

**SEMGROUP CORPORATION**

**CORPORATE GOVERNANCE GUIDELINES AND  
PRINCIPLES OF THE BOARD OF DIRECTORS**

**1. Director Qualifications and Board Composition**

*Independence and Qualifications.* The Board of Directors (the “Board”) of SemGroup Corporation (the “Company”) will have a majority of directors who meet the criteria for independence as affirmatively determined annually in accordance with the New York Stock Exchange listing standards and applicable law. The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the composition of the Board as a whole as well as the appropriate skills and characteristics required of directors in the context of the current make-up of the Board and the needs of the Board given the circumstances of the Company. Qualifications considered by the Nominating and Corporate Governance Committee for director candidates include an attained position of leadership in the candidate’s field of endeavor, business and/or financial expertise, integrity, objectivity, independence, demonstrated exercise of sound business judgment, expertise relevant to the Company’s lines of business, diversity of the candidate, corporate governance experience and the ability to serve the interests of all stockholders. The candidate must also be able to devote the time, energy and attention as may be necessary to properly discharge his or her responsibilities as a director. The Nominating and Corporate Governance Committee will consider director candidates submitted to it by other directors, employees and stockholders in accordance with the Company’s policy as set forth in its proxy statement. Nominees for directorship will be recommended to the Board by the Nominating and Corporate Governance Committee in accordance with the policies and principles in these guidelines and its charter. The invitation to join the Board should be extended by the Board itself via the Chair of the Nominating and Corporate Governance Committee and the Chairman of the Board.

In addition to the criteria for director independence required by the New York Stock Exchange and applicable law, the Board will affirmatively determine that a director who qualifies as “independent” has no material relationship with the Company (either directly or as a partner, material stockholder or officer of an organization that has a relationship with the Company). In assessing the materiality of any existing or proposed director’s relationship with the Company, the Board will consider all relevant facts and circumstances. Material relationships can include, but are not limited to, commercial, industrial, banking, consulting, legal, accounting, charitable, and familial relationships. The Board should evaluate materiality not only from the perspective of the director, but also from that of persons and organizations with which the director has a relationship. The Board may adopt categorical standards to assist it in making determinations of independence. The basis for the Board’s determination that a relationship is not material must be disclosed in the Company’s proxy statement. This disclosure may be stated in a general way for a director satisfying any categorical standards adopted by the Board and described in the proxy statement, but the determination must be specifically explained if no such standards are adopted or if a director does not satisfy them.

*Size of the Board.* The Company’s Bylaws provide that the Board shall consist of not less than three nor more than 11 directors, as determined from time to time by resolution of the

Board. The Initial Board of Directors (as defined in the Company's Amended and Restated Certificate of Incorporation (the "Charter")) shall consist of seven members. The Board may expand or contract within the limitations set forth in the Company's Charter and Bylaws as the demands and responsibilities of the Board so dictate.

***Change of Status.*** It is the sense of the Board that any individual director who changes substantially the principal occupation, position or responsibility he or she held when he or she was elected to the Board should volunteer to resign from the Board. It is not the sense of the Board that in every instance the directors who retire or change substantially from the occupation, position or responsibility they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board through the Nominating and Corporate Governance Committee to review the continued appropriateness of Board membership under the circumstances.

***Other Directorships.*** No director may serve on more than three other public company boards without the prior review of the Nominating and Corporate Governance Committee. Directors should advise the Chairman of the Board and the Chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public company board. In recommending to the Board whether to permit a director to serve on more than three other public company boards, the Nominating and Corporate Governance Committee should evaluate the individual circumstances of that director and in particular, the scope and volume of competing demands for the director's time.

***Retirement Age; Term Limits.*** The Board does not believe it should establish either a mandatory retirement age or term limits. While these policies could help insure that there are fresh ideas and viewpoints available to the Board, they carry the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. As an alternative to mandatory retirement and term limits, upon completion of the Initial Term (as defined in the Company's Bylaws) of the Initial Board of Directors, the Nominating and Corporate Governance Committee will review each director's continuation on the Board every year. This will allow each director the opportunity to conveniently confirm his or her desire to continue as a member of the Board.

## **2. Director Responsibilities**

***Business Judgment; Indemnification.*** The basic responsibility of the directors is to exercise their business judgment in good faith to act in what they reasonably believe to be in the best interests of the Company and its stockholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of their fellow directors and the Company's senior executives, outside advisors and independent auditors. The directors are also entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's Charter and Bylaws and any indemnification agreements, and to exculpation as provided by state law and the Company's Charter.

**Meetings.** Directors are expected, to the extent reasonably practicable, to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed to the directors before the meeting, and directors should use their reasonable best efforts to review these materials in advance of the meeting. Each director is encouraged to attend the Company's annual meeting of stockholders.

**Chairman of the Board and CEO.** Although it is the sense of the Board that the offices of Chairman of the Board and Chief Executive Officer are and should remain separate, the Board has no policy with respect to the separation of the offices. The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Company for the Board to make an individualized determination when it elects a new chief executive officer.

**Matters to be Considered.** The Chairman of the Board, with input from management, will establish the agenda for each Board meeting. At the beginning of the year the Chairman of the Board should establish a schedule of agenda subjects to be discussed during the year (to the degree they can be foreseen). Each Board member is free to suggest the inclusion of items on the agenda of any Board meeting. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

**Meetings of Outside Directors.** Each regularly scheduled Board meeting will include an executive session of the non-management directors. The independent, non-executive Chairman of the Board will preside at these meetings, including meetings of only the independent directors as discussed below, and his or her name will be disclosed in the annual proxy statement. If there is no independent, non-executive Chairman of the Board, the identity of the Lead Director who presides at these meetings will be chosen by the non-management directors, and his or her name, or the method by which he or she is chosen, will be disclosed in the annual proxy statement. If the non-management directors include a director who the Board has determined is not independent, the Board will also schedule at least once a year an executive session including only independent directors.

**Communications.** While the Board believes that the management speaks for the Company, individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. However, it is expected that Board members would do this with the knowledge of the management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

### **3. Board Committees**

**Committees and Members.** The Board will have an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. All of the members of these committees will be independent directors under the criteria established by the New York Stock Exchange and applicable law, including in the case of the Audit Committee, Section 10A(m) of the Securities Exchange Act of 1934, as amended, and the rules and regulations

promulgated thereunder. In general, committee members will be appointed by the Board upon recommendation of the Nominating and Corporate Governance Committee with consideration of the desires and preferences of individual directors. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy and the emphasis should instead be placed on expertise, past performance and director preference.

***Committee Charters.*** Each committee will have its own charter. The charters will set forth the purposes and responsibilities of the committees, as well as certain specific qualifications for committee membership, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance and report the results of this evaluation to the Board.

***Committee Meetings.*** The Chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chair of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of the year, each committee should establish a schedule of agenda subjects to be discussed during the year (to the degree they can be foreseen). The schedule for each committee will be furnished to all directors. Minutes of such meetings will be prepared and will be kept with the permanent records of the Company.

***Independent Advisors.*** The Board and each committee have the power to hire at the Company's expense independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

***Additional Committees.*** The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

#### **4. Director Access to Officers and Employees**

***Full Access.*** Directors have full and free access to officers and employees of the Company and the Company's independent auditors. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer ("CEO") or the Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and does not inappropriately disclose any confidential or sensitive information in the possession of the director and should, to the extent appropriate, inform the CEO of this contact or copy the CEO on any written communications between a director and an officer or employee of the Company.

***Non-Director Attendance at Board Meetings.*** The Chairman of the Board may designate guest attendees at any Board meeting to be present for the purpose of making presentations, responding to questions by the directors or providing counsel on specific matters within their area of expertise.

## **5. Director Compensation**

The Compensation Committee will conduct an annual review of director compensation. The form and amount of director compensation will be recommended to the Board for Board approval by the Compensation Committee in accordance with the policies and principles set forth in its charter and these guidelines. The Compensation Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

## **6. Director Orientation and Continuing Education**

All new directors should participate in the Company's orientation program, which should be conducted within three months of the annual meeting at which new directors are elected or within three months of the time the new director otherwise joins the Board. This orientation should include presentations by or meetings with senior management to familiarize new directors with the Company's strategic plans and operations, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. All continuing directors are also invited to attend the orientation program.

From time to time, the Chairman of the Board or the Board may request management to make presentations to the Board on, or management may recommend to the Board, areas where the Board may need enhanced understanding of a particular area relating to Company operations, policies or procedures. When such a request or recommendation is made, the Chairman of the Board should evaluate the request or suggestion and, if he or she determines it is appropriate, should include the presentation on the agenda for a future meeting of the Board.

All directors are encouraged to attend director development programs and conferences that relate to duties of directors or other corporate governance topics or to other topics relevant to the work of the Board.

## **7. CEO Evaluation and Management Succession**

***CEO Review.*** The Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter. The Board will review the Compensation Committee's report in order to ensure that the CEO is providing effective leadership for the Company in the long- and short-term.

***Succession Planning.*** The Board periodically reviews management development and succession plans with respect to senior management positions, and engages the CEO in such discussions. The Board considers from time to time as appropriate potential successors to the CEO in the event of his or her sudden resignation, retirement or disability. The CEO reports at least annually to the Board on succession planning and the Company's program for management development.

## **8. Annual Performance Evaluation**

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee should receive evaluations from all directors and report annually to the Board with an assessment of the Board's performance. The assessment should focus on the Board's contribution to the Company and should specifically focus on areas in which the Board or management believes that the Board could improve.

## **9. Communicating with the Board**

The Board encourages effective communications with the Company's stockholders. Stockholders are invited to communicate to the Board or its committees by writing to: Board of Directors, SemGroup Corporation, Two Warren Place, 6120 South Yale Avenue, Suite 700, Tulsa, OK 74136-4216. In addition, interested parties may communicate with the Chairman of the Board or with the non-management directors of the Company as a group by writing to: Chairman of the Board, SemGroup Corporation, Two Warren Place, 6120 South Yale Avenue, Suite 700, Tulsa, OK 74136-4216.

## **10. Corporate Governance Guidelines and Principles**

The Nominating and Corporate Governance Committee reviews these guidelines periodically and recommends amendments to the Board as necessary.

These guidelines are posted on the Company's website for communication to the Company's stockholders.