

**QEP RESOURCES, INC.**  
**COMPENSATION COMMITTEE CHARTER**

**Purpose**

The purpose of the Compensation Committee of QEP Resources, Inc.'s Board of Directors (the "Board") is (i) to discharge the Board's responsibilities relating to compensation of the Company's executives by designing (in consultation with management or the Board), recommending to the Board for approval and evaluating the compensation plans, policies and programs of the Company and (ii) to produce an annual report on executive compensation for inclusion in the Company's proxy materials in accordance with applicable rules and regulations. The Committee shall ensure that the Company's total compensation program is aligned with the Company's business strategies and overall financial goals, motivates the Company's officers to acquire and retain appropriate levels of stock ownership, is competitive with programs offered by the Company's peers, discourages excessive risk-taking, considers shareholder input, retains and motivates qualified officers and promotes the interests of the Company's shareholders.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company's bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee's sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

**Membership**

The Committee should consist of at least three members, none of whom shall be an employee of the Company and each of whom shall be (i) "independent" as defined by the New York Stock Exchange, (ii) a "non-employee director" within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (3) an "outside director" under the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

The Committee and its Chairman are appointed each year by the Board on the recommendation of the Governance Committee at the first Board meeting following the Company's annual meeting of shareholders. To be considered for membership on the Committee, a director should have broad information about and experience with executive compensation practices. The Board may appoint new members of the Committee at any time and may remove any member with or without cause.

### **Meetings and Procedures**

The Chairman (or in his or her absence, a member designated by the Chairman) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Committee. The Committee can transact business when a majority of the members are in attendance at a meeting, which will constitute a quorum. The action of a majority of those members present at a meeting, at which a quorum is present, shall be the action of the Committee. The Committee may take action by unanimous written consent.

The Committee shall meet at least two times per year and more frequently as the Committee deems appropriate. All directors who are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the independent auditor, the internal auditor, any other financial or human resources personnel employed or retained by the Company or any other persons whose presence the Committee believes to be appropriate. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including, but not limited to, any director who is not a member of the Committee. The Committee will meet in executive session as often as necessary, but at least once per calendar year.

The Committee may use Company officers and employees as resources and is also entitled to request independent input from executive compensation consultants.

The Chairman of the Committee shall make reports concerning Committee meetings to the Board.

### **Powers and Responsibilities**

The Committee shall have the following powers and responsibilities:

1. Compensation Strategy. Review on an annual basis the Company's stated compensation strategy to determine if the Company's officers and key employees are rewarded appropriately for their contributions to the Company's growth and profitability and if the strategy supports the Company's objectives and shareholder interests.
2. CEO Evaluation. Review and approve on an annual basis the corporate goals and objectives applicable to the compensation of the Chief Executive Officer (CEO) and evaluate the CEO's performance in light of these goals and objectives, and provide a report thereon to the Board.

3. CEO Compensation. Review and determine on an annual basis base salary, incentive compensation and long-term compensation for the CEO, and provide a report thereon to the Board. In determining appropriate compensation for the CEO, the Committee shall consider the Company's financial and operational performance, total shareholder return compared to peer companies, relevant market data including peer-company CEO compensation, the awards given to the Company's CEO in past years, the most recent advisory vote on executive compensation required by Section 14A of the Exchange Act ("Say on Pay Vote"), and any other factors the Committee deems relevant, including any input provided by an independent compensation consultant.

4. Other Executive Officer Compensation. Review and approve on an annual basis base salary, incentive compensation and long-term compensation for each existing officer at the Vice President level and above (other than the CEO) and each new officer at the Vice President level and above. In determining appropriate compensation, the Committee may consider the input provided by an independent compensation consultant, and any other factors the Committee deems relevant.

5. Employment Agreements, Severance and Change-in-Control Arrangements. Review employment agreements and severance and change-in-control arrangements for all officers and approve the material terms of such agreements and any material amendments thereto.

6. Incentive Compensation, Equity-Based Plans and Nonqualified Plans. Review and approve, or submit to shareholders for approval where such approval is required by law or regulations or by the Company's charter or bylaws, any incentive compensation plans, equity-based plans and nonqualified plans for directors, officers and employees, which review and approval includes the ability to adopt, amend and terminate such plans. With respect to such plans, the Committee shall have responsibility for:

- a. general administration;
- b. approving grants of awards under any performance-based annual incentive, long-term incentive and equity compensation plans, including stock options and other equity rights or delegating authority for such approval to a sub-committee or to one or more executive officers; and
- c. approving performance objectives, targets, results and participants (officers and key employees) for any performance-based plans.

The Committee shall also review, and if appropriate, approve, any recommendation for implementing other types of long-term incentives, stock options, or stock based awards. In reviewing and approving incentive compensation plans and equity based plans, including whether to adopt, amend or terminate any such plans, the Committee shall consider the results of the most recent Say on Pay Vote.

7. Perquisites. Establish and review periodically policies concerning perquisite benefits.
8. Compensation Risk Assessment. Review the Company's compensations practices, policies and programs for executive officers and other employees to ensure that such practices, policies and programs do not encourage unnecessary or excessive risk taking and annually assess whether any risks arising from such practices, policies and programs are reasonably likely to have a material adverse effect on the Company.
9. Management Succession. Review management succession issues with the Chief Executive Officer and update the Board concerning these reviews on at least an annual basis.
10. Director Compensation. Review and recommend to the Board for approval on an annual basis the individual elements of director compensation, including compensation for the Committee Chairs and Lead Director.
11. Advisors. Have the sole authority to retain, oversee, and terminate any consulting firm, independent legal counsel or other advisor to assist with the execution of its duties and responsibilities set forth in this Charter and to approve fees paid to such firm. Before hiring such advisor(s), the Committee shall take into account the independence factors specified by the NYSE. The Committee may retain, or receive advice from, any compensation advisor it prefers, 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 1) 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 2) 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. The Company shall provide for appropriate funding, as determined by the Committee in its sole discretion, for payment of reasonable compensation to any such persons retained by the Committee.
12. Compensation Consultant Conflict of Interests. Review on at least an annual basis the services provided or to be provided by any compensation consultant to determine whether the provision of such services has given rise to an actual conflict of interest taking into account such factors as required by the Securities and Exchange Commission and applicable law and such other factors as the Committee determines are relevant and, if so, how the conflict should be addressed.
13. Internal Revenue Code Section 162(m). Determine the Company's policy with respect to the application of Section 162(m) of the Internal Revenue Code of 1986, as amended, and when compensation may be paid by the Company that is not deductible for federal income tax purposes.
14. Stock Ownership Guidelines. Review and make recommendations to the Board from time to time with respect to the adoption of officer and non-employee director stock

ownership guidelines and monitor compliance with any adopted stock ownership guidelines.

15. Clawback Policy. Review and approve the implementation or revision of any clawback policy allowing the Company to recoup compensation paid to executive officers and other employees.

16. Say on Pay Vote Matters. Review and recommend to the Board proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's annual proxy statement. Review and consider the results of the Company's most recent Say on Pay Vote and frequency of the Say on Pay Vote, along with any other feedback obtained through the Company's shareholder outreach efforts that may occur from time-to-time, and recommend to the Board whether and, if so, how the Company should respond to Say on Pay Vote and frequency of Say on Pay Vote outcomes.

17. Compensation Discussion and Analysis. Review and discuss "Compensation Discussion and Analysis" disclosures to be included in the Company's proxy statement with management and approve the disclosures for inclusion in the Company's Form 10-K and annual proxy statement.

18. Compensation Committee Report. Prepare and approve the Compensation Committee report for inclusion in the Company's annual proxy statement.

19. Performance Evaluation and Review of Charter. Review, on at least an annual basis, the Committee's performance and the Committee's compliance with this Charter, and the sufficiency of this Charter, and recommend changes to the Board as appropriate.

20. Other Assignments. Handle any other assignments delegated by the Board.

### **Delegation of Duties**

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, except that it shall not delegate its responsibilities with respect to compensation where it has determined such compensation is intended to comply with Section 162(m) of the Code by virtue of being approved by a committee of "outside directors" or is intended to be exempt from Section 16(b) under the Exchange Act pursuant to Rule 16b-3 by virtue of being approved by a committee of "non-employee directors" and such delegation would cause such compensation not to so comply or be exempt. To the extent consistent with the foregoing and permitted by applicable law and the rules of the New York Stock Exchange, the Committee may delegate to management certain of its responsibilities, including with respect to awards under long-term incentive and equity compensation plans.