Approved
October 26, 2017
Minor amendments 2019

PPDM BOD NOMINATIONS COMMITTEE

PRESENTED BY: THE PPDM BOARD OF DIRECTORS
PROFESSIONAL PETROLEUM DATA MANAGEMENT
ASSOCIATION
#860, 736 8 AVENUE SW
CALGARY, AB
TABLE OF CONTENTS

PPDM Board of Directors Nominations Committee

- COMMITTEE Background and Description .................................................. 2
- High Level Goals and Objectives ............................................................... 3
- Benefits ................................................................................................. 3
- Guiding Principles .................................................................................. 3
- Assumptions .......................................................................................... 3
- Deliverables ............................................................................................ 3
- Committee Construction ........................................................................ 4
- Committee Constituency ......................................................................... 4
- Committee Member Criteria ................................................................... 4
- Risks and issues management ................................................................. 4
- High Level Timeline/Schedule ................................................................. 5
- communication documents ...................................................................... 5
- Schedule A ............................................................................................. 6
- Directors Eligibility Guidelines ............................................................... 6
- Appendix A: Authority and Responsibilities ........................................... 8
  - PPDM Board of Directors ....................................................................... 8
  - PPDM CEO .......................................................................................... 8
  - Nominations Committee ......................................................................... 8
PPDM BOD NOMINATIONS COMMITTEE

COMMITTEE BACKGROUND AND DESCRIPTION

The Professional Petroleum Data Management Association (PPDM) is the not for profit, global society that enables the development of professional data managers, engages them in community, and endorses a collective body of knowledge for data management across the oil and gas industry.

The Association’s bylaws govern the legal operation of PPDM. In alignment with these, and the appropriate legal and policy framework, the Board of Directors is responsible for the overall strategic oversight and long-term health of the PPDM. It is expected to provide leadership and governance for the PPDM and act in the best interests of all the members of PPDM by promoting PPDM’s goals.

In 2016, the Legal Committee of the Board of Directors was asked to evaluate the mechanisms and processes that underpin the Board nominations and elections systems to ensure that PPDM is positioned to attract highly qualified individuals to the Board. This evaluation resulted in several recommendations that were presented to the Board for endorsement. Two of the endorsed recommendations will be fulfilled by the formation of a Nominations Committee:

1. The Legal Committee proposes that the Board of Directors create an independent Nominations Committee to oversee the nomination process for eligibility for election to the position of Director of PPDM. The Nominations Committee would have the role of vetting and endorsing candidates most qualified to lead the organization but would not have the role of limiting member candidacy. The Legal Committee further recommends that the Nominations Committee be comprised of 3–5 former members of the Board of Directors, or members of the PPDM community with established leadership capabilities who remain members in good standing of PPDM. It is further proposed that initial membership of the Nominations Committee be by appointment of the Board of Directors, and accountable to the Board of Directors. The Nominations Committee will be responsible for defining the terms of refreshment for committee membership.

2. The Legal Committee proposes that the Board of Directors establish a set of principles or guidelines for eligibility to stand for election to the Board of Directors. Ownership and accountability for the content of the guidelines should rest with the Board of Directors, but maintenance and revision should be the responsibility of the Nomination Committee. Schedule “A” (attached) presents an initial set of Eligibility Guidelines for the Board of Director’s consideration. The Nominations Committee should hold responsibility for defining an alternative approach for achieving nomination for election as a Director of PPDM should PPDM’s counsel find that the eligibility requirements or the introduction of a Nominations Committee violate in any way violate the principle of symmetry.
HIGH LEVEL GOALS AND OBJECTIVES

1. The Nominations Committee will meet annually to review the Eligibility Guidelines and consider whether revisions are necessary. If necessary, a revised set of guidelines will be presented to the Board of Directors for approval; submissions must be given to the Board of Directors at least 16 weeks before the Annual General Meeting at which the revisions are expected to be in effect.

2. The Nominations Committee will work with PPDM staff to schedule the Call for Nominations and Nominations process each year. Schedules for these events will comply with the PPDM Association bylaws.

3. The Nominations Committee will review all nominations and candidates.

4. Final advice to each candidate must be made prior to the creation of the election ballot.

5. Members of the Nominations Committee may not stand as scrutineers at the AGM, as this would be a conflict of interest.

BENEFITS

The Director nominations and elections processes, underpinned by practical eligibility requirements, ensure that PPDM attracts high quality, experienced and strategically minded candidates to the role of Director. This goal in turn supports the Board of Director’s effectiveness and ensures that the Board of Directors remains free of unreasonable influence by any single stakeholder or stakeholder group.

GUIDING PRINCIPLES

The Nominations Committee must operate within the framework established by:

1. The PPDM Bylaws.
2. The membership qualification and status as defined in the PPDM Membership Agreement.
5. General principles of corporate governance best practices.
6. Eligibility Guidelines for Directors of the PPDM Board of Directors.

Under the existing PPDM Bylaws, the Nominations Committee may make recommendations to candidates, but cannot prohibit candidates from standing for election as a Director of PPDM.

ASSUMPTIONS

The Nominations Committee is constituted by the Board of Directors but is not a committee of the Board of Directors.

DELIVERABLES

1. Eligibility Guidelines for Directors of the PPDM Board of Directors.
2. Nominations application criteria and forms.
3. Candidate reviews and feedback. These are to be provided in confidence to the respective candidates as non-binding advice.
4. Candidate reviews and feedback must be provided in writing and documents filed with PPDM Legal Counsel as part of the annual PPDM filing.
COMMITTEE CONSTRUCTION

Size: The Nominations Committee will be comprised of 3 – 5 qualified individuals.

Term: Each committee member will be expected to serve a 2-year term. Committee members may serve for up to 2 terms.

Chair: The chair will be chosen by the Nominations Committee, using a mutually agreed method, on an annual basis.

Secretary: The secretary will be chosen by the Nominations Committee, using a mutually agreed method, on an annual basis. The secretary will record the proceedings and recommendations of the Nominations Committee. These must be submitted to PPDM Legal Counsel for on an annual basis.

COMMITTEE CONSTITUENCY

The Nominations Committee will be formed by interested parties, contingent on Board of Directors approval.

The Board of Directors should review the charter of the Nominations Committee annually in the second quarter meeting of the Board of Directors in each fiscal year.

Each Candidate for the Nominations Committee should:

- Be interviewed by a designated member of the Board of Directors.
- Be aware of the strategies and plans of PPDM so they understand specific skills and knowledge that Board Candidates should have.
- Be aware of existing and planned PPDM initiatives, to ensure they can speak to these cogently.

COMMITTEE MEMBER CRITERIA

1. Each candidate must be a member of PPDM in good standing throughout their term on the committee.
2. Candidates must have established leadership capabilities.
3. Candidates should have past experience as a member of a strategic board of directors, such as the Board of Directors.
4. Candidates may not be a member of the Board of Directors during their term in the Nominations Committee.

RISKS AND ISSUES MANAGEMENT

1. Candidates who do not receive the recommendation of the Nominations Committee may seek to take legal action.
   a. PPDM must ensure that suitable insurance is in place
   b. Ensure guidelines are defensible through a review by the PPDM Legal Counsel.
2. Endorsement from the Nominations Committee does not provide confirmation that a given individual is a suitable candidate for the Board of Directors. Endorsement merely states that a candidate has been deemed qualified through an initial scrutiny based on the criteria in the Eligibility Guidelines.
   a. Appropriate disclaimers must be published on documents prepared by the Nominations Committee, both those for public consumption and those for candidates.
HIGH LEVEL TIMELINE/ SCHEDULE

The first Nominations Committee will be formed early in 2018.

COMMUNICATION DOCUMENTS

Any communications between the Nominations Committee about committee business and the membership must be made through official PPDM channels.

Communications between the Nominations Committee and the Board of Directors will be between the chair of the Nominations Committee and a designated Board of Directors representative (initially the Chairman of the Board).
SCHEDULE A

Directors Eligibility Guidelines

Disclaimer

_Endorsement from the Nominations Committee does not provide confirmation that a given individual is a suitable candidate for the Board of Directors. Endorsement merely states that a candidate has been deemed qualified through an initial scrutiny based on the criteria in the Eligibility Guidelines._

Collaboration helps PPDM develop and implement holistic strategies.

- PPDM’s objectives will be accomplished through collaboration between operators, regulators, vendors, service companies, and educators. A well-constructed board of directors contains representation from as many stakeholder groups as possible.

Global representation allows the Board of Directors to address the needs of its constituency.

- Social, economic and cultural differences between regions must be considered as global strategies are developed and implemented. The Board of Directors strives to ensure that, over time, global representation is achieved.

Only Members are eligible for positions on the Board of Directors

- Membership in PPDM may be obtained as an individual, or through the corporate membership of employers. Since individuals may transition between companies during their term of office, PPDM recommends that candidates obtain membership that is independent of their corporate affiliation.

Independent candidate reviews help qualify prospective Directors

- The Board of Directors is responsible for the strategic direction of PPDM, and for fiduciary oversight. Directors should have clear, demonstrated skills and experience in these areas, have experience at the executive or management level, and understand the oil and gas business. The Nominations Committee verifies candidate skills and experience, and may recommend those best qualified for a role as Director. The Nominations Committee may, at its discretion, advise some Board candidates to seek other roles in PPDM committees or workgroups before seeking nomination for the role of Director.

Involvement in PPDM activities help prepare prospective Board candidates

- Individuals who have an established track record of direct engagement in PPDM or industry activities, committees, or workgroups are better positioned to participate in the ongoing stewardship and development of the PPDM plan.

Strength and stability are derived through a balance between experience and fresh ideas

- PPDM values both the wisdom that Directors develop through participation in Board of Directors activities, and the fresh ideas that new Directors bring. A well-constructed Board of Directors should contain a balance of experienced and new members.

Clear expectations help ensure Directors understand their commitment

- Directors are elected for a two-year term on the Board of Directors. During this term, Directors are expected to spend adequate time preparing for, participating in, and completing associated actions, for board meetings or agreed ancillary activities. Repeated failure to meet these expectations could result in removal from the Board. The position of director is unpaid, and Directors are responsible for their own expenses.
The following web page provides a more comprehensive Job Description.

**PPDM must be independent of undue corporate influence**

Directors must represent both the needs of individual data managers and the needs of industry. PPDM values this multifaceted input. A well-constructed Board of Directors represents all viewpoints without allowing any one constituency to have undue influence on the strategies or plans of PPDM. During nomination reviews, existing or potential corporate representation could be considered to ensure a healthy balance of Directors.

**Directors must be neutral, and avoid any conflict of interest**

Members must sign the PPDM Code of Ethics prior to participation on most work groups and committees, including the Board of Directors. Candidates must also declare any existing conflicts of interest and must avoid potential conflicts of interest or violation of applicable anti-trust legislation during their term in office.

**Directors must protect the confidentiality of PPDM information**

Directors have access to confidential information and must ensure that this information is not disseminated to others, even those in positions of authority over them, in any form, without consent from the Board of Directors, or authorized delegate.

**Directors must abide by PPDM policies**

In the context of their participation in the Board of Directors or other PPDM activities, Directors must follow its policies and practices.

**Directors represent PPDM**

Directors should take every opportunity to meet with members of PPDM to understand their needs and promote the benefits derived from membership. Directors promote the benefits of PPDM to the upstream petroleum industry and seek financial resources and volunteer participation in support of PPDM.
APPENDIX A: AUTHORITY AND RESPONSIBILITIES

PPDM BOARD OF DIRECTORS

- Association governance and strategy
- Approve charter and budget for project activities
- Select or approve candidates for the Nominations Committee

PPDM CEO

- Develop business plan and integrate project plans into overall objectives of PPDM.
- Overall PPDM budget, including project budget administration. Assist with project budget planning.
- PPDM staff resource allocation.
- Recruit funds for project funding.

NOMINATIONS COMMITTEE

- Recommendations for changes to the Eligibility Guidelines for as Director for the PPDM Board of Directors.
- Candidate reviews and feedback based on Candidate Eligibility as Director for the Board of Directors.
- Final reports and other relevant materials must be made available to PPDM Legal Counsel on an annual basis.
- Names and other required information, such as board nomination application form, for Board of Directors Election Candidates Ballot and Annual General Meeting.