



## **HUMAN RESOURCES AND COMPENSATION COMMITTEE Committee Charter and Mandate**

### **PART I – ESTABLISHMENT OF THE COMMITTEE**

#### **1. Purpose of the Committee**

The Human Resources and Compensation Committee (the "**Committee**") is established by the Board of Directors (the "**Board of Directors**") of Trinidad Drilling Ltd. ("**Trinidad**"). The purpose of the Committee is to assist the Board of Directors in fulfilling its responsibilities relating to matters of human resource management and employee compensation. The Committee has general responsibility for evaluating and making recommendations to the Board of Directors regarding the compensation of Trinidad's executives and employees and reviewing management's succession and development plans to ensure business continuity. The Committee shall produce an annual report on executive compensation for inclusion in Trinidad's annual public disclosure documents.

#### **2. Composition of the Committee**

The Committee shall consist of at least three (3) members of the Board of Directors who are determined to be:

- a. an independent director for the purposes of and pursuant to Trinidad's Corporate Governance Guidelines;
- b. an "unrelated" and "independent" director as defined in and for the purposes of any applicable governance guidelines or listing standards of any stock or securities exchange upon which the securities of Trinidad are from time to time listed; and
- c. an "independent" director for the purposes of any applicable corporate, securities or other legislation or any rule, regulation, instrument, policy, guideline or interpretation under such legislation.

#### **3. Appointment of Committee Members**

The members of the Committee shall be appointed by the Board of Directors on the recommendation of the Corporate Governance and Nominating Committee. Committee members shall be appointed annually at the time of each annual general meeting of shareholders and shall normally hold office until the next annual general meeting. The Board of Directors may remove or replace a member of the Committee at any time and in any event a

Committee member shall cease to be a Committee member upon ceasing to be a member of the Board of Directors.

## **PART II – COMMITTEE PROCEDURES**

### **4. Committee Chair**

The Board of Directors shall appoint a Chair (the "**Chair**") of the Committee on the recommendation of the Corporate Governance and Nominating Committee. The Chair may be removed or replaced by the Board of Directors at any time. The Chair of the Committee shall also be a member of the Corporate Governance and Nominating Committee to ensure that matters of mutual responsibility are coordinated between both committees.

### **5. Absence of the Chair**

If the Chair is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee members to preside as Chair at the meeting.

### **6. Secretary of the Committee**

The Committee shall appoint a Secretary who may or may not be a member of the Board of Directors of Trinidad to record the minutes of Committee meetings.

### **7. Regular Meetings of the Committee**

The Chair shall determine the schedule and frequency of Committee meetings in consultation with the Committee members and in relation to the annual schedule of human resource and compensation related activities. In any event the Committee shall meet at least twice per year. The Committee shall meet in-camera at each regularly scheduled Committee meeting and at any other time as determined by the Committee.

### **8. Special Meetings of the Committee**

The Chair of the Committee, any member of the Committee, the Board Chair, or the President and Chief Executive Officer of Trinidad may call a special meeting of the Committee at any time.

### **9. Quorum**

Two (2) members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other, shall constitute a quorum.

### **10. Notice of Committee Meetings**

Notice of the time and place of every meeting shall be given in writing, by e-mail or by facsimile communication to each Committee member at least forty-eight (48) hours prior to the time fixed for such meeting. A Committee member may waive notice of a meeting by giving notice in writing, by e-mail or by facsimile communication to the Chair. The attendance of a Committee

member at a meeting is deemed to be a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully convened.

#### **11. Agenda**

The Chair shall develop and set the Committee's agenda in consultation with the Committee members, the Board of Directors, and/or the Management of Trinidad as deemed appropriate by the Chair. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the Committee members sufficiently in advance of each meeting to permit meaningful and thorough review.

#### **12. Delegation**

The Committee may delegate its duties and authority to the President and Chief Executive Officer, or any person or committee of persons assigned by the President and Chief Executive Officer, provided such duties and authority can be lawfully delegated.

#### **13. Attendance of Non-Committee Members at Committee Meetings**

The Chair may request one or more officers or employees of Trinidad or other external advisors or consultants to attend a meeting of the Committee at any time. The Chair of the Board of Directors may attend any meeting of the Committee as a non-voting representative.

#### **14. Procedures and Reporting**

The Committee shall determine its own meeting procedures, keep records of its proceedings and report to the Board of Directors. The Committee shall report to the Board no later than the next meeting of the Board of Directors following a Committee meeting.

#### **15. External Consultants or Advisors**

The Committee will retain an external compensation consultant on an annual basis to provide independent advice to the Committee in the review and determination of compensation. The Committee may also retain the services of other external consultants or advisors on any other matter within its mandate as it deems appropriate. The Committee shall have the sole authority to retain and terminate any such consultants or advisors.

#### **16. Review of Committee Charter and Mandate**

The Committee shall review the Committee Charter and Mandate every year, and at any other time that the Committee deems appropriate, and recommend changes to the Board of Directors.

### **PART III – MANDATE OF THE COMMITTEE**

#### **17. General Responsibility**

The Human Resources and Compensation Committee is responsible for discharging the responsibilities of the Board of Directors related to:

- a. the development and management of a total compensation program that effectively drives the accomplishment of the corporate strategy;
- b. the annual process of establishing and reviewing short, medium and long term corporate goals derived from the corporate strategy that are relative to the determination of employee compensation;
- c. the review of management succession and development plans for business continuity.

## **18. Specific Responsibilities**

The Human Resources and Compensation Committee shall be responsible for the following specific responsibilities:

- a. Oversee the development and management of a total compensation program that includes a compensation strategy, compensation targets for the executives, senior managers and employees of Trinidad, and which clearly delineates the roles and responsibilities of the Committee and Management;
- b. Oversee the development, revision and management of all equity based compensation plans, registered pension plans or employee benefit plans established as part of the total compensation program;
- c. Ensure that the total compensation program directly supports the execution of the Corporation's strategic plan and that it provides competitive compensation within a defined peer group that is reviewed periodically to ensure that it remains appropriate;
- d. Recommend a total compensation program to the Board of Directors for approval including any amendments or changes required from time to time to ensure that the program remains relevant and competitive;
- e. Review and make recommendations to the Board of Directors regarding new or amended employment agreements for executives and other key personnel of the Corporation;
- f. Evaluate the performance of the President and Chief Executive Officer no less than annually;
- g. In consultation with the President and Chief Executive Officer, determine total compensation adjustments and awards for the remaining Named Executive Officers and members of the Senior Management Team and make formal recommendations to the Board of Directors for approval;
- h. Establish share ownership guidelines for the Named Executive Officers and Directors and monitor compliance with these guidelines on a regular basis;
- i. Review the position description for the President and Chief Executive Officer annually and approve any required changes;

- j. Develop and oversee the management of a director compensation program that includes a compensation philosophy, strategy and compensation targets for the Directors of Trinidad;
- k. Conduct an annual review of the total compensation program and the director compensation program to ensure that each program remains competitive and that any specific compensation plans authorized under the programs continue to meet their intended objectives and are compliant with all regulatory or policy requirements;
- l. Review management's succession and development plans to ensure that qualified personnel are being attracted, retained and developed to fill executive level positions, senior management level positions, or other key professional or technical positions within the Corporation;
- m. Prepare and recommend a compensation report on executive compensation to the Board of Directors for approval on an annual basis and review and approve all public disclosure documents related to executive compensation;
- n. Conduct a performance self-evaluation of the Committee on an annual basis to assess whether the Committee has successfully discharged its responsibilities and identify any changes that may be required to improve Committee performance.
- o. Perform such other functions as may be necessary or appropriate for the performance of the Committee's responsibilities from time to time.