



## **COMPENSATION, BENEFITS AND STOCK OPTION COMMITTEE CHARTER**

This Compensation, Benefits and Stock Option Committee Charter was adopted by the Board of Directors (the “Board”) of Noble Energy, Inc. (the “Company”) on January 27, 2004. It is intended as a component of the flexible framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations, and listing requirements, as well as in the context of the Company’s Certificate of Incorporation and By Laws, it is not intended to establish by its own force any legally binding obligations.

### ***Purpose***

The purpose of the Compensation, Benefits and Stock Option Committee (the “Committee”) is to (a) review and approve corporate goals and objectives in the areas of: (1) salary and bonus compensation, (2) benefits, and (3) equity based compensation, as these areas relate to the Chief Executive Officer (“CEO”), evaluating the CEO’s performance based on those goals and objectives and, either as a committee or together with the other independent directors (as directed by the Board) determine and approve the CEO’s compensation level based on that evaluation; (b) make recommendations to the Board with respect to non-CEO compensation, incentive-compensation plans and equity-based plans; and (c) produce a Committee report on executive compensation as required by the Securities and Exchange Commission to be included in the Company’s annual proxy statement or annual report on Form 10-K.

In support of this purpose, the overall goal of the Committee is to target total compensation (consisting of base pay, bonus pay, equity based compensation and other benefits) that reinforces planned performance and competitive market practices, and that also balances short-term pay and long-term incentives.

### ***Principal Responsibilities***

Subject to the powers and duties of the Board, the Committee’s principal responsibilities include the following:

- (1) Review, at least annually, the overall compensation philosophy, goals and objectives of the Company and, if appropriate, amend or recommend that the Board amend those goals and objectives;
- (2) review and approve Company goals and objectives relevant to compensation for the CEO and other members of senior management;
- (3) in support of (2), and in light of the approved goals and objectives, perform an annual qualitative and quantitative evaluation of the CEO’s performance, obtaining input as appropriate from the Corporate Governance and Nominating Committee;

- (4) based on the evaluation under (3), review and recommend to the Board, or approve, the annual salary, bonus, equity based compensation and other benefits of the CEO and other members of senior management;
- (5) as appropriate, investigate competitive practices and trends to determine the adequacy of the Company's executive compensation philosophy and programs;
- (6) issue an annual report in the Company's proxy statement or annual report on Form 10-K on CEO and other executive compensation, as required by the Securities and Exchange Commission;
- (7) periodically, at least annually, review (and, as appropriate, recommend changes to the Board) the Company's base pay, bonus pay, equity based compensation and other benefit programs for employees below the executive level;
- (8) in the Committee's sole discretion, retain (including making fee arrangements and setting other retention terms), at the Company's expense, and terminate compensation consultants, if deemed advisable, to assist the Committee regarding compensation matters;
- (9) conduct an annual evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
- (10) review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval; this should be done in compliance with applicable legal and regulatory requirements; and
- (11) perform such other duties as may be assigned it by the Board of Directors.

### ***Composition and Operations***

- ***Committee Member Qualifications.*** The Committee will be composed of no less than three and no more than five directors, each of whom has been determined by the Board to be "independent" in accordance with the applicable rules of the New York Stock Exchange. In addition, no director may serve unless he or she (i) is a "Non-employee director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code.
- ***Committee Member Appointment and Removal.*** The Board will appoint the Committee members and a Committee Chair, and such appointees shall continue to be members until their successors are elected and qualified or until their earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by the Board.
- ***Committee Structure and Operations.*** The Committee will meet at least three times per year at such times and places as it deems advisable. Meetings of the Committee may be held telephonically. The presence of a majority of the Committee members will constitute a quorum for the transaction of business. The Committee, in

its discretion, may ask members of management or others to attend its meetings and provide pertinent information. The Secretary of the Committee will be the Secretary or an Assistant Secretary of the Company. The Committee Chair will advise the Board on the results of its meetings. The Committee will determine other rules of procedure as it deems appropriate. The Committee may delegate responsibilities of the Committee to committees of its own denomination, provided that such committees are composed entirely of independent directors and, provided further, the Committee shall not delegate to any such committee any power or authority required by law, regulation or listing standard to be exercised by the Committee as a whole. Any such committee must have a published charter.

- *Committee Reporting to the Board.* The Committee will (i) report (which may be oral) regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board requests, and (ii) maintain minutes or other records of Committee meetings and activities.
- *Access to Senior Management.* The Committee will have access to the Company's senior management and all pertinent documents, and will be provided the resources necessary to carry out its Charter responsibilities.