

COMPENSATION COMMITTEE CHARTER

COMPOSITION AND TERM OF OFFICE

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Nabors Industries Ltd. (the “Company”) 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 New York Stock Exchange (“NYSE”), 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.

MEETINGS

The Committee shall meet at least four times per year and otherwise as often as it determines is necessary or appropriate to carry out its responsibilities. The presence of two or more members of the Committee shall constitute a quorum for the transaction of business. The Committee may meet either in person or telephonically and at such times and places as the Committee shall determine.

PURPOSE AND ROLE

The purpose of the Committee shall be to carry out the Board’s overall responsibility relating to executive compensation. In furtherance of this 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 approve 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).
- 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).
- 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.
- To review and discuss with management the Compensation Discussion and Analysis (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.
- 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.
- Such other responsibilities as determined by the Board from time to time.

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. With respect to stock-based awards, 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.

The Committee shall have the authority 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 NYSE 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.

The Committee shall report its actions and any recommendations to the Board after each Committee meeting and shall conduct and present to the Board an annual performance evaluation of the Committee. The Committee shall review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval.