

# REX ENERGY CORPORATION

## COMPENSATION COMMITTEE CHARTER

(As adopted by the Board of Directors on March 8, 2018)

### 1. Purpose and Scope

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Rex Energy Corporation (the “Company”) is to oversee and evaluate the compensation of the executive officers of the Company and its affiliates (and their performance relative to their compensation) and assure that they are compensated effectively in a manner consistent with the stated compensation strategy of the Company, internal equity considerations, competitive practice, and the requirements of the appropriate regulatory bodies. The Committee also shall communicate to stockholders regarding the Company’s compensation policies and the reasoning behind such policies as required by the rules and regulations of the Securities and Exchange Commission (the “SEC”). In addition, the Committee shall evaluate and make recommendations regarding the compensation of the directors, including their compensation for services on Board committees.

### 2. Membership and Qualification

The size of the Committee shall be determined by the Board, but shall consist of no fewer than three members, all of whom shall be independent in the judgment of the Board. For purposes of this Charter, a director shall be considered “independent” as defined in and determined pursuant to the Nasdaq Marketplace’s rules and regulations and the Company’s Corporate Governance Guidelines. The Committee members shall be nominated based upon the recommendation of the Nominating and Governance Committee and appointed by the Board and any of them may be removed at any time by the majority vote of the full Board at its discretion. Unless a Committee Chairman is elected by the full Board, the Committee members may designate a Committee Chairman by majority vote of the full Committee membership.

In addition to satisfying the requirements necessary to be independent directors, each Committee member shall be (a) an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”), (b) a “non-employee director” for purposes of Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and (c) not party to any interlocking arrangement that would need to be disclosed in the Company’s proxy statement under Item 407(e) of Regulation S-K, promulgated by the SEC. Desirable qualifications for Committee members include industry knowledge, experience in business management, executive compensation, employee benefits, human resources management and organizational behavior.

### **3. Meetings and Other Actions**

The Committee shall meet at least twice a year, in person or telephonically, and at such additional times as may be deemed by the Committee to be necessary or appropriate to carry out its responsibilities. Committee meetings may be called by the Chairman of the Committee, the Chairman of the Board and/or the Chief Executive Officer of the Company, or any other member of the Committee. A majority of the members of the Committee shall constitute a quorum, and the act of a majority of the members of the Committee present at a meeting at which a quorum is present shall be the act of the Committee. The Committee may also take any action permitted hereunder by unanimous written consent of all the Committee members. All meetings of and other actions by the Committee shall be held or otherwise taken pursuant to the Company's bylaws, including bylaw provisions governing notices of meetings, waivers thereof, and other related matters.

- To the extent not prohibited by applicable law or the Company's bylaws, the Committee may, in its discretion, delegate all or a portion of its authority, duties and responsibilities to a subcommittee of the Committee. In particular, the Committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the Committee who are (a) "non-employee directors" within the meaning of Rule 16b-3 of the Exchange Act and (b) "outside directors" for the purposes of Section 162(m) of the Code.
- Reports of meetings of, and actions taken at meetings or by consent by, the Committee since the most recent Board meeting (except to the extent covered in an interim report circulated to the Board) shall be made by the Committee Chairman or his/her delegate to the Board at its next regularly scheduled meeting following the Committee meeting or action and shall be accompanied by any recommendations from the Committee to the Board. In addition, the Committee Chairman or his/her delegate shall be available to answer any questions the other Directors may have regarding the matters considered and actions taken by the Committee.

### **4. Goals, Responsibilities and Authority**

In carrying out its purpose, the Committee shall have the following goals, responsibilities and authority (it being understood that the Committee may condition its approval of any compensation on the Board ratification to the extent so required to comply with applicable tax law such as Rule 162(m) of the Code). These functions should serve as a guide with the understanding that the Committee may carry out additional ancillary functions and adopt additional ancillary policies, goals and procedures as may be appropriate under the circumstances. The Committee shall also carry out any other responsibilities and duties as may be assigned or delegated to it by the Board from time to time.

- Establish and review from time to time, modify if necessary, and approve: (a) the Company's corporate goals and objectives related to executive compensation and (b) the structure of the Company's executive compensation to ensure that such structure is appropriate to achieve the Company's objectives of rewarding the Company's executive officers appropriately for their contributions to the Company's growth and profitability and the Company's other goals and objectives and linking the interest of the Company's executive officers to the long-term interests of the Company's equity owners through a mix of long- and short-term incentives and features that include downside risk as well as upside potential.
- Annually evaluate the compensation (and performance relative to compensation) of the Chief Executive Officer and determine the amounts and individual elements of total compensation for the Chief Executive Officer consistent with the Company's corporate goals and objectives and such other factors as the Committee deems necessary or appropriate. The Chief Executive Officer may not be present during the voting or deliberations of the Committee relating to the Committee's evaluation of the compensation of the Chief Executive Officer.
- In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee should consider, among other factors and requirements as the Committee deems relevant or appropriate, the Company's performance and relative stockholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the Company's Chief Executive Officer in prior years.
- Annually evaluate the compensation (and performance relative to compensation) of other executive officers and approve the individual elements of total compensation for each such person. To the extent that long-term incentive compensation is a component of such executive officer's compensation, the Committee shall consider all relevant factors in determining the appropriate level of such compensation, including at least the factors applicable with respect to the Chief Executive Officer. The Committee shall solicit the input of the Chief Executive Officer in evaluating and approving the compensation of the Company's other executive officers.
- Periodically evaluate the terms and administration of the Company's annual and long-term incentive plans to assure that they are structured and administered in a manner consistent with the Company's goals and objectives as to participation in such plans, target annual incentive awards, corporate financial goals, actual awards paid to the Company's executive officers, and total funds reserved for payment under the compensation plans. Except as otherwise provided by the Board with respect to certain plans or types of awards under such plans, the Committee, or a subcommittee thereof shall administer the Company's incentive compensation programs and other equity based compensation plans and approve

all grants of stock options and other equity-based awards, subject to the terms and conditions of the applicable plans.

- Periodically evaluate (and approve any proposed amendments to) existing equity-related plans and evaluate and approve the adoption of any new equity-related plans and determine when it is necessary or appropriate (based on advice of counsel) or otherwise desirable: (a) to modify, discontinue or supplement any such plans; or (b) to submit such amendment or adoption to a vote of the full Board and/or the Company's stockholders.
- Periodically evaluate the compensation of directors, including for service on Board committees and taking into account the Company's Corporate Governance Guidelines and any other then current applicable Company policies and guidelines and the compensation of directors at other comparable companies. Make recommendations to the Board regarding any adjustments in director compensation that the Committee considers appropriate.
- Approve annual retainer and meeting fees for Board and committees of the Board and fix the terms and awards of any equity compensation for members of the Board.
- Periodically evaluate the Company's employee benefit programs and approve any significant changes therein and determine when it is necessary (based on advice of counsel) or otherwise appropriate to submit any such changes to a vote of the full Board and/or the Company's stockholders.
- Review and approve any proposed employment agreement or amendment thereto with, and any proposed severance or retention plans or agreements or amendments thereto applicable to, any executive officer of the Company. In addition, the Committee shall review and approve any severance or other termination payments proposed to be made to any executive officer of the Company.
- Oversee regulatory compliance with respect to compensation matters (in consultation with appropriate officers of the Company), including overseeing any compensation programs intended to preserve tax deductibility, and, as may be required, establishing performance goals and determining whether performance goals have been attained for purposes of Section 162(m) of the Code.
- Review and discuss with management the Compensation Discussion and Analysis section the Company's annual proxy statement or Annual Report on Form 10-K and produce the Compensation Committee Report for inclusion in the Company's annual proxy statement or Annual Report on Form 10-K.
- Oversee all matters relating to stockholder approval of executive compensation and review and recommend for approval by the Board (a) the Company's

approach with respect to the advisory vote on executive compensation or “say-on-pay” and (b) how frequently the Company should permit stockholders to have a “say-on-pay”, taking into account the results of stockholder votes on the frequency of “say-on-pay” resolutions.

- Annually review and assess the risks associated with the Company’s compensation practices, policies and programs applicable to employees to determine whether the risks arising from such practices, policies and programs are appropriate or reasonably likely to have a material adverse effect on the Company.
- Have sole authority to retain and terminate any compensation consultant engaged to assist in evaluating the compensation of the Company’s directors, Chief Executive Officer or other executive officers and have sole authority to approve such consultant’s fees and other terms of retention.
- Perform such other duties and responsibilities as may be assigned or delegated to the Committee, from time to time, by the Board and/or the Chairman of the Board, or as designated in plan documents.

## **5. Annual Performance Evaluation**

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including by reviewing the compliance with the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or appropriate. The Committee shall conduct such evaluations and reviews in such manner as it deems necessary or appropriate.

## **6. Additional Resources**

The Committee shall have the right to use reasonable amounts of time of the Company’s internal and independent accountants, internal and outside lawyers and other internal staff and also shall have the right, in its sole discretion, to hire, retain and to obtain the advice of independent compensation experts, lawyers and other consultants to assist and advise the Committee in connection with its responsibilities. In making the determination of whether such experts, consultants or advisors are “independent” the Committee shall consider any and all factors set forth in the rules, regulations and listing requirements of the Nasdaq Marketplace and the rules and regulations of the Securities and Exchange Commission. The Committee shall keep the Company’s accounting and finance Department advised as to the general range of anticipated expenses for outside consultants.