



TESCO CORPORATION
Compensation Committee Charter
Rev 08 August 3, 2016

1. Establishment of Compensation Committee. The Board of Directors (the “Board”) of Tesco Corporation (the “Company”) hereby establishes a committee to be called the Compensation Committee (the “Committee”).
2. Purpose. The Committee’s purpose is to assist the Board in its oversight responsibilities relating to compensation matters for the Company, including the review and determination of compensation to be paid to the Company’s executive officers and directors, and the review and approval of compensation disclosure that may be required in accordance with such applicable rules and regulations as are required by law, regulation or stock exchange listing requirements applicable to the Company and its committees (“applicable legal requirements”). For this purpose, compensation shall include: annual base salary; annual incentive opportunity; stock option and/or other equity participation plans; profit-sharing plans; long-term incentive opportunity; the terms of employment agreements; severance agreements; change in control agreements and other similar agreements; any special or supplemental benefits; pension rights; and any other payments that are deemed compensation under applicable legal requirements.
3. Composition.
 - (a) The Committee shall be composed of not less than three (3) directors of the Company and at least one quarter of the members of the Committee shall be resident Canadians.
 - (b) The Committee and its members shall, in the judgment of the Board, meet such independence standards as are required by applicable legal requirements. In addition, the members of the Committee shall be (i) “non-employee directors” for purposes of Rule 16b-3 under the U.S. Securities Exchange Act of 1934, as amended, and (ii) “outside directors” for purposes of Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”); and (iii) may not be part of a compensation committee interlock within the meaning of SEC Regulation S-K. In assessing the independence of Committee members, the following must be considered: (a) the source of compensation of the director, including any consulting, advisory or other compensatory fee paid by the Company to the director, and (b) whether the director is affiliated with the Company or any of its subsidiaries or affiliates.
 - (c) Members shall be appointed annually by the Board from among directors of the Company. The Chair of the Committee shall be appointed by the Board. A director shall automatically cease to be a member of the Committee upon ceasing to be a director of the Company.
4. Responsibilities and Authority. Subject to the powers of the Board and in addition to any other responsibilities delegated to the Committee by the Board, the Committee’s responsibilities are set forth below.
 - (a) The Committee shall review and approve the Company’s compensation strategy to ensure it is appropriate to continue to attract, retain and motivate senior management and other key employees.
 - (b) On an annual basis, the Committee shall review and approve corporate goals and objectives relevant to the compensation of the Company’s chief executive officer (the “CEO”), evaluate the CEO’s performance in light of those goals and objectives and, as a committee, determine and approve the CEO’s compensation level based on this evaluation. The Committee shall deliberate and vote with respect to the CEO’s compensation without the presence of the CEO.
 - (c) On an annual basis, the Committee shall review and approve the compensation of all other Company executive officers. The Committee shall seek to ensure that Company executive officers are compensated effectively and in a manner consistent with the Company’s articulated compensation strategy, internal considerations, competitive factors and applicable regulatory requirements.
 - (d) In consultation with management, the Committee shall oversee regulatory compliance with respect to compensation matters, including overseeing the Company’s policies on structuring compensation programs to preserve tax deductibility.

- (e) The Committee shall determine the performance goals relating to “performance-based compensation” for executive officers whose compensation is covered by Section 162(m) of the Internal Revenue Code of 1986, as amended, determine the elements of such compensation, determine whether performance goals have been attained and, if appropriate, certify in writing prior to payment of such compensation that the performance goals have been met.
- (f) The Committee may approve the compensation to be paid to the Company’s other directors, officers and employees (including awards under incentive-compensation plans and equity-based plans, as well as other elements of compensation), or make recommendations to the Board with respect thereto.
- (g) The Committee shall administer the Company’s equity incentive plans, having been delegated the full authority of the Board or Granting Authority under such plans, including the authority to further delegate to any officer or director of the Company.
- (h) The Committee shall (i) review the executive compensation sections to be included in the Company’s filings or proxy statements, (ii) review and discuss with the Company’s management the Compensation Discussion and Analysis (“CD&A”) to be included in such filings or statements and determine whether to recommend to the Board that the CD&A be included in the applicable filing or statement, and (iii) provide the Compensation Committee Report for inclusion in any such filing or statement.
- (i) The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the compensation consultant. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside legal counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, outside legal counsel and any other advisors. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisor to the compensation committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.
- (j) The compensation consultant(s), outside counsel and any other advisors retained by, or providing advice to, the Committee (other than the Company’s in-house counsel) shall be independent as determined in the discretion of the Committee after considering the factors specified in Rule 10C-1 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Committee may retain, or receive advice from, any compensation advisor they prefer, including ones that are not independent, after considering the specified factors. The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.
- (k) The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K. Any compensation consultant retained by the Committee to assist with its responsibilities relating to executive compensation shall not be retained by the Company for any compensation or other human resource matters without the express, prior permission of the Committee.
- (l) The Committee shall review this Charter at least annually to determine if amendments to this Charter should be recommended to the Board.

5. Administrative.

- (a) The administrative provisions set forth in Section 3 of the Company’s Board Charter shall apply to the Committee.



- (b) The Committee shall report regularly to the Board with respect to its activities and make recommendations to the Board as appropriate.
- (c) The Committee shall keep the Company's finance department advised as to the general range of anticipated expenses for outside consultants.

Prior Versions:	March 7, 2013; August 9, 2012; March 8, 2012; August 9, 2011; March 12, 2009; November 18, 2008; May 18, 2007
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