

# Compensation Committee Charter

Last Revised December 9, 2016

## Purpose

The Compensation Committee (“Committee”) of Panhandle Oil and Gas Inc. (the “Company”) is appointed by the Board of Directors (“Board”) to discharge the Board’s responsibilities relating to compensation, employee benefits and incentive programs of the Company.

The Committee has overall responsibility for approving and evaluating executive officer compensation, retirement plans, policies and programs of the Company and the compensation of the directors.

## Committee Membership

The Committee shall consist of no fewer than two members as determined by the Board. Each member of the Committee shall be independent in accordance with the rules of the New York Stock Exchange (“NYSE”). Each member of the Committee shall be a “non-employee director” within the meaning of SEC Rule 16b-3 and an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986.

The members of the Committee shall be appointed by the Board. Committee members may be replaced by the Board at any time, with or without cause, by a majority vote of the independent directors. The Board shall designate one member of the Committee to serve as its Chairperson.

## Committee Rules of Procedure

The Committee shall meet at least once annually, or more frequently as the Committee determines or circumstances dictate. Special meetings may be convened as the Committee deems necessary or appropriate.

A majority of members of the Committee participating in a meeting shall constitute a quorum to transact business. Minutes of each meeting will be kept and a summary of the results and actions of each meeting will be reported to the full Board.

The Committee may form and delegate authority to subcommittees or, to the extent permitted under applicable laws, regulations and listing rules, to any other independent director, in each case, to the extent the Committee deems necessary or appropriate.

## Committee Authority and Responsibilities

### General Responsibilities

The Committee may and shall have sole authority to select, retain and terminate or obtain the advice of compensation consultants, independent legal counsel, accounting, actuarial or other advisers and to approve such advisers’ fees and other retention terms. The Committee is directly responsible for oversight of the work of all such advisers. The role of such advisers shall be to provide advice, analysis and commentary to the Committee as necessary to assist with the performance of the Committee’s duties and responsibilities as set forth in this Charter. Such advisers shall serve in an advisory capacity only. Actions taken by the Committee may or may not incorporate advice or recommendations provided by such advisers and any decisions or recommendations shall be determined by the Committee alone in its sole discretion. The Company

shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any adviser retained by the Committee.

Such advisers may be retained only after consideration by the Committee of all factors relevant to the adviser's independence from management, including those specified in NYSE Rules.

### **Executive Compensation**

The Committee shall at least annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives and recommend to the Board the CEO's compensation level based on this evaluation. The Committee shall consider the Company's performance and relative shareholder return, comparisons to comparable companies, and other factors that the Committee deems appropriate in connection with its review.

The Committee shall interpret, implement, administer, review and approve all aspects of remuneration of the Company's executive officers and other key officers.

The Committee shall at least annually review and approve for the CEO and all other executive officers of the Company (a) their annual base salary level, (b) their annual bonus amount if any, (c) incentive awards and cash-based and equity-based awards, and (d) any special or supplemental benefits. Unless otherwise determined by the Committee, the CEO may be present during discussions evaluating and setting compensation levels of the executive officers other than himself but he may not vote on such deliberations. The CEO may not be present during Committee deliberations and voting regarding his compensation.

### **Director Compensation**

The Committee shall determine director, committee member, chair of committee and chairman of the board or lead independent director compensation for non-employee directors.

### **ESOP and 401(k) Plan Administration**

The Committee annually shall review the transactions and assets of the Company's Employee Stock Ownership and 401(k) Plan ("the Plan") for each fiscal year, and shall consider for approval the CEO's recommended contribution by the Company to the Plan for the current fiscal year.

After the end of each fiscal year, the Plan Trustee shall meet with the Committee and report on the past fiscal year's Plan performance. The Trustee shall review with the Committee the performances of the individual mutual funds available in the Plan. The Committee shall evaluate the performances of the mutual funds and may add or remove mutual funds available under the Plan.

The Committee annually shall engage the Company's legal counsel to review the Plan and Trust Agreement and to provide the Committee with any recommended changes. The Committee shall consider the recommended changes for approval and adoption.

The Committee may authorize any member of the Committee or any executive officers to represent the Committee as Plan Administrator in executing Plan administrative forms on behalf of the Committee, as provided for in the Plan and Trust Agreement.

### **Non-executive Compensation**

The Committee annually shall review and consider for approval the salary and bonus levels recommended by the CEO for all non-executive employees.

### Other Responsibilities

The Committee may consult with or obtain input from management, but, except as expressly provided herein, shall not directly or indirectly delegate any of its responsibilities to management.

The Committee may authorize any member of the Committee to execute documents on its behalf as the Committee deems necessary or appropriate to carry out its responsibilities hereunder.

The Committee shall report regularly to the Board, but not less frequently than annually.

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

The Committee shall conduct an annual review of its own performance.

The Committee shall review and approve the Compensation Discussion and Analysis (the “CD&A”) and other compensation disclosures required to be included in the Company’s proxy statement or annual report on Form 10-K and determine whether to recommend to the Board that the CD&A be included in the proxy statement or annual report, as applicable.

The Committee shall produce the annual Compensation Committee Report for inclusion in the Company’s proxy statement in compliance with SEC rules.

In addition to the activities described above, the Committee will perform such other functions as it determines necessary or appropriate under applicable law, the Company’s certificate of incorporation and by-laws, and the resolutions and other directives of the Board as in effect.

Except as expressly set forth in this Charter, the authority vested in the Committee shall be in all respects subject and subordinate to the Company’s certificate of incorporation and by-laws and all applicable laws, rules and regulations, and the resolutions and other directives of the Board as in effect from time to time.