



Corporate Governance and Nominating Committee Charter

1. Purpose

The overall purpose of the Corporate Governance and Nominating Committee (the “**Committee**”) of the Board of Directors (“**Board**”) of New Gold Inc. (the “**Company**”) is to:

- a. provide a focus on corporate governance that will enhance corporate performance;
- b. assist the Company in its corporate governance responsibilities under applicable law; and
- c. establish criteria for Board and committee membership, make recommendations with respect to the composition of the Board and its committees and, as circumstances arise, assess directors’ performance.

2. Composition, Procedures and Organization

- a. The Committee shall consist of at least three members of the Board, all of whom shall be “independent” as that term is defined in National Instrument 58-101 – Disclosure of Corporate Governance Practices and under the applicable rules of the TSX, the NYSE MKT and any other exchange upon which the securities of the Company may be listed to the extent required by the rules of such exchange.
- b. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- c. Unless the Board shall have appointed a chair (“**Chair**”) of the Committee, the members of the Committee shall elect a chair from among their number.
- d. The Chair will appoint a secretary of each meeting of the Committee, who need not be a member of the Committee and who will maintain the minutes of the meeting.
- e. A quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other.
- f. The Committee shall have access to such officers and employees of the Company, its external auditor and legal counsel, and to such information respecting the Company, and may engage separate independent counsel and advisers at the expense of the Company, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

3. Meetings

The Committee shall meet no less than twice per year and otherwise as necessary. Any member of the Committee may call a meeting of the Committee. The Committee shall hold in camera sessions

without the presence of management at each meeting (unless the members of the Committee present determine that such a session is not required).

4. Duties and Responsibilities

The duties and responsibilities of the Committee shall be as follows:

- a. to develop and monitor the Company's overall approach to corporate governance issues and, subject to approval by the Board, to implement and administer a system of corporate governance which reflects strong corporate governance practices;
- b. to periodically review the Company's Articles in light of existing corporate governance trends and developments, and recommend to the Board any proposed changes;
- c. to periodically review and assess the adequacy of the Company's corporate governance policies and practices and develop and recommend to the Board for adoption additional or revised policies and practices as appropriate;
- d. to report annually to the Company's shareholders, through the Company's annual management proxy circular, annual report to shareholders or as otherwise prescribed by law, on the Company's system of corporate governance and the operation of its system of governance, having reference to the corporate governance guidelines under applicable law and of the TSX, the NYSE American and any other exchange upon which the securities of the Company may be listed;
- e. to analyze and report to the Board regarding the relationship of each director to the Company and significant shareholders and as to whether such director is an independent director or a non-independent director;
- f. to review with the Board, on a regular basis but not less than annually, the role and mandate of the Board and the methods and processes by which the Board fulfills its duties and responsibilities;
- g. to review and recommend to the Board the appropriate committee structure of the Board;
- h. to review with the Board, on a regular basis but not less than annually, charter of each of the committees of the Board;
- i. from time to time, as the Committee deems appropriate, to evaluate the size, composition and membership qualifications of each of the committees of the Board;
- j. to propose to the Board, annually, the assignment of members to the committees of the Board and the chair for each committee;
- k. to advise the Board or any of the committees of the Board of any corporate governance issues which the Committee determines ought to be considered by the Board or any such committee;
- l. at the request of the Board, to provide advice regarding any request by a committee or an individual director to engage separate independent counsel or advisers at the expense of the Company;

- m. to ensure that all new directors receive a comprehensive orientation upon joining the Board and that an appropriate education program is in place to encourage directors to enhance their skills as directors and ensure that their knowledge of the Company's business remains current;
- n. to oversee policies and practices relating to shareholder engagement with the Board of Directors;
- o. to establish and administer a process (including a review by the Board and discussion with management):
 - i. for assessing the effectiveness of the Board as a whole and the committees of the Board (including this Committee) and making recommendations to the Board for improving effectiveness; and
 - ii. for assessing the performance and contribution of individual directors and providing feedback as appropriate;
- p. to annually review the skills, expertise and other qualities the Board as a whole should possess and the skills, expertise and other qualities of each of the directors, and identify any gaps;
- q. to recommend to the Board the slate of nominees for election as directors by shareholders at the annual meeting;
- r. to recommend to the Board of Directors appropriate criteria for the selection of new directors, including the desired skills, expertise and other qualities, including independence and diversity, periodically review the criteria adopted by the Board of Directors and, if deemed desirable, recommend to the Board of Directors changes to such criteria; and
- s. when vacancies arise or as otherwise from time to time as appropriate, in consultation with the Board, to establish a process for the selection of new Board members and the appointment and removal of Board members, including, if deemed appropriate, identifying and recommending to the Board candidates for appointment or nomination as directors.

5. Chair of the Committee

The Chair of the Committee:

- b. provides leadership to the Committee with respect to its functions as described in this Charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee;
- c. chairs meetings of the Committee, unless not present, including in camera sessions, and reports to the Board following each meeting of the Committee on the findings, activities and any recommendations of the Committee;
- d. ensures that the Committee meets on a regular basis and at least twice per year;
- e. in consultation with the Chair of the Board and the Committee members, establishes a calendar for holding meetings of the Committee;
- f. establishes the agenda for each meeting of the Committee, with input from other Committee members, the Chair of the Board, and any other parties as applicable;

- g. acts as liaison and maintains communication with the Chair of the Board and the Board to optimize and co-ordinate input from Board members, and to optimize the effectiveness of the Committee. This includes reporting to the Board on all proceedings and deliberations of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable;
- h. reports annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the objectives and responsibilities of the Board as a whole;
- i. ensures that the members of the Committee understand and discharge their duties and obligations;
- j. fosters ethical and responsible decision making by the Committee and its individual members;
- k. ensures that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently, and pre-approves work to be done for the Committee by consultants;
- l. facilitates effective communication between members of the Committee and management;
- m. in conjunction with the Chair of the Board, ensures that:
 - i. all directors receive updates to Company policy documents and the applicable listing policies of the TSX, the NYSE MKT and any other exchange upon which the securities of the Company may be listed;
 - i. regular discussions relating to corporate governance issues and directors' duties are conducted at Board meetings;
 - ii. the Company's policies are reviewed and updated by the Board as new rules or circumstances dictate; and
 - iii. appropriate funding is allocated to directors to attend seminars or conferences relevant to their positions as directors of the Company; and
- n. performs such other duties and responsibilities as may be delegated to the Chair by the Board from time to time.

This Charter will be reviewed annually by the Committee and any recommended changes will be submitted to the Board for approval.