Gibson Energy Inc.

Notice of 2015 Annual Meeting of Shareholders

Management Information Circular

To be held on May 6, 2015
10:00 a.m. (Mountain Daylight Time)
Lecture Theatre
Metropolitan Conference Centre
333 – 4th Avenue S.W.
Calgary, Alberta

Dated: March 24, 2015

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Letter to Our Shareholders

March 24, 2015

Dear Shareholder:

We are pleased to invite you to the upcoming annual meeting of the shareholders of Gibson Energy Inc. to be held at 10:00 a.m. (Mountain Daylight Time) on Wednesday, May 6, 2015 in the Lecture Theatre of the Metropolitan Conference Centre, 333 – 4th Avenue S.W., Calgary, Alberta (the "**Meeting**"). We look forward to sharing details on our 2014 performance with you.

The enclosed Management Information Circular describes in detail the formal business to be conducted at the Meeting, including the receipt of our audited consolidated financial statements for the year ended December 31, 2014 and the associated auditor's report thereon, the appointment of our auditors and the election of directors to our board. This year you will be electing seven directors to the board. All of them are well qualified and have agreed to stand for election for the ensuing one-year term. We encourage you to read more about the nominated directors beginning on page 11 of the enclosed Management Information Circular.

The enclosed Management Information Circular also includes important information for you regarding voting at the Meeting, what will be covered at the Meeting, the nominated directors and our board's practices, our compensation objectives and programs and our dedication to the highest corporate governance standards. We encourage you to read the enclosed Management Information Circular and take the time to vote your shares.

Following the Meeting, there will be a presentation by management highlighting our accomplishments in 2014 and outlining our goals for 2015 and beyond. The presentation will include a question and answer session and will be followed by refreshments. This is your opportunity to meet our board of directors, senior management and your fellow shareholders.

Your vote and attendance at the Meeting are very important to us. If you are unable to attend in person, we ask you to vote your shares by proxy or any of the means available to you as described in the enclosed Management Information Circular. In addition, we will have a live audio webcast of the Meeting on our website (www.gibsons.com) and encourage you to listen in.

Should you wish to access any of our other annual public disclosure documents, including our 2014 annual financial statements and related management discussion and analysis, please visit our website (www.gibsons.com) or SEDAR (www.sedar.com).

We look forward to seeing you on May 6, 2015.

Sincerely,

(signed) *"A. Stewart Hanlon"*

A. Stewart Hanlon
President and Chief Executive Officer

(signed) *"James M. Estey"*

James M. Estey
Chair of the Board of Directors

Notice of Annual Meeting of Shareholders
to be held on May 6, 2015

You are invited to our 2015 annual meeting of shareholders:

When:	**Where:**
May 6, 2015 10:00 a.m. (Mountain Daylight Time)	Lecture Theatre Metropolitan Conference Centre 333 – 4th Avenue S.W., Calgary, Alberta

The four items of business at the Meeting are:

1. receiving the audited annual consolidated financial statements for the year ended December 31, 2014 and the auditor's report thereon;

2. electing directors for the ensuing year or until their successors are elected or appointed;

3. appointing the auditors for the ensuing year and authorizing the directors to fix the remuneration to be paid to the auditors; and

4. transacting such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Information relating to the foregoing is set forth in the accompanying Management Information Circular which forms an integral part of this Notice of Annual Meeting of Shareholders. Only shareholders of record as of the close of business on **March 13, 2015** will be entitled to notice of and to vote at the Meeting or any adjournment or postponement thereof. How you vote depends on whether you are a registered or beneficial shareholder. Please see page 6 of the accompanying Management Information Circular for more details.

If you are unable to attend the Meeting in person, please vote your shares by following the instructions on the enclosed instrument of proxy or voting information form provided by your broker or other intermediary. Registered shareholders who are unable to attend the Meeting in person are requested to date, sign and return the accompanying form of proxy to Computershare Trust Company of Canada, by mail at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. To be valid, a properly executed form of proxy must be received by Computershare Trust Company of Canada not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) before the time fixed for holding the Meeting or any adjournment or postponement thereof. We may refuse to recognize any instruments of proxy received after that time. Please refer to "Solicitation of Proxies" in the accompanying Management Information Circular for more information on how to vote at the Meeting.

By order of the board of directors,

(signed) *"A. Stewart Hanlon"*

A. Stewart Hanlon
President and Chief Executive Officer

March 24, 2015

Annual Meeting of Shareholders
to be held on May 6, 2015

MANAGEMENT INFORMATION CIRCULAR

March 24, 2015

You have received this Management Information Circular (the "**Circular**") because you owned Gibson shares on March 13, 2015 (the "**Record Date**") and our management and board of directors are soliciting your vote at our upcoming annual meeting of shareholders (the "**Meeting**") or any adjournment or postponement thereof. In this Circular, references to: (i) *you* and *your* mean holders of Gibson shares; (ii) *we, us, our* and *Gibson* mean Gibson Energy Inc.; (iii) *shares* and *Gibson shares* mean our common shares; and (iv) *shareholder* means a holder of our common shares. All dollar amounts are in Canadian dollars. Unless otherwise written, the information set forth herein is effective as of March 24, 2015.

The Meeting will be held on Wednesday, May 6, 2015 at 10:00 a.m. (Mountain Daylight Time) in the Lecture Theatre of the Metropolitan Conference Centre, 333 – 4th Avenue S.W., Calgary, Alberta. The Notice of Annual Meeting of Shareholders ("**Notice of Meeting**") accompanying this Circular describes the purpose of the Meeting.

SOLICITATION OF PROXIES

Solicitation of Proxies by Management

As a shareholder, we cordially invite you to be present at the Meeting. To ensure that you will be represented at the Meeting, in the event you are a registered shareholder and unable to attend personally, you are requested to date, complete and sign the accompanying instrument of proxy enclosed herewith (the "**Instrument of Proxy**") and return the same to Computershare Trust Company of Canada ("**Computershare**"), by mail at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. If you are a registered shareholder, you may also vote by telephone or internet as set forth below. If you are an unregistered shareholder and receive these materials through your broker or another intermediary, please complete and return the Instrument of Proxy in accordance with the instructions provided therein or vote by telephone or internet as set forth below. Solicitation of proxies will be primarily by mail, but may also be by personal interview, telephone or other oral or written means of communication by our directors, officers and employees at no additional compensation to them. The cost of the solicitation of proxies will be borne by us.

Appointment of Proxyholders

Each of the persons named in the accompanying Instrument of Proxy are one of our directors and/or officers. **You have the right to appoint a person or company to represent you at the Meeting (who need not also be a shareholder) other than the person or persons designated in the Instrument of Proxy we have provided.** To exercise this right, you must either insert the name of the desired representative in the blank space provided in the accompanying Instrument of Proxy or submit an alternative form of proxy (either of which is a "**Proxy**").

In order to be valid, your Proxy must be received not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) before the time fixed for holding the Meeting or any adjournment or postponement thereof.

If you are a registered shareholder, you may vote by proxy in one of the following ways:

(i) by mailing or delivering the signed Proxy to Computershare at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;

(ii) by using the internet at www.investorvote.com; or

(iii) for shareholders in Canada and the United States, by calling the following toll free number from a touch tone telephone: 1-866-732-VOTE (8683).

If you are a Beneficial Shareholder (as defined below), you may vote by proxy in one of the following ways:

(i) by mailing or delivering the signed Proxy to Broadridge at Data Processing Centre, P.O. Box 2800 STN LCD Malton, Mississauga, Ontario, L5T 2T7;

(ii) by using the internet at www.proxyvote.com;

(iii) for shareholders in Canada, by calling the following toll free number from a touch tone telephone: 1-800-474-7493; or

(iv) for shareholders in the U.S., by calling the following toll free number from a touch tone telephone: 1-800-454-8683.

Signing Instruments of Proxy

A Proxy must be in writing and must be executed by you or your duly appointed attorney authorized in writing or, if you are a corporation, by a duly authorized officer or attorney of such corporation. A Proxy signed by a person acting as attorney or in some other representative capacity should expressly reflect that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless you have previously filed such instrument with Computershare or Gibson).

Revocation of Proxies

If you have submitted a Proxy for use at the Meeting or any adjournment or postponement thereof, you may revoke it at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof. As well as revoking in any other way permitted by law:

(i) you or your attorney authorized in writing, may revoke the Proxy by signing a written Proxy cancellation, or

(ii) if you are a corporation, you may revoke the Proxy by a written Proxy cancellation signed under corporate seal or by an authorized officer or attorney of such corporation.

The Proxy cancellation document must be received by our Corporate Secretary, c/o Computershare, at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1:

(i) no later than 10:00 a.m. (Mountain Daylight Time) on May 4, 2015, or

(ii) if the Meeting is adjourned or postponed, up to and including the last business day preceding the date set for the adjourned or postponed Meeting, or

alternatively, given to the meeting chair on the day of the Meeting prior to the commencement of the Meeting or on the day of any adjourned or postponed Meeting prior to the commencement of the Meeting. The Proxy is revoked when the Proxy cancellation notice is delivered in one of these ways. If you voted by telephone or internet, your Proxy will be revoked as soon as you submit new voting instructions.

Voting of Proxies and Exercise of Discretion by Proxyholders

All shares represented at the Meeting by properly executed Proxies will be voted, or withheld from voting, on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the shares represented by the Proxy will be voted in accordance with your instructions. On any ballot that may be called for at the Meeting, our management nominees named in the accompanying Instrument of Proxy will vote or withhold from voting the shares in respect of which they are appointed proxy according to your directions. If you specify a choice regarding any matter to be acted upon at the Meeting, your shares will be voted accordingly. **In the absence of your direction, the shares will be voted: (i) for the election of our director nominees; and (ii) for the appointment of PricewaterhouseCoopers LLP as our auditors at such remuneration as our directors may determine.**

The accompanying Instrument of Proxy confers discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly be brought before the Meeting unless otherwise indicated on such accompanying Instrument of Proxy.

As of this date, we are not aware of any amendments, variations or other matters to come before the Meeting, other than those matters referred to in the Notice of Meeting.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance if you do not hold your shares in your own name. If you do not hold your shares in your own name (a "**Beneficial Shareholder**"), you should note that only proxies deposited by those whose names appear on our records as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to you by your broker, then, in almost all cases, those shares will not be registered in your name on our records. Such shares will more likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for you. **Therefore, if you are a Beneficial Shareholder you should ensure that instructions respecting the voting of your shares are communicated to the appropriate person or that your shares are duly registered in your name such that you become a registered holder and can vote as such.**

If you are a Beneficial Shareholder, applicable Canadian regulatory policy requires brokers and other intermediaries to seek voting instructions from you in advance of shareholders' meetings. Each broker or other intermediary has its own mailing procedures and will provide you with its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. In some cases, the form of proxy supplied to you by your broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on your behalf. In Canada, the majority of brokers now delegate responsibility for obtaining instructions from you to Broadridge Financial Solutions, Inc. ("**Broadridge**"). In most cases, Broadridge mails a scanable voting instruction form (a "**VIF**") in lieu of the form of proxy provided by us, and asks you to return the VIF to Broadridge. Alternatively, as set forth above, you can either call the toll-free telephone number to vote your shares, or access Broadridge's dedicated voting web site at www.proxyvote.com to deliver your voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **If you receive a VIF from Broadridge, you cannot use that form to vote your shares directly at the Meeting. You must return the VIF to Broadridge or, alternatively, you must provide instructions to Broadridge in order to have such shares voted.**

Although you may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of your broker (or an agent of the broker), you may attend at the Meeting as proxyholder for the registered shareholder and vote the shares in that capacity. If you wish to attend the Meeting and indirectly vote your shares as proxyholder for the registered shareholder, you should enter your own name in the blank space on the Instrument of

Proxy provided to you and return the same to your broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

There are two types of Beneficial Shareholders:

(i) those who object to their name being made known to the issuers of the securities that they own (the "**OBOs**"), and

(ii) those who do not object to their name being made known to the issuers of the securities that they own (the "**NOBOs**").

Under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers* ("**NI 54-101**"), issuers may request and obtain a list of their NOBOs from intermediaries through their transfer agent, namely Computershare in this case. We may use this NOBO list for the distribution of proxy-related materials directly (not through Broadridge) to NOBOs.

We have decided not to take advantage of the provisions of NI 54-101 that permit us to directly deliver proxy-related materials to our NOBOs. As a result, NOBOs can expect to receive a scanable VIF from Broadridge. These VIFs are to be completed and returned to Broadridge in the envelope provided for that purpose. In addition, Broadridge provides for both telephone voting and internet voting as described in the VIF, which contains complete instructions. Broadridge will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions to Computershare prior to the Meeting with respect to the shares represented by the VIFs it receives.

Notice-and-Access

We have elected to use the "notice-and-access" provisions under NI 54-101 (the "**Notice-and-Access Provisions**") for the Meeting for those of you who do not hold your shares in your own name. The Notice-and-Access Provisions are a new set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that we must physically mail to you by allowing us to post our Circular in respect of our Meeting and related materials online.

We have also elected to use procedures known as 'stratification' in relation to our use of the Notice-and-Access Provisions. Stratification occurs when we, while using the Notice-and-Access Provisions, provide a paper copy of our Notice of Meeting and Circular and a paper copy of our financial statements and related management's discussion and analysis to some of our shareholders. In relation to the Meeting, if you are a registered shareholder, you will receive a paper copy of each of the Notice of Meeting, this Circular, our financial statements and related management's discussion and analysis and an Instrument of Proxy whereas if you are a Beneficial Shareholder, you will receive only a notice-and-access notification and a VIF. Furthermore, a paper copy of our financial statements and related management's discussion and analysis in respect of our most recent financial year will be mailed to you if you hold your shares in your own name and have previously requested to receive paper copies of our financial information.

Record Date

If you were a holder of shares at the close of business on the Record Date, you are entitled to receive notice of and to vote at the Meeting. In addition, if you acquire shares from a shareholder of record after the Record Date, you may vote such shares at the Meeting if you: (a) produce properly endorsed certificates evidencing such shares or otherwise establishing that you own them; and (b) request, not later than ten (10) days before the Meeting, that your name be included on the list of shareholders entitled to vote at the Meeting. If you are a Beneficial Holder of shares as of the Record Date, you will be entitled to vote at the Meeting in accordance with the procedures established pursuant to NI 54-101.

ABOUT US

Gibson is a large independent midstream energy company in Canada and an integrated service provider to the oil and gas industry in the United States. We are engaged in the movement, storage, blending, processing, marketing and distribution of crude oil, condensate, natural gas liquids, water, oilfield waste and refined products. Gibson transports energy products by using its network of terminals, pipelines, storage tanks, and trucks located throughout western Canada and through its significant truck transportation and injection station network in the United States. We also provide environmental and production services, including fluid handling, emulsion treating, water disposal and oilfield waste management services in Canada and the United States and are the second largest industrial propane distribution company in Canada.

We are a reporting issuer in all the provinces and territories of Canada. In addition, we are a publically traded entity listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "GEI". Our head and registered office is located at 1700, 440 – 2nd Avenue S.W., Calgary, Alberta, T2P 5E9.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Our authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. On March 24, 2015, there were 125,246,875 common shares and no preferred shares issued and outstanding. Each common share gives its holder the right to one vote at the Meeting. Two persons present and holding or representing by proxy at least 5% of the shares entitled to vote at the Meeting constitute a quorum.

To the knowledge of our directors and officers, no person beneficially owns, or controls or directs, directly or indirectly, 10% or more of the outstanding shares on March 24, 2015, other than as set forth below:

Shareholder Name	Type of Ownership	Number and Percentage of Common Shares Owned, Controlled or Directed on March 24, 2015(1)(2)
M&G Investment Management Limited	Record and Beneficial	24,710,256 (19.7%)

Notes:

(1) To our knowledge, none of the shares are held subject to any voting trust or other similar agreement.
(2) To our knowledge, on a fully diluted basis, M&G Investment Management Limited owns 19.0% (of record and beneficially) of the issued and outstanding shares.

BUSINESS OF THE ANNUAL MEETING

Financial Statements and Auditor's Report

Our consolidated financial statements for the fiscal year ended December 31, 2014, together with the auditor's report thereon, will be presented at the Meeting. Any questions you have regarding the financial statements may be brought forward at the Meeting. Copies of our annual and interim consolidated financial statements, the auditor's reports thereon and the management discussion and analysis thereon are also available on our website at www.gibsons.com and on SEDAR at www.sedar.com. No vote by the shareholders is required to be taken on the financial statements.

Election of Directors

You will be asked at the Meeting to elect our directors for the ensuing year. **Unless directed otherwise, the management nominees named in the accompanying Instrument of Proxy intend to vote FOR the election of James M. Estey, James J. Cleary, Donald R. Ingram, Marshall L. McRae, Mary Ellen Peters, Clayton H. Woitas and A. Stewart Hanlon as directors of Gibson.** Each director elected will hold office from the date on which he or she is elected until the next annual meeting of shareholders or until his or her successor is duly elected or appointed, unless his or her office is vacated prior to the next meeting. The directors will be elected individually and not as a slate. All director nominees have confirmed their eligibility and willingness to serve on our board of directors (the "**Board**").

The following table identifies all persons to be nominated for election as directors. Also included in the table is a brief biography of each proposed director, the number of shares each holds and a list of the committees of the Board on which each sits, if applicable.

Nominee	Brief Biography
James M. Estey Director Since June 2011 	Mr. Estey is the retired Chair of the board of UBS Securities Canada Inc. and has more than 30 years of experience in the financial markets. Mr. Estey joined Alfred Bunting and Company as an institutional equity salesperson in 1980 after working at A.E. Ames & Co. for seven years. In 1994, Mr. Estey became the head of the Canadian Equities business, and in 2002 he was appointed President and Chief Executive Officer of UBS Securities Canada. In January 2008, Mr. Estey assumed the role of Chair. He is also currently the Chair of the board of PrairieSky Royalty Ltd. and serves as lead director of New Gold Inc.

Board/Committee Membership	**Attendance in 2014**	
Chair, Board of Directors	5 out of 5	100%
Chair, Corporate Governance, Compensation and Nomination Committee	2 out of 2	100%
Member, Audit Committee	4 out of 4	100%
Securities Held(1)	**2014 Voting Results**	
44,000 common shares 980 PSUs 31,773 Options 7,435 DSUs	98.17% FOR	
Residency and Age	**Independence**	
Toronto, Ontario, Canada Age: 62	Independent	
Office with Gibson Now Held	**Principal Occupation**	
Director	Retired Investment Banker	

Nominee	Brief Biography
James J. Cleary Director Since April 2013 	Mr. Cleary was appointed as a director of Gibson Energy Inc. on April 4, 2013. Mr. Cleary is currently a Managing Director of Global Infrastructure Partners, where he has been since May of 2012. Prior to joining Global Infrastructure Partners, Mr. Cleary was the President of El Paso Corporation's Western Pipeline Group and previously served as the President of ANR Pipeline Company. Prior to 2001, Mr. Cleary was the Executive Vice President and General Counsel of Southern Natural Gas Company and prior to 2015, Mr. Cleary was a director of Access Midstream Partners GP, LLC, the general partner of Access Midstream Partners L.P. Mr. Cleary received his Bachelor of Arts from the College of William & Mary in 1976 and a Juris Doctorate from Boston College Law School in 1979.

Board/Committee Membership	**Attendance in 2014**	
Director, Board of Directors	5 out of 5	100%
Member, Health, Safety, Security and Environment Committee	2 out of 2	100%
Member, Corporate Governance, Compensation and Nomination Committee	2 out of 2	100%
Securities Held(1)	**2014 Voting Results**	
6,000 common shares 980 PSUs 14,508 Options 1,452 DSUs	99.64% FOR	
Residency and Age	**Independence**	
Colorado Springs, Colorado, USA Age: 60	Independent	
Office with Gibson Now Held	**Principal Occupation**	
Director	Managing Director of Global Infrastructure Partners	

<table>
<tr><th>Nominee</th><th colspan="3">Brief Biography</th></tr>
<tr><td rowspan="11">Donald R. Ingram
Director Since June 2011
</td><td colspan="3">Mr. Ingram is the President and Chief Executive Officer of CamCar & Associates and the Chair of the board of SilverWillow Energy Corporation. He is also a director of the Calgary Airport Authority. Mr. Ingram is a former director of NAL Energy Corporation and the former Chair of the board of SilverBirch Energy Corporation. Mr. Ingram has over 30 years of experience in the oil and gas industry. Mr. Ingram was the Senior Vice President and lead officer of Husky Energy Inc., responsible for the midstream and downstream operations, and was Chair of the board of Sultran Limited, a sulphur logistics company. Mr. Ingram received a Diploma of Business Administration from Mount Royal University; he is a Certified Management Accountant and was made a Fellow of the Society of Management of Accountants of Canada in 1999.</td></tr>
<tr><th>Board/Committee Membership</th><th colspan="2">Attendance in 2014</th></tr>
<tr><td>Director, Board of Directors
Chair, Health, Safety, Security and Environment Committee
Member, Audit Committee</td><td>5 out of 5
2 out of 2
4 out of 4</td><td>100%
100%
100%</td></tr>
<tr><th>Securities Held[1]</th><th colspan="2">2014 Voting Results</th></tr>
<tr><td>9,500 common shares 980 PSUs
27,598 Options 6,847 DSUs</td><td colspan="2">99.63% FOR</td></tr>
<tr><th>Residency and Age</th><th colspan="2">Independence</th></tr>
<tr><td>Calgary, Alberta, Canada Age: 70</td><td colspan="2">Independent</td></tr>
<tr><th>Office with Gibson Now Held</th><th colspan="2">Principal Occupation</th></tr>
<tr><td>Director</td><td colspan="2">Retired Petroleum Executive</td></tr>
</table>

<table>
<tr><th>Nominee</th><th colspan="3">Brief Biography</th></tr>
<tr><td rowspan="11">Marshall L. McRae
Director Since June 2011
</td><td colspan="3">Mr. McRae has been an independent financial and management consultant since August 2009. Prior thereto, Mr. McRae was Chief Financial Officer of CCS Inc., administrator of CCS Income Trust and its successor corporation, CCS Corporation since August 2002. Mr. McRae has over 30 years of experience in senior operating and financial management positions with a number of publicly traded and private companies, including CCS Inc., Versacold Corporation and Mark's Work Wearhouse Limited. Mr. McRae is a director and the Chair of the audit committee of Athabasca Oil Corporation and a director of Black Diamond Group Limited. Mr. McRae served as interim Executive Vice President and CFO of Black Diamond Group Limited from October 16, 2013 to August 8, 2014 and as its Executive Vice President to December 31, 2014. Mr. McRae obtained a Bachelor of Commerce degree, with Distinction, from the University of Calgary in 1979, and a Chartered Accountant designation from the Institute of Chartered Accountants of Alberta in 1981.</td></tr>
<tr><th>Board/Committee Membership</th><th colspan="2">Attendance in 2014</th></tr>
<tr><td>Director, Board of Directors
Chair, Audit Committee</td><td>5 out of 5
4 out of 4</td><td>100%
100%</td></tr>
<tr><th>Securities Held[1]</th><th colspan="2">2014 Voting Results</th></tr>
<tr><td>13,350 common shares 980 PSUs
27,598 Options 6,847 DSUs</td><td colspan="2">99.98% FOR</td></tr>
<tr><th>Residency and Age</th><th colspan="2">Independence</th></tr>
<tr><td>Calgary, Alberta, Canada Age: 57</td><td colspan="2">Independent</td></tr>
<tr><th>Office with Gibson Now Held</th><th colspan="2">Principal Occupation</th></tr>
<tr><td>Director</td><td colspan="2">Independent Financial and Management Consultant</td></tr>
</table>

Nominee	Brief Biography
Mary Ellen Peters Director Since February 2014 	Ms. Peters was appointed as a director of Gibson Energy Inc. on February 3, 2014. Ms. Peters is a retired businesswoman with over 30 years of experience in the midstream and downstream sectors with Marathon Petroleum Company LP. During her tenure at Marathon, Ms. Peters held senior executive roles as Senior Vice President of Transportation and Logistics, Senior Vice President of Marketing and President of Marathon Pipeline. Ms. Peters graduated from Indiana University with a Bachelor of Science degree (Finance) and holds a Master of Business Administration from Bowling Green State University and also serves on the board of directors for Baytex Energy Corporation. Her previous board experience includes acting as Chair of the board for Louisiana Offshore Oil Port and as a Director of Colonial Pipeline Company.

Board/Committee Membership	**Attendance in 2014**	
Director, Board of Directors	5 out of 5	100%
Member, Health, Safety, Security and Environment Committee	2 out of 2	100%
Securities Held[1]	**2014 Voting Results**	
9,243 Options; 1,331 DSUs	99.98% FOR	
Residency and Age	**Independence**	
Highland, Michigan, USA; Age: 58	Independent	
Office with Gibson Now Held	**Principal Occupation**	
Director	Retired Petroleum Executive	

Nominee	Brief Biography
Clayton H. Woitas Director Since June 2010 	Mr. Woitas has served as a director of Gibson Energy ULC and Gibson Energy Holding ULC since June 2010. Mr. Woitas was formerly the Chair of the board and the President and Chief Executive Officer of Range Royalty Management Ltd. He is the Chair of the board of EnCana Corporation. He is also a director of several private energy related companies and advisory boards. Mr. Woitas was founder, Chair, and President and Chief Executive Officer of privately held Profico Energy Management Ltd. from January 2000 to June 2006. Prior to April 2000, he was a director and President and Chief Executive Officer of Renaissance Energy Ltd. He holds a Bachelor of Science in Civil Engineering from the University of Alberta.

Board/Committee Membership	**Attendance in 2014**	
Director, Board of Directors	4 out of 5	80%
Member, Corporate Governance, Compensation and Nomination Committee	1 out of 2	50%
Securities Held[1]	**2014 Voting Results**	
25,000 common shares; 980 PSUs 27,598 Options; 6,847 DSUs	99.30% FOR	
Residency and Age	**Independence**	
Calgary, Alberta, Canada; Age: 66	Independent	
Office with Gibson Now Held	**Principal Occupation**	
Director	Independent Businessman	

<table>
<tr><th>Nominee</th><th colspan="3">Brief Biography</th></tr>
<tr><td rowspan="11">A. Stewart Hanlon
Director Since December 2008
</td><td colspan="3">Mr. Hanlon joined Gibson in April 1991 as Controller of Canwest Propane and in his 23-year tenure with Gibson has filled senior roles in finance, business development and operations culminating in his role as Executive Vice President and Chief Operating Officer, a position he held from 2007 to April of 2009, when he was appointed President and Chief Executive Officer. Mr. Hanlon was named as a member of the board of directors of Gibson Energy ULC in October 2008 and Gibson Energy Holding ULC in December 2008. Mr. Hanlon holds a Bachelor of Commerce degree (Finance and Accounting) from the University of Saskatchewan, is a Chartered Accountant and was admitted to the ICAS (Saskatchewan) in 1989 and ICAA (Alberta) in 1990.</td></tr>
<tr><th>Board/Committee Membership</th><th colspan="2">Attendance in 2014</th></tr>
<tr><td>Director, Board of Directors
Member, Health, Safety, Security and Environment Committee</td><td>5 out of 5
2 out of 2</td><td>100%
100%</td></tr>
<tr><th>Securities Held[(1)]</th><th colspan="2">2014 Voting Results</th></tr>
<tr><td>191,330 common shares   82,391 PSUs
229,874 Replacement Options   346,773 DSUs</td><td colspan="2">99.98% FOR</td></tr>
<tr><th>Residency and Age</th><th colspan="2">Independence</th></tr>
<tr><td>Calgary, Alberta, Canada   Age: 55</td><td colspan="2">Not independent (Management)</td></tr>
<tr><th>Office with Gibson Now Held</th><th colspan="2">Principal Occupation</th></tr>
<tr><td>President, Chief Executive Officer and Director</td><td colspan="2">President and Chief Executive Officer of Gibson</td></tr>
</table>

Note:

(1) Securities held provided as of the date hereof. The information as to the shares beneficially owned, not being within our knowledge, has been furnished by the respective directors individually. "**Option**", "**Replacement Option**", "**RSU**", "**RRSU**", "**PSU**" and "**DSU**" are defined herein – please see "Compensation Discussion and Analysis – Long Term Equity Incentives – 2011 Equity Incentive Plan"). Award total includes the dividend equivalent rights associated with such, RSUs, DSUs and PSUs. Please see "Compensation Discussion and Analysis – Long Term Equity Incentives – Dividend Equivalent Rights".

Independence and Interlocking Relationships

All of our directors, other than Mr. Hanlon, are independent (approximately 86% of the Board is independent). Mr. Hanlon is the President and Chief Executive Officer ("**CEO**") of Gibson and therefore is not independent. We assess independence on the basis of applicable Canadian securities laws. For more information please see "Statement of Corporate Governance Practices – Independence of the Board".

None of the nominees serve together as directors or trustees of any public entity other than Gibson. Therefore, there are no public company interlocking directorships.

Majority Voting Policy

We have a majority voting policy that requires any director nominee that receives more *withhold* votes than *for* votes to offer to resign immediately after the Meeting. Upon receipt of the offer of resignation, the Corporate Governance, Compensation and Nomination Committee (the "**CGCN Committee**") will review the matter and then make a recommendation to the Board. The Board will then decide whether to accept or reject the offer of resignation. Until the decision is made, the director nominee in question will not participate in any discussions by the Board or the CGCN Committee. The Board will make a decision and disclose its reasoning to the public within 90 days of the Meeting. Should the Board determine to accept the resignation, it may choose to appoint a new director to fill the vacancy until the next annual general meeting of shareholders.

The majority voting policy only applies to uncontested elections in which the number of nominees for election is equal to the number of directors to be elected. Shareholders should note that, as a result of the majority voting policy, a withhold vote is effectively the same as a vote against the director nominee.

Additional Information about the Director Nominees

Bankruptcies and Cease Trade Orders

To our knowledge, and based upon information provided to us by the nominees for election as directors, no such nominee has, within the last 10 years, (i) become bankrupt, made a proposal under legislation relating to bankruptcy or insolvency or become subject to any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such nominee, or (ii) been a director or executive officer of any company or other entity that, while the nominee was acting in that capacity (or within a year of ceasing to act in that capacity), became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such company or other entity. Further, to our knowledge, and based upon information provided to us by the nominees for election as directors, no such nominee has, within the last 10 years, been a director, chief executive officer or chief financial officer of a company that, during the time the nominee was acting in such capacity or as a result of events that occurred while the nominee was acting in such capacity, was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities laws that was in effect for a period of more than 30 consecutive days.

Penalties and Sanctions

To our knowledge, no proposed nominee for election as a director of Gibson (nor any personal holding company of any of such persons) has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for such proposed nominee.

Appointment of Auditors

Shareholders will be asked at the Meeting to pass a resolution appointing PricewaterhouseCoopers LLP as our auditors, to serve as our auditors until the next annual meeting of shareholders, at a remuneration to be determined by the Board. **Unless directed otherwise, the management nominees named in the accompanying Instrument of Proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP to serve as our auditors until the next annual meeting of shareholders, at a remuneration to be determined by the Board.**

PricewaterhouseCoopers LLP is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta and has served as the auditors of Gibson since September 2001. The independence of our auditor is essential to maintaining the integrity of our financial statements and the Audit Committee is responsible for overseeing our external auditor and evaluating their qualifications and independence. The following table sets out the fees of PricewaterhouseCoopers LLP in 2014 and 2013:

	2014	**2013**
Audit Fees	$815,000	$815,000
Audit Related Fees	$15,000	$20,000
Tax Fees	$23,000	$40,000
Other Fees	$414,000	$230,000
Total	**$1,267,000**	**$1,105,000**

A description of the services provided under each category is as follows:

- Audit Fees: Fees for the audit of our consolidated financial statements and the review of our quarterly reports.

- Audit Related Fees: Fees for services that are related to the audit of our consolidated financial statements, including audit of pension plans.

- Tax Fees: Fees for assistance in the preparation of income tax returns and advice on certain tax-related matters.

- Other Fees: Fees for professional services related to assisting with compliance of Canadian National Instrument 52-109 (CSOX), the issuances of our indebtedness and professional services related to the filing of our registration statements and an annual subscription to accounting research software.

Pursuant to the charter of the Audit Committee (the "**Audit Committee Charter**"), the Audit Committee approves all audit plans and pre-approves significant non-audit engagements of the external auditors, including reviewing the fees paid for such engagements. The Audit Committee has delegated the responsibility for approving certain non-audit services to the Chair of the Audit Committee. Since the establishment of the Audit Committee, all audit and non-audit services provided to us for the year ended December 31, 2014 that required a pre-approval were pre-approved in accordance with the Audit Committee Charter.

Other Business

Our management knows of no amendment, variation or other matter to come before the Meeting other than the matters identified in the Notice of Meeting. However, if any other matter properly comes before the Meeting or any adjournment or postponement thereof, the shares subject to the Instrument of Proxy solicited hereunder will be voted on such matter in the discretion of and according to the best judgment of the proxyholder unless otherwise indicated on such Instrument of Proxy.

COMPENSATION OF OUR DIRECTORS

Compensation of our Directors

Our director compensation program is designed to attract and retain qualified people to serve as directors. Directors who are not independent do not receive any director fees. On an annual basis, the CGCN Committee assesses the director compensation program with the assistance of Mercer Canada Limited ("**Mercer**"), an outside consultant, and makes recommendations with respect to director compensation to the Board.

The following table sets forth the schedule of approved annual fees used in determining the compensation paid to each independent director in 2014.

Category	Amount ($)
Basic annual retainer for each independent director (the "**Base Annual Retainer**")	70,000
Annual retainer for the Chair of the Board	35,000
Annual retainer for the Chair of the Corporate Governance, Compensation and Nomination Committee	5,000
Annual retainer for the Chair of the Health, Safety, Security and Environment Committee	5,000
Annual retainer for the Chair of the Audit Committee	10,000
Annual retainer for each Committee Member	nil
Meeting fees per Board Meeting	nil
Meeting fees per Committee Meeting	nil

The following table sets out the actual fees earned by directors for their participation as members of the Board and on Board committees during 2014 based on the approved schedule of fees outline above. As President and CEO, Mr. Hanlon did not receive any director fees.

Name	Base Annual Retainer ($)	Chair of the Board and Committee Chair Annual Retainer ($)	Total Meeting Fees for Board Meetings ($)	Total Meeting Fees for Committee Meetings ($)	Travel Fees ($)	Total ($)
James M. Estey	70,000	40,000	nil	nil	nil	110,000
James J. Cleary	70,000	nil	nil	nil	nil	70,000
Donald R. Ingram	70,000	5,000	nil	nil	nil	75,000
Marshall L. McRae	70,000	10,000	nil	nil	nil	80,000
Mary Ellen Peters(1)	64,167	nil	nil	nil	nil	64,167
Clayton H. Woitas	70,000	nil	nil	nil	nil	70,000

Note:

(1) Ms. Peters was appointed to the Board on February 3, 2014. The base annual retainer represents the pro rata portion based on the number of months in 2014 that Ms. Peters was a director.

In addition to the annual fees paid to the independent directors, our independent directors are eligible to participate in the 2011 Equity Incentive Plan. Directors are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of shares granted to the director as compensation. The following table sets forth the compensation we paid to the directors in 2014. For information on compensation paid to Mr. Hanlon, our President and Chief Executive Officer, please see the Summary Compensation Table below under the heading "Compensation of the Named Executive Officers".

Name	Fees Earned ($)	Share-based awards(1) ($)	Option-based awards(1)(2) ($)	Non-equity incentive plan compensation		Pension value(3) ($)	All other compensation ($)	Total compensation ($)
				Annual incentive plans ($)	Long term incentive plans ($)			
James M. Estey	110,000	57,500	57,500	nil	nil	nil	nil	225,000
James J. Cleary	70,000	40,000	40,000	nil	nil	nil	nil	150,000
Donald R. Ingram	75,000	40,000	40,000	nil	nil	nil	nil	155,000
Marshall L. McRae	80,000	40,000	40,000	nil	nil	nil	nil	160,000
Mary Ellen Peters(4)	64,167	35,833	35,833	nil	nil	nil	nil	135,833
Clayton H. Woitas	70,000	40,000	40,000	nil	nil	nil	nil	150,000

Notes:

(1) In addition to the share-based awards we granted to the independent members of the Board in 2014, the independent directors also received share-based awards issued pursuant to the dividend equivalent rights associated with DSUs and PSUs. Please see "Compensation Discussion and Analysis – Long Term Equity Incentives – Dividend Equivalent Rights".

(2) The grant date fair values of such Options are theoretical expected values calculated as of the date of the grant in accordance with the recommendation of Mercer, which was considered by the CGCN Committee to be a reasonable estimate of fair market value.

(3) As of December 31, 2014, we had not adopted any retirement plan or pension plan for the members of the Board.

(4) Ms. Peters was appointed to the Board on February 3, 2014.

In 2014, the Board was awarded Options and DSUs only.

In 2014, our directors received their base annual retainer, any applicable chair or board or committee chair retainer and any board or committee meeting fees in the form of cash. In 2015, our directors will have the option of making an election to receive their 2015 retainer compensation in the form of DSUs.

Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

Our directors participate in the 2011 Equity Incentive Plan. The following table sets forth, for each director, information regarding all awards that are outstanding as of December 31, 2014. For information on compensation paid to Mr. Hanlon, please see the Outstanding Option-based and Share-based Awards Table below under the heading "Compensation of the Named Executive Officers".

	Option-based awards				Share-based awards			
Name	**Number of Common Shares underlying unexercised Options[1] (#)**	**Option Exercise Price ($)**	**Option expiration date**	**Value of unexercised in-the-money Options ($)[2]**	**Number of DSUs/PSUs that have not vested[3] (#)**	**Market value of DSUs/PSUs that have not vested[2] ($)**	**Number of DSUs/PSUs that have vested[3] (#)**	**Market value of vested DSUs/PSUs not paid out or distributed[2] ($)**
James M. Estey	3,628 10,041 4,386 3,792 3,733 3,223	20.67 22.03 24.44 28.57 33.91 35.51	July 1, 2019 July 1, 2019 July 1, 2020 April 1, 2021 July 1, 2021 October 1, 2021	83,917	969	26,143	6,779	182,969
James J. Cleary	4,386 2,638 2,597 2,242	24.44 28.57 33.91 35.51	July 1, 2020 April 1, 2021 July 1, 2021 October 1, 2021	11,184	969	26,143	934	25,220
Donald R. Ingram	3,628 10,041 4,386 2,638 2,597 2,242	20.67 22.03 24.44 28.57 33.91 35.51	July 1, 2019 July 1, 2019 July 1, 2020 April 1, 2021 July 1, 2021 October 1, 2021	83,917	969	26,143	6,370	171,927
Marshall L. McRae	3,628 10,041 4,386 2,638 2,597 2,242	20.67 22.03 24.44 28.57 33.91 35.51	July 1, 2019 July 1, 2019 July 1, 2020 April 1, 2021 July 1, 2021 October 1, 2021	83,917	969	26,143	6,370	171,927
Mary Ellen Peters[4]	1,759 2,597 2,242	28.57 33.91 35.51	April 1, 2021 July 1, 2021 October 1, 2021	nil	nil	nil	815	22,003
Clayton H. Woitas	3,628 10,041 4,386 2,638 2,597 2,242	20.67 22.03 24.44 28.57 33.91 35.51	July 1, 2019 July 1, 2019 July 1, 2020 April 1, 2021 July 1, 2021 October 1, 2021	83,917	969	26,143	6,370	171,927

Notes:

(1) The independent directors do not hold any Replacement Options.
(2) Value based on the five day weighted average trading price of the shares on December 31, 2014, which was $26.99.
(3) Figure includes DSUs and PSUs, including the dividend equivalent rights associated therewith. Please see "Compensation Discussion and Analysis – Long Term Equity Incentives – Dividend Equivalent Rights". All DSUs and the dividend equivalent rights associated therewith granted in 2014 vested immediately upon grant.
(4) Ms. Peters was appointed to the Board on February 3, 2014.

Value Vested or Earned during the Year

The following table sets forth, for each director, the value vested or earned on all options-based awards, share-based awards and non-equity incentive plan compensation in 2014. For information on compensation paid to Mr. Hanlon, please see the Value Vested or Earned during the Year Table below under the heading "Compensation of the Named Executive Officers".

Name	Option-based awards – Value vested during 2014[1] ($)	Share-based awards – Value vested during 2014[2] ($)	Non-equity incentive plan compensation– Value earned during 2014 ($)
James M. Estey	83,917	182,969	nil
James J. Cleary	11,184	25,220	nil
Donald R. Ingram	83,917	171,927	nil
Marshall L. McRae	83,917	171,927	nil
Mary Ellen Peters[3]	nil	22,003	nil
Clayton H. Woitas	83,917	171,927	nil

Notes:

(1) All Options granted under the 2011 Equity Incentive Plan have a three year term and commence vesting on the first anniversary date of the grant, vesting one third on such anniversary and each anniversary thereafter. Please see "Compensation Discussion and Analysis – Long Term Equity Incentives – Description of Options". Options were granted to the members of the Board in 2012 and 2013 and portions of such Options vested in 2014. Options were also granted to the Board in 2014 which vested immediately upon grant.
(2) In addition to share-based awards we granted to members of the Board in 2014, share-based awards were issued pursuant to the dividend equivalent rights associated with DSUs and PSUs granted to members of the Board. Please see "Compensation Discussion and Analysis – Long Term Equity Incentives – Dividend Equivalent Rights". Value based on the five day weighted average trading price of the shares on December 31, 2014, which was $26.99.
(3) Ms. Peters was appointed to the Board on February 3, 2014.

Director Share Ownership Guidelines

The direct alignment of the directors' interests with the interests of the shareholders is of upmost importance to us. In order to ensure this alignment, the Board, upon the recommendation of the CGCN Committee, has adopted share ownership guidelines ("**Share Ownership Guidelines**") for the directors to ensure that their interests are directly correlated with shareholder's interests. To comply with the Share Ownership Guidelines, each of our independent directors is expected to reach a minimum share ownership level equal to five times their base annual retainer and any applicable board chair or committee chair retainer (excluding equity grants) within three years of becoming an independent director. Equity held by the directors on December 31, 2014 that contributed towards share ownership requirements included shares owned directly or indirectly by such director, unvested PSUs and unredeemed DSUs. The Share Ownership Guidelines are calculated based on the current fair market value. Currently, four of the independent directors exceed the Share Ownership Guidelines. Mr. Cleary will have until April 4, 2016 to meet the share ownership levels required and Ms. Peters will have until February 3, 2017 to meet the share ownership levels required.

The following table sets forth the share ownership levels for each independent director as of December 31, 2014.

Name	Number of Common Shares Beneficially Owned or Controlled[(1)] (#)	Total Value of Common Shares[(2)] ($)	Number of Unredeemed DSUs (#)	Total Value of Unredeemed DSUs[(2)(3)] ($)	Number of Unvested PSUs (#)	Total Value of Unvested PSUs[(4)] ($)	Approximate Value as a Multiple of Annual Compensation
James M. Estey	44,000	1,187,560	6,779	182,969	969	26,143	12.5 times
James J. Cleary *Has until April 4, 2016 to comply*	6,000	161,940	934	25,220	969	26,143	3 times
Donald R. Ingram	9,500	256,405	6,370	171,927	969	26,143	6 times
Marshall L. McRae	13,187	355,917	6,370	171,927	969	26,143	7 times
Mary Ellen Peters[(5)] *Has until February 3, 2017 to comply*	nil	nil	815	22,003	nil	nil	0.5 times
Clayton H. Woitas	25,000	674,750	6,370	171,927	969	26,143	12.5 times

Notes:

(1) Represents the number of shares beneficially owned or controlled as at December 31, 2014.
(2) Value based on the five day weighted average trading price of the shares on December 31, 2014, which was $26.99.
(3) Figure includes DSUs, including the dividend equivalent rights associated therewith. Please see "Compensation Discussion and Analysis – Long Term Equity Incentives – Dividend Equivalent Rights".
(4) Figure includes PSUs, including the dividend equivalent rights associated therewith. Please see "Compensation Discussion and Analysis – Long Term Equity Incentives – Dividend Equivalent Rights".
(5) Ms. Peters was appointed to the Board on February 4, 2014.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

General

We recognize that corporate governance is fundamental to the success of our business and instrumental in generating long term shareholder value. We, along with our Board and management are committed to the highest standards of corporate governance. The Board has recently reviewed its charter (the "**Board Charter**") and the charters of its committees and made any necessary changes to such charters, position descriptions and corporate governance principles and practices. The following is a description of our approach to corporate governance.

Gibson's corporate governance policies reflect the rules and guidelines adopted by the Canadian Securities Administrators. Gibson's approach to governance meets or exceeds the practices set forth under National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**") and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

The Board

Our articles of amalgamation provide that we can have between three and eleven directors. Currently, the Board has determined that the appropriate number of directors to serve Gibson is seven. The CGCN Committee found a capable and skilled director to fill the vacancy created by the resignation of Mr. Tichio and on February 3, 2014, Mary Ellen Peters was appointed to the Board.

The Board has responsibility for our overall stewardship and management in conducting our day to day business. The Board discharges this responsibility directly and indirectly through the delegation of specific responsibilities to committees of the Board, the Chair of the Board and our officers, all as more particularly described in the Board

Charter, a copy of which is attached to this Circular as Schedule "A". The Board Charter provides that the primary responsibilities of the Board are to:

- maximize long term shareholder value;
- approve our strategic plan;
- ensure that processes, controls and systems are in place for the management of our business and affairs and to address applicable legal and regulatory compliance matters;
- maintain the composition of the Board in a way that provides an effective mix of skills and experience to provide for our overall stewardship;
- ensure that we meet our obligations on an ongoing basis and operate in a safe and reliable manner; and
- monitor management's performance to ensure that we meet our duties and responsibilities to our shareholders.

In accordance with its Charter, the Board has adopted written position descriptions for the CEO, Chair of the Board, the Chair of the Audit Committee, the Chair of the CGCN Committee and the Chair of the Health, Safety, Security and Environment Committee (the "**HSSE Committee**"). In accordance with the written position description for the Chair of the Board, such individual is charged with providing leadership and their experience to the Board to enable it to act as an effective and cohesive team. The Chair of the Board also works with the CGCN Committee in monitoring the effectiveness, performance, composition and mandate of the Board and its committees.

Independence of the Board

A director who does not have a direct or indirect material relationship with Gibson is considered to be an independent director. A relationship is considered to be material if it could reasonably interfere with the director's ability to make independent decisions and act in our best interests. If there is a change to a director's circumstances that could have an impact on their independence, the director must advise the CGCN Committee of such change as soon as they are able. The CGCN Committee is responsible for determining whether a director is independent using the criteria for independence set forth in NP 58-201 and NI 58-101.

In accordance with the review of the CGCN Committee, it has been determined that six of the seven director nominees are independent, resulting in approximately 86% of the Board being independent. The six director nominees that are independent are Mr. Estey, Mr. Cleary, Mr. Ingram, Mr. McRae, Ms. Peters and Mr. Woitas. Mr. Hanlon is not independent because he is the President and CEO of Gibson.

Chair of the Board

Mr. Estey was appointed as the Chair of the Board on April 4, 2013. The CGCN Committee has determined that the appointment of Mr. Estey as the Chair of the Board is in accordance with best governance practices given Mr. Estey's independence from the Board and his depth of industry experience.

Independence from Management and In-Camera Sessions

We take steps to ensure that adequate structures and processes are in place to permit the Board to function independently of our management. One of the responsibilities of the Chair of the Board is to provide leadership to the independent directors and to ensure that the policies and procedures adopted by the Board allow it to function independently of management. Matters that require decision making and evaluation that is independent of management and interested directors may arise at the meetings of the Board and the committees of the Board. Such matters require a portion of the meeting to be conducted without the presence of management and non-independent directors. At every board meeting, including special meetings, we hold "in-camera" sessions among the independent and disinterested directors, without management present so that these matters can be addressed. In 2014, there were in-camera sessions at all of the Board and committee meetings held. Therefore, 100% of all meetings held in 2014 had an in-camera session. No special meetings were held in 2014.

Other Directorships

Although we do not have a formal policy that limits the number of outside directorships of public companies that a director may have, we do perform an individual assessment for each director to ensure that they will have the necessary time that we require be dedicated to our Board. The CGCN Nomination Committee has considered the issue and does not believe that the additional public board memberships currently held by our directors impair their ability to devote their time and attention to Gibson. The CGCN Committee believes that such outside directorships can be beneficial to directors in enhancing their experience and exposure to issues facing public companies. Certain of the nominee directors of the Board are also directors of other issuers that are reporting issuers (or the equivalent), as set forth below. At this time, there are no public company interlocking directorships. For more information please see "Business of the Annual Meeting – Independence and Interlocking Relationships".

Director	Other Directorships	Stock Exchange Listing
James M. Estey	New Gold Inc.	TSX, NYSE Amex
	PrairieSky Royalty Ltd.	TSX
Donald R. Ingram	SilverWillow Energy Corporation	TSX.V
Marshall L. McRae	Athabasca Oil Corporation	TSX
	Black Diamond Group Limited	TSX
Mary Ellen Peters	Baytex Energy Corp.	TSX, NYSE
Clayton H. Woitas	EnCana Corporation	TSX, NYSE

Director Attendance

The following table discloses the attendance of the members of the Board at meetings of the Board and committees of the Board for 2014:

Director	Board	CGCN Committee	Audit Committee	HSSE Committee	Percentage Attendance
James M. Estey	5/5	2/2	4/4	–	100%
James J. Cleary	5/5	2/2	–	2/2	100%
Donald R. Ingram	5/5	–	4/4	2/2	100%
Marshall L. McRae	5/5	–	4/4	–	100%
Mary Ellen Peters	5/5	–	–	2/2	100%
Clayton H. Woitas	4/5	1/2	–	–	71%
A. Stewart Hanlon	5/5	–	–	2/2	100%

Orientation and Continuing Education

We feel that director education helps our directors grow their understanding of our business and operations as well as assists them with expanding their skill set and increases their awareness of current and emerging issues that impact us. The orientation and continuing education of the directors is the responsibility of the CGCN Nomination Committee and is focused on familiarizing our new directors with the midstream energy services industry. The details of the orientation of new directors will be tailored to their needs and areas of expertise and will include the delivery of written materials, including our governance guidelines and policies, and participation in meetings with management and the Board. The focus of the orientation program will be on providing new directors with: (i) information about the duties and obligations of directors; (ii) information about our business and operations; (iii) the expectations of directors (including, in particular, expectations of time and energy); (iv) opportunities to meet with management; and (v) access to documents from recent meetings of the Board and committees. The key elements of the program include:

- an orientation program for new directors that involves meetings with Gibson's key management and Board;
- provision of the Directors Manual which includes the Board and committee calendars, contact information for other directors and key employees, our articles and bylaws, our corporate structure description, corporate charters, position descriptions, policies and the particulars of the directors' and officers' liability insurance program;
- regular management presentations on our operations; and
- one or more facility tours annually.

The directors have all been chosen for their specific level of knowledge and expertise. All directors will be provided with materials relating to their duties, roles and responsibilities. In addition, the directors will be kept informed as to matters impacting, or which may impact, our operations through reports and presentations by internal and external presenters at meetings of the Board and during periodic strategy sessions held by the Board. Directors may periodically take part in site visits to facility locations in the field to observe our operations.

Gibson's orientation and education program also provides financial support for directors to attend courses and conferences that are relevant to the fulfillment of their responsibilities as directors. Management is authorized to approve the reimbursement of expenditures incurred by directors for these kinds of courses, conferences and certification programs. Where practical, we also maintain memberships in professional or business associations which offer seminars, presentations and other educational material and when appropriate, directors have the opportunity to take advantage of the educational opportunities offered through our membership in such associations.

All of our directors are registered with the Institute of Corporate Directors (the "**ICD**"). The ICD offers our directors flexible director education and learning opportunities as well as a year-round continuing education program where our directors engage in informal learning sessions and networking events. The ICD provides our directors with timely information on current and emerging governance issues and best practices.

Director Development in 2014

In August of 2014, the Board held its meeting in Moose Jaw, Saskatchewan. All of the directors were in attendance and participated in a site visit to our Moose Jaw Facility to view the facility and tour the operations. After touring the Moose Jaw Facility, the directors visited North Dakota where they toured a new landfill site and a processing, recovery and disposal facility owned by our subsidiary, WISCO, Inc.

Director Evaluation and Board Assessment

The responsibility to ensure that the Board is comprised of individuals who are conscientious, informed, participative and independent falls within the mandate of the CGCN Committee. We recognize that an effective Board is a key element of good corporate governance. Gibson not only ensures that each individual director is contributing to the Board, but that the Board is contributing to our overall success. In order to ensure that individual Board members and the Board as a whole are meeting the high standards we set for them, the Chair of the CGCN Committee administers an annual review process through the use of the Questionnaire for the Assessment of the Board, Board Committees and the Directors of Gibson (the "**Assessment Questionnaire**"). This process is an effective tool to evaluate how the Board, committees, and each director, embraces responsibility, provides insightful guidance and contributes to our overall success.

The Assessment Questionnaire is aimed at evaluating the Board as a whole, the effectiveness of each committee of the Board and the contributions of each Board member. The Assessment Questionnaire is a written evaluation process and applies to each director. All directors are asked to confirm and evaluate their independence.

With respect to the assessment of the Board and each Board committee, the Assessment Questionnaire focuses on the following areas:

Board- General	Board Meetings	Board Communications	Committees	Board Effectiveness
• The collective experience and expertise to discharge the Board's duties • Ethical conduct of the Board • New director selection and identification process • Appropriateness of the Chair	• Satisfactory number and length • Committee size • Addressing current and prospective issues • In camera sessions conducted at meetings • Adequate reporting from the committees • Encouragement of open communication, critical questioning, meaningful participation and timely resolution of issues	• Board members are communicating effectively • Board has sufficient access to the CEO and other key management	• The duties of each committee are appropriate and sufficient • Proper performance of duties of each committee • Appropriate membership of each committee • Effectiveness of the chair of each committee	• Satisfactory number and length of meetings • Committee size • Addressing current and prospective issues • In camera sessions conducted at meetings • Adequate reporting from the committees • Encouragement of open communication, critical questioning, meaningful participation and timely resolution of issues

With respect to the assessment of each individual Board member, the Assessment Questionnaire focuses on the following areas:

Self-Assessment	Assessment of Other Board Members	Assessment of Other Committee Members
• Attendance at and adequate preparation for Board and committee meetings • Contribution of relevant Board and business experience • Knowledgeable about Gibson • Participation and questioning of presentations and recommendations • Respect of other Board members • Understanding of the Board and management's corporate governance role • Overall contribution to the Board	• Board members are conscientious, informed, participative and independent	• Committee members are conscientious, informed, participative and independent

Ethical Business Conduct

The Board has adopted a written code of conduct and ethics (the "**Code of Conduct**") that encourages and promotes a culture of ethical business conduct applicable to our directors, management, employees and consultants. The Code of Conduct addresses conflicts of interest; the protection and proper use of our assets and opportunities; the confidentiality of information; fair dealing with various stakeholders; compliance with laws, rules and regulation; and the reporting of illegal or unethical behavior. To ensure that our Code of Conduct is effective, we require our directors and management personnel on an annual basis to confirm that they have read the Code of Conduct and are in full compliance. The Code of Conduct is available for review on our website at www.gibsons.com and on SEDAR at www.sedar.com.

Nomination of Directors

The responsibility for proposing nominees for the Board falls within the mandate of the CGCN Committee. New candidates for nomination to the Board will be identified and selected having regard to the strengths and constitution of the Board and the needs of the Board. The CGCN Committee also develops and determines the appropriate size of the Board from time to time and determines its composition, identifies the competencies and skills required by the Board to discharge its oversight responsibilities, organizes the process for recruiting potential candidates and provides orientation to such members. All of the directors that are members of the CGCN Committee are independent.

Term Limits for Directors

We have not adopted term limits for directors. At this time, we believe that the imposition of term limits or other mechanisms restricting board renewal are inflexible and discount the value of experience in our history and culture and the importance of continuity. We believe that a board member with longer tenure is able to increase their contribution over time. Such policies may run the risk of excluding experienced, high performing and valuable board members. We believe that our CGCN Committee is best positioned to recommend candidates for election who contribute the necessary qualities for our Board. The CGCN Committee annually considers changes to the composition of the Board and one factor considered is board renewal.

Retirement Policy for Directors

We do not currently have a retirement policy for our directors.

Board and Executive Diversity

Our current Board has a broad range of skills and experience. Please see “Business of the Annual Meeting – Election of Directors” for a description of their qualifications.

We do not have a written policy relating to the identification and nomination of women directors. The CGCN Committee regularly updates and reviews its long term plan for the composition of its Board and a key factor that is considered is diversity. We understand that building diversity will take time, particularly in view of its current size and level of development and therefore, at this time, we believe that the implementation of a written policy would be too restrictive and inflexible. Diversity remains a priority and is a factor considered in the nomination of any member to the Board. Therefore, at this time we do not believe that a written policy solely related to the identification of women is necessary.

We currently do not have a target regarding women on the Board and women in executive positions as the Board and the CGCN Committee believe that our current methods of recruitment are sufficiently focused on diversity and are sufficiently proactive. We believe that establishing a target based on just one factor which the CGCN Committee uses to recruit and assess nominees and potential appointees is unduly restrictive and would disqualify desirable candidates. We believe it is important to focus on all of the elements of diversity (i.e. age, visible minorities), not just gender. Based on the size of our executive team and Board, our needs at this time and the desire to ensure that decisions are based on merits and a variety of comprehensive factors, we do not believe targets are appropriate at this time.

Aligning with the Board’s commitment to promoting diversity, both within Gibson and at the Board level, the CGCN Committee endeavors to propose nominees to the Board that support the development and advancement of women and those of diverse backgrounds. We understand the importance of increasing female representation and therefore diversity considerations are included in our succession planning and strategies. Their focus on advancing women is supported by the addition of Mary Ellen Peters to the Board on February 3, 2014 which represents 14% of the Board. In addition, females are well represented in our senior leadership roles and we currently have two female Vice Presidents whom represent approximately 10% of our executive officer positions.

Notwithstanding that no formal written policies and targets have been adopted with respect to the representation of women, we believe that its current policies are appropriately focused on the recruitment, retention and development of qualified female candidates.

Director Skills Matrix

The CGCN Committee recognizes that the Board's membership should represent a diversity of backgrounds, experience and skills. Directors are selected for their integrity and character as well as their breadth of experience and business acumen. Each year, the CGCN Committee conducts an assessment of the skills and expertise represented by the directors currently standing for appointment to ensure that the required skills are well represented. The key areas identified are set out in the skills matrix below:

Skills and Expertise	Estey	Cleary	Ingram	McRae	Peters	Woitas	Hanlon
Accounting and Financial Services(1)	●		●	●			●
Environment, Health and Safety(2)		●	●		●	●	●
Corporate Governance(3)	●		●	●	●		●
Mergers and Acquisitions(4)	●		●	●		●	●
Compensation, Human Resources(5)	●	●		●	●	●	●
Corporate and Business Development(6)		●	●	●	●	●	●
Strategic Planning(7)	●	●	●	●	●	●	●
Risk Management(8)				●	●		●
Corporate Law(9)		●					

Notes:

(1) Accounting and Financial Services- experience in financial accounting, reporting and corporate finance and the ability to critically read and analyze financial statements.
(2) Environment, Health and Safety- understanding of the regulatory environment surrounding health, safety and environment matters in the oil and gas industry.
(3) Corporate Governance- understanding the requirements of good corporate governance usually gained through experience as a senior executive or board member of a publically traded organization.
(4) Mergers and Acquisitions- experience and knowledge regarding leading a significant merger or acquisition.
(5) Compensation, Human Resources- experience in human resources, including succession planning and compensation
(6) Corporate and Business Development- experience identifying and completing value creation activities.
(7) Strategic Planning- experience with decision making regarding the overall strategy and vision of an organization.
(8) Risk Management- experience in evaluating and managing a variety of risks related to the oil and gas industry.
(9) Corporate Law- experience and understanding of the laws applicable to corporations in Canada.

Executive Succession Planning

The CGCN Committee has the responsibility to review management's ongoing succession planning with the objective of having high performers in key roles across the organization and a pipeline of qualified people to fill these roles in the future. On an annual basis, management provides the CGCN Committee with a detailed succession plan for each executive position and identifies possible succession gaps in the current composition of employees. The CGCN Committee, together with the CEO, conduct a thorough review of current employees that are potential candidates for the CEO role. Such review consists of evaluating such candidate's strengths and weaknesses, developmental requirements and when such candidate may be prepared to accept the role of CEO. After such evaluation, the CGCN Committee and the CEO identify action-items necessary in such candidate's career development. At the conclusion of this review, the CGCN Committee and the CEO discuss any identified concerns and formulate solutions accordingly. In addition to the CEO role, the CGCN Committee focus on succession planning for other key management roles.

Committees of the Board

Subject to applicable law, the Board has established three committees to which it delegates powers, duties and responsibilities to. At present, the Board has established the Audit Committee, the CGCN Committee and the HSSE Committee.

In accordance with the position descriptions that have been adopted by the Board, the chair of each committee is responsible for providing leadership to that committee and acting as a liaison between the committee and the Board, which means that each committee chair is tasked with reporting to the Board on all proceedings and deliberations of the committee at the first Board meeting after such committee meeting. In accordance with best governance practices, the chair of each committee is an independent director.

A charter for each committee has been adopted, is reviewed annually and updated as needed. The charters of each committee can be found on our website at www.gibsons.com. In addition, the full text of the Audit Committee Charter is disclosed in our annual information form dated March 3, 2015 (the "**AIF**"), which is available on our website at www.gibsons.com and on SEDAR at www.sedar.com.

Audit Committee

The members of the Audit Committee are Mr. McRae, Mr. Ingram and Mr. Estey. Mr. McRae is the Chair of the Audit Committee. The Audit Committee met four times in 2014. The Board has determined that all of these directors are financially literate within the meaning of National Instrument 52-110 – *Audit Committees*. In considering whether a member of the Audit Committee is financially literate, the Board considers the ability to read a set of financial statements of a breadth and complexity similar to that of our financial statements. Further, none of the Audit Committee members have any direct or indirect relationship with our external auditors. The purpose of the Audit Committee is to assist the Board in fulfilling its oversight role and other responsibilities. Some of the roles of the Audit Committee are to:

- discuss with the management of Gibson, its subsidiaries and affiliates and senior staff, any affected party and the external auditors, such accounts, records and other matters as any member of the Audit Committee considers necessary and appropriate;
- inspect any and all of the books and records of Gibson, its subsidiaries and affiliates;
- engage independent counsel and other advisors as it determines necessary to carry out its duties and set and pay the compensation for any advisors employed by the Audit Committee;
- review and assess the adequacy of our risk management policies, systems, controls and procedures with respect to our principal business risks, and report regularly to the Board;
- deal directly with the external auditors to approve external audit plans, other services (if any) and the external auditor's fees and directly oversee the external audit process and results;
- monitor the integrity of our financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- monitor the quality and integrity of our system of internal controls, disclosure controls and management information systems through discussions with management and the external auditors;
- oversee the system of internal controls by: (i) consulting with the external auditors regarding the effectiveness of our internal controls; (ii) monitoring policies and procedures for internal accounting, financial controls and management information, electronic data controls and computer security; (iii)

obtaining from management adequate assurances that all statutory payments and withholdings have been made; and (iv) taking other actions as considered necessary;

- oversee investigations of alleged fraud and illegality relating to our finances and any resulting actions;

- be directly responsible for overseeing the work of the external auditors (including the resolution of any disagreements between management and the external auditors regarding financial reporting), monitor the independence and performance of the external auditors and annually recommend to the Board the appointment and compensation of the external auditors or the discharge of the external auditors when circumstances are warranted;

- review disclosures made by our CEO and CFO during their certification process for annual and/or quarterly financial statements with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which adversely affect our ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving our management or other employees who have a significant role in our internal controls;

- discuss with management and the external auditors any proposed changes in major accounting policies, standards or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting; and

- meet with management and the external auditors to review and discuss, and to recommend to the Board for approval any public documents prior to public disclosure.

As part of its oversight of our financial statements, the Audit Committee reviews and discusses with management and our external auditor, all interim and annual financial statements prior to their issuance. During fiscal 2014, management advised the Audit Committee that each of our interim and annual financial statements had been prepared in accordance with generally accepted accounting principles and IFRS. These reviews included discussion with our external auditor. In addition to the Audit Committee, we have an internal audit department that uses a co-source model and reports indirectly to the Audit Committee.

Corporate Governance, Compensation and Nomination Committee

The members of the CGCN Committee are Mr. Estey, Mr. Woitas and Mr. Cleary, with Mr. Estey being the Chair. The CGCN Committee met twice in 2014. All of these directors are independent and financially literate and have a deep understanding of Gibson's compensation programs, methodologies and practices. The purpose of the CGCN Committee is to assist the Board in fulfilling its oversight role and other responsibilities, which are to:

- based upon a consideration of a director's performance in office and any other factors considered relevant, recommend to the Board whether such director should be nominated for election or re-election at any annual meeting of shareholders at which he or she is eligible to be elected a director;

- in the event of a vacancy occurring on the Board, however caused, recommend to the Board a person or persons for appointment as a director to fill the vacancy;

- annually review and evaluate the role of the Board and its committees and the methods and processes by which the Board fulfills its duties and responsibilities, including the methods and processes for evaluating Board effectiveness;

- monitor and review our corporate insider trading policy, continuous disclosure policy, and corporate guidelines for maintaining confidentiality, and recommend changes and action required to deal with breaches of policy or guidelines;

- approve any appropriate training and development or continuing education experiences funded by us for the Board as a whole or for individual directors and monitor and assess the value of any training programs and recommend changes;

- annually assess and make a recommendation to the Board with regard to the competitiveness and appropriateness of the compensation package of our CEO, our other officers and our other key employees as may be identified by our CEO and approved by the CGCN Committee;

- from time to time, review and make recommendations to the Board in respect of the design, benefit provisions, investment options and text of applicable pension, retirement and savings plans or related matters;

- as required, retain independent advice in respect of human resources and compensation matters;

- when requested by our CEO, review and make recommendations to the Board regarding incentive stock option plans or any other long term incentive plans and to the extent delegated by the Board, approve grants to participants and the magnitude and terms of their participation;

- when requested by our CEO, review and make recommendations to the Board regarding short term incentive or reward plans and, to the extent delegated by the Board, approve awards to eligible participants; and

- annually, in conjunction with our general and administrative budget, review and make recommendations to the Board regarding compensation guidelines for the forthcoming budget period.

Health, Safety, Security and Environment Committee

The members of the HSSE Committee are Mr. Ingram, Mr. Cleary, Ms. Peters and Mr. Hanlon, with Mr. Ingram being the Chair. The HSSE Committee met two times in 2014. All of these directors have a deep understanding of Gibson's approach to and management of operational risks. The purpose of the HSSE Committee is to assist the Board in fulfilling its oversight role and other responsibilities. Some of the roles of the HSSE Committee are to:

- review the status and effectiveness of our health, safety, security, environmental and sustainability performance, including processes to ensure compliance with internal policies and goals and external laws and regulations;

- review the status of our emergency response plans and capabilities, including management and crisis communications;

- monitor performance, including agreed upon metrics and indicators, with a focus of providing a desirable outcome for investors, customers, employees, contractors and the community;

- review high risk activities and events that have led to major and catastrophic losses or incidents, including any related issues and action plans put in place to prevent recurrence;

- approve the annual health, safety, security, environmental and sustainability goals and plans and ensure that all affiliates and subsidiaries have goals aligned with ours; and

- ensure there are measureable and actionable systems and processes in place by which to hold management accountable in relation to health, safety, security and environment and sustainability performance.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

We believe that our ability to attract and retain high performing employees at all levels of our organization is a key component of ensuring our success and increasing our shareholder value. In order to achieve this, we foster a culture of "pay for performance". We believe that paying for performance is the most effective way to motivate our employees to achieve strong individual performance so that in turn, we can achieve strong corporate performance.

The following compensation discussion and analysis discusses the structure, policies, principles and elements of our executive compensation program, as well as the processes related to compensation decisions. Information about the compensation awarded to our Named Executive Officers (the "**NEOs**") in 2014 can be found in the Summary Compensation Table, the Incentive Plan Awards Table and the Pension Plan Table included in this Circular under the heading "Compensation of the Named Executive Officers".

Consistent with best governance practices, our CGCN Committee is comprised of three independent directors, Mr. Estey, Mr. Woitas and Mr. Cleary, all of whom were selected for such committee by the Board due to their knowledge about compensation and talent development, their focus on using good corporate governance to create shareholder value and dedication to accountability, responsibility and fairness. The CGCN Committee has overall responsibility for the administration of our executive compensation program. On an annual basis, the CGCN Committee reviews each element of the compensation program and makes recommendations to the Board for approval. For more information please see "Compensation Discussion and Analysis – Compensation Methodology".

The primary factors that influenced compensation decisions in 2014 included the following:

- our strong 2014 financial performance;
- the successful acquisition of Cal-Gas Inc. and Stittco Energy Limited;
- the successful commencement of operations at the Hardisty Rail Terminal;
- the successful commissioning of two 400,000 barrel tanks;
- the amendment to our credit facility to release all security required by lenders;
- the negotiation of key business arrangements to support our future growth strategy;
- the maintenance of a strong balance sheet;
- the successful completion of a note offering;
- achieving a conservative payout ratio while increasing our dividend; and
- the advancement of other internal growth projects initiated or continued in 2014.

These factors contributed to our strong financial performance in 2014 permitting us to exceed both our Management EBITDA and ROGCE targets. In turn, our executives were paid for their performance accordingly.

Objectives of the Compensation Program

Our success depends on our ability to attract and retain a dedicated group of high performing employees, top management and quality directors. Compensation is the primary tool available to us to attract, retain and motivate individuals who have the skills, experience, capabilities and commitment needed to generate sustainable and increasing value for shareholders. We strive to maintain a competitive level of compensation to ensure that we recruit and retain experienced individuals. Our compensation programs are therefore designed to be fair, equitable and competitive with our industry peers and to reward employees, management and directors for superior performance. The three primary objectives of our compensation program are to:

1. **Create Shareholder Value.** Levels of compensation awarded under our compensation program are based upon performance metrics that are in line with shareholder interests creating a direct correlation with executive performance and shareholder value creation.

2. **Pay for Performance.** Under our compensation program, individuals are compensated based on actual performance, incentivizing them to attain their objectives and contribute to the overall success of Gibson. Our compensation program motivates employees to be individually responsible for the achievement of both their short term and long term objectives by rewarding them when such objectives are attained.

3. **Be Competitive in the Market.** Our compensation program is designed to ensure market competitiveness and to allow us to attract, engage and retain talented and capable employees.

As discussed in this Circular, our executive compensation program consists of four key elements: base salary, short term annual incentives, long term equity incentives and benefits and pension plans. Gibson's compensation program is designed to foster decisions and actions that result in our growth and in the creation of both near term and long term value for shareholders.

Engagement of Compensation Consultants

Since 2011, we have retained Mercer as a third party compensation advisor to our management and in 2014, Mercer continued to act in such advisory capacity. Mercer provides research, advice and recommendations on the compensation of the directors and certain key employees of Gibson and assists us with the assessment of the overall compensation program and compensation levels. Mercer provides guidance to management on the overall design of the program and its performance metrics and individual executive and director compensation levels. In addition, Mercer compiles comparative data on compensation programs of other similar entities, analyzes our executive compensation packages and the individual elements thereof and compares such compensation packages to those offered by companies in the Comparator Group (as defined below).

Mercer's contributions to compensation related decisions made in 2014 by the CGCN Committee were an important element in the recommendations that such committee made to the Board. However, the recommendations of Mercer are not binding on the CGCN Committee or the Board and many other relevant factors are taken into account in making pay and governance decisions.

In 2014 and 2013, fees billed by Mercer for services provided were as follows:

	2014	**2013**
Executive Compensation Fees	$113,861	$119,141
Other Fees	$22,205	$12,390
Total	**$136,066**	**$131,531**

The services provided under each category are as follows:

- Executive Compensation Fees: Fees for services related to: (i) consulting on compensation for our executives and directors; and (ii) changes in our compensation program.

- Other Fees: Fees for Gibson's participation in the annual market surveys carried out by Mercer.

The CGCN Committee must pre-approve any other services provided by Mercer if such services are requested by management.

In February of 2014, Hugessen Consulting Inc. ("**Hugessen**"), an independent compensation consultant, was engaged by the CGCN Committee. Whereas Mercer advises our management, Hugessen provides specific advice and support to the CGCN Committee on matters such as executive and other compensation. We feel that the engagement of Hugessen is an important aspect in the independent decision making of the CGCN Committee. Hugessen was not engaged until 2014 and therefore, no fees were billed in 2013.

In 2014, fees billed by Hugessen for services provided were as follows:

	2014
Executive Compensation Fees	$18,717
Other Fees	$1,481
Total	**$20,198**

The services provided under each category are as follows:

- Executive Compensation Fees: Fees for services related to assessing compensation for Gibson's executives and directors.

- Other Fees: Fees for technical support, including standard research and data access.

Compensation Methodology

The CGCN Committee annually reviews the base salary, short term annual incentives and long term equity incentives of the NEOs and our other executive officers. With the assistance of market information provided by Mercer, the CGCN Committee analyzes Gibson's compensation packages alongside a group of comparator companies against which Gibson competes for executive talent. Drawing on this analysis, the CGCN Committee then makes recommendations to the Board and provides the Board with the supporting materials. The Board reviews and evaluates the recommendations regarding salaries, annual bonuses and equity incentive compensation for the NEOs and other executives and makes a determination. In addition, the Board approves corporate goals and objectives for NEOs and our other executive officers' compensation.

Selection of the Comparator Group for Executive Compensation

On an annual basis, the CGCN Committee works with Mercer to review the list of entities in our comparator group (the "**Comparator Group**") and makes any necessary changes to such Comparator Group to ensure that it is appropriate and relevant. Our Comparator Group currently includes a set of 14 entities. The Comparator Group consists of other midstream services companies and is selected based on revenue, assets, market capitalization and enterprise value.

The following table represents our position within our Comparator Group (in the millions):

Company Name	Revenue(1) ($)	Assets(2) ($)	Market Capitalization(3) ($)	Enterprise Value(3) ($)
Pembina Pipeline Corp.	6,069	11,262	14,308	17,510
AltaGas Ltd.	2,406	8,413	5,803	9,235
Inter Pipeline Ltd.	1,363	8,647	11,724	16,618
Progressive Waste Solutions	2,010	3,376	3,916	5,767
Veresen Inc.	464	4,738	5,233	7,335
Keyera Corp.	3,124	3,851	6,837	7,863
Trican Well Service Ltd.	2,704	2,537	831	1,538
Transforce Inc.	3,263	3,439	3,028	4,639
Mullen Group Ltd.	1,428	1,862	1,952	2,363
Calfrac Well Services Ltd.	2,497	2,157	953	1,605
Enerflex Ltd.	1,781	2,145	1,289	1,647
Newalta Corp.	858	1,365	988	1,449
Parkland Fuel Corp.	7,258	1,532	1,785	1,931
Secure Energy Services Inc.	2,272	1,496	2,060	2,492
75th percentile	3,019	4,516	5,661	7,731
50th percentile	2,339	2,957	2,544	3,565
25th percentile	1,516	1,933	1,413	1,718
Average	2,678	4,059	4,336	5,857
Gibson Energy Inc.	8,574	3,573	3,385	4,448

Notes:

(1) Trailing 12-month revenue as reported on December 31, 2014.
(2) Most recently reported assets at December 31, 2014.
(3) Market capitalization and enterprise value based on public information available as at December 31, 2014.

The Comparator Group was used as a reference point by the CGCN Committee in developing its recommendations to the Board with respect to the determination of all compensation (including base pay levels and variable pay levels) for 2014.

The compensation information for the Comparator Group is derived from Mercer's Total Compensation Survey for the Energy Sector (the "**Survey**") and is supplemented with publicly disclosed information derived from sources such as information circulars and other public documents. The CGCN Committee does not know the extent to which the members of the Comparator Group participated in the Survey or which members of each Comparator Group comprised the benchmark for each position.

Selection of the Comparator Group for Performance

We recognize the importance of having a separate comparator group for the measurement of our comparative performance, such measurement including total shareholder return ("**TSR**"). Therefore, the CGCN Committee establishes a separate PSU performance comparator group (the "**PSU Comparator Group**") at the beginning of each year with assistance from Mercer. The PSU Comparator Group is slightly different from the Comparator Group used for compensation. The PSU Comparator Group includes companies with similar business operations that compete with us for investors whereas the Comparator Group includes similar size companies that compete with us for executive talent. In addition, the PSU Comparator Group is larger than the Comparator Group and it represents the companies which we measure our TSR against. U.S. limited partnerships were included in the PSU Comparator Group because the Canadian peer group was too small and therefore measurements of TSR could have been volatile. The table below shows the PSU Comparator Group for 2014:

Alon USA Energy Inc.	Enbridge Energy Management LLC	Parkland Fuel Corp.
Altagas Ltd.	Enbridge Inc.	Pason Systems Inc.
Atlas Pipeline Partner L.P.	Enbridge Income Fund Holdings	Pembina Pipeline Corp.
Calfrac Well Services Ltd.	Genesis Energy L.P.	Shawcor Ltd.
Cdn Energy Services & Technology Corp.	Holly Energy Partners L.P.	Total Energy Services Inc.
Canyon Services Group Inc.	Inter Pipeline Ltd.	TransCanada Corp
Contrans Group Inc.	Keyera Corp.	Transforce Inc.
DCP Midstream Partners L.P.	Magellan Midstream Partners L.P.	Trican Well Service Ltd.
Eagle Rock Energy Partners L.P.	Mullen Group Ltd.	Trimac Transportation Ltd.
		Veresen Inc.

Determination of Compensation

In making compensation recommendations, the CGCN Committee reviews the various elements of each NEO's compensation in the context of the total compensation package. Based on this review, the CGCN Committee evaluates whether the intended relationship between performance and compensation is being achieved or whether changes are required in order to bring this relationship in line with our compensation objectives. The CGCN Committee and the Board exercise discretion based on our performance and the individual contributions of each NEO in determining actual compensation.

In determining the total compensation payable to the NEOs for 2014, the CGCN Committee and the Board took into account a range of relevant factors including but not limited to: our financial results, performance relative to similar companies within our industry (including within the Comparator Group with respect to 2014 bonuses), data from the Survey, the duties and responsibilities of each executive officer and their respective performance and current compensation levels, as well as other factors discussed in this Compensation Discussion and Analysis. The CGCN Committee used data on the Comparator Group to assist them in the formulation of their recommendations to the Board, however, this data was used for benchmarking purposes only and was not determinative.

Compensation of Named Executive Officers

The President and CEO, the Chief Financial Officer ("**CFO**"), and each of the three most highly compensated executive officers other than the CEO and the CFO are collectively referred to as the NEOs. The NEOs for the year ended December 31, 2014 are:

- A. Stewart Hanlon, President and CEO;
- Donald A. Fowlis, CFO;
- Richard M. Wise, Chief Operating Officer ("**COO**");
- Douglas P. Wilkins, Chief Commercial Officer ("**CCO**"); and
- Brian J. Recatto, President, U.S. Operations.

Components of Compensation

The compensation package for the NEOs is comprised of base salary, short term annual incentives, participation in our long term equity incentive plans and participation in benefit and registered pension plans. All salaries, salary increases, cash bonuses and share-based compensation for the NEOs have been analyzed, reviewed, considered and approved by the CGCN Committee and, in turn, the Board.

The aggregate of base salary, annual cash incentive plans and long term equity incentive plans is benchmarked relative to the market within the Comparator Group through publicly available documents and the Survey prepared by Mercer. The CGCN Committee reviews the Survey on an annual basis as needed to ensure the compensation packages for the NEOs are competitive. The mix of pay and the weighting of short term and long term incentives are reflective of the NEO's position and his ability to impact our short term and long term performance. Performance by individuals is rewarded based on our pay for performance methodology. The following table outlines each of the components of the compensation program.

Component	Eligibility	Performance Period	Determination
Base Salary	All employees	1 year	Salary ranges are based on market competitiveness, annually reviewed and benchmarked against the Comparator Group.
Short Term Annual Incentive Program (“STIP”)	All employees	1 year	The STIP design is based on market competitiveness and individual and Gibson performance, including Management EBITDA, ROGCE, safety performance goals and individual performance.
Long Term Equity Incentive Program (“LTIP”)	Directors, officers, certain key employees and consultants		The LTIP design is based on individual performance and the performance of Gibson.
		1-3 years	RSUs vest in three equal installments following the anniversary of the grant. The actual payouts reflect: (i) the share value; and (ii) the reinvestment of notional dividends until exercise.
		1-3 years	Options vest in three equal installments following the anniversary of Gibson’s annual grant date. The actual payouts reflect the gain in share value upon exercise.
		3 years	PSUs cliff vest three years after the annual grant date. Actual payouts reflect: (i) share value; (ii) achievement of performance factors; and (iii) reinvestment of notional dividends until vesting.
		Upon exit	DSUs may not be redeemed until the earlier of the holder’s death or cessation of employment with Gibson. The actual payouts reflect: (i) the share value; and (ii) the reinvestment of notional dividends until exercise.
Benefits and Registered Pensions	All employees	Continue throughout employment	Benefits plans and registered pensions are based on market competitiveness, reviewed as required across Gibson and compared with results received from independent surveys of energy industry benefits. Executive officers are eligible to receive registered pension and benefits available to all employees.

Base Salary

We believe that base salary is an essential component of total executive compensation as it constitutes the largest component of compensation that is fixed and not considered “at risk” and therefore provides income certainty. Base salary is intended to attract and retain executives by providing a competitive amount of income certainty.

NEO base salary levels reflect numerous factors relevant to the performance of their duties, including the complexity of their roles, the amount of applicable industry experience, their function in Gibson’s corporate development and the need to attract and retain talented individuals. Base salaries will be reviewed and compared to similar benchmarked positions in the Comparator Group. Consideration will also be given to the NEO’s time in the role, and/or material differences in responsibilities compared with the benchmarked similar role in the Comparator Group data. The NEO base salaries will be targeted to a median range of the Comparator Group and adjusted for individual contribution and performance.

In 2014, base salaries were determined by the CGCN Committee’s analysis of such factors as the consumer price index, gross domestic product, unemployment rates, industry trends and the overall economic outlook and a comparability of entities in the Comparator Group and the quality of data in the Comparator Group. The table below sets out the 2013 and 2014 base salaries for each NEO, along with the percentage change.

Name and Position	2013 Base Salary[(1)]	2014 Base Salary[(2)]	Percentage Change between 2013 and 2014
A. Stewart Hanlon **President and CEO**	$500,000	$600,000	20.00%
Donald A. Fowlis **CFO**	$325,000	$350,000	7.69%
Richard M. Wise **COO**	$350,000	$400,000	14.29%
Douglas P. Wilkins **CCO**	$350,000	$400,000	14.29%
Brian J. Recatto[(3)] **President, U.S. Operations**	$424,000	$464,040	9.44%

Notes:

(1) Based on annual base salary as at December 31, 2013.
(2) Based on annual base salary as at December 31, 2014.
(3) Base salary amounts provided for Mr. Recatto were converted into Canadian dollars based on the Bank of Canada noon exchange rate on December 31, 2013 of $1.00 USD = $1.06 CDN and December 31, 2014 of $1.00 USD = $1.16 CDN. The difference between Mr. Recatto's 2013 and 2014 base salary is due solely to fluctuations in exchange rate.

Based on a comparison of the base salaries of the Comparator Group to the base salaries paid by us as outlined above and in accordance with our compensation philosophy, the base salaries for the CCO and the President, U.S. Operations were found to be near or above the 75th percentile of the Comparator Group. The base salary for the CEO was found to be slightly above the 50th percentile and the base salaries for the CFO and the COO were found to be below the 50th percentile of the Comparator Group. The CGCN Committee sets base salaries near the 50th percentile to ensure we are competitive in the market and feels that all of our NEOs should have a significant portion of their compensation at risk to encourage strong performance. The CGCN Committee will consider this information when making their recommendations for 2015 base salaries to the Board.

Short Term Annual Incentives

STIP compensation for the NEOs is based on our overall performance, relative shareholder returns and other relevant factors. Annual bonuses for the NEOs, excluding the CEO, are recommended by the CEO to the CGCN Committee who reviews the recommendations and, if deemed appropriate, makes a recommendation to the Board for approval. The annual bonus for the CEO is determined solely by the Board based on recommendations received from the CGCN Committee. The factors that are considered in determining such bonus amounts are set out in further detail below. See "STIP Determinations for our NEOs".

Annual bonuses are paid out of a pool that is approved on an annual basis by the CGCN Committee and the Board. If actual performance meets or exceeds performance targets, then annual bonuses are paid out of the pool, at the discretion of the Board, to the NEOs who met performance targets. If our company performance and the performance of an NEO fall below minimum performance levels, the annual bonus may be zero. There is no guarantee that the funds allocated to the pool will be distributed in full, if at all, to the NEOs.

STIP Performance Measures

In determining the amount of short term annual incentives payable to the NEOs, different weighting is assigned to individual performance versus corporate performance, depending on the position and the NEOs ability to impact organizational results. We have adopted guidelines with respect to the relative weighting of performance of Gibson and individual performance in determining annual bonuses.

The organizational performance measures underlying short term annual incentives are Management EBITDA (as defined below), ROGCE (as defined below), safety performance goals and individual performance. Management EBITDA is defined as net income before interest expense, interest income, income taxes, depreciation, amortization, other non-cash expenses and charges deducted in determining consolidated net income, including movement in the unrealized gains and losses on our financial instruments, stock based compensation expense, impairment of goodwill and intangible assets, and non-cash inventory or asset impairment charges. Management EBITDA also adjusts for the impact of non-cash foreign exchange movements, including but not limited to movements to our U.S. dollar denominated long-term debt, management fees, debt extinguishment expenses and adjustments that are considered non-recurring in nature. ROGCE is defined as return on gross capital employed, calculated as Management EBITDA divided by average gross capital employed. The use of Management EBITDA, ROGCE, safety performance goals and individual performance as performance measures for short term annual incentives supports our alignment of executive compensation with the generation of shareholder value.

Annual Bonus Ranges

The annual bonus range for each of the NEOs is between 0% and 150% of base salary as at the end of the most recently completed financial year, with the exception of our President and CEO whose range is between 0% and 200%. The Board does retain the discretion to award annual bonuses outside of these ranges if the circumstances warrant. The following table sets out the minimum, target and maximum bonus levels as well as the actual bonus level for each NEO as a percentage of salary in 2014:

Name and Position	Minimum (%)	Target (%)	Maximum (%)	Actual (%)
A. Stewart Hanlon **President and CEO**	0%	100%	200%	83%
Donald A. Fowlis **CFO**	0%	75%	150%	69%
Richard M. Wise **COO**	0%	75%	150%	78%
Douglas P. Wilkins **CCO**	0%	75%	150%	78%
Brian J. Recatto **President, U.S. Operations**	0%	75%	150%	78%

The following table sets out the actual annual bonuses for the NEOs as a percentage of base salary in 2014 as compared to 2013:

Name and Position	2013 Annual Bonus	Percentage of 2013 Base Salary(1)	2014 Annual Bonus	Percentage of 2014 Base Salary(2)
A. Stewart Hanlon **President and CEO**	$550,000	110%	$500,000	83%
Donald A. Fowlis **CFO**	$260,000	80%	$240,000	69%
Richard M. Wise **COO**	$340,000	97%	$310,000	78%
Douglas P. Wilkins **CCO**	$340,000	97%	$310,000	78%
Brian J. Recatto(3) **President, U.S. Operations**	$360,400	85%	$359,631	78%

Notes:

(1) Based on a percentage of annual base salary as at December 31, 2013.

(2) Based on a percentage of annual base salary as at December 31, 2014.

(3) Annual bonus amounts provided for Mr. Recatto were converted into Canadian dollars based on the Bank of Canada noon exchange rate on December 31, 2013 of $1.00 USD = $1.06 CDN and December 31, 2014 of $1.00 USD = $1.16 CDN.

STIP Determinations for our NEOs

Based upon the recommendation of the CGCN Committee and their own evaluation, the Board believes that the 2014 compensation levels were appropriate given the strong performance of Gibson during the year. STIP measures include financial performance goals (including Management EBITDA and ROCGE), safety performance goals and individual performance. In making this determination, the CGCN Committee and the Board took into account our strong financial performance, including the exceeding of Management EBITDA and ROGCE targets, the execution and completion of growth initiatives, performance levels in all segments of our business, the advancement of new projects and the accomplishment of key business goals.

In making a determination of the annual bonus for our NEOs, the CGCN Committee and the Board considered the following factors:

Factor	Weighting	Components	Actual Achievement
financial performance	60%	• Management EBITDA relative to budget • ROGCE relative to budget	• 107% • 102%
safety performance	10%	• reduction in total recordable injury frequency (“**TRIF**”) • reduction in lost time injury frequency (“**LTIF**”) • reduction in reportable spills and releases	• 175% • 100% • 100%
individual performance	30%	• determined by the CGCN Committee	discretionary

Long Term Equity Incentives

We believe that long term equity incentives are an integral part of executive compensation necessary to align executives with shareholders’ long term interests, reward long term performance, deliver a competitive compensation package and retain key talent. The principal purposes of the 2011 Equity Incentive Plan are to attract and retain skilled officers and employees, to focus officers and employees on long term operational activities and growth and to encourage officers, employees and consultants to put forth maximum efforts to increase long term shareholder return. For more information on the 2011 Equity Incentive Plan, please see “Compensation of the Named Executive Officers – 2011 Equity Incentive Plan”.

Awards are aimed at rewarding performance directly tied to share value. Therefore, a participant in the 2011 Equity Incentive Plan is awarded a fixed number of awards that vest over a three year period (with the exception of DSUs which vest on the date such the participant redeems such DSUs after the cessation of their employment). Awards are granted on an annual basis and each Award is designed to create sustainable shareholder returns over such three year period.

Determination of LTIP Awards

The CGCN Committee administers the 2011 Equity Incentive Plan and makes recommendations to the Board with respect to all matters related to long term equity compensation. These matters include when long term incentives will be granted, the criterion on which such grants will be made and which officers and employees will receive such grants. While directors are eligible to receive compensation in the form of long term equity incentives, the Board does not determine such grants and they are recommended to the Board by the CGCN Committee.

To determine the total number of awards to be provided to the executives under the 2011 Equity Incentive Plan, the CGCN Committee took into account factors such as a percentage of the NEO's base salary, Management EBITDA, ROGCE and shareholder return. Once the total number of awards was determined, the CGCN Committee and Board approved the number of awards to be given to each executive for the 2014 financial year. In doing so, the CGCN Committee took into account factors such as the position of the executive in the Company, the contributions of the executive to our overall performance, the roles and responsibilities of the executive and the executives overall impact on the success achieved by their business unit in 2014.

The following table outlines the number of awards granted to the NEOs for the year ended December 31, 2014. The value of these awards is discussed under the heading "Compensation of the Named Executive Officers – Summary Compensation Table".

Name and Position	Total Number and Type of Awards Granted in 2014(1)	Vesting Date
A. Stewart Hanlon **President and CEO**	27,590 PSUs 139,784 Options	March 15, 2017 1/3 on each of March 15, 2015, 2016 and 2017
Donald A. Fowlis **CFO**	11,460 PSUs 58,064 Options	March 15, 2017 1/3 on each of March 15, 2015, 2016 and 2017
Richard M. Wise **COO**	13,582 PSUs 68,817 Options	March 15, 2017 1/3 on each of March 15, 2015, 2016 and 2017
Douglas P. Wilkins(2) **CCO**	13,582 PSUs 68,817 Options 12,027 DSUs	March 15, 2017 1/3 on each of March 15, 2015, 2016 and 2017 Upon cessation of employment
Brian J. Recatto **President, U.S. Operations**	13,582 PSUs 68,817 Options	March 15, 2017 1/3 on each of March 15, 2015, 2016 and 2017

Notes:

(1) Figure includes RSUs, PSUs and DSUs but does not include the dividend equivalent rights associated therewith. Please see "Compensation Discussion and Analysis – Long Term Equity Incentives – Dividend Equivalent Rights". All Option, RSU, PSU and DSU grants to NEOs were made on March 15, 2014.

(2) In 2013, Mr. Wilkins elected to defer his STIP to DSUs.

2011 Equity Incentive Plan

Under the 2011 Equity Incentive Plan, we issue share-based, share denominated and other long term incentives to employees, independent directors and other individuals making sustained contributions to Gibson. Currently, up to 5,051,929 shares are issuable pursuant to securities exercisable to acquire shares under the 2011 Equity Incentive Plan. The number of shares issuable pursuant to the 2011 Equity Incentive Plan is a maximum of 10% of the total number of shares issued and outstanding at any given time. The 2011 Equity Incentive Plan permits the following Award types:

- stock options ("**Options**");
- restricted share units ("**RSUs**"), including performance share units ("**PSUs**");
- deferred share units ("**DSUs**");
- replacement stock options ("**Replacement Options**"); and
- replacement restricted share units ("**RRSUs**").

Aside from DSUs which vest upon the date that such participant redeems the DSUs after their cessation of employment, all future annual grants of long term incentive awards made under the 2011 Equity Incentive Plan will vest over multi-year periods for each grant to provide continual motivation for NEOs to deliver shareholder value over the long term while maintaining competitive total compensation opportunities to enable us to attract and retain talented executives. For more information on the vesting of awards, please see "Compensation of the Named Executive Officers – 2011 Equity Incentive Plan".

Options

Options are designed to retain and reward directors and key employees. In addition, Options are provided to key employees to motivate them to enhance shareholder value by providing them with compensation that is directly tied to increases in the market price of the shares. Options typically have a three year vesting term and commence vesting one third on each anniversary date of the grant. The value for each grant of Options was calculated using the Live Bloomberg model based on the Black Scholes option valuation methodology. Options were granted to the NEOs and directors during 2014.

RSUs

RSUs are notional share-based awards that are designed to retain and recognize key employees who create shareholder value by providing payouts to such employees that are directly tied to share value. A key employee is awarded a fixed number of RSUs that typically vest over a three year term and commence vesting one third on each anniversary date of the grant and are redeemed for a combination of cash and/or shares. No RSUs were granted to the NEOs and directors during 2014.

PSUs

PSUs are notional share-based awards that are designed to retain and reward key employees who create shareholder value over a three year period. A key employee is awarded a fixed number of PSUs that cliff vest at the end of three years from the grant date. The performance criterion for PSUs is based 50% on total relative shareholder return as compared to the PSU Comparator Group over such three-year period and 50% on Management EBITDA and ROGCE, both relative to budget. PSUs were granted to NEOs during 2014.

DSUs

DSUs are notional share-based awards awarded to the directors, and in certain situations NEOs, that are designed to retain competent directors and NEOs and reward them for creating long term and sustainable shareholder value.

DSUs have all of the same terms as RSUs with the exception that DSUs vest on the date the employee redeems such DSUs after the cessation of the participant's employment with Gibson. The NEOs did not receive any DSUs in 2014, other than dividend equivalent right DSUs associated with previously granted DSUs and DSUs received by our CCO who elected to receive 100% of his 2013 STIP in DSUs instead of cash. The value for each director grant of DSUs was calculated using Mercer's recommendations. Prior to the amendments made to the 2011 Equity Incentive Plan on December 9, 2014, as discussed below under the heading "2011 Equity Incentive Plan", DSUs vested immediately upon grant.

RRSUs and Replacement Options

Upon the closing of our Initial Public Offering ("**IPO**") in June of 2011, we granted a combination of RRSUs and Replacement Options to the NEOs (the "**Replacement Grants**") to compensate them for the loss of value resulting from the termination of the former option plan in place before the IPO. All Replacement Options had the same "in-the-money" amount and terms and conditions as the terminated options that they replaced, with the exception of the necessary adjustments to vesting conditions. The value for each RRSU grant was calculated using Mercer's recommendations. The terms and conditions attaching to the RRSUs and Replacement Options that were the subject matter of the Replacement Grants were determined by the Board at the time of the grant. All Replacement Grants of RRSUs and Replacement Options were made upon the completion of the IPO and all subsequent grants of Options, RSUs, PSUs and DSUs are made under the 2011 Equity Incentive Plan.

The Replacement Grants were intended to motivate the NEOs to deliver long term shareholder value, to provide them with a sense of ownership and to provide retention incentives. The Replacement Options deliver shareholder value through share price appreciation, while the RRSUs motivate balanced risk-taking and maintaining share value over time, since the RRSUs deliver some value even if the share price declines. The RRSUs were also intended to promote retention as RRSUs vest over a three year period with 40% vesting on January 1, 2012 and 30% vesting on each of January 1, 2013 and January 1, 2014. On the exercise date, we redeem the vested portion of the RRSUs for shares. As of January 1, 2014, all Replacement Options and RRSUs had vested.

Dividend Equivalent Rights

Under the terms of the 2011 Equity Incentive Plan, RRSUs, RSUs, PSUs and DSUs receive dividend equivalent rights. With respect to RSUs, DSUs and PSUs, only the unvested portion of such RSUs, DSUs and PSUs accrue dividend equivalent rights.

Additional awards in respect of such dividend equivalent rights are credited to the notional account of the holder, in the same Award type as the underlying Award they are associated with, on each date that we record a dividend. On such dividend record dates, the awards accrue dividend equivalent rights as applicable, which are then automatically re-invested for additional awards on the dividend payment date. In 2014 we had four dividend payment dates upon which dividend equivalent rights were paid (January 17, 2014, April 17, 2014, July 17, 2014 and October 17, 2014).

Pension Plans and Benefits

Our Canadian employees are eligible to participate in a registered pension plan (the "**Pension Plan**"), a defined contribution pension plan to which certain contributions are made by the participant, ranging from 6% to 9% of base salary dependent on service. We match such participant contributions to the annual limit allowed by the Canada Revenue Agency. All of our NEOs participate in the Pension Plan with the exception of Mr. Recatto, our U.S. Resident NEO.

The Canadian NEOs are also eligible to participate in the Gibson Energy ULC Supplemental Non-Registered Savings Plan (the "**Executive NRSP**"), a non-registered savings plan that is intended to assist participating members (restricted to designated executive employees) in accumulating additional savings toward retirement. The Executive NRSP is a non-tax-sheltered group employee savings plan, comprised of individual non-registered savings plans for members. The Executive NRSP is not a salary deferral arrangement, employee trust, employee benefit plan or retirement compensation arrangement, all as defined by the Income Tax Act (Canada). Our contributions are set at a gross amount of 30% of base salary in each year, and the net after-tax amount is submitted directly to an account in the member's name. No withdrawals are permitted from this plan during employment, and the member is entitled to the cash balance in the plan at retirement, termination of employment, or upon death to the member's beneficiary. The Pension Plan and the Executive NRSP are both fully funded. All of our NEOs participate in the Executive NRSP with the exception of Mr. Recatto, our U.S. Resident NEO.

We offer group life, health and dental insurance, paid time off and other benefits to the employees. The NEOs partake in such benefits. In addition, perquisites are also provided to the NEOs in the form of car leases, parking and club memberships.

Executive Share Ownership Guidelines

Upon the recommendation of the CGCN Committee, on December 6, 2011, the Board put into place Share Ownership Guidelines for our executive officers to ensure that the interests of the executive officers are aligned with shareholder's interests. The Share Ownership Guidelines were developed by the CGCN Committee based upon their own knowledge and experience and recommendations from Mercer. To comply with the Share Ownership Guidelines, each NEO is expected to reach a minimum share ownership level within three years of implementation of the Share Ownership Guidelines. Our President and CEO is expected to reach a minimum share ownership level equal to six times his annual base salary, our CFO, COO, CCO and President, U.S. Operations are expected to reach a minimum share ownership level equal to two times their annual base salary. Such minimum share ownership levels must be met three years of becoming an executive. The Share Ownership Guidelines are calculated based on the current fair market value. Currently, all of the NEOs exceed the Share Ownership Guidelines. Equity held by the NEOs on December 31, 2014 that contributed towards share ownership requirements included shares owned directly or indirectly by such NEO, unvested RSUs and PSUs and unredeemed DSUs.

The following table sets forth the ownership levels for each NEO as of December 31, 2014.

Name and Position	Minimum Share Ownership Requirement	Number of Securities Beneficially Owned or Controlled(1)	Total Value of Each Security(2)	Total Value of all Securities(2)	Approximate Value of Common Shares as a Multiple of Annual Base Salary
A. Stewart Hanlon **President and CEO**	6 x base salary	191,330 Common Shares 16,573 RSUs 69,455 PSUs	$5,163,997 $447,305 $1,874,590	$7,485,892	12 times
Donald A. Fowlis **CFO**	2 x base salary	73,310 Common Shares 5,386 RSUs 24,640 PSUs	$1,978,637 $145,368 $665,034	$2,789,039	8 times
Richard M. Wise **COO**	2 x base salary	46,312 Common Shares 5,801 RSUs 28,398 PSUs	$1,249,961 $156,569 $766,462	$2,172,992	6 times
Douglas P. Wilkins	2 x base salary	68,766 Common Shares 6,851 RRSUs 5,801 RSUs 28,970 PSUs 26,885 DSUs	$1,844,994 $184,908 $156,569 $781,900 $725,626	$3,704,997	9 times
Brian J. Recatto	2 x base salary	15,000 Common Shares 37,139 PSUs	$404,850 $1,002,382	$1,407,232	4 times

Notes:

(1) Represents the number of shares beneficially owned or controlled and the number of PSUs, DSUs, RSUs, RRSUs and the dividend equivalent rights associated therewith. As at December 31, 2014, the NEOs held a combination of shares, RRSUs, RSUs, DSUs and PSUs. Please see "Compensation Discussion and Analysis – Long Term Equity Incentives".

(2) Value based on the five day weighted average trading price of the shares on December 31, 2014, which was $26.99.

Risk Management

In designing our overall compensation policies and programs, the CGCN Committee considered their risk implications to ensure that risk management was accurately reflected in the overall approach to compensation. As a result, our compensation principles and practices are designed to maintain an appropriate balance between risk and reward and encourage measured risk taking by executives. Two large components of compensation are base salary, a form of compensation that is not "at risk", and equity incentive awards, which are considered to be "at risk". This mix is designed to encourage executives to take measured risks that may have a positive impact on our performance while simultaneously providing adequate compensation to executives to discourage them from taking excessive or inappropriate risks and accordingly, mitigate against such risks. In addition the CGCN Committee believes that our compensation policies and practices employed by us assist in the identification and mitigation of inappropriate or excessive risks:

- an annual review of total compensation and individual components by the CGCN Committee and the Board who are advised by independent third parties;

- the design of the compensation program, including a pay mix that is benchmarked relative to the market within the Comparator Group and variable weighting of short term and long term incentives; and

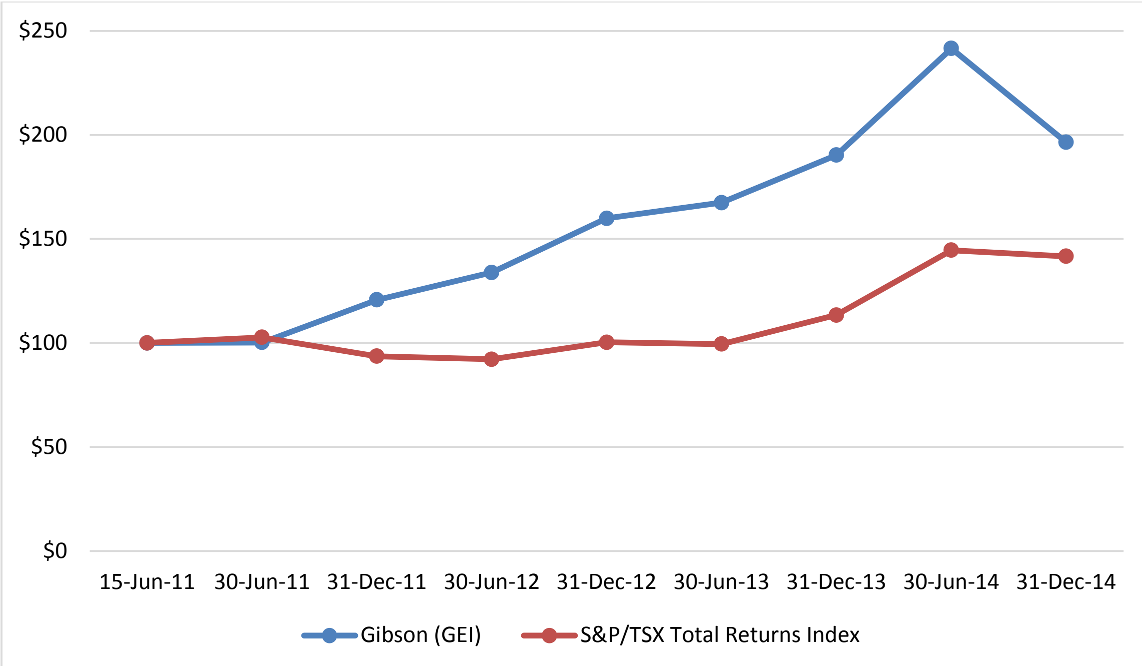
- Share Ownership Guidelines that align executives with long term shareholder interests.

In addition, our Insider Trading Policy provides that all of our insiders, including all directors and the NEOs, must consult with a designated officer or an individual in our Legal Department before engaging in a trade of shares, options, warrants, preferred shares and debentures, as well as exchange-traded options or other derivative securities that are not issued by us but the value of which is derived from our securities. Our Insider Trading Policy also prohibits a director or NEO from completing any short or long term transaction that is designed to hedge or offset a decrease in market value of the shares granted as compensation.

On an annual basis, the CGCN Committee will continue to review our compensation practices with a view to mitigate unsafe risk taking activities and will make the necessary adjustments to maintain the appropriate balance between "at risk" and "not at risk" compensation. In its review of our compensation policies and practices, the CGCN Committee did not identify any risks that are reasonably likely to have a material adverse effect on Gibson.

Performance Graph

The following graph shows the total cumulative return on a $100 investment on June 15, 2011 in shares compared to the cumulative total return of the S&P/TSX Composite Index over the period beginning on June 15, 2011 and ending December 31, 2014, assuming reinvestment of all dividends.



	Jun. 15 2011	Jun. 30 2011	Dec. 31 2011	Jun. 30 2012	Dec. 31 2012	Jun. 30 2013	Dec. 31 2013	Jun. 30 2014	Dec. 31 2014
Gibson (GEI)	100	100.25	120.71	133.88	159.88	167.42	190.25	241.49	196.46
S&P/TSX Composite	100	102.53	92.16	89.40	95.85	99.45	113.37	144.58	141.62

The Board and the CGCN Committee believe that Gibson's management, including the NEOs, have delivered excellent value to the shareholders since the IPO in June of 2011. Gibson shares have significantly increased in value and have outperformed the S&P/TSX Composite Index. We feel such outperformance is attributable to the execution of our growth strategy, delivering a stable, growing cash flow and increasing the quarterly dividend paid to our shareholders. In light of this strong total shareholder return, the Board and the CGCN Committee are of the view that our management compensation levels are appropriate and support our pay for performance culture.

Please see "Compensation of the Named Executive Officers –Incentive Plan Awards – Total Cost of Compensation to the NEOs" for a comparison of total Management EBITDA to the total cost of compensation to our NEOs.

COMPENSATION OF THE NAMED EXECUTIVE OFFICERS

Summary Compensation Table

The following table provides a summary of compensation information for the NEOs for the financial years ending December 31, 2014, December 31, 2013 and December 31, 2012. All compensation values are expressed in Canadian dollars and are derived from compensation plans and programs that are described in detail under the section entitled "Compensation Discussion and Analysis".

Name and Position	Year	Salary[(1)] ($)	Share-based awards[(2)] ($)	Option-based awards[(3)] ($)	Non-equity incentive plan compensation: Annual incentive plans ($)	Non-equity incentive plan compensation: Long term incentive plans ($)[(4)]	Pension value ($)[(5)]	All other compensation ($)[(6)]	Total compensation ($)
A. Stewart Hanlon	2014	573,077	779,969	519,996	500,000	nil	12,465	206,187	2,591,694
President and CEO	2013	500,000	999,987	399,997	550,000	nil	12,135	182,094	2,644,213
	2012	481,250	297,482	nil	750,000	nil	11,910	171,349	1,711,991
Donald A. Fowlis	2014	343,269	323,974	215,998	240,000	nil	12,465	140,770	1,276,476
CFO	2013	318,750	324,976	129,998	260,000	nil	12,135	135,011	1,180,870
	2012	287,500	87,497	nil	200,000[(7)]	nil	11,910	103,589	690,496
Richard M. Wise	2014	396,154	383,963	255,999	310,000	nil	12,465	152,408	1,510,989
COO	2013	347,500	349,982	139,997	340,000	nil	12,135	130,941	1,320,555
	2012	330,000	104,992	nil	325,000	nil	11,910	118,591	890,493
Douglas P. Wilkins	2014	396,154	383,963	255,999	310,000	nil	12,465	152,136	1,510,717
CCO	2013	347,500	349,982	139,997	340,000	nil	12,135	129,722	1,319,336
	2012	337,500	115,498	nil	350,000	nil	11,910	116,467	931,375
Brian J. Recatto[(8)]	2014	464,040	383,963	255,999	359,631	nil	nil	8,946	1,472,579
President, U.S. Operations	2013	424,000	558,799	374,810	360,400	nil	nil	9,515	1,727,524
	2012	66,667	nil	nil	69,444	nil	nil	1,145	137,256

Notes:

(1) Figure represents base salary earned during 2014, 2013 and 2012. If an NEO receives a salary adjustment, it is effective on April 1 of the year in which it is received.

(2) Figure includes PSUs and RSUs granted to NEOs in 2014 and 2013 but does not include the dividend equivalent rights associated therewith. Figure does not include RRSUs. All RRSUs received by NEOs in 2012 and 2013 were not new grants and were comprised of Replacement Grants and the dividend equivalent rights associated therewith. No dividend equivalent rights associated with RRSUs were granted in 2014 as all RRSUs had vested. Please see "Compensation Discussion and Analysis – Long Term Equity Incentives – Description of RRSUs and Replacement Options". Value shown is based on the fair market value as of the grant date.

(3) No Options were granted to NEOs in 2012. Figure represents Options granted in 2013 and 2014. When granting option based awards, we first determine the award entitlement, and then use the Live Bloomberg model based on the Black Scholes option valuation methodology to calculate the implied forward value during the life of the Option. However, our consolidated financial statements, value Option based awards using the historical volatility within the Black Scholes model.

(4) In 2014, 2013 and 2012 no long term non-equity compensation was granted to the NEOs.

(5) Figure represents our annual contribution on behalf of the NEO under the registered Pension Plan.

(6) Represents Gibson Energy ULC's contributions in respect of the NEO's participation in the Executive NRSP and our funding of parking, vehicle leases and club memberships. The value of other perquisites received by the NEOs, including property or other personal benefits provided to NEOs that are not generally available to all employees, were not, in the aggregate, either $50,000 or greater or 10% or greater of the respective NEO's total salary for 2014, 2013 or 2012.

(7) Mr. Fowlis was on a health-related leave of absence for approximately four months during 2012.

(8) Mr. Recatto became an employee of Gibson on October 31, 2012 in connection with our acquisition of OMNI. All non-equity amounts provided for Mr. Recatto were converted into Canadian dollars based on the Bank of Canada noon exchange rate on December 31, 2012 of $1.00 USD = $0.99 CDN, December 31, 2013 of $1.00 USD = $1.06 CDN and December 31, 2014 of $1.00 USD = $1.16 CDN.

Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

The NEOs participate in the 2011 Equity Incentive Plan. For more information please see "Compensation Discussion and Analysis – Long Term Equity Incentives – Determination of Long Term Equity Incentive Awards". The following table sets forth, for each NEO, information regarding all awards that are outstanding as of December 31, 2014:

	Option-based awards				Share-based awards			
Name and Position	**Number of Common Shares underlying unexercised Options[(1)] (#)**	**Option Exercise Price ($)**	**Option expiration date**	**Total Value of unexercised in-the-money Options[(2)] ($)**	**Number of Share-based awards that have not vested[(3)] (#)**	**Market value of Share-based awards that have not vested[(2)] ($)**	**Number of Vested Share-based awards not paid out or distributed[(4)] (#)**	**Market value of vested Share-based awards not paid out or distributed[(2)] ($)**
A. Stewart Hanlon **President and CEO**	107,816 139,784 229,874	$25.94 $28.27 $8.64	Mar. 15, 2020 Mar. 17, 2021 Dec. 31, 2018	4,331,395	86,028	2,321,896	nil	nil
Donald A. Fowlis **CFO**	35,040 58,064 191,516	$25.94 $28.27 $8.64	Mar. 15, 2020 Mar. 17, 2021 Dec. 31, 2018	3,551,111	30,025	810,375	nil	nil
Richard M. Wise **COO**	37,735 68,817 50,000	$25.94 $28.27 $8.64	Mar. 15, 2020 Mar. 17, 2021 Dec. 31, 2018	957,122	34,198	923,004	nil	nil
Douglas P. Wilkins **CCO**	37,735 68,817 17,135	$25.94 $28.27 $8.64	Mar. 15, 2020 Mar. 17, 2021 Dec. 31, 2018	354,049	61,654[(5)]	1,664,041	6,851	184,908
Brian J. Recatto **President, U.S. Operations**	101,027 68,817	$25.94 $28.27	Mar. 15, 2020 Mar. 17, 2021	106,078	37,138	1,002,355	nil	nil

Notes:

(1) Figure includes Options and Replacement Options.
(2) Value based on the five day weighted average trading price of the shares on December 31, 2014, which was $26.99.
(3) Figure includes unvested PSUs and RSUs, including the dividend equivalent rights associated therewith. Please see "Compensation Discussion and Analysis – Long Term Equity Incentives – Dividend Equivalent Rights".
(4) Figure includes vested PSUs, vested RSUs and vested RRSUs and the dividend rights associated therewith that have not been paid out.
(5) In 2012 and 2013, Mr. Wilkins elected to defer 100% of his STIP to DSUs. Such DSUs were granted to Mr. Wilkins on March 15, 2013 and 2014 respectively.

Value Vested or Earned during the Year

The following table sets forth, for each NEO, the value vested or earned on all options-based awards, share-based awards and non-equity incentive plan compensation in 2014:

Name and Position	Option-based awards – Value vested during 2014 ($)	Share-based awards – Value vested during 2014(1)(2) ($)	Non-equity incentive plan compensation– Value earned during 2014 ($)
A. Stewart Hanlon **President and CEO**	37,736	1,465,800	nil
Donald A. Fowlis **CFO**	12,264	878,929	nil
Richard M. Wise **COO**	13,207	747,812	nil
Douglas P. Wilkins **CCO**	13,207	878,929	nil
Brian J. Recatto **President, U.S. Operations**	35,360	nil	nil

Notes:

(1) Figure includes RRSUs that vested in 2014. RRSUs vest over a three year period with 30% vesting on January 1, 2014. On January 1, 2014, all RRSUs had vested and therefore, in 2014, no RRSU dividend equivalent rights were paid.

(2) Value based on the five day weighted average trading price of the shares on December 31, 2014, which was $26.99.

Total Cost of Compensation to the NEOs

The CGCN Committee tests our pay for performance methodology in a number of ways. One of those ways is the comparison of total Management EBITDA to the total cost of compensation to our NEOs. The following table sets forth the relationship between our total Management EBITDA, a key measurement used in our incentive compensation programs, and total NEO compensation in the last three years.

Year	Total Management EBITDA(1) (millions)	Total Cost of Compensation to NEOs(2) (thousands)	Total NEO Compensation as a Percentage of Total Annual Profit
2014	$448	$8.36	1.87%
2013	$422	$8.23	1.95%
2012	$289	$5.09	1.76%

Notes:

(1) For a definition of Management EBITDA please see “Compensation Discussion and Analysis – Components of Compensation – Short Term Annual Incentives – Performance Measures”.

(2) Please see “Compensation of the Named Executive Officers – Summary Compensation Table”.

2011 Equity Incentive Plan

In connection with the completion of the IPO and upon the approval of the TSX, we established a long term incentive plan pursuant to which we are able to issue share-based, share-denominated and other long term incentives. All officers, employees, non-employee directors and other individuals making sustained contributions to Gibson are eligible to receive awards under the 2011 Equity Incentive Plan. The purpose of the 2011 Equity Incentive Plan is to encourage selected employees, officers, consultants and directors of Gibson to acquire a proprietary interest in our growth and performance.

The 2011 Equity Incentive Plan replaced the former option plan in place prior to the completion of the IPO. Currently, up to 5,051,929 shares are issuable pursuant to securities exercisable to acquire shares under the 2011 Equity Incentive Plan, such number being equal to ten percent of our issued and outstanding shares as of the date hereof. The types of awards available under the 2011 Equity Incentive Plan include Options, RSUs, PSUs and DSUs as well as Replacement Options and RRSUs, the terms of which are described herein. Please see “Compensation Discussion and Analysis – Long Term Equity Incentives – 2011 Equity Incentive Plan”. The 2011 Equity Incentive Plan is administered by the CGCN Committee and in turn, the Board.

When granting awards under the 2011 Equity Incentive Plan, the CGCN Committee will recommend to the Board, and in turn the Board will fix, the number of shares, exercise price, vesting provisions and expiry date for all Award grants, with the exception that the term of all Option grants shall not exceed a period of seven years. The current practice of the Board in granting: (i) Options and RSUs is to provide for vesting that occurs over a three-year period, commencing on the first anniversary date of the grant; (ii) PSUs is to provide for a three-year term with vesting that occurs at the end of a three-year period, commencing on the date of the grant; and (iii) DSUs is to provide for vesting and an available exercise date being the date that the director or officer has ceased to hold directorship or employment with us. Although vesting generally occurs over a three-year period, should a participant cease to be an employee or officer of Gibson as a result of termination without just cause, or as a result of the participant's death, disability or retirement, a pro rata portion of all unvested awards shall become vested awards on the date of such event based on the number of full months during the vesting period that the participant was actively employed by Gibson or an affiliate versus the number of full months in the vesting period.

The exercise price of an Option shall be no less than the volume weighted average trading price of the shares on the TSX for the five trading days immediately preceding the date of the grant of the Option. The 2011 Equity Incentive Plan also provides that, at the option of the CGCN Committee and subject to employment contracts, the vesting of Options and other awards may be accelerated upon the occurrence of any one of a number of specified events that constitute a change of control of Gibson.

Subject to the terms of any particular Award, if a participant shall cease to be our officer or employee as a result of termination for just cause, all vested awards shall remain exercisable for a period of thirty days from the date of such event. If the participant shall cease to be our officer or employee as a result of termination without just cause, or as a result of the participant's death, disability or retirement, all vested awards shall remain exercisable for a period of twelve months from the date of such event. At the end of such twelve month period, all awards not so exercised will become null and void. The assignment or transfer of any award shall not be permitted other than by will, by law or by the designation of a beneficiary by such participant.

The 2011 Equity Incentive Plan limits the number of shares underlying or relating to awards that may be issued within a calendar year to any one participant to 2.5% of the issued and outstanding shares and to directors who are not officers or employees to 1% of the issued and outstanding shares. The 2011 Equity Incentive Plan also provides that the number of securities of issuable to our insiders under the 2011 Equity Incentive Plan or any other security based compensation arrangement shall be limited to 10% of our issued and outstanding securities at any time and shall be limited to 5% of our issued and outstanding securities within any one year period.

Currently, RRSUs, RSUs, Options and Replacement Options have been the only forms of awards exercisable by participants since the introduction of the 2011 Equity Incentive Plan. As of March 24, 2015, 3,900,955 awards have been exercised since the inception of the 2011 Equity Incentive Plan and 5,051,929 awards remain outstanding. Currently, an additional 7,472,759 awards, representing 60% of the total amount available for issuance under the 2011 Equity Incentive Plan, remain available for future grants.

The 2011 Equity Incentive Plan includes a "cashless" exercise feature whereby a participant may elect to sell all or any portion of the shares underlying an Option in order to satisfy the exercise price payable in connection with such Option exercise. Once a participant completes the transaction using our third party administrator, such administrator will deliver us written notification identifying the number of shares in respect of which the Option is being exercised and providing instructions to deliver such shares to a broker selected by the participant. The participant can choose a cashless exercise or pay us the exercise price.

The 2011 Equity Incentive Plan specifies certain types of amendments which may, subject to applicable laws and regulatory approval, be made without shareholder approval, including amendments to the 2011 Equity Incentive Plan and to an Award granted thereunder. The amendment provision in the 2011 Equity Incentive Plan contemplates that amendments of a "housekeeping" nature may be made, as well as any other amendments, provided that such amendment does not impair the rights of any participant or holder or beneficiary of any Award previously granted. However, notwithstanding any other provision of the 2011 Equity Incentive Plan or any Award agreement, without the approval of the shareholders, no amendment, can be made that would: (i) increase the total number of shares available for awards under the 2011 Equity Incentive Plan; (ii) reduce the exercise price or extend the term of any Award benefiting an insider of the Company; or (iii) otherwise cause the 2011 Equity Incentive Plan to cease to comply with any tax or regulatory requirement, including for these purposes any approval or other requirement.

On December 9, 2014, upon the recommendation of the CGCN Committee, the Board approved various amendments to the 2011 Equity Incentive Plan. These amendments included revisions to the 2011 Equity Incentive Plan to: (i) clarify that RSUs and PSUs may be settled with common shares issued from treasury as well as with common shares purchased on the market or with cash; (ii) permit DSU holders to select their DSU payout dates subject to the approval of the CGCN Committee; (iii) allow for DSUs to vest upon their triggering event date rather than upon their grant date; (iv) allow for DSUs to accumulate dividend equivalent rights until their triggering event date; and (v) to clarify that the fair market value for DSUs is determined on the participant's triggering event date rather their redemption date. These amendments are of a "housekeeping" nature and as such, shareholder approval was not required.

The following table provides information with respect to the 2011 Equity Incentive Plan as at December 31, 2014:

Plan Category	Number of Common Shares to be issued upon the exercise of outstanding awards[(1)]	Weighted-average exercise price of Award	Number of awards available for future issuance under equity compensation plans
Equity Compensation plans not approved by shareholders: N/A	-	-	-
Equity Compensation plans approved by shareholders: 2011 Equity Incentive Plan • Options (including Replacement Options) • RSUs (including RRSUs and PSUs) • DSUs	 2,485,215 1,173,712 146,786	 $23.33 $0.00 $0.00	 8,832,215
Total	3,805,713	-	8,832,215

Note:

(1) Figure is given as at December 31, 2014 and includes dividend equivalent rights accrued on such awards on paid on January 17, 2014, April 17, 2014, July 17, 2014, and October 17, 2014. Please see "Compensation Discussion and Analysis – Long Term Equity Incentives – Dividend Equivalent Rights".

Dilution under the 2011 Equity Incentive Plan

Gibson believes that a key component of delivering value to our shareholders is the responsible management of our 2011 Equity Incentive Plan and we are committed to ensuring that our Options and other awards are not excessively dilutive. The following table sets forth the number of Options and other awards granted in 2014 as a percentage of shares outstanding as well as the total number of Options and other awards outstanding at December 31, 2014 as a percentage of shares outstanding. The large number of awards remaining in the reserve approved by the shareholders, reflected below, demonstrates the commitment of the CGCN Committee to the responsible management of available awards and to the alignment of the interests of the Board, management and employees with our shareholders with only moderate dilution.

Measure of Dilution	Number of Options/Other awards[(1)]	Percent of Common Shares Outstanding
Total number of Options granted under the 2011 Equity Incentive Plan in 2014	1,153,654	0.93%
Total number of Options outstanding under the 2011 Equity Incentive Plan on December 31, 2014	2,479,610	1.99%
Total number of awards (excluding Options) granted under the 2011 Equity Incentive Plan in 2014	658,145	0.53%

Total number of awards (excluding Options) outstanding under the 2011 Equity Incentive Plan on December 31, 2014	1,137,030	0.91%
Number of awards remaining in the reserve approved by the shareholders and available for grant under the 2011 Equity Incentive Plan	8,832,215	7.09%

Pension Plan and NRSP

All of our Canadian NEOs participate in the Pension Plan. The following table sets out the registered pension values and the contributions made by Gibson Energy ULC on behalf of each such NEO for 2014:

Name and Position	Accumulated value at start of 2014	Compensatory	Non-compensatory(1)	Accumulated value at end of 2014
A. Stewart Hanlon **President and CEO**	$582,163	$12,465	$57,654	$652,282
Donald A. Fowlis **CFO**	$589,858	$12,465	$76,928	$679,251
Richard M. Wise **COO**	$128,077	$12,465	$22,090	$162,632
Douglas P. Wilkins **CCO**	$140,471	$12,465	$19,759	$172,696
Brian J. Recatto(2) **President, U.S. Operations**	n/a	n/a	n/a	n/a

Notes:

(1) The amounts reported in this column include regular investment earnings or losses plus the contribution made by the NEO. Contributions by an NEO are mandatory under the terms of the Pension Plan.

(2) Mr. Recatto, our resident U.S. NEO, is not eligible to participate in the Pension Plan and currently does not participate in any plans of a similar nature.

All of our Canadian NEOs also participate in the Executive NRSP. The following table sets out the savings values and the contribution made by Gibson Energy ULC on behalf of each such NEO for 2014:

Name and Position	Accumulated value at start of 2014	Compensatory	Non-compensatory(1)	Accumulated value at end of 2014
A. Stewart Hanlon **President and CEO**	$408,311	$104,873	$27,653	$540,837
Donald A. Fowlis **CFO**	$272,333	$62,818	$27,830	$362,981
Richard M. Wise **COO**	$270,162	$72,496	$21,748	$364,405
Douglas P. Wilkins **CCO**	$327,911	$72,496	$16,681	$417,089
Brian J. Recatto(2) **President, U.S. Operations**	n/a	n/a	n/a	n/a

Notes:

(1) The amounts reported in this column include regular investment earnings or losses. There are no contributions permitted by the NEOs under the terms of the Executive NRSP.

(2) Mr. Recatto, our resident U.S. NEO, is not eligible to participate in the Executive NRSP and currently does not participate in any plans of a similar nature.

Termination and Change of Control Benefits

Except as described below, we have not entered into any contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of Gibson or a change in an NEO's responsibilities.

Each of our NEOs has an employment contract in place that sets out the principal terms of their employment relationship with us. These agreements also describe termination and change of control benefits. In the event of voluntary termination, death or permanent disability and termination for just cause, the following will apply:

Voluntary Termination

In the event of voluntary termination, no severance is paid, and remuneration of the NEO will remain unchanged during the notice period. Payment will be made in lieu of any unused accrued vacation up to the last day of work of the NEO. In the event that an NEO elects to resign at a point in time that a bonus has been declared to be payable but remains unpaid, that bonus will nonetheless be paid to the NEO when due. If, however, no bonus has been declared at the time of resignation, the NEO will not be entitled to receive any bonus. In the case of the retirement of an NEO, the NEO will be entitled to receive reasonable retirement benefits generally consistent with those provided by us to senior executives in accordance with the plans and policies in effect at the time of retirement.

Death or Disability

In the event of an NEO's death or permanent disability, regular remuneration and any outstanding accrued vacation up to the date of termination will be paid to the NEO or the NEO's estate as appropriate. In the event that the death or disability occurs at a point in time that a bonus has been declared to be payable but remains unpaid, that bonus will nonetheless be paid to the estate when due. If however no bonus has been declared at the time of death or disability, the estate will not be entitled to receive any bonus.

Termination for Just Cause

If we terminate an NEO's employment for just cause, no severance will be paid, and all other forms of unvested compensation payable to the NEO will terminate on the date of termination.

Involuntary Termination

Each of our NEOs has entered into an employment agreement that details the severance payments that will be paid for termination without cause or on a change of control of Gibson. In order for any severance payments to be payable to any of our NEO's on a change of control, the following events must occur (collectively, a "**Double Trigger Event**"):

(i) there must be a change of control of Gibson which is defined as:

(a) the acquisition by any person or group of persons acting in concert (other than by investment dealer(s) for distribution to the public) of 50% or more of our voting shares;

(b) the election or appointment of that number of persons which would represent a majority of our Board, as directors who were not included in the slate for election as directors proposed by us; or

(c) the completion of any transaction(s) that would have the same or similar effect as the transactions referred to above; and

(ii) other than for just cause, disability or death, the NEO must be terminated (including by way of constructive dismissal) following the change of control.

	UPON TERMINATION WITHOUT CAUSE (NO CHANGE OF CONTROL) [1]	UPON DOUBLE TRIGGER EVENT
A. Stewart Hanlon **President and CEO**	• 2 times annual remuneration • Annual bonus if such bonus has been declared but not paid • 1.5 times average annual bonus paid during two preceding years • Immediate vesting of awards on a pro-rata basis **Total: $2,901,037**	• 2 times annual remuneration • 2 times average annual bonus paid during the two preceding years • Accelerated vesting of all unvested awards exercisable for a period of 12 months from date of termination **Total: $4,903,821**
Donald A. Fowlis **CFO**	• 2 times annual remuneration • Annual bonus if such bonus has been declared but not paid • 1.5 times average annual bonus paid during two preceding years • Immediate vesting of awards on a pro-rata basis **Total: $1,444,611**	• 2 times annual remuneration • 2 times average annual bonus paid during the two preceding years • Accelerated vesting of all unvested awards exercisable for a period of 12 months from date of termination **Total: $2,205,154**
Richard M. Wise **COO**	• 2 times annual remuneration • Annual bonus if such bonus has been declared but not paid • 1.5 times average annual bonus paid during two preceding years • Immediate vesting of awards on a pro-rata basis **Total: $1,783,761**	• 2 times annual remuneration • 2 times average annual bonus paid during the two preceding years • Accelerated vesting of all unvested awards exercisable for a period of 12 months from date of termination **Total: $2,586,546**
Douglas P. Wilkins **CCO**	• 2 times annual remuneration • Annual bonus if such bonus has been declared but not paid • Two further annual bonus payments based on same percentage of our pre-tax profits as the previous year's bonus • Immediate vesting of awards on a pro-rata basis **Total: $1,589,611**	• 2 times annual remuneration • 2 times average annual bonus paid during the two preceding years • No accelerated vesting of awards **Total: $1,619,611**
Brian J. Recatto **President, U.S. Operations**	• 1 times annual remuneration • Prorated annual bonus even if such bonus has not been declared based on the last day of the fiscal year in which the termination occurs • Immediate vesting of awards on a pro-rata basis **Total: $787,500 USD**	• Mr. Recatto's employment agreement does not provide for payment upon a change of control and therefore, should a Double Trigger Event occur, he is only entitled to the same amount payable upon termination without cause **Total: $787,500 USD**

Notes:

(1) Total does not include pro-rata vesting of awards.

(2) Severance obligations provided as at December 31, 2014. Value based on the five day weighted average trading price of the shares on December 31, 2014, which was $26.99.

OTHER MATTERS

Indebtedness of Directors and Officers

We are not aware of any individuals who are either current or former executive officers, directors or employees of Gibson and who have indebtedness outstanding as at the date hereof (whether entered into in connection with the purchase of securities of Gibson or otherwise) that is owing to (i) Gibson, or (ii) another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Gibson.

Except for (i) indebtedness that has been entirely repaid on or before the date of this Circular, and (ii) "routine indebtedness" (as defined in Form 51-102F5 to National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**")), we are not aware of any individuals who are, or who at any time during 2014 were, a director or executive officer of Gibson, or an associate of any of those directors or executive officers, who are, or have been at any time since January 1, 2014, indebted to us, or whose indebtedness to another entity is, or at any time since January 1, 2014 has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by us.

Interest of Informed Persons in Material Transactions

There has been no transaction since January 1, 2014 and there is no proposed transaction that has materially affected or would materially affect us in respect of which any "informed person" (as defined in NI 51-102) of Gibson, any proposed nominee for director of Gibson, or any associate or affiliate of either of such persons had a direct or indirect material interest.

Interest of Certain Persons in Matters to be Acted Upon

We do not, nor do our directors or executive officers, or any associate or affiliate of any one of them, have any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting except as otherwise disclosed in this Circular.

Additional Information

Additional information relating to us is available via SEDAR at www.sedar.com. A shareholder may obtain copies of our AIF, financial statements and management's discussion and analysis without charge upon written request to our Secretary at 1700, 440 – 2nd Avenue S.W., Calgary, Alberta, T2P 5E9. Financial information is provided in our comparative financial statements and management's discussion and analysis for the financial year ended December 31, 2014.

Schedule “A”
Board Charter

GIBSON ENERGY INC.
Board of Directors Charter

A. GENERAL

The Board of Directors (the "**Board**") of Gibson Energy Inc. (the "**Company**") is responsible for the stewardship of the Company's affairs and the activities of management of the Company in the conduct of day to day business, all for the benefit of its shareholders. In this mandate, all references to the Company shall include the subsidiaries of the Company.

The primary responsibilities of the Board are:

1. to maximize long term shareholder value;

2. to approve the strategic plan of the Company;

3. to ensure that processes, controls and systems are in place for the management of the business and affairs of the Company and to address applicable legal and regulatory compliance matters;

4. to maintain the composition of the Board in a way that provides an effective mix of skills and experience to provide for the overall stewardship of the Company;

5. to ensure that the Company meets its obligations on an ongoing basis and operates in a safe and reliable manner; and

6. to monitor the performance of the management of the Company to ensure that it meets its duties and responsibilities to the shareholders.

B. COMPOSITION AND OPERATION

The number of directors shall be not less than the minimum and not more than the maximum number specified in the Company's articles and shall be set from time to time within such limits by resolutions of the shareholders or of the Board as may be permitted by law. Directors are elected to hold office for a term of one year. At least 25 percent of the directors must be Canadian residents. The Board will analyze the application of the "independent" standard as such term is referred to in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, to individual members of the Board on an annual basis and disclose that analysis. The Board will ensure that a majority of the Board is independent. The Board will in each year appoint a chairman of the Board (the "**Chairman**").

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chairman, nominating candidates for election to the Board, constituting committees of the Board and determining compensation for the directors. Subject to the articles and by-laws of the Company and the *Business Corporations Act* (Alberta) (the "**ABCA**"), the Board may constitute, seek the advice of, and delegate certain powers, duties and responsibilities to, committees of the Board.

C. MEETINGS

The Board shall have a minimum of four regularly scheduled meetings per year. The meetings shall ordinarily take place in March, May, August and November. Special meetings are called as necessary. Occasional Board trips are scheduled, if possible, in conjunction with regular Board meetings, to offer directors the opportunity to visit sites and facilities at different operational locations. A quorum for a meeting of the Board shall consist of a simple majority of the members of the Board.

The Board will schedule executive sessions where directors meet with management participation at each regularly-scheduled meeting of the Board. In addition, the independent directors will hold an in-camera session at which non-independent directors and members of management are not in attendance.

Minutes will be kept of all meetings of the Board. The minutes will include copies of all resolutions passed at each meeting, will be maintained with the Company's records, and will be available for review by members of the Board and the external auditor.

D. SPECIFIC DUTIES

1. Oversight and Overall Responsibility

In fulfilling its responsibility for the stewardship of the affairs of the Company, the Board shall be specifically responsible for:

(a) providing leadership and direction to the Company and management with the view to maximizing shareholder value. Directors are expected to provide creative vision, initiative and experience in the course of fulfilling their leadership role;

(b) satisfying itself as to the integrity of the Chief Executive Officer (the "**CEO**") and other senior officers of the Company and ensuring that a culture of integrity is maintained throughout the Company;

(c) approving the significant policies and procedures by which the Company is operated and monitoring compliance with such policies and procedures, and, in particular, compliance by all directors, officers and employees with the provisions of the Code of Conduct and Ethics;

(d) reviewing and approving material transactions involving the Company, including the acquisitions and dispositions of material assets by the Company and material capital expenditures by the Company;

(e) monitoring operating performance and ensuring that the Board has the necessary information, including key business and competitive indicators, to enable it to discharge this duty and take any remedial action necessary;

(f) establishing methods by which interested parties may communicate directly with the Chairman or with the independent directors as a group and cause such methods to be disclosed;

(g) developing written position descriptions for the Chairman and for the chair of each Board committee; and

(h) making regular assessments of the Board and its individual members, as well as the effectiveness and contributions of each Board committee.

2. Legal Requirements

(a) The Board has the oversight responsibility for meeting the Company's legal requirements and for properly preparing, approving and maintaining the Company's documents and records.

(b) The Board has the statutory responsibility to:

   (i) manage the business and affairs of the Company;

   (ii) act honestly and in good faith with a view to the best interests of the Company;

(iii) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and

(iv) act in accordance with its obligations contained in the ABCA and the regulations thereto, the articles and by-laws of the Company, and other relevant legislation and regulations.

(c) The Board has the statutory responsibility for considering the following matters as a full Board which by law may not be delegated to management or to a committee of the Board:

(i) any submission to the shareholders of a question or matter requiring the approval of the shareholders;

(ii) the filling of a vacancy among the directors or in the office of auditor;

(iii) the appointment of additional directors;

(iv) the issuance of securities except in the manner and on the terms authorized by the Board;

(v) the declaration of dividends;

(vi) the purchase, redemption or any other form of acquisition of shares issued by the Company, except in the manner and on the terms authorized by the Board;

(vii) the payment of a commission to any person in consideration of such person's purchasing or agreeing to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for any shares of the Company;

(viii) the approval of any material continuous disclosure documents including annual and interim financial statements and related management's discussion and analysis, annual information forms and management information circulars;

(ix) the approval of any financial statements to be placed before the shareholders of the Company at an annual general meeting; and

(x) the adoption, amendment or repeal of any by-laws of the Company.

3. Independence

The Board shall have the responsibility to:

(a) implement appropriate structures and procedures to permit the Board to function independently of management (including, without limitation, through the holding of meetings at which non-independent directors and management are not in attendance, if and when appropriate);

(b) implement a system which enables an individual director to engage an outside advisor at the expense of the Company in appropriate circumstances; and

(c) provide an orientation and education program for newly appointed members of the Board.

4. Strategy Determination, Planning and Budgeting

The Board shall:

(a) adopt and annually review a strategic planning process and approve the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the Company's business;

(b) approve annual capital and operating budgets and business plans within the context of the strategic plan of the Company;

(c) annually review operating and financial performance results relative to established strategy, budgets and objectives;

(d) approve expenditures, acquisitions and divestitures that are not within the authority delegated to the CEO;

(e) approve mergers and similar arrangements involving unaffiliated parties;

(f) approve the entry into or withdrawal from lines of business that are material to the Company; and

(g) annually review the financing strategy and plans of the Company.

5. Managing Risk

The Board has the responsibility to identify and understand the principal risks of the Company's business, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that appropriate systems are in place which effectively monitor and manage those risks with a view to the long-term viability of the Company.

6. Appointment, Training and Monitoring of Senior Management

The Board shall:

(a) appoint the CEO and other senior officers of the Company, approve (upon recommendations from the Corporate Governance, Compensation and Nomination Committee) their compensation, and monitor and assess the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value;

(b) ensure that a process is established that adequately provides for succession planning including the appointment, training and monitoring of senior management;

(c) establish limits of authority delegated to management; and

(d) develop a written position description for the CEO.

7. Reporting and Communication

The Board has the responsibility to:

(a) verify that the Company has in place policies and programs to enable the Company to communicate effectively with its shareholders, other stakeholders and the public generally;

(b) verify that the financial performance of the Company is reported to shareholders, other security holders and regulators on a timely and regular basis;

(c) verify that the financial results of the Company are reported fairly and in accordance with generally accepted accounting principles recognized by the Canadian Institute of Chartered Accountants from time to time;

(d) verify the timely reporting of any other developments that have a significant and material impact on the value of the Company;

(e) report annually to shareholders on its stewardship of the affairs of the Company for the preceding year; and

(f) develop appropriate measures for receiving stakeholder feedback.

8. Monitoring and Acting

The Board has the responsibility to:

(a) review and approve the Company's financial statements and oversee the Company's compliance with applicable audit, accounting and reporting requirements;

(b) verify that the Company operates at all time within applicable laws and regulations to the highest ethical and moral standards;

(c) approve and monitor compliance with significant policies and procedures by which the Company operates;

(d) monitor the Company's progress towards its goals and objectives and to work with management to revise and alter its direction in response to changing circumstances;

(e) take such action as it determines appropriate when the Company's performance falls short of its goals and objectives or when other special circumstances warrant; and

(f) verify that the Company has implemented appropriate internal control and management information systems.

9. Other Activities

The Board may perform any other activities consistent with this mandate, the articles and by-laws of the Company and any other governing laws as the Board deems necessary or appropriate including, but not limited to:

(a) preparing and distributing the schedule of Board meetings for each upcoming year;

(b) calling meetings of the Board at such time and such place and providing notice of such meetings to all members of the Board in accordance with the by-laws of the Company; and

(c) ensuring that all regularly-scheduled Board meetings and committee meetings are properly attended by directors. Directors may participate in such meetings by conference call if attendance in person is not possible.

10. Code of Conduct and Ethics

The Board shall be responsible to adopt a "Code of Conduct and Ethics" for the Company which shall address:

(a) conflicts of interest;

(b) the protection and proper use of the Company's assets and opportunities;

(c) the confidentiality of information;

(d) fair dealing with various stakeholders of the Company;

(e) compliance with laws, rules and regulations; and

(f) the reporting of any illegal or unethical behaviour.

E. BOARD COMMITTEES

The Board shall at all times maintain (a) an Audit Committee, (b) a Corporate Governance, Compensation and Nomination Committee, and (c) a Health, Safety, Security and Environment Committee, each of which must report to the Board. Each such committee must operate in accordance with the by-laws, applicable law, its committee charter and the applicable rules of any stock exchange on which the shares are traded. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by its by-laws and applicable law, and as the Board sees fit. The purpose of the Board committees is to assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board committee, the Board is ultimately responsible for matters assigned to the committees for determination. Except as may be explicitly provided in the charter of a particular committee or a resolution of the Board, the role of a Board committee is to review and make recommendations to the Board with respect to the approval of matters considered by the committee.

F. DIRECTOR ACCESS TO MANAGEMENT

The Company shall provide each director with complete access to the management of the Company, subject to reasonable advance notice to the Company and reasonable efforts to avoid disruption to the Company's management, business and operations.

G. DIRECTOR COMPENSATION

The Board, upon recommendation of the Corporate Governance, Compensation and Nomination Committee, will determine and review the form and amount of compensation to directors.

H. INDEPENDENT ADVISORS

The Board and its committees have the right at any time to retain independent legal, financial or other advisors to advise the board independently on any matter. The Board shall have the sole authority (subject to its power to specifically delegate this power to a committee or others as the Board considers reasonable) to retain and terminate such consultants or advisors, including sole authority to approve an advisor’s fees and other retention terms.

I. BOARD EVALUATION

The chair of the Corporate Governance, Compensation and Nomination Committee will facilitate an annual assessment of the overall performance and effectiveness of the Board and will report on such assessments to the Board. The Board, in conjunction with the Corporate Governance, Compensation and Nomination Committee, will be responsible for establishing the evaluation criteria and implementing the process for such evaluations. Each director will complete a board assessment questionnaire assessing:

(a) the Board's general performance and its performance in specified categories such as board meetings, board communications, committees and board effectiveness; and

(b) their own personal performance, as well as the performance of other Board members and committee members.

The Board will, after receiving the oral or written report, discuss the results. The objective of the assessments is to maintain the continued effectiveness of the Board as a whole, each committee, and each individual Board member, in the execution of their responsibilities and to contribute to a process of continuing improvement.