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PPDM BoD Nominations Committee Charter

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PPDM BoD Nominations Committee Charter

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 the 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 of Directors nominations and elections systems to ensure that PPDM is positioned to attract highly qualified individuals to the Board of Directors. This evaluation resulted in several recommendations that were presented to the Board of Directors for approval. The approved 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 will vet and recommend candidates most qualified to lead the organization but would not limit 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. Appendix A 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 collaborate with the CEO and the Board of Directors to identify high potential candidates and encourage them to become candidates for the upcoming election for positions on the Board of Directors.
2. The Nominations Committee will review the qualifications of all candidates against the Directors Eligibility Guidelines shown below in Appendix A.
3. The Nominations Committee will provide advice to each candidate on the contents of their application.
4. The Nominations Committee will provide a non-binding recommendation to the PPDM Association Voting members for each candidate.

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.
3. The [Alberta Business Corporations Act](#), RSA 200, c B-9¹.
4. The Alberta Societies Act, RSA 2000, cS-14.
5. General principles of corporate governance best practices.
6. Eligibility Guidelines for Directors of the PPDM Board of Directors.
7. Members of the Nominations Committee may not stand as scrutineers at the AGM, as this would be a conflict of interest.

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.

¹ A requirement of the Alberta Business Corporations Act is that the PPDM Board of Directors must include at least 25% Canadian residents.

Deliverables

1. Eligibility Guidelines for Directors of the PPDM Board of Directors.
2. Nominations application documents and forms including ballot.
3. Candidate reviews and feedback provided in confidence to the respective candidates as non-binding advice.
4. Non-binding recommendations to the PPDM Association Voting members based on Eligibility Guidelines as Director for the Board of Directors for inclusion in the Annual Call for Meeting.
5. List of candidates will include a recommendation from the Nominations Committee and a statement of how the candidate contributes to board diversity as indicated by:
 - a. Segment of industry represented.
 - b. Geographic location – regional representation balance.
6. Final reports and other relevant materials for the PPDM Legal Counsel on an annual basis.

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 on an annual basis.

Committee constituency

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

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:

1. Be interviewed by a designated member of the Board of Directors.
2. Be aware of the strategies and plans of PPDM so they understand specific skills and knowledge that Board Candidates should have.
3. 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 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. A recommendation by the Nominations Committee does not confirm that a given individual is a suitable candidate for the Board of Directors. A recommendation 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 stated on documents prepared by the Nominations Committee, both those published for public consumption and those published for candidates.

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 that will be assigned on an annual basis. The person will not be a member of the Board of Directors scheduled for election in that year.

Appendix A: Eligibility Requirements for PPDM Directors

This appendix describes eligibility requirements for PPDM Director candidates.

Candidates must be PPDM member

Only PPDM members are eligible for positions on the board of directors. Membership in PPDM may be 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 a membership that is independent of their corporate affiliation.

Candidates must demonstrate upstream petroleum industry experience

Directors apply their upstream petroleum industry experience to set the strategic direction of PPDM.

Candidates must demonstrate strategic planning and fiduciary oversight experience

The Board of Directors is responsible for the strategic direction of PPDM and 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.

Candidates must demonstrate involvement in PPDM activities

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

Candidates must understand the required 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 expenses.

The following web page provides a more comprehensive [Position Description](#).

Appendix B: PPDM Expectations of Directors

This appendix describes what PPDM expects of its Directors.

Directors must be independent of undue influence

Directors must represent both the needs of individual data managers and the needs of the industry. PPDM values this multifaceted input. Directors cannot simply use their position to advance the agenda of the segment of industry that they know best.

Directors must be neutral and avoid any conflict of interest

Directors, like PPDM members, must sign the PPDM Code of Ethics before participation in PPDM activities. Candidates must declare any existing conflicts of interest and must avoid potential conflicts of interest or violation of applicable antitrust legislation during their term in office.

Directors must fulfill the Position Description

Directors standing for re-election must demonstrate that they have fulfilled most of the elements of the published Position Description.

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 to those in positions of authority over them, in any form, without the consent from the Board of Directors.

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 must represent PPDM

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

Appendix C: Well-constructed Board of Directors

This appendix describes criteria that will be used by the Nominations Committee to determine a well-constructed PPDM Board of Directors and form the basis for the recommendations of the Nominations Committee to the PPDM Voting members.

Representation from all segments of industry

PPDM's objectives are accomplished through collaboration among operators, regulators, vendors, service companies, and educators. To support this work, the Board of Directors develops and implements holistic strategies. A well-constructed Board of Directors includes representation from as many segments of industry as possible.

A well-constructed Board of Directors represents all viewpoints without allowing any one segment of industry to exercise undue influence on the strategies or plans of PPDM. During nomination reviews, existing or potential over representation of one segment of industry could be considered to ensure a healthy balance of Directors.

Global representation to address needs of its constituency

Social, economic, and cultural differences across geographic regions must be considered as global strategies are developed and implemented. A well-constructed Board of Directors strives to ensure global representation.

Strength and stability

Strength and stability of the Board of Directors are achieved through a balance between experience and fresh ideas. PPDM values both the experience and 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.

Candidates are independently reviewed help qualify prospective directors

The Nominations Committee verifies candidate skills and experience and recommends those best qualified for a role as Director. To achieve a well-constructed Board of Directors, the Nominations Committee may, at its discretion, advise some candidates to seek other roles in PPDM committees or workgroups before seeking nomination for the role of Director.

Appendix D: Authority and Responsibilities

PPDM Board of Directors

1. Provides PPDM governance and strategy.
2. Approves charter and budget for project activities.
3. Selects or approves candidates for the Nominations Committee.
4. Provides guidance to the Nominations Committee about priority areas to increase board diversity.

PPDM CEO

1. Develops the business plan and integrates project plans into the overall objectives of PPDM.
2. Responsible for overall PPDM budget, including project budget administration. Assists with project budget planning.
3. Allocates PPDM staff resources.
4. Solicits funds for project funding.

Nominations committee

Operates the annual nominations process for candidates standing for election to the PPDM Board of Directors. The Nominations Committee will:

1. Review the Eligibility Guidelines and determine if revisions are necessary. If necessary, a revised set of guidelines will be presented to the Board of Directors for approval.
 - Submissions must be provided 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. Review the Committee Charter and determine if revisions are necessary. If necessary, a revised charter will be presented to the Board of Directors for approval.
3. Collaborate with the CEO and the Board of Directors to identify candidates for the Nominations Committee, if vacancies arise, and encourage them to join the committee.
4. Work with PPDM staff to:
 - Review and update the various artefacts required for the nomination process.
 - Schedule the nominations process.
 - Ensure the schedule for these events complies with the PPDM Association bylaws.
5. Attend the Annual General Meeting and provide any guidance to PPDM Association Voting members as may be desired.