



**COMPENSATION AND BENEFITS COMMITTEE CHARTER**  
**As Amended and Restated by the Board of Directors**  
**November 10, 2016**

**Purpose**

The Compensation and Benefits Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Anadarko Petroleum Corporation (the “Company”) to discharge the Board’s responsibilities relating to compensation of the Company’s directors, Chief Executive Officer and other senior officers. The Committee has overall responsibility for approving and evaluating the director and officer compensation plans, policies and programs of the Company. The Committee is also responsible for producing an annual compensation committee report for inclusion in the Company’s proxy statement for its annual meeting of stockholders (“Proxy Statement”) or Annual Report on Form 10-K (“Form 10-K”), as applicable, reviewing the Compensation Discussion and Analysis (“CD&A”) to be included in the Company’s Proxy Statement or Form 10-K, as applicable, and determining whether to recommend to the Board that the CD&A be included in the Proxy Statement or Form 10-K, as applicable.

**Committee Membership**

The Committee shall consist of no fewer than two independent members of the Board. All Committee members must be independent as determined by the Board. To be considered independent, each Committee member must meet the independence requirements of the New York Stock Exchange (the “NYSE”), the rules and regulations of the Securities and Exchange Commission (“SEC”) and the Company’s Corporate Governance Guidelines. In addition, each Committee member shall be a “non-employee director” as defined by Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”).

The members of the Committee shall be directors of the Company and nominated by the Governance and Risk Committee and elected annually by the Board and shall serve until their successors are duly elected and qualified. A majority vote of the Board may remove a Committee member at any time, with or without cause.

If a member of the Committee ceases to be independent for reasons outside the member’s reasonable control, his or her membership on the Committee may, so long as a majority of the members of the Committee continue to be independent and if so permitted under then applicable NYSE rules, continue until the earlier of the Company’s next annual meeting of

stockholders or one year from the occurrence of the event that caused the member to be no longer independent.

Unless a Chairman is elected by the full Board, the members of the Committee shall designate a Chairman by majority vote of all of the Committee members.

### **Meetings**

The Committee shall meet as often as necessary, but at least once each year, to carry out its responsibilities. Special meetings of the Committee may be called by the Chairman or any two members of the Committee. The Committee may meet in person or by telephone, or by any other means permitted by law or the Company's By-Laws.

A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may take action by the unanimous written consent of the members in lieu of a meeting. The Committee shall determine its own rules and procedures, including designation of a chairperson pro tempore, in the absence of the Chairman, and designation of a secretary. The secretary need not be a member of the Committee and shall attend Committee meetings and prepare minutes. The Committee shall keep written minutes of its meetings, which shall be recorded or filed with the books and records of the Company. Any member of the Board shall be provided with copies of such Committee minutes if requested.

The Committee may ask members of management or others whose advice and counsel are relevant to the issues then being considered by the Committee, to attend any meetings and to provide such pertinent information as the Committee may request.

The Chairman of the Committee shall be responsible for leadership of the Committee, including approving the agenda, presiding over Committee meetings, making Committee assignments and reporting the Committee's actions to the Board at the next regularly scheduled Board meeting following the Committee meeting and as requested by the Board.

### **Committee Authority and Responsibilities**

1. *Authority.* The Committee shall have the sole authority to retain and terminate any legal counsel, compensation consultant or other adviser (collectively, "consultants") to be used to assist in the evaluation of director or executive compensation, shall be directly responsible for the oversight of the work of any consultant and shall have sole authority to approve the consultant's compensation or fees and other retention terms. All fees and other retention items for consultants shall be paid by the Company. Prior to engaging a consultant (other than a consultant subject to an exclusion under NYSE rules), the Committee shall consider all factors relevant to the consultant's independence from management, including the specific factors identified by the SEC and the NYSE that affect the independence of compensation advisers. The Committee will consider these factors at least annually in connection with a consultant's continued retention.

2. *Compensation Philosophy and Competitive Analysis.* The Committee shall, in consultation with the independent executive compensation consultant and senior management, establish the Company's general executive compensation philosophy and objectives. The Committee shall periodically assess the Company's competitive position with respect to each component of executive compensation (including base salary, annual incentives, long-term incentives, and supplemental executive benefit programs) and in total by reviewing compensation programs and practices against relevant external benchmarks and considering the prevailing business environment and the Company's current and future business objectives.

3. *Chief Executive Officer.* The Committee shall determine the compensation of the Chief Executive Officer. The Committee shall set corporate goals and objectives relevant to the Chief Executive Officer's compensation. In determining the Chief Executive Officer's compensation, the Committee should consider, among other things, the following:

- a. the Company's performance against established goals and objectives;
- b. the Company's relative stockholder return against industry peers;
- c. the prevailing business, economic and broader equity market environments;
- d. the Company's current and future business objectives;
- e. the value of similar incentive awards to chairmen and/or the chief executive officers at comparable companies; and
- f. the awards given to the Company's Chief Executive Officer in past years.

The Committee shall be responsible for conducting an annual review and evaluation (including a written evaluation) of the Chief Executive Officer's performance in light of those goals and objectives. The Committee shall also have its Chairman, in conjunction with the Lead Director, or the independent Chairman of the Board, if applicable, review the results of the Committee's evaluation of the Chief Executive Officer's performance with the Chief Executive Officer after completion of the annual evaluation. Subject to Paragraph 7 below, the Committee shall have the sole authority to approve, amend or terminate with respect to the Chief Executive Officer the following elements of compensation based on this evaluation: (a) annual base salary level, (b) annual incentive opportunity level and payment, (c) long-term incentive opportunity level and awards, (d) employment agreements or severance arrangements and (e) any special or supplemental benefits. In addition, the Committee shall review and approve the material terms of employment offers for a Chief Executive Officer.

4. *Other Officers.* Subject to Paragraph 7 below, the Committee shall annually review and have the sole authority to approve, amend or terminate the following elements of compensation for the officers of the Company (other than the Chief Executive Officer) who are reporting officers under Section 16 of the Securities Exchange Act of 1934 ("Section 16 Officers") (a) the annual base salary level, (b) the annual incentive opportunity level

and payment, (c) the long-term incentive opportunity level, (d) employment agreements or severance arrangements and (e) any special or supplemental benefits. In addition, the Committee shall review and discuss the performance of each of the Company's Section 16 officers. Further, the Committee shall review and approve the material terms of employment offers for Section 16 Officers.

5. *Directors.* The Committee shall have the sole authority to approve, amend or terminate with respect to members of the Board (a) the annual compensation, and (b) any additional compensation for service on committees of the Board, service as a committee chairman, service as Lead Director, meeting fees or any other benefit payable by virtue of the director's position as a member of the Board, except as provided in Paragraph 7 below.

6. *Compensation and Benefit Plans.* The Committee shall have the sole authority to approve, administer, amend or terminate incentive compensation plans, any equity-based plans, any pension or welfare plan, any plan subject to the Employee Retirement Income Security Act of 1974, any non-qualified retirement plan, and any Code Section 125 plan, except that the Committee shall share such authority with specified members of the Board or Company officers to the extent that the Board or the Committee has granted authority to administer or amend any plan to certain members of the Board or Company officers, and except as provided in Paragraph 7 below.

7. *Ratification Required by the Board.* The following matter shall be presented as a recommendation to the full Board and shall be subject to the approval by the full Board: any action, including, but not limited to, the adoption or amendment of any equity compensation plan that is required by law or regulation to be submitted to the stockholders of the Company for approval. The following matters shall be presented as a recommendation to the independent members of the Board and shall be subject to the approval by a majority of the independent members of the Board: (i) material terms of any employment agreement for a new Chief Executive Officer and (ii) any approval, amendment or termination of change in control, severance, or similar agreements applicable to the Chief Executive or Section 16 Officers of the Company. In the event the recommendation of the Committee is not approved by the Board (or the independent members of the Board, as applicable), the recommended action must be returned to the Committee for further consideration. Any revised Committee recommendation regarding such item must be resubmitted to the Board (or the independent members of the Board, as applicable) for approval.

8. *SEC Disclosures.* The Committee shall produce an annual compensation committee report for inclusion in the Proxy Statement or Form 10-K in accordance with the rules of the SEC. The Committee shall review and discuss with management the CD&A, and determine whether to recommend to the Board that the CD&A should be included in the Proxy Statement or Form 10-K in accordance with the rules of the SEC. The Committee shall (i) review and discuss with management the wording of the Proxy Statement disclosures for advisory votes by stockholders on executive compensation ("say on pay vote"); (ii) review and discuss with management, as necessary, engagement with stockholder groups and proxy advisory firms in connection with the say on pay vote; (iii) review, evaluate and discuss with management the results of the say on pay vote and

consider whether to make any adjustments to the Company's executive compensation policies and practices in light of the voting results; and (iv) review and discuss with management and, as appropriate, recommend to the Governance and Risk Committee or the full Board how frequently the Company should permit stockholders to have say on pay votes.

9. *Compensation Risk Assessment.* The Committee will annually review the Company's internal process for assessing the risk associated with the compensation programs and the outcomes of such assessment to ensure such programs (i) do not motivate the Company's executive and non-executive employees to take excessive risks, (ii) are aligned with the Company's stockholders' best interests and (iii) are not reasonably likely to have a material adverse effect on the Company.

10. *Stock Ownership Guidelines.* The Committee shall periodically review the stock ownership guidelines with regard to the officers and directors of the Company and recommend any proposed changes to the Board for approval. The Committee shall annually monitor compliance with these guidelines.

11. *Policy on Officer Severance Arrangements.* The Committee shall periodically review and discuss with its independent executive compensation consultant and senior management its policy on officer severance arrangements, and recommend any proposed changes to the Board to the extent required by Paragraph 7.

12. *Executive Session.* The Committee shall determine which officers of the Company or other visitors to invite to the Committee's meetings and executive sessions. In the sole discretion of the Committee, the Committee may meet in executive session at any time.

13. *Report to the Board.* Following each action by the Committee, the Committee shall make a report to the full Board at the next regularly scheduled meeting of the full Board.

14. *Charter Review and Annual Performance Evaluation.* The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall conduct an annual performance evaluation of the Committee.

15. *Delegation.* The Committee may form and delegate authority to subcommittees or individual directors (including delegation to the Chief Executive Officer with respect to determination of certain compensation of officers who are not Section 16 Officers) when it determines that such action is appropriate under the circumstances.

16. *Additional Activities.* The Committee shall perform any other activities consistent with this Charter, the Company's By-Laws and applicable law, as the Committee deems appropriate to carry out its assigned responsibilities or as requested by the Board.