



COMPENSATION COMMITTEE CHARTER

ORGANIZATION AND PURPOSE; DIRECTOR QUALIFICATIONS

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Nabors Industries Ltd. (the “Company”) shall be to carry out the Board’s overall responsibility relating to executive compensation. The Committee shall be composed of not less than two independent Directors. A person may serve on the Committee only if he or she (i) is a “non-employee Director” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, (ii) satisfies the requirements of an “outside director” for the purposes of Section 162(m) of the Internal Revenue Code, as amended and (iii) meets the independence requirements of the exchange on which the Company’s shares are listed (the “Exchange”), including those relating to compensation committee membership, as in effect from time to time.

The members of the Committee shall be elected at the first meeting of the Board following the annual general meeting of the shareholders or as necessary to fill vacancies in the interim. Members of the Committee shall be appointed by the Board upon the recommendation of the Governance and Nominating Committee and may be removed by the Board in its discretion. Each member shall serve until his or her successor is duly appointed and qualified or until such member’s resignation or removal by a majority vote of the Board or by unanimous written consent of the Board.

The responsibilities of a member of the Committee are in addition to those responsibilities of a member of the Board. Each member of the Committee may be compensated separately for his or her service, in accordance with the Company’s policies regarding director compensation.

MEETINGS

The Committee shall meet, either in person, utilizing audio/video connection, or telephonically, as frequently and at such times as necessary to carry out its responsibilities; however, the Committee shall normally meet at least four times each year. The presence of at least fifty percent (50%) of the members of the Committee shall constitute a quorum for the transaction of business.

RESPONSIBILITIES AND DUTIES

In furtherance of its purpose, the Committee shall have the following authority and responsibilities:

- To review and approve on an annual basis the corporate goals and objectives with respect to compensation for the Chief Executive Officer. The Committee shall evaluate at least once a year the Chief Executive Officer’s performance in light of these goals and objectives and



based upon these evaluations shall determine and approve the Chief Executive Officer's annual compensation. The Board is mindful that as of the date of this Charter, the Chief Executive Officer and certain executive officers have employment agreements with the Company which describe performance criteria for the determination of bonus awards and which provide for certain other benefits. The Committee's responsibilities include oversight of those agreements and consideration from time to time of such amendments, modifications, and/or extensions of such agreements as may be necessary or desirable.

- To review and recommend to the Board on an annual basis the compensation arrangements (including salary, bonus, incentive and equity compensation and perquisites and, where applicable, performance goals and objectives) for the other corporate officers and the senior leadership of the Company and its subsidiaries (such group to be determined by the Chairman of the Committee in consultation with the Chief Executive Officer). The Committee should be consulted with respect to any employment agreement, severance agreements, or change in control agreements entered into between the Company and any officer of the Company or its subsidiaries.
- To review the Company's incentive compensation and other stock-based plans and recommend changes in such plans to the Board as needed. The Committee shall have and shall exercise all the authority of the Board with respect to the administration of such plans (without any need for subsequent Board approval or ratification).
- To recommend directors' compensation and benefit arrangements to the full Board in consultation with the and Governance and Nominating Committee.
- Meet with the Risk Oversight Committee, at least annually, to confirm that compensation and incentive pay structures do not encourage unnecessary risk taking and to review and discuss the relationship between risk management policies and practices, corporate strategy and senior executive compensation.
- Communicate and work with the Audit Committee regarding performance goals and evaluations of key finance, internal control, internal audit and risk management personnel, and administration of any clawback or recoupment policies of the Company.
- To review and discuss with management the Compensation Discussion and Analysis section of the annual proxy statement (the "CD&A") required by the Securities and Exchange Commission ("SEC") rules and regulations. The Committee will recommend to the Board whether the CD&A should be included in the Company's proxy statement and other required filings. The Committee will prepare a Compensation Committee Report for inclusion in the Company's applicable filings with the SEC. The report will state whether the Committee reviewed and discussed with management the CD&A, and whether, based on such review and discussion, the Committee recommended to the Board that the CD&A be included in the Company's proxy statement or other applicable SEC filings.
- To maintain written minutes of all meetings and consent actions, which shall be recorded or filed with the books and records of the Company and made available to the Board.



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- To review and assess the adequacy and appropriateness of this Charter and the Committee's own performance, the results of which, and any proposed changes, to be presented to the full Board at least annually.
- To make regular reports to the Board with respect to its activities after each Committee meeting.
- Such other responsibilities as determined by the Board from time to time.

In addition to the responsibilities set forth above, the Committee shall have the authority:

- To delegate any of its responsibilities to subcommittees or individuals as the Committee may deem appropriate in its sole discretion; *provided, however*, that no individual to whom any authority or responsibility is delegated may make any decision or take any action with respect to matters in which such person has a direct financial interest. With respect to stock-based awards and subject to the proviso in the immediately preceding sentence, the Committee may delegate authority only to the Chief Executive Officer or to a named executive officer or director of the Company pursuant to a resolution by the Committee and in such cases, no ratification of such grants by the Committee or the Board shall be required.
- To retain or obtain the advice of compensation consultants, outside counsel and other advisors as the Committee shall deem appropriate in its sole discretion after considering the independence factors specified by the Exchange from time to time. The Committee shall be directly responsible for the appointment, termination, compensation and oversight of the work of such compensation consultants, outside counsel and other advisors and shall have sole authority to determine and approve reasonable related fees, which the Company shall fund, and retention terms. The Committee shall conduct an assessment of the compensation consultants, outside counsel and other advisors on an annual basis.