

## **TERMS OF REFERENCE FOR THE HUMAN RESOURCES AND COMPENSATION COMMITTEE**

### **I. PURPOSE AND OPERATION OF THE COMMITTEE**

The Human Resource and Compensation Committee (the “Committee”) is established by the Board of Directors (the “Board”) of Reconnaissance Energy Africa Ltd. (“ReconAfrica” or the “Company”) to assist the Board in fulfilling its responsibilities relating to human resources and compensation issues and to establish a plan of continuity for the CEO direct reports (“Direct Reports”). The Committee ensures the Company has an executive compensation plan that is both motivational and competitive so that it attracts and retains the caliber of individuals who will drive sustainable profitability and growth for the Company.

### **II. COMMITTEE COMPOSITION AND OPERATIONS**

- A. Any member of the Committee may be removed or replaced at any time by the Board of Directors and will cease to be a member of the Committee on ceasing to be a Director. The Board of Directors may fill vacancies on the Committee by election from among its number. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains in office. Subject to the above, each member of the Committee will hold office as such until the next annual meeting of shareholders after their election.
- B. The Board of Directors may from time to time designate one of the members of the Committee to be the Chair of the Committee and the Secretary of the Company will be Secretary of the Committee.
- C. The members of the Committee will be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may from time to time determine.
- D. The Committee will be composed of not fewer than three directors, the majority of whom will be independent directors
- E. The President and CEO will be excluded from the member selection process.
- F. No more than one in three members will be a sitting CEO of another public company.
- G. The Committee will meet at least two times per year or more frequently as the Committee may deem necessary.
- H. Members of the Committee will have skills and experience in matters of executive compensation, human resources or risk management.

- I. The Committee will operate under the guidelines applicable to all Board committees contained in the Board Guidelines.
- J. Committee members will meet at the beginning and/or end of every meeting without the presence of management

### **III. DUTIES AND RESPONSIBILITIES**

#### **A. Compensation policy**

The Committee will review and recommend the compensation philosophy and guidelines for the Company. This will include:

- i) review the compensation philosophy and guidelines for the Direct Reports, for recommendation to the Board for its consideration and approval;
- ii) reviewing compensation policies and guidelines relating to all employees, including annual salary and incentive policies and programs; material new benefit and retirement programs, or material changes to existing benefit and retirement programs;
- iii) establishing peer groups of comparable companies and a target competitive positioning or range for the Company's executive compensation program;
- iv) consider, and recommend policies to address, the implications of the potential risks associated with the Company's compensation policies and programs; and
- v) annually review the directors' compensation program and make a recommendation to the Governance and Nominating Committee.

#### **B. CEO Succession, Evaluation and Compensation**

The Committee will:

- i) ensure the appropriate mechanisms are in place regarding succession planning for the CEO;
- ii) periodically review the terms of reference for the CEO and recommend any changes to the Board for approval;
- iii) review corporate and individual goals and objectives relevant to the CEO's compensation and recommend them to the Board for approval;
- iv) lead the board in the annual CEO review/evaluation process, and report the results of the process to the Board;

- v) based on the results of this evaluation, recommend CEO compensation to the Board for approval; and
- vi) review, and if appropriate recommend for approval to the Board, any agreements between the Company and the CEO, including those addressing retirement, termination of employment or other special circumstances e.g change of control provisions, as appropriate.

**C. Compensation of the Direct Reports**

The Committee will, in consultation with the CEO, review the CEO's assessment of the Direct Reports and make recommendations to the Board for its approval:

- i) all matters concerning incentive awards, compensation performance targets, perquisites and other remuneration matters with respect to the Direct Reports;
- ii) benefit and retirement plans applicable to the Direct Reports including levels and types of benefits;
- iii) any stock option plan, equity-based rewards, equity based cash rewards or other similar equity-based plan
- iv) any agreements between the Company and the Direct Reports, including those addressing retirement, termination of employment or other special circumstances (e.g. change of control), as appropriate, and;
- v) review share ownership and retention guidelines applicable to the Direct Reports and review the shareholdings of the Direct Reports relative to the share ownership guidelines established by the Board from time-to-time.

**D. Administration of Equity Incentive Plans**

The Committee will, in conjunction with management, administer the stock option plan, the restricted share unit plan, performance share unit plan and such other similar plans as determined and established by the Board to be granted to the Direct Reports. The committee will:

- i) review management's recommendations for and, subject to confirmation by the Board, recommend approval to the Board for the granting of awards under such plan to the Direct Reports and other key employees of the Company and its subsidiaries; and
- ii) suggest and review any amendments that the Committee considers necessary

**E. Succession and Review**

- i) the Committee will annually review the Company's succession plans for the Direct Reports. The Committee will monitor the progress and development of executives in accordance with the succession plans and annually review the adequacy of the succession candidates to foster timely and effective executive continuity. The Committee will report on these matters to the Board at least once a year.
- ii) the Committee will periodically review the Company's management organization structure and the CEO's proposals for changes to that structure and report any significant organizational changes, along with the Committee's recommendations, to the Board.

**F. Review Human Resources Policies and Practices**

The Committee will:

- i) review, and approve as appropriate, the participation of individual Direct Reports on Boards of directors of unrelated for-profit corporations.
- ii) ensure appropriate human resources strategies, systems, such as hiring policies, training and development policies and compensation structures are in place and are consistent with the Company's vision, mission and core values;
- iii) monitor strategic labour and social issues, such as bilingualism, diversity, employment opportunity and employment assistance programs;
- iv) review and monitor the Company's practices for supporting diversity in the workplace, as well as making recommendations to the Board on matters relating to corporate diversity as well as the representation of women in Management and making recommendations to the Governance and Nominating Committee on matters relating to Board diversity as well as representation of women on the Board;
- v) review and assess the adequacy of these Terms of Reference and, where necessary, recommend changes to the Board of Directors for its approval; and
- vi) undertake a performance evaluation of the Committee comparing the performance of the Committee with the requirements of this Terms of Reference and report the results of the performance evaluation to the Board of Directors.

**G. Legal and Regulatory Compliance and Stakeholder Relations**

- i) The Committee will annually review management’s assessment of compliance with laws, regulations, disclosure requirements and best practice, as they relate to the responsibilities outlined in these terms of reference.
- ii) The Committee will ensure that all public disclosure by the Company of any compensation report, is reviewed by the Committee and the Committee will then make a recommendation to the Board for its approval and publication.
- iii) The Committee will manage the Board’s relations with shareholders on executive compensation matters including the submission of the Company’s executive compensation program for an advisory vote by shareholders.

**H. Other**

The Committee will also have such other powers and duties as delegated to it by the Board.

**IV. AUTHORITY**

The Committee has the authority to:

- A. Form and delegate all or a portion of its duties and authority to subcommittees or individuals when appropriate;
- B. Engage and direct independent compensation consultants, independent counsel and other advisors as it determines necessary to carry out its duties;
- C. Set and authorize payment by the Company of the compensation for advisors employed by the Committee. The Committee makes arrangements for the appropriate funding for payment of such consultants.

**V. ACCOUNTABILITY**

- A. The Committee Chair has the responsibility to make periodic reports to the Board, as requested, on compensation and benefit matters relative to the Company.
- B. The Committee will report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.

## VI. HUMAN RESOURCES AND COMPENSATION COMMITTEE CHAIR POSITION DESCRIPTION

In addition to the duties and responsibilities set out in the Board of Directors Guidelines and any other applicable charter, mandate or position description, the chair (the “Chair”) of the Human Resources and Compensation Committee (the “Committee”) of ReconAfrica has the duties and responsibilities described below.

- A. Provide overall leadership to enhance the effectiveness of the Committee, including:
  - i) Overseeing the structure, composition, membership and activities delegated to the Committee;
  - ii) Chairing every meeting of the Committee and encouraging free and open discussion at meetings of the Committee;
  - iii) Scheduling and setting the agenda for Committee meetings with input from other committee members, the Chair of the Board of Directors and management as appropriate;
  - iv) Facilitating the timely, accurate and proper flow of information to and from the Committee; arranging for management, internal personnel, external advisors and others to attend and present at Committee meetings as appropriate;
  - v) Arranging sufficient time during Committee meetings to fully discuss agenda items;
  - vi) Encouraging Committee members to ask questions and express viewpoints during meetings; and
  - vii) Taking all other reasonable steps to ensure that the responsibilities and duties of the committee, as outlined in its Charter, are well understood by the Committee members and executed as effectively as possible.
- B. Foster ethical and responsible decision making by the committee and its individual members
- C. Encourage the Committee to meet in separate, regularly scheduled, non-management, closed sessions with internal personnel or external advisors, as needed or appropriate
- D. Following each meeting of the Committee, report to the Board of Directors on the activities, findings and any recommendations of the committee.