



## VEREN INC.

### HUMAN RESOURCES AND COMPENSATION COMMITTEE

#### MANDATE

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##### PURPOSE

The Human Resources and Compensation Committee (the "Committee") is a committee of the Board of Directors (the "Board") of Veren Inc. (the "Corporation") and is appointed by the Board. Its primary function is to assist the Board in carrying out its oversight responsibilities by: (i) reviewing compensation philosophy, structure, policies, compensation for those officers who are Named Executive Officers under form 51-102F6 of National Instrument 51-102 ("NEOs"), officer succession (excluding the President and Chief Executive Officer (the "CEO")) and officer development; (ii) overseeing the Corporation's culture; (iii) overseeing the Corporation's approach to employee engagement; (iv) overseeing the Corporation's approach to diversity and inclusion; and (v) ensuring the Corporation discharges its public disclosure obligations relating to compensation matters.

##### RESPONSIBILITIES

The Committee's primary duties and responsibilities are to:

1. Act in an advisory capacity to the Board.
2. Review key compensation and benefit programs for employees generally considering accounting, tax, design, legal, regulatory, environmental, risks and pay for performance matters.
3. Review option plans and other equity related incentive plans.
4. As required by applicable law, review and approve any benefit plans and approve any changes to existing benefit plans that would significantly change the plan features or would have a significant cost to the Corporation.
5. Annually review the level and components of compensation for the NEOs considering peer group practices and the duties and responsibilities the role provides to the Corporation.
6. Oversee CEO development.
7. Oversee and advise the Board on succession planning of the Corporation's officers (excluding the CEO) to ensure effective leadership. Provide a written report and presentation to the Board annually recommending the officer succession plan.
8. Oversee the Corporation's approach to corporate culture, to employee engagement, to diversity and inclusion, and to human capital management.
9. Review officer share ownership.

10. Assist in the evaluation and review of the performance of the CEO, such evaluation and review to be led by the Chair of the Board in conjunction with the Chair of the Committee, and provide a report to the Board on the results of such evaluation and review.
11. Evaluate and review the performance assessments made by the CEO of the other NEOs, provide a report to the Board on the results of such evaluation and review and take into consideration such assessments in the Committee's compensation recommendations to the Board.
12. Recommend to the Board for approval:
  - (a) The structure of the Corporation's compensation programs, including short- and long-term cash and share-based incentive programs, the main components of the programs and the weightings of the metrics applicable to such programs;
  - (b) Amendments to the Corporation's equity related incentive plans adopted by the Board where such amendments are required to align the plans with Board-approved changes to the Corporation's compensation programs;
  - (c) The PSU Peer Group, the TSR Performance Objective and the CPG Performance Objectives for each grant of PSUs as each term is defined in the Corporation's Performance Share Unit Plan (the "**PSU Plan**");
  - (d) The TSR Achievement Level, TSR, and CPG Achievement Level for each PSU Performance Period for each Vested PSU (as each term is defined in the PSU Plan);
  - (e) The number of Vested PSUs (as such term is defined in the PSU Plan) that vest for for each Vested PSU;
  - (f) Based upon the evaluation and review of the performance of the CEO referenced in paragraph 10 of this Mandate, the corporate goals and objectives for the CEO;
  - (g) Based upon the evaluation and review of the performance of the CEO referenced in paragraph 10 of this Mandate, the CEO's remuneration, including salary and short-and long-term cash and share-based incentive awards metrics, achievement levels and payouts;
  - (h) Based upon a review of the CEO's evaluation of performance of the other NEOs, remuneration of the NEOs (other than the CEO), including salary, benefits and short- and long-term cash and share-based incentive awards metrics, achievement levels and payouts;
  - (i) Officer share ownership guidelines;
  - (j) Annual share-based compensation budget for employees (other than vice presidents who are not NEOs and staff directors) and the related grants of short- and long-term share-based awards;
  - (k) Annual short-term incentive plan budget for employees (other than vice presidents who are not NEOs and staff directors) and related metrics, achievement levels and payouts;
  - (l) Annual share-based compensation amounts for those vice presidents who are not NEOs and for staff directors, and the related grants of share-based awards;
  - (m) Annual short-term incentive plan amounts for those vice presidents who are not NEOs and for staff directors, and related metrics, achievement levels and payouts; and

- (n) The Report on Executive Compensation contained in the Information Circular relating to meetings of shareholders.
13. Approve and report to the Board on:
- (a) The executive compensation peer group used to benchmark NEO salary, short-term and long-term incentives;
  - (b) Employment contracts and any other individual financial arrangements for officers, provided the contracts and arrangements do not contain terms inconsistent with prior approvals made by the Board;
  - (c) Termination and retirement payments to officers provided that Board approval will be required if a termination or retirement payment materially differs from the payment mandated by an applicable employment contract or retirement plan; and
  - (d) The aggregate annual budget for staff salaries.
14. Review, prior to public release, all NEO compensation disclosure to be issued by the Corporation.
15. Review the results of any advisory vote by the shareholders on executive compensation ("say-on-pay"), and consider the outcome in any future executive compensation arrangements. Where a significant number of shares are voted against the advisory resolution, the Committee will review the approach to executive compensation in the context of specific concerns and make recommendations to the Board.
16. Exercise authority and utilize resources and funding as are appropriate to discharge the duties and responsibilities of the Committee, including, as deemed necessary by the Committee, authority to select, retain, terminate and approve terms of engagement including fees, for any compensation consultants, outside legal counsel or other advisors to the Committee (each, an "**Advisor**") without seeking approval of the Board or management. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Advisor it retains. The Committee may select or receive advice from an Advisor only after taking into consideration all factors relevant to the Advisor's independence from management, including the factors set forth in the rules of the New York Stock Exchange.
- Although the Committee is required to consider these factors, it is free to select or receive advice from an advisor that is not independent.
17. Oversee the administration of the Corporation's Clawback Policy.
18. The Chair shall, in consultation with the Chair of the Board and the CEO, make reasonable efforts to make the Chair available to engage in direct shareholder engagement on compensation matters if so requested.
19. Perform any other activities consistent with this mandate and, generally, governing laws as the Committee or the Board deem necessary or appropriate.

#### **COMMITTEE MEMBERS' DUTIES IN ADDITION TO THOSE OF DIRECTOR**

The duties and responsibilities of a member of the Committee are in addition to those duties set out for a member of the Board of Directors.

## **REPORTING**

The Committee shall report to the Board. The Committee shall provide the Board with a summary of all meetings at a regularly scheduled meeting of the Board held following any Committee meetings. All information reviewed and discussed by the Committee at any meeting shall be retained and made available for examination by the Board upon request to the Chair.

## **EVALUATION**

The Committee shall evaluate its own performance and mandate biennially, or sooner if circumstances should warrant. No alteration to the roles and responsibilities of the Committee shall be effective without the approval of the Board.

## **COMPOSITION**

The Committee will be comprised of not less than three members and not more than the number of directors who are not officers or employees of the Corporation, as determined by the Board. The Committee members shall satisfy the independence requirements of applicable securities laws, rules, or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. In particular, members of the Committee shall be free from any relationship which could reasonably be expected to materially interfere with the member's independent judgement. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board and shall be reviewed at least annually.

The Chair of the Board shall be an exofficio member of the Committee and shall be entitled to attend all meetings of the Committee.

Committee members will include only duly-elected directors. Members of the Committee shall be appointed from time to time by the Board. Each member shall serve until such member's successor is appointed, unless such member resigns or is removed by the Board or such member otherwise ceases to be a director of the Corporation. If a member of the Committee ceases to be independent for reasons outside that member's reasonable control, the member shall immediately notify the Chair of the Board and the Chair of the Nominating and Corporate Governance Committee as to this fact and, if requested, shall resign such member's position on the Committee. The Board shall fill any vacancy if the membership of the Committee is less than three directors.

## **CHAIR**

The Board shall appoint the Chair of the Committee or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership. If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen to preside by a majority of the members of the Committee present at such meeting.

## **SECRETARY**

The Corporate Secretary of the Corporation, the Associate General Counsel of the Corporation or such other person as the Chair of the Committee shall designate from time to time, shall be the Secretary of the Committee and shall keep minutes of the meetings of the Committee.

## **COMMITTEE MEETINGS**

The Committee shall have access to such officers and employees of the Corporation and to such information respecting the Corporation, as it considers necessary or advisable in order to perform its duties and responsibilities. The Committee has the authority to engage independent counsel and other advisors

as it determines necessary to carry out its duties and to set and pay the compensation for any such counsel and advisors, such engagement to be for the Corporation's sole account and expense.

Committee meetings may, by agreement of the Chair of the Committee, be held in person, by means of telephone or by a combination of any of the foregoing.

Meetings of the Committee shall be conducted as follows:

1. The Committee shall meet at least two times annually at such times and at such locations as the Chair of the Committee shall determine. Any two members of the Committee may also request a meeting of the Committee.
2. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other. In addition, if an ex officio, non-voting member's presence is required to attain a quorum of the Committee, then the said member shall be allowed to cast a vote at the meeting.
3. The Chair shall, in consultation with management establish the agenda for the meetings and instruct management to ensure that properly prepared agenda materials are circulated to the Committee with sufficient time for study prior to the meeting.
4. The Committee shall have an in-camera session on a regular basis.
5. Every question at a Committee meeting shall be decided by a majority of the votes cast. In the event of a tie vote, the Chair shall not have a second or casting vote.
6. The CEO is expected to be available to attend the Committee's meetings or portions thereof. The Committee may, by specific invitation, have other resource persons in attendance. The Committee shall have the right to determine who shall, and who shall not, be present at any time during a meeting of the Committee, provided that the CEO of the Corporation is entitled to attend all meetings of the Committee. Directors, who are not members of the Committee, may attend Committee meetings on an ad hoc basis upon prior consultation and approval by the Committee Chair or by a majority of the members of the Committee.
7. The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated, and with the express condition that the Committee retains full and exclusive authority over and responsibility for any activities of such other person or committee. Nothing contained in this paragraph shall be construed to confer upon any such person any discretion, authority or control respecting any matter, unless expressly authorized in writing.
8. Minutes of each Committee meeting should be succinct yet comprehensive in describing substantive issues discussed by the Committee. However, they should clearly identify those items of responsibility scheduled by the Committee for the meeting that have been discharged by the Committee and those items of responsibility that are outstanding. Minutes of the Committee meeting shall be sent firstly to the Chair and next to all Committee members.
9. A resolution in writing, signed by all the members of the Committee entitled to vote on that resolution at a meeting of the Committee, is as valid as if it had been passed at a meeting of the Committee, which resolution may be executed in counterparts. A copy of any such resolution in writing shall be kept with the minutes of the proceedings of the Committee.

## **NOTICE OF MEETINGS**

Notice of the time and place of each meeting may be given in writing, by electronic means, or orally to each member of the Committee at least 24 hours prior to the time fixed for such meeting and shall state the purpose for which the meeting is being held.

A member may in any manner waive notice of the meeting. Attendance of a member at a meeting shall constitute 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 was not lawfully called.