

# CHARTER OF THE NOMINATION AND COMPENSATION COMMITTEE

**MARCH 2017**



# CHARTER OF THE NOMINATION AND COMPENSATION COMMITTEE



This Charter of the Nomination and Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Oryx Petroleum Corporation Limited (the “**Company**”) was adopted and approved on 11 January 2013 and amended 4 November 2014 and 14 March 2017.

## GENERAL

### 1. MANDATE

The Board has established this Committee to assist the Board in fulfilling its obligations relating to compensation matters and identifying qualified candidates for appointment to the Board.

### 2. DEFINITIONS AND INTERPRETATION

In this Charter:

- (a) “**Chair**” means the chair of the Committee;
- (b) “**Corporate Secretary**” means the Corporate Secretary of the Company; and
- (c) “**Director**” means a member of the Board.

## COMPOSITION AND FUNCTIONS OF THE COMMITTEE

### 3. COMPOSITION

#### 3.1 Appointment and Removal of Members of the Committee

- (a) *Board Appoints Members.* The members of the Committee shall be appointed by the Board.
- (b) *Annual Appointments.* The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors

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who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.

- (c) *Vacancies.* The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors.
- (d) *Removal of Member.* Any member of the Committee may be removed from the Committee by a resolution of the Board.

## 3.2 Number of Members

The Committee shall consist of three or more Directors as determined by the Board from time to time.

## 4. COMMITTEE CHAIR

### 4.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee or, if it fails to do so, the members of the Committee shall appoint the Chair of the Committee from among its members.

### 4.2 Chair to be Appointed Annually

The designation of the Committee's Chair shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

### 4.3 Specific Duties of the Chair

The Chair will:

- (a) *Leadership*
  - (i) Provide overall leadership to enhance the effectiveness of the Committee.
  - (ii) Take all reasonable steps to ensure that the responsibilities and duties of the Committee, as outlined in this Charter, are well understood by the Committee members and executed as effectively as possible.
- (b) *Ethics*

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- (i) Foster ethical and responsible decision-making by the Committee and its individual members.
- (c) *Committee Governance*
  - (i) Provide effective Committee leadership, overseeing all aspects of the Committee's direction and administration in fulfilling the terms of its Charter.
  - (ii) Oversee the structure, composition, membership and activities delegated to the Committee.
- (d) *Committee Meetings*
  - (i) In consultation with the Committee members, ensure that the Committee meets at least three times in each fiscal year, and as many additional times as necessary to carry out its duties effectively.
  - (ii) With the Board Chair, other Committee members, the Corporate Secretary, members of management and outside advisors, as appropriate, establish the dates, location and agenda for each Committee meeting.
  - (iii) Chair all meetings of the Committee, including closed sessions and *in-camera* sessions.
  - (iv) Ensure sufficient time during Committee meetings to fully discuss agenda items.
  - (v) Encourage Committee members to ask questions and express viewpoints during meetings.
  - (vi) Deal effectively with dissent and work constructively towards arriving at decisions and achieving consensus.
  - (vii) Ensure that the Committee meets in separate, regularly scheduled, *in-camera* sessions.
  - (viii) Ensure that the Committee meets in separate, closed sessions with internal personnel or outside advisors, as needed and appropriate.
- (e) *Committee Reporting*
  - (i) Following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee.

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- (ii) Ensure that Committee materials are available to all Directors in a timely manner.
- (f) *Committee/Management Relationships*
  - (i) Take all reasonable steps to ensure that Committee members receive written information and are exposed to presentations from management to fulfill the Committee Charter.
  - (ii) Facilitate effective communication between Committee members and management, both inside and outside of Committee meetings.
  - (iii) Have an effective working relationship with members of management.
- (g) *Advisors/Resources*
  - (i) Ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently.
  - (ii) Coordinate with the Committee to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.
- (h) *Other*
  - (i) Carry out any other appropriate duties and responsibilities assigned by the Committee or delegated by the Committee.
  - (ii) To honour the spirit and intent of applicable law as it evolves.

## 5. COMMITTEE MEETINGS

### 5.1 Quorum

A majority of the members of the Committee shall constitute a quorum. Members of the Committee may participate in any meeting by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a member participating by any such means shall be deemed to be present at that meeting.

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### 5.2 Secretary

The Corporate Secretary of the Company shall be the Secretary of the Committee meetings, provided that if the Corporate Secretary is not present, the Chair of the meeting may appoint a secretary for the meeting with the consent of the Committee members who are present.

### 5.3 Time and Place of Meetings

The Chair of the Committee, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings provided that the Committee shall meet at least three times in each fiscal year. The Committee shall have the authority to convene additional meetings as circumstances require.

### 5.4 Notice of Meetings

Notice of meetings shall be given to each member not less than five business days before the time of the meeting, provided that meetings of the Committee may be held without formal notice if all of the members of the Committee are present and do not object to notice not having been given, or if those absent waive notice in any manner before or after the meeting. Notice of meeting may be given verbally or delivered personally, given by mail, facsimile or other electronic means of communication and need not be accompanied by an agenda or any other material. The notice shall however specify the purpose or purposes for which the meeting is being held.

### 5.5 Minutes

Decisions or recommendations of the Committee shall be evidenced by resolutions passed at meetings of the Committee and recorded in the minutes of such meetings or by an instrument in writing signed by all members of the Committee. A copy of the draft minutes of each meeting of the Committee and any written resolutions evidencing decisions or recommendations of the Committee shall be transmitted promptly by the Secretary to each member for adoption at the next meeting. The Committee shall report to the Board at each regularly scheduled Board meeting next succeeding any Committee meeting or the signing of any written resolution evidencing a decision or recommendation of the Committee.

### 5.6 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee. Any matter that the Committee does not unanimously approve will be referred to the Board for consideration.

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## 5.7 Invitees

The Chair may invite Directors, officers and employees of the Company or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee as may be deemed appropriate.

## 6. RESOURCES AND AUTHORITY OF COMMITTEE

The Committee shall have the resources and the authority to discharge its responsibilities, including the authority, in its sole discretion, to engage, at the expense of the Company, outside consultants, independent legal counsel and other advisors and experts as it determines necessary to carry out its duties, without seeking approval of the Board or management of the Company.

## 7. REMUNERATION OF COMMITTEE MEMBERS

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

## RESPONSIBILITIES

### 8. SPECIFIC DUTIES

#### 8.1 Director Nominations

The Committee shall:

- (a) identify and assess new candidates for appointment or nomination to the Board, including any nominee appropriately recommended by a shareholder, considering the performance, independence, skills and financial acumen of each candidate to ensure effective governance and satisfy applicable law and, in the Committee's discretion, make recommendations to the Board for consideration;
- (b) annually review and, in the Committee's discretion, recommend to the Board for consideration the individual Directors proposed to be nominated for election at the next annual general meeting of shareholders; and

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- (c) regularly review and assess the Company's policies on tenure and terms of individual Directors, the Board chair and committee chairs and, in the Committee's discretion, recommend any changes to the Board for consideration.

### 8.2 Compensation

The Committee shall:

- (a) in consultation with management, establish the Company's general compensation philosophy, and oversee the development and implementation of compensation programs in order to support the Company's overall business objectives, attract and retain key executives and provide appropriate compensation at a reasonable cost while enhancing shareholder value creation;
- (b) review and approve any compensation programs applicable to the Chair of the Board and/or the Chief Executive Officer of the Company;
- (c) make recommendations to the Board with respect to the Company's incentive compensation plans and pension plans, oversee the activities of the individuals and committees responsible for administering these plans, and discharge any responsibilities imposed on the Committee by any of these plans;
- (d) review and approve any severance or similar termination payments proposed to be made to any current or former member of senior management of the Company;
- (e) keep abreast of current developments in executive compensation in corporations engaged in similar industries;
- (f) conduct an annual review of management performance with regard to the position description, short-term and long-term corporate goals, objectives and performance measurement indicators; and
- (g) any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company's compensation programs.

### 8.3 Other

The Committee shall:



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- (a) carry out any other appropriate duties and responsibilities assigned by the Board; and
- (b) honour the spirit and intent of applicable law as it evolves.

### **9. LIMITATION ON THE OVERSIGHT ROLE OF THE COMMITTEE**

Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject. Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Company from whom he or she receives financial and other information, and the accuracy of the information provided to the Company by such persons or organizations.

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## APPENDIX 1

### Rolling Agenda

	<i>Agenda Item</i>	<i>Mar</i>	<i>May</i>	<i>Aug</i>	<i>Nov</i>
1.	Quorum and agenda	X	X	X	X
2.	Approval of the minutes of the previous meeting	X	X	X	X
3.	Matters arising from the minutes	X	X	X	X
4.	Confirmation of the final cash bonuses (with recommendations to the Board)	X			
5.	Review of the terms of, or any amendments to, the LTIP (with recommendations to the Board for any changes)	X			
6.	Determination of Director nominees to be proposed to the annual general meeting of shareholders (with recommendations to the Board)	X			
7.	Review of the proposed LTIP awards (with recommendations to the Board)		X		
8.	Review of the general compensation philosophy for all staff for the following year (with recommendations to the Board)				X
9.	Review of the remuneration of the Chair of the Board and Chief Executive Officer (with recommendations to the Board)				X
10.	Review of the remuneration of Board members (with recommendations to the Board)				X
11.	Review of the estimated KPI-related cash bonus envelope				X
12.	Any other business	X	X	X	X
13.	In-camera session	X	X	X	X