

SUNOCO, INC.
Governance Committee Charter

Authority By resolution dated April 20, 1976, the Sunoco, Inc. Board of Directors established the Governance Committee. This Charter of the Governance Committee was adopted on February 26, 2008.

Membership The Governance Committee shall consist of no fewer than three directors. Every member shall satisfy the independence standards of the New York Stock Exchange Listing Standards, as amended, and the Company's Categorical Standards of Independence as set forth in the Company's Corporate Governance Guidelines. The Board shall appoint a Chairman and the members upon recommendation of the Governance Committee and shall have the power to fill vacancies on the Committee. Additionally, the Board shall have the power to remove any member at any time with or without cause.

Purpose The Governance Committee reviews the role, composition, and structure of the Board and its committees focusing on – among other things – the independence requirements as set forth in the New York Stock Exchange Corporate Governance Listing Standards and in Sunoco's Categorical Standards of Independence. The Committee reviews and approves related person transactions in accordance with Sunoco's Related Person Transactions Policy. The Committee reviews and evaluates individual Board members each year prior to recommending the annual directors' slate for election by the shareholders at the Annual Meeting. The Committee identifies and reviews qualified individuals as potential new director candidates, consistent with criteria approved by the Board. The Committee monitors and reviews corporate governance issues, emerging trends and "best practices" and has specifically been charged with recommending to the Board, on an on-going basis, a set of corporate governance guidelines. Additionally, the Committee sets and administers policies governing the level and form of directors' compensation.

Duties and Responsibilities

Review the Role, Composition and Structure of the Board

1. The Governance Committee reviews the evolving needs of the Company and recommends changes in the composition and size of the Board, if appropriate.
2. The Governance Committee recommends to the Board the most qualified nominees for election (or re-election) by the shareholders at each Annual Meeting.

- Because Sunoco’s directors are elected annually by shareholders for a one-year term, the Governance Committee annually conducts an individual director evaluation for all current directors, allowing sufficient time to identify, review and pursue potential new director candidates, if appropriate.
 - ✓ The Committee discusses the performance and qualifications of each director by focusing on each director’s respective attendance, preparation, participation and contributions in both Board and committee meetings and by applying the same criteria used to determine the acceptability of a new board nominee.
 - ✓ A diligence review is conducted for each current director, focusing on the independence requirements as set forth in the New York Stock Exchange Corporate Governance Listing Standards and in Sunoco’s Categorical Standards of Independence and focusing on compliance with Sunoco’s Related Person Transactions Policy, both of which encompass all relationships between and among each director, the company and senior management, including any potential conflict of interest, whether or not required for public disclosure, in order to allow for a comprehensive determination of each director’s independence. (See No. 7, below)
 - ✓ Following the evaluation, the Chair of the Committee meets confidentially with each director to provide feedback.
 - ✓ Based on this discussion and review, the Committee recommends (or does not recommend) to the Board a director be nominated for re-election at the next Annual Meeting of Shareholders.
 - Reviews and recommends the preliminary slate of directors to the Board.
 - All nominees respond to a specific question included in the Company’s Directors’ and Officers’ Questionnaire, as to their willingness to stand for election as a director, after which a final slate of directors is approved by Board resolution.
3. The Governance Committee assesses which functional skills or areas of expertise are needed to round out the existing strengths of the Board and establishes qualifications and other required criteria for prospective candidates, which may be modified from time to time. At a minimum, the following factors are required in recommending potential new Board members or the continued service of existing members:
- A director is nominated based on his or her professional experience and should be accomplished and have recognized achievements in his or her respective field.
 - A director should have relevant education, expertise and experience, and be able to offer advice and guidance to the CEO based on that expertise and experience.
 - A director should possess high personal and professional ethics, integrity and values.

- A director must be inquisitive and objective, have the ability to exercise practical and sound business judgment, and have an independent mind.
 - A director must be willing to devote sufficient time and effort to carrying out his or her duties and responsibilities effectively.
 - All directors, except for the CEO, should be “independent,” as outlined in Sunoco’s Categorical Standards of Independence.
 - A director should have the ability to work effectively with others.
 - The Board generally seeks active or former chief executive officers or senior level executives of public companies, or leaders of major complex organizations, with experience at a strategy/policy setting level or with high level management experience.
 - The Board of Directors seeks qualified individuals who, taken together, represent a diversity of skills, backgrounds and experience, including ethnic background, gender and professional experience.
 - The Board, through the Governance Committee, assesses which functional skills or areas of expertise are needed to round out the existing collective strengths of the Board as part of its director selection process.
4. The Governance Committee, in order to identify and recommend to the full Board qualified individuals as potential director candidates, has developed the following process:
- The Committee develops and maintains a list of potential candidates for board membership, which is periodically reviewed and updated by the Committee.
 - Committee members and other directors, as well as shareholders, can recommend potential candidates.
 - The qualifications and other criteria of all prospective candidates are reviewed to determine if a candidate is suitable for board membership.
 - If a candidate is suitable, a more detailed review is performed, which includes the same diligence review (as described above for current directors), as well as a review of the individual’s educational expertise, a review of other current directorships and any other public information available.
 - If a candidate receives unanimous approval by the Committee, the candidate will be recommended to the Board for approval prior to any discussion with the proposed candidate.
 - Depending on the current composition of the Board and its size, a potential candidate approved by the Board will be contacted and interviewed by the Chairman of the Committee, other directors, as well as the CEO. Depending on the results of the interview, a position on the Board may be extended.
5. In order to determine whether the Board is functioning effectively, the Governance Committee annually conducts an evaluation of the full Board:
- An evaluation questionnaire is designed to monitor and evaluate the Board’s collective assessment of how effectively they are working as a whole and to identify areas where improvements can be made.
 - The Board is asked to complete this questionnaire.

- The questionnaire is collected and reviewed on a confidential basis.
- The results of the self-assessment are discussed and analyzed by the Committee in detail.
- The Committee recommends to the Board areas identified as needing improvement and the mechanics for achieving such improvements.
- After Board approval, the Committee monitors the implementation of the recommended improvements.

Review the Role, Composition and Structure of the Committees

6. The Governance Committee periodically reviews each committee's charter, structure and membership criteria.
 - The Committee -- periodically and based on the current and anticipated business environment and the strategies being pursued by the Company -- assesses the appropriateness of each Board committee and, if necessary, recommends the creation of new Board committees or the elimination of existing committees.
 - The Committee recommends to the newly elected Board each year, the Chairpersons and members of each Board committee for the following year and such changes in committee membership which may be appropriate or necessary during the course of a year.
 - ✓ Each Committee of the Board, except for the Executive Committee, is composed entirely of independent directors, as defined in the New York Stock Exchange Listing Standards and the Company's Categorical Standards of Independence as set forth in the Company's Corporate Governance Guidelines.
 - ✓ Individual qualifications of committee members are reviewed annually for compliance with the various regulatory requirements mandated for the members of each particular committee.
 - The Committee plans for the orderly succession and transition of new committee members.

Review and Approve Related Person Transactions in accordance with Sunoco's Related Person Transactions Policy

7. The Committee will review the material facts of all Interested Transactions with Related Persons and shall approve, disapprove or ratify the Interested Transaction.

Monitor and Review Corporate Governance Issues, Emerging Trends and "Best Practices" and Recommend to the Board a set of Corporate Governance Guidelines

8. The Governance Committee monitors and reviews corporate governance issues and emerging trends and benchmarks the "best practices" and governance guidelines of its proxy peers, leading governance authorities and experts, as well as Sunoco's institutional investors. The Committee has specifically been charged

with recommending to the Board, on an on-going basis, a set of corporate governance guidelines.

9. The Governance Committee reviews and makes recommendations to the Board regarding shareholder proposals that relate to corporate governance matters.
10. Recognizing the importance of corporate governance, the Board elected a Chief Governance Officer who reports directly to the Governance Committee and the full Board on governance matters.
11. Sunoco's Chief Governance Officer has been delegated the responsibility (i) of developing and scheduling the *New Director Orientation Process* and (ii) of scheduling and maintaining materials relative to the *Ongoing Director Education Process*:

New Director Orientation Process: Sunoco's new directors are required to attend an orientation session. The session includes:

- receiving and reviewing extensive materials relative to Sunoco's business and operations;
- visiting Sunoco facilities and meeting key personnel;
- discussion and review of Sunoco's strategic plan, goals and objectives, as well as Sunoco's governance practices, disclosure procedures and practices, and compensation philosophy; and an
- overview of Sunoco's investor relations program.

New directors attend meetings of all Board committees to acquaint them with the work and operations of each committee. After this rotation, new directors are assigned to particular committees. The new members attend committee orientation sessions. These sessions are designed to educate new committee members in helping them understand the substantive responsibilities of the committee.

Ongoing Director Education Process: Sunoco conducts ongoing training or continuing director education for its Board members. In addition to plant and site visits:

- Sunoco has an ongoing program of continuing director education on emerging issues and topics designed to educate and inform directors in discharging their duties.
- Additionally, Sunoco is supportive of, and reimburses, its directors for attending qualified third-party director education programs.

Director Compensation

12. The Governance Committee, which is composed entirely of independent directors, sets and administers the policies that govern the level and form of director's compensation.

- The Committee directly engages an independent compensation consultant to advise it on an annual basis as to “best practices” and emerging trends in director compensation. The independent compensation consultant also benchmarks Sunoco’s director compensation compared to the peer companies, the oil industry generally and general industry data.
- The Committee believes that a substantial portion of the total director compensation package should be in the form of Sunoco common shares and share equivalents in order to better align the interests of Sunoco’s directors with the long-term interests of its shareholders.
- The Committee approves the Directors’ Stock Ownership Guidelines, which were adopted in order to further encourage a link between director and shareholder interests.

Consultants

13. The Committee has sole authority to retain (and terminate) any search firm to be used to identify director candidates, or any consulting firm used to assist in the evaluation of director compensation, including the sole authority to approve the search or consulting firm’s fees and other retention terms.

Committee Evaluations

14. The Committee will conduct an annual self-evaluation and will review the results of the evaluation with the Board.

Committee Meetings and Action

15. The following items shall govern Committee meetings and actions:
 - A majority of the Committee members will be a quorum for the transaction of business.
 - The action of a majority of those present at a meeting at which a quorum is present will be the act of the Committee.
 - Any action required to be taken at a meeting of the Committee will be deemed the action of the Committee if all of the Committee members executed, either before or after the action is taken, a written consent and the consent is filed with the Corporate Secretary.
 - The Chairman will report to the Board on Committee actions and on the fulfillment of the Committee's duties under its Charter.
 - The Chief Governance Officer (who is also the Corporate Secretary) will be the management liaison to the Committee.
 - The Committee Secretary (who will be the Chief Governance Officer and Corporate Secretary) will keep minutes of all Committee meetings, which will be distributed to all Board members.

- The Committee will meet at least three times during the year and at such other times as may be requested by its Chairman.
- The Committee Secretary, in consultation with the Committee Chairman, will prepare an agenda. Annual recurring events for the Committee are used as preliminary agenda items. All Committee members are free to include additional items on an agenda.
- The agenda and all materials to be reviewed at the meetings should be received by Committee members as far in advance of the meeting day as practicable (which will normally be 6 days).
- The Committee Secretary will coordinate all mailings to the Committee members, to the extent practicable, as appropriate.