

Parex Resources Inc.
Compensation & Human Resources Committee Mandate

1. Overall Purpose & Objectives

A standing committee of the Board of Directors (the "**Board**") of Parex Resources Inc. (the "**Corporation**") consisting of members of the Board is hereby appointed by the Board from amongst its members and complying with all other legislation, regulations, agreements, articles and policies to which the Corporation and its business is subject is hereby established and designated as the Compensation and Human Resources Committee (the "**Committee**").

In addition to any other duties and responsibilities specifically delegated to it by the Board, the Committee has the general responsibility for developing the Corporation's approach to matters concerning human resources and compensation and, from to time, will review and make recommendations to the Board as to such matters consistent with applicable regulatory requirements and guidelines.

The Committee will assist the Board in fulfilling its oversight responsibilities, by:

- monitoring, assessing and making recommendations regarding compensation, benefits, short and long-term incentive programs and employee retention programs to ensure the Corporation's compensation programs are competitive and that the Corporation is in a position to attract, motivate and retain the quality of personnel required to meet its business objectives;
- encouraging alignment between the tactical performance of the officers and the Corporation and the strategic objectives and goals of the Corporation; and
- establishing a process for identifying, recruiting and appointing officers of the Corporation.

As the Corporation is a reporting issuer under applicable securities laws the Board adopts the following Mandate for the Committee which reflects, among other things, compliance with stock exchange and legal requirements and guidelines for disclosure of compensation practices.

2. Composition

- (a) This Committee shall be composed of at least three individuals appointed by the Board from amongst its members.
- (b) The Board shall appoint one member of the Committee as Chairman of the Committee (the "**Chair**").
- (c) All members of the Committee shall be Board members who are not members of management of the Corporation ("**Management**"). Subject to certain exemptions that may be available under applicable securities legislation, all members of the Committee must be "independent", as defined in National Instrument 52-110 – *Audit Committees* as adopted by the Canadian Securities Regulatory Authorities.
- (d) Members should have or obtain sufficient knowledge of the Corporation's business, operations, and risks as well as the objectives and goals as detailed in the Corporation's strategic plan as well as the Corporation's human resource policies, procedures and guidelines, including but not limited to benefit plans to assist in providing advice and counsel on human resource issues.

- (e) A member shall cease to be a member of the Committee upon ceasing to be a director of the Corporation or upon ceasing to be "independent".

3. Meetings

- (a) A quorum shall be a majority of the members of the Committee. The Committee shall meet as deemed appropriate by the Chair, but in any event, no less than semi-annually. Special meetings may be convened as required upon the request of the Committee or the officers of the Corporation.
- (b) Effective agendas, with input from Management, shall be circulated to Committee members and relevant Management personnel along with background information on a timely basis prior to the Committee meetings.
- (c) Minutes of each meeting shall be prepared.
- (d) The meetings and proceedings of the Committee shall be governed by the provisions of the by-laws of the Corporation that regulate meetings and proceedings of the Board.
- (e) The Committee may invite such officers, directors and employees of the Corporation, any external advisors or consultants as it may see fit from time to time to attend at meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee.

4. Reporting / Authority

- (a) Following each meeting, the Chair will report to the Board.
- (b) The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings, including supporting schedules and information. All such information reviewed and discussed by the Committee at any meeting shall be retained and made available for examination by the Board or any director upon request to the Chair.
- (c) The Committee shall have the authority to investigate any activity of the Corporation falling within the terms of this Mandate, and may request any employee of the Corporation to cooperate with any request made by the Committee.
- (d) The Committee may retain external persons having special expertise and obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation and approve the terms of retainer and the fees payable to such parties.

5. Duties and Responsibilities

- (a) **Executive Appointments and Compensation**
 - (i) Review and recommend to the Board:
 - (1) appointments of the officers of the Corporation;
 - (2) the approval of terminations, and severance arrangements for officers;

- (3) the approval of officer's annual compensation and benefits package and related terms of employment based on the officers' annual performance evaluations and any changes thereto, as well as competitive market data from third party sources for compensation of directors and officers;
 - (4) review of corporate goals and objectives relevant to the Chief Executive officer's compensation, evaluate the Chief Executive Officer's performance in light of such goals and objectives, and recommend to the Board the Chief Executive Officer's compensation level based on this evaluation;
 - (5) the approval of annual compensation and benefits packages for the employees of the Corporation, employment contracts and other related terms of employment, including the forms of incentive compensation payable; and
 - (6) overall budget salary increases for the Corporation's employees (including officers), including cash compensation consisting of salary and bonuses, and any grants of securities under the Incentive Plans (as defined below).
- (ii) Review annually the adequacy and form of directors' compensation to see if it reflects the responsibilities and risks of membership on the Board and its committees and make recommendations relating to the director's compensation.
 - (iii) Recommend to the Board the approval of incentive compensation to be paid under previously approved compensation policies, plan and programs.
 - (iv) Review annually the Corporation's compensation policies and practices and:
 - (1) consider the risks associated with such policies and practices; and
 - (2) report any inappropriate or excessive risks that are identified to the Board.
 - (v) Support compliance with regulatory requirements relating to Canadian labour law, and other matters not specifically covered by the mandates of the Corporate Governance and Nominating Committee or the Finance and Audit Committee.

(b) **Human Resources**

- (i) Review overall human resource policies and procedures including recruitment, performance management, compensation, benefit programs, resignations/terminations, training and development, and organizational planning and design.
- (ii) Be responsible for the Corporation having in place programs to train and develop its staff.
- (iii) Be responsible for having objectives in place against which performance of the officers of the Corporation can be measured and assessed.

- (iv) Consider and, if thought fit, approve requests from directors or committees of directors of the engagement of special advisors from time to time in respect of human resources matters.

(c) **Incentive Plans**

- (i) Recommend to the Board:
 - (1) the approval of the terms of the Stock Option Plan, the Restricted Share Unit Plan, the Deferred Share Unit Plan, any other security based compensation plans and the annual bonus plan of the Corporation (collectively, "**Incentive Plans**") and any amendments thereto;
 - (2) approval of grants to be awarded under the Incentive Plans; and
 - (3) the approval of corporate performance measures and targets used to calculate annual bonus payments under the Incentive Plans.
- (ii) Oversee proper administration of the Incentive Plans by the Corporation.
- (iii) Review annually, the potential future liability and/or dilution to the Corporation of the outstanding grants under the Incentive Plans.
- (iv) Review periodically:
 - (1) the current status of grants awarded under the Incentive Plans and the current and cumulative exercise status and current and cumulative liability status thereof; and
 - (2) external consultant reports in respect of the control systems employed to protect the integrity of the Incentive Plans, including methodology of calculating awards made under the Incentive Plans.

(d) **Disclosure**

- (i) Annually review, and recommend to the Board for approval, the Corporation's disclosure of executive compensation required pursuant to and in accordance with National Instrument 51-102 and be responsible for overseeing the preparation of such documents to determine that they comply with applicable laws and regulation, including, without limitation, making sure that the Compensation Discussion and Analysis in the Corporation's annual proxy circular includes, as applicable, disclosure relating to:
 - (1) the Committee's consideration of the risks associated with the Corporation's compensation policies and practices; and
 - (2) the name of and a summary of the mandate provided to any consultant engaged to assist the Committee in determining compensation for any of the Corporation's officers.

(e) **Performance Assessment**

- (i) Oversee the annual evaluation of the performance of Management as a whole, including its processes and effectiveness.
- (ii) Review annually with the Chief Executive Officer of the Corporation, the performance of the officers of the Corporation.

6. Enterprise Risk Management (“ERM”)

- (a) Review and assess the identification and management of ERM matters pertaining to the Committee.

7. Other Duties and Responsibilities

- (a) The responsibilities, practices and duties of the Committee outlined herein are not intended to be comprehensive. The Board may, from time to time, charge the Committee with the responsibility of reviewing items of a compensation disclosure, human resources, or executive development in nature.
- (b) The Committee shall periodically report to the Board the results of reviews undertaken and any associated recommendations.

8. Compensation and Human Resources Committee Evaluation

Annually in conjunction with the Corporate Governance and Nominating Committee:

- (a) Assess individual committee member and Chair performance and evaluate the performance of the committee as a whole, including its processes and effectiveness.
- (b) Develop and approve committee member eligibility criteria, identify directors qualified to become committee members and recommend appointments to and removals from the Committee.

9. Mandate Review

The Board shall review this Mandate every other year, or more frequently as may be determined necessary by the Board, to verify that it is achieving its purpose.

Authorization

This Mandate is hereby approved on behalf of the Board this 30th day of October, 2009 as amended November 9, 2011, November 13, 2013, November 2, 2015, and October 4, 2017.

Lisa Colnett
Chairman of the Compensation and Human Resources Committee
Parex Resources Inc.

Wayne Foo
Chairman of the Board of Directors
Parex Resources Inc.