



Compensation Committee Charter

Objective, Scope, and Application

The compensation committee (the “**Committee**”) of TAG Oil Ltd. (the “**Company**”) shall assist the Board of Directors of the Company (the “**Board**”) in carrying out its responsibilities relating to executive and director compensation.

Principles

(1) Responsibilities and Authority

(a) Compensation Policy

The Committee shall develop an overall strategy for the Company’s competitive positioning with its comparative group and the make-up of that group for approval by the Board.

This policy shall be used as a reference point by the Committee in all of its deliberations.

In determining the amount of compensation, the Committee will also consider the Company’s performance and relative shareholder return.

The Committee shall be responsible for reviewing and approving corporate goals and objectives relevant to the Company’s executive officers and senior management (collectively the “**Officers**”).

(b) Director Compensation

The Committee shall recommend to the Board the form and amount of compensation to be paid by the Company to directors for service on the Board and on Board committees. The Committee shall review director compensation at least annually.

(c) Compensation Structure

The Committee shall recommend to the Board the structure of the Company’s compensation programs, both for management and staff, including base salaries, perquisites, long and short term incentive compensation, including stock options.

Individual grants will be made within the context of this structure. The Committee shall review this structure on an annual basis.

(d) Annual Review

The Committee, with input from the Chief Executive Officer (“**CEO**”) and Chief Financial Officer (“**CFO**”) of the Company, shall annually review the Company’s base compensation structure and recommend changes in or additions to such compensation to the Board as needed.

The Committee shall evaluate the Officers performance in light of the corporate goals and



objectives as determined by the Committee.

The Committee shall recommend to the Board the annual base compensation of the Officers based on its review of the Officers as set out herein.

The Committee shall recommend to the Board the annual base compensation for non-Officer personnel providing services to the Company or, if the number of staff warrants, the range of increase or decrease in the annual base compensation for such staff, based on its review of the non-Officer personnel.

(e) Short Term Incentives

The Committee shall evaluate the performance of Officers and recommend to the Board incentive compensation payable to Officers under any such incentive compensation plan.

The Committee shall provide oversight of the performance evaluation and incentive compensation of non-Officer personnel providing services to the Company and make recommendations to the Board with respect to such non-Officer incentive compensation.

(f) Long Term Incentives

The Committee, with the help of the CFO as necessary, shall administer the Company's stock options and other equity based compensation plans and make recommendations to the Board with respect to annual or other grants of stock options and other equity based compensation for both Officer and non-Officer personnel.

(g) Succession Planning

The Committee will oversee any Officer succession planning efforts undertaken by the Company and make recommendations to the Board, accordingly.

(h) Compensation Disclosure

The Committee will review any executive compensation disclosure before the Company publicly discloses such information.

(2) Structure and Membership

(a) Number

The Committee shall consist of at least two persons unless the Board should from time to time otherwise determine.

(b) Membership

The Committee shall recommend to the Board the qualifications and criteria for membership on the Committee. The Board will appoint the Committee members and consider any possible conflicts of interest.



(c) Selection and Removal

Members of the Committee shall be appointed by the Board. The Board may remove members of the Committee at any time with or without cause.

(d) Independence

The majority of the members of the Committee shall be independent as set forth in National Instrument 58-101.

(e) Chair

Unless the Board appoints a Chair of the Committee, the Committee shall elect a Chair by majority vote.

(f) Compensation

The compensation of the Committee shall be as determined by the Board.

(g) Term

Members of the Committee shall be appointed by the Board. Members shall serve until their successor is appointed, or until they resign or are removed from the Board or the Committee.

(3) Procedures and Administration

(a) Meetings and Quorum

The Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Committee shall keep minutes of its meetings and any other records as it deems appropriate. A member or an officer of the Company, or any other person selected by the Committee, shall be appointed at each meeting to act as secretary for the purposes of recording the minutes of each meeting. If the Chair is absent, the Committee members present shall appoint another member or a presiding officer to act as Chair for that meeting. Meetings may be held in person or virtually at least once per year, and two (2) members of the Committee shall constitute a quorum.

The CEO shall not be present during any vote or other deliberation of the Committee regarding the compensation or performance of the CEO.

(b) Subcommittees

The Committee may form and delegate authority to one or more subcommittees, consisting of at least two members, as it deems appropriate from time to time under the circumstances.

(c) Reports to the Board

The Committee shall report (orally or otherwise) regularly to the Board following meetings of the Committee with respect to such matters as are relevant to the Committee's discharge of its



responsibilities and shall report in writing on request of the Chairman of the Board.

(d) Reports to Shareholders

The Committee, with the help of the Company's CFO, shall prepare and publish the annual executive compensation report in the Company's annual information form or information circular, as required by applicable securities legislation.

(e) Charter

The Committee shall, at least annually, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

(f) Independent Advisors

The Committee shall have the authority to engage such independent legal and other advisors as it deems or appropriate to carry out its responsibilities. Such independent advisors may be regular advisors to the Company. The Committee is empowered, without further action by the Board, to cause the Company to pay appropriate compensation to independent legal and other advisors engaged by the Committee.

(g) Investigations

The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it deems appropriate, including the authority to request any Officer or other person to meet with the Committee and the authority to request information from management to assess relevant workforce risk matters.

(h) Annual Self-Evaluation

The Committee shall evaluate its own performance at least annually, and the Board may request from the Chair a summary of the evaluation with respect to the Committee's performance periodically.

(4) Additional Powers

The Committee shall have such other duties as may be delegated from time to time by the Board.

Related Policies

- Code of Business Conduct and Ethics