

# Compensation Committee Charter

<b>3</b>	<b>29.Jul.14</b>	<b>Keith Tipson Executive Vice-President Human Resources</b>	<b>Kristian Siem Chairman of the Compensation Committee</b>
Revision	Revision Date	Document Owner	Document Approver

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### AMENDMENTS

<b>Revision</b>	<b>Revision Date</b>	<b>Section</b>	<b>Description of Amendment</b>
1	10.Feb.11	All	New Document issued for Use.
2	14.Nov.13	All	Document slightly updated and reformatted.
3	29.Jul.14	2	Membership requirements aligned with the Company's by-laws

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## **1. INTRODUCTION**

The Compensation Committee is appointed by the Board to assist the Board in (1) developing a fair compensation program for executive officer's and (2) complying with the Board's legal and regulatory requirements as to executive officer compensation.

## **2. MEMBERSHIP**

The Compensation Committee shall consist of no fewer than three members.

The Chairman and members of the Compensation Committee shall be appointed by the Board on the recommendation of the Corporate Governance and Nomination Committee. Compensation Committee members may be replaced only by the Board.

The Board may appoint Directors as well as persons who are not Directors to the Compensation Committee.

## **3. MEETINGS**

The Compensation Committee shall meet as often as it determines in order to meet its responsibilities.

The quorum for meetings shall be two members.

Minutes shall be taken of all meetings of the Compensation Committee which shall accurately document decisions taken and shall be a conclusive record of the meetings.

## **4. AUTHORITY**

The role of the Compensation Committee is to prepare matters for final decision by the Board as a whole. Material information that comes to the attention of the Compensation Committee should also be communicated to the other members of the full Board.

The Compensation Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide appropriate funding as determined by the Compensation Committee as necessary for any such advisor or consultant.

The Compensation Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, provided that decisions of such subcommittees shall be presented to the full Committee at its next scheduled meeting.

The Compensation Committee may invite the CEO to attend all or part of its meetings except when the CEO'S remuneration is being discussed.

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## **5. DUTIES**

The Compensation Committee shall:

1. Review annually and approve the compensation paid to executive officers of the Company with the exception of the CEO where the Committee may make a recommendation to the Board of Directors.
2. Establish annual performance objectives for the Company's CEO and annually review the CEO's performance in light of the objectives which were established and set the CEO's compensation based on its evaluation. All non-executive directors should participate in the annual review and the Chairman of the Compensation Committee shall preside over the evaluation and communicate the evaluation to the CEO.
3. Be responsible for (including the designation of eligible employees) the Company's Benefit Plans and any other executive officer compensation plan or arrangement providing for benefits to executive officers of the Company.
4. Consider and make recommendations to the Board regarding the existing executive officer compensation plans and the adoption of new plans or programs.
5. Consider and recommend to the Board the terms of any contractual agreements and any other similar arrangements that may be entered into with executive officers of the Company and of its subsidiaries.
6. Approve appointments to CEO and CEO-1 grades. Approve any appointment with a total remuneration package in excess of \$350Kpa.
7. Approve the report on executive officer compensation to be included in the Company's annual report.
8. Annually review the Compensation Committee's own performance.

The Compensation Committee shall make regular reports to the Board regarding its performance of the aforementioned duties.

## **6. CHARTER**

This Charter may be amended by the Board at any time.