

# TEEKAY LNG PARTNERS L.P.

## CONFLICTS COMMITTEE CHARTER

### ***Purpose and Authority:***

The Conflicts Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Teekay GP LLC (the “Company”) to monitor and ensure that the deliberations and decisions of the Company, in its capacity as general partner of Teekay LNG Partners LP, (the “Partnership”), are made in compliance with:

- the Omnibus Agreement by and among the Company, the Partnership, Teekay LNG Operating LLC, Teekay Offshore GP LLC, Teekay Offshore Partners LP, Teekay Offshore Operating GP LLC and Teekay Offshore Operating LP; Teekay Corporation, and
- Section 7.9 of the First Amended and Restated Agreement of Limited Partnership of Teekay LNG Partners L.P. Section 7.9 provides that any conflict of interest and any resolution of such conflict of interest shall be deemed to be fair and reasonable to the Partnership if such conflict of interest or resolution is approved by “Special Approval,” which is defined in the Partnership Agreement to be a majority of the members of the Committee.

Additionally, the Committee will be responsible for investigating, reviewing and acting on matters referred or disclosed to it where a conflict of interest exists or arises.

The Committee shall have all authority necessary to fulfill the duties and responsibilities assigned to the Committee in this Charter or otherwise assigned to it by the Board.

The Committee may obtain advice and assistance from inside or outside legal, technical, financial and other advisors as the Committee deems necessary to carry out its duties, and shall have the authority to select, engage and compensate these advisors without seeking Board approval. The General Partner shall cause the Partnership to provide appropriate funding, as determined by the Committee, for payment of compensation to any advisors retained by the Committee, on behalf of the Partnership, and for the Committee's ordinary administrative expenses.

As the Committee deems appropriate, it may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee.

**Composition:***Independence*

The Committee shall consist of no fewer than two members. The members of the Committee shall be directors who are not (a) security holders, officers or employees of the Company (b) officers, directors or employees of any affiliate of the Company or (c) holders of any ownership interest in the Partnership Group (as defined in the Partnership Agreement) other than Common Units, and shall meet the independence standards required of directors who serve on an audit committee of a board of directors under US securities laws, the requirements of the New York Stock Exchange and the rules and regulations of the United States Securities and Exchange Commission.

*Appointment and Removal of Members*

The members of the Committee shall be appointed by the Board on the recommendation of the Corporate Governance Committee. The Board may remove or replace the chairperson and any other member of the Committee at any time.

**Duties and Responsibilities:***Resolving Conflicts*

The Committee shall be responsible for monitoring and ensuring that the deliberations and decisions of the Company, in its capacity as general partner of the Partnership are made in compliance with the Omnibus Agreement and the Partnership Agreement, as well as investigating, reviewing and acting on matters identified by any member of the Committee or referred or disclosed to it where a conflict of interest exists or arises.

*Reports*

The Committee shall make reports and recommendations to the Board in connection with the fulfillment of its responsibilities with respect to the resolution of conflicts of interest.

**Procedures:***Meetings.*

The Committee shall meet at the request of its chairperson, two or more members of the Committee, or the Chairman of the Board. Meetings may, at the discretion of the Committee, include members of the Company's management, independent consultants, and such other persons as the Committee or its chairperson may determine. The Committee may meet in person, by telephone conference call, or in any other manner in which the Board is permitted to meet under law or the limited liability company agreement of the Company.

As required under the limited liability company agreement of the Company, the Board shall conduct the affairs and governance of the Company so that (i) the Company is not a resident of

Canada for the purposes of the Canadian Tax Act and (ii) neither the Company nor the Partnership is carrying on business in Canada for the purposes of the Canadian Tax Act. All meetings of the Committee shall be held outside Canada. Directors may participate in a meeting of the Committee by means of conference call or any similar communications equipment by means of which all Directors participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. A meeting of the Committee by means of such a call or any similar communication shall take place only by means of such a call or communication originated outside of Canada and shall be deemed held at the place from where such call or communication originated; *provided however*, if a majority of the members of the Committee are residents of Canada for purposes of the Canadian Tax Act, the Committee shall not meet by means of conference call or any similar communications equipment unless a majority of the members of the Committee who are residents of Canada for the purposes of the Canadian Tax Act are situated outside of Canada at the time of such meeting.

Any action which may be taken at a meeting of the Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members of the Committee. The action taken by any unanimous consent in writing shall be deemed to have occurred when the last Member of the Committee executing such consent shall have signed the consent; *provided, however*, that the last Member of the Committee to execute such consent shall not have done so while in Canada and each such consent shall include the location and the date of such execution.

#### *Quorum and Approval.*

A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting.

#### *Rules.*

The Committee may determine additional rules and procedures, including designation of a chairperson pro tempore in the absence of the chairperson, at any meeting thereof.

#### ***Evaluation:***

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

The Committee shall annually review its own performance, working in conjunction with the Corporate Governance Committee and the Board.

#### ***Fees:***

Each member of the Committee shall be paid the fee set by the Board for his or her services as a member of, or chairperson of, the Committee.

**Reviewed: June 2011**