committee expressly determines otherwise, the agenda, materials and minutes for each committee meeting will be available to all directors. In addition, all directors, whether or not members of the committee, will be free to make suggestions to the chair of a committee for additions to the agenda of the committee, to request that an item from a committee's agenda be considered by the Board of Directors.

Executive Sessions

To ensure strong communication with the Chief Executive Officer, the independent directors may meet with the Chief Executive Officer (with no other members of management present) as the independent directors determine. To ensure free and open discussion and communication among directors, the independent directors may meet in executive session with no other directors or members of management present at the conclusion of each regularly scheduled Board meeting and otherwise as the independent directors determine. The chair of the Governance Committee will preside at those executive sessions, unless the independent directors determine otherwise.

Director Compensation

The form and amount of director compensation will be as recommended to the Board by the Governance Committee, which will conduct an annual review of director compensation.

Evaluating Board and Committee Performance

The Board of Directors, acting through the Governance Committee, will conduct an annual self-evaluation that will be discussed with the full Board of Directors after the end of each fiscal year. This evaluation will focus on the contribution of the Board of Directors to the GMP Group and specifically focus on areas in which directors and management believe that the contribution of the Board of Directors could be improved. Each committee will conduct an annual self-evaluation as provided in its respective charter.

Orientation and Continuing Education

Management, working with the Board of Directors, will provide an orientation and education program for new directors to familiarize them with the GMP Group and its business. All new directors will participate in this program, which should be conducted within a reasonable period of a director first joining the Board of Directors. In addition, management will schedule periodic presentations for the Board of Directors to ensure they are aware of business trends and industry practices as and when required.

SCHEDULE A

GMP CAPITAL INC. MANDATE OF THE BOARD OF DIRECTORS

Purpose

The Board of Directors is elected by the Corporation's shareholders to supervise the management of the business and affairs of the Corporation, in the best interests of the Corporation. The Board of Directors shall be responsible for:

- to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other executive officers and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization,
- reviewing and approving, on at least an annual basis, the strategic planning and business objectives that are submitted by management and monitoring the implementation by management of the strategic plan,
- identifying the principal business risks of the GMP Group and supervising the implementation and monitoring of appropriate risk management systems, with the Audit Committee assisting the Board of Directors in the implementation and monitoring of appropriate risk management systems and monitoring of the risks and reporting on these matters regularly to the Board of Directors,
- ensuring, with the assistance of the Governance Committee, the effective functioning of the Board of Directors and its committees in compliance with the corporate governance requirements of applicable Canadian securities legislation and policies, and that such compliance is reviewed periodically by the Governance Committee,
- ensuring internal control and management information systems for the GMP Group are in place, evaluated as part of the internal auditing process and reviewed periodically by the Audit Committee, with the Audit Committee assessing the effectiveness of the internal control and management information systems through meetings held with the external auditors, as appropriate, and senior management and a review of reports prepared by senior management,
- monitoring the establishment of appropriate systems for succession planning,
- with the assistance of the Compensation Committee, ensuring appropriate and effective incentive compensation programs are in place for GMP Group employees and compensation paid to executive officers of the GMP Group (exclusive of compensation received in accordance with the incentive compensation programs of GMP Group) is appropriate and fair,
- develop clear position descriptions for the Chair of the Board of Directors and the chair of each committee,

- ensuring that the Corporation has in place a policy for effective communication with securityholders, other stakeholders and the public generally, and
- setting out measures for receiving feedback from stakeholders (e.g. the board may wish to establish a process to permit stakeholders to directly contact independent directors).

Expectations of Directors

The Board of Directors has developed a number of specific expectations of directors to promote the discharge by the directors of their responsibilities and to promote the efficient conduct of the Board of Directors.

Commitment and Attendance. All directors should strive to attend all meetings of the Board of Directors and the committees of which they are members. Attendance by telephone or video conference may be used to facilitate a director's attendance.

Participation in Meetings. Each director should be sufficiently familiar with the business of the GMP Group, including its financial statements and capital structure, and the risks and the competition it faces, to ensure active and effective participation in the deliberations of the Board of Directors and of each committee on which he or she serves. Upon request, management will make appropriate personnel available to answer any questions a director may have about any aspect of the GMP Group's business. Directors also should review the materials provided by management and advisors in advance of the meetings of the Board of Directors and its committees and should arrive prepared to discuss the issues presented.

Loyalty and Ethics. In their roles as directors, all directors owe a duty of loyalty to the Corporation. This duty of loyalty mandates that the best interests of the Corporation take precedence over any other interest possessed by a director. Directors should conduct themselves in accordance with the Corporation's Code of Business Conduct and Ethics.

Other Directorships and Significant Activities. The GMP Group values the experience directors bring from other boards on which they serve and other activities in which they participate, but recognizes that those boards and activities also may present demands on a director's time and availability and may present conflicts or legal issues, including independence issues. No director should serve on the board of a competitor or of a regulatory body with oversight of the GMP Group. Each director should, when considering membership on another board or committee, make every effort to ensure that such membership will not impair the director's time and availability for his or her commitment to the GMP Group. Directors should advise the chair of the Governance Committee and the Chief Executive Officer before accepting membership on other boards of directors or any audit committee or other significant committee assignment on any other board of directors, or establishing other significant relationships with businesses, institutions, governmental units or regulatory entities, particularly those that may result in significant time commitments or a change in the director's relationship to the GMP Group.

Contact with Management and Employees. All directors should be free to contact the Chief Executive Officer and other senior management of the GMP Group at any time to discuss any aspect of the GMP Group's business. Directors should use their judgement to ensure that any such contact is not disruptive to the operations of the GMP Group. The Board of Directors expects that there will be frequent opportunities for directors to meet with the Chief Executive Officer and other senior members of the GMP Group in meetings of the Board of Directors and committees, or in other formal or informal settings.

Speaking on Behalf of the Corporation. It is important that the GMP Group speak to employees and outside constituencies with a single voice, and that management serve as the primary spokesperson. As a result, directors should ensure that they adhere to the Corporation's Policy Concerning Confidentiality, Fair Disclosure and Trading in Securities.

Confidentiality. The proceedings and deliberations of the Board of Directors and its committees are confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director.

Measures for Receiving Shareholder Feedback

All publicly disseminated materials of the Corporation shall provide for a mechanism for feedback from shareholders. Persons designated to receive such information shall be required to provide a summary of the feedback to the Board of Directors on a semi-annual basis or at such other more frequent intervals as they see fit. Shareholders of the Corporation may communicate directly with the independent directors by writing to the Chairman of the Board of Directors, GMP Capital Inc., 145 King Street West, Suite 300, Toronto, Ontario, Canada M5H 1J8.

SCHEDULE B

GMP CAPITAL INC.

CATEGORICAL STANDARDS FOR DETERMINING INDEPENDENCE OF DIRECTORS

For a director to be considered independent, under applicable securities legislation, he or she must have no direct or indirect material relationship with GMP Capital Inc. (the “Corporation”) that could materially interfere with his or her ability to act with a view to the best interest of the Corporation.

The Board of Directors, upon the recommendation of the Governance Committee, has considered the types of relationships that could reasonably be expected to be relevant to the independence of a director of the Corporation. The Board of Directors has determined that:

- (i) a director’s interests and relationships arising solely from his or her (or any immediate family members¹) shareholdings in the Corporation are not, in and of themselves, a bar to independence; and
- (ii) a director will be independent unless currently, or at anytime within the past three years, he or she or any immediate family member:
 - Employment: Is (or has been) an officer or employee (or, in the case of a family member, an executive officer) of the Corporation, or its subsidiaries or Affiliates (as defined in section 1.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions*) (the “GMP Group”).
 - Direct Compensation: Receives (or has received) more than \$100,000 per year in direct compensation from the GMP Group (other than director fees, director fees and committee fees and pension or other forms of deferred compensation for prior service, provided it is not contingent or continued service).²
 - Auditor Relationship: Is (or has been) affiliated with, or employed in a professional capacity by, the present or a former auditor of the Corporation.
 - Material Commercial Relationship: Has (or has had), or is an executive officer, employee or significant shareholder of a person that has (or has had), a significant commercial relationship with the GMP Group as a

¹ A (i) spouse, parent, child, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or (ii) any family member who shares that director’s home.

² Employment as an interim chair or an interim Chief Executive Officer need not preclude a director from being considered independent following the end of that employment. Receipt of compensation by an immediate family member need not preclude a director from being considered independent if that family member is a non-executive employee.

result of which that person makes payments to, or receives payments from, the GMP Group for property or services in any fiscal year that, in aggregate, account for more than 2% or \$1,000,000 (whichever is greater) of that person's consolidated gross revenues.

- Professional Advisor: Provides (or has provided), or is affiliated with a firm that provides (or has provided), professional legal, investment banking, consulting or similar advisory services to the GMP Group.
- Material Charitable Recipient: Is (or has been) employed as an executive officer, director or trustee of a not-for-profit entity that receives contributions from the GMP Group that, in the relevant year, represent more than 5% of the discretionary charitable contributions of the GMP Group or 2% of the gross revenues of the charitable organization. Automatic matching of employee charitable contributions will not be included in the amount of the GMP Group's contributions for this purpose.
- Material Debt: Is (or has been), or is an employee, executive officer, director, trustee or significant shareholder of a person that is (or has been), indebted to the Corporation or to which the Corporation is indebted in an amount that is more than 5% of the total consolidated assets of that person of the Corporation, respectively.
- Inter-Locking Directorate: Is (or has been) employed as an executive officer of another company whose compensation committee (or similar body) during that period of employment included an executive officer of the Corporation.
- Determination of the Governance Committee: Is determined by the Governance Committee not to be independent.