

AKITA Drilling Ltd.

Corporate Governance **Nomination, Compensation and Succession Committee**

Purpose

The purpose of this Mandate is to establish the terms of reference of the Corporate Governance, Nomination, Compensation and Succession Committee (the "Committee") of AKITA Drilling Ltd. (the "Corporation"). The Committee is appointed by the Board of Directors (the "Board") of the Corporation. The Committee is responsible for contributing to the effective stewardship of the Corporation by assisting the Board in fulfilling its oversight of corporate governance, nomination, compensation and succession matters.

Composition

The Committee shall be comprised of a minimum of three non-employee directors, a majority of whom are "independent directors" (as defined in National Instrument 52-110 - *Audit Committees*), all named by the Board with one director named as Chairman, and a majority of members constituting a quorum at meetings.

Responsibilities

In respect to Corporate Governance matters, the Committee's responsibilities will be:

- to review the mandates of the Board and its committees on an annual basis and recommend to the Board such amendments to those mandates as the Committee believes are necessary or desirable;
- to monitor requests from directors or committees of the Board for the engagement of special advisors from time to time;
- to prepare and recommend to the Board annually the disclosure of corporate governance practices required to be included in the Corporation's public disclosure pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*;
- to assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including to solicit and receive comments from individual directors as to the foregoing matters and to report annually, or from time to time as appropriate, to the Board on such matters; and
- to monitor and review how the mandates of other committees of the Board are being discharged and complied with.

With respect to nomination, compensation and succession matters, the Committee's responsibilities will be to:

- annually review and determine executive compensation packages for the senior officers of the Corporation, including salary, bonuses, stock options or awards and other incentives;
- make recommendations to the Board with respect to potential successors to the Chief Executive Officer and other senior executive officer positions within the Corporation;
- review and recommend directors' compensation from time to time, as appropriate;
- periodically review the Corporation's executive benefit plans to ensure the appropriateness thereof;
- prepare and review, as required, public or regulatory disclosure respecting compensation and the basis on which performance is measured;
- review the size and composition of the Board from time to time and to consider persons as nominees for directors for the approval of the Board and election by the shareholders from time to time;
- review and assist, where appropriate, in management succession planning and professional development planning for the officers of the Corporation; and
- maintain and amend from time to time an orientation program for new directors and provide continuing education for all directors.

Authority to Engage Advisors

The Committee shall be authorized to retain and compensate any outside advisor as it determines necessary to permit it to carry out its duties.

Delegation

The Committee shall be authorized to delegate its authority and duties to subcommittees or individual members of the Committee as it considers appropriate.

Administrative Matters

The Committee shall meet three times each year.

The Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee.

The time at which and place where the meetings of the Committee shall be held and the calling of meetings and the procedure in all respects at such meetings shall be determined by the

Committee unless otherwise determined by the by-laws of the Corporation or by resolution of the Board. Members shall be provided with a minimum of 48 hours notice prior to each meeting.

Record Keeping for Due Diligence Purposes

Compensation should be demonstrably fair to the Corporation and its executive officers and key employees. The Committee should maintain due diligence files that establish “competitive pay for competitive performance.” Minutes of the Committee meetings shall be recorded and maintained. The Committee will report to the Board on the activities of the Committee and/or the minutes of the Committee meetings will be promptly circulated to the directors or otherwise made available at the next Board meeting.

Review of Mandate

On an annual basis, the Committee shall review its objectives and responsibilities, and implement any changes it deems are necessary to its Mandate, prior to recommending the Committee Mandate to the Board for Board Approval.