



# Compensation Committee Charter

(Amended and Restated 25 February 2013)

**CHARTER  
COMPENSATION COMMITTEE  
of  
THE BOARD OF DIRECTORS  
of  
ENSCO PLC**

*(Amended and Restated as of 25 February 2013)*

**Composition**

The Committee shall be composed of three or more independent directors who qualify as “non-employee directors” within the meaning of Securities and Exchange Commission Rule 16b-3 at least two of whom shall qualify as “outside directors” for purposes of Section 162(m), of the Internal Revenue Code (“Section 162(m)”), to the extent applicable. Each member of the Committee shall be independent in accordance with the provisions of Rule 10C-1(b)(1) under the Securities Exchange Act of 1934, as amended, and the rules of the New York Stock Exchange (“NYSE”). If the Committee decides to take action with respect to executive compensation matters for which such compensation is intended to be deductible pursuant to Section 162(m), and the Committee is not composed solely of members who qualify as “outside directors” for purposes thereof, the Committee shall establish a subcommittee to be known as the Executive Compensation Subcommittee composed solely of two or more such “outside directors”, which subcommittee shall be delegated sufficient authority to take any such action. In such instances, references in this Charter to actions to be taken by the Committee shall mean actions to be taken by the Executive Compensation Subcommittee.

Subject to any applicable law or NYSE listing standards, the Board of Directors may appoint and remove Committee members, including the Committee chair, in accordance with the Company’s Articles of Association (“Articles”).

**Authority**

The Committee shall advise the Board of Directors and will consult with the outside advisors and management of the Company in respect of the principles and philosophy to be observed by the Company in compensating directors, officers and employees.

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the compensation consultant. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter, including advisors with expertise on compensation and benefits for executives, managers, employees and directors or attorneys or consultants to advise on Committee responsibilities. The Committee shall set the compensation, and oversee the work, of its outside legal counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, outside legal counsel and any other advisors.

In retaining or seeking advice from compensation consultants, legal counsel and other advisors (other than the Company’s in-house legal counsel), the Committee must take into consideration all factors relevant to that person’s independence from management including the factors

specified in NYSE Rule 303A.05(c)(iv). The Committee may retain, or receive advice from, any compensation advisor they prefer, including ones that are not independent, after considering the specified factors. The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

The Committee is at all times authorized to have direct, independent and confidential access to the Company's other directors, management and personnel to carry out the Committee's purposes. The Committee is authorized to obtain at the Company's expense compensation surveys, reports on the design and implementation of compensation programs for the Company's directors, officers and employees, and other data and documentation as the Committee considers appropriate.

Nothing in this Charter is intended to preclude or impair the protection provided under English law for reliance by members of the Committee in their independent judgment and to a reasonable degree in the competence and integrity of reports or other information provided by others. While the Committee members have the duties and responsibilities set forth in the Committee Charter, nothing contained in the Committee Charter is intended to create, or should be construed as creating, any responsibility or liability of the Committee members, except to the extent otherwise provided under applicable laws, rules or regulations.

### **Meetings**

The Committee is to meet as many times as the Committee deems necessary. Meetings for the consideration of pertinent matters may be requested by the Committee chair, or by the Chief Executive Officer ("CEO") or secretary by request of any two members of the Committee. A majority of the members of the Committee shall constitute a quorum at any meeting.

### **Procedures**

The procedures governing operation of the Committee will be as set forth in the Company's Articles and Corporate Governance Policy, as such may be amended from time to time. The Committee may establish additional procedures applicable to the Committee, including with respect to the formation and delegation of authority to sub-committees, in a manner not inconsistent with this Charter, the Company's Articles, the Company's Corporate Governance Policy, applicable law or the NYSE listing standards.

### **Attendance**

All of the Company's directors are encouraged to attend Committee meetings, except where the Committee chair determines that there is a specific reason to limit attendance at the meeting. As necessary or desirable, the Committee chair may request that members of management or independent consultants be present at meetings of the Committee. At the Committee meetings, in any deliberations or voting to determine the compensation of the CEO, the CEO must not be

present; however, in any deliberations regarding the compensation of other executive officers, the Committee may elect to invite the CEO to be present but not vote.

### **Minutes**

The Secretary, Assistant Secretary of the Company or such person as shall be designated by the Committee chair to act as Secretary will prepare the minutes of each meeting and send a copy of the minutes to the Committee members and to the directors who are not members of the Committee.

### **Responsibilities and Powers**

The Committee shall be empowered in accordance with its judgment to act in respect of the following:

### **Functions:**

1. Make its independent perspective available to management for consultation in respect of the Company's policies with regard to major issues of compensation.
2. Review with management and make recommendations to the Board of Directors relative to changes in the Company's compensation structure of sufficient magnitude to materially effect the Company's cost of operation or its competitiveness as an employer.
3. Review with management and make recommendations to the Board of Directors relative to significant additions, deletions or modifications to the Company's employee benefit plans.
4. Make recommendations to the Board of Directors regarding the amount of the Company's profit sharing contribution, if any, to the Ensco Savings Plan or the Supplemental Executive Retirement Plans, as appropriate, on an annual basis.
5. Review and approve corporate goals and objectives relevant to the compensation of the named executive officers (as such term is defined in Securities and Exchange Commission ("SEC") Regulation S-K Item 402, "NEO"), evaluate the NEOs' performance in light of those goals and objectives and, as respects the CEO, following consultation with and concurrence by the other independent directors, determine and approve the NEOs' performance goals and compensation level based on the performance evaluation.
6. Approve and award all stock options, restricted stock grants and any other forms of awards under the 2005 Long-Term Incentive Plan and approve bonus awards under the Ensco Cash Incentive Compensation Plan, as provided under the terms of such plans, and report awards made to the Board of Directors. Submit Ensco Cash Incentive Plan performance and strategic team goals for the Company's senior executives to the Board of Directors for ratification in advance of each plan year.
7. Approve compensation of the officers and employees of the Company.
8. The CEO's annual compensation recommendations shall be developed by the Committee and presented to the independent members of the Board in executive session, and shall be

subject to review and concurrence by the independent directors. Pursuant to the Ensco Cash Incentive Plan, the annual bonus, individual CEO goals and the annual award administration for the CEO shall be approved by the Committee following consultation with, and concurrence by, the independent members of the Board. The CEO's annual equity award pursuant to the Ensco 2005 Long-Term Incentive Plan shall also be approved by the Committee following consultation with, and concurrence by, the independent members of the Board. Similarly, the CEO's annual salary review shall be approved by the Committee following consultation with, and concurrence by, the independent members of the Board.

9. Make recommendations to the Board with respect to new or modified incentive-compensation and/or equity-based compensation plans and programs that are subject to Board approval.
10. Review incentive compensation arrangements to confirm that incentive pay arrangements do not encourage unnecessary risk-taking and report the results to the Board.
11. Review the annual Board performance evaluation as it relates to the Committee, and implement such measures as may be deemed appropriate to improve the performance and administration of the Committee.
12. Review and discuss the Company's disclosures under "Compensation Discussion and Analysis" with management, and recommend to the Board of Directors that the "Compensation Discussion and Analysis" be included in the Company's annual Proxy Statement or annual report on Form 10-K filed with the SEC.
13. Produce, with assistance from the Company's management and the Committee's advisors, a Compensation Committee Report as required by the SEC for inclusion in the Company's annual Proxy Statement denoting that the Committee has reviewed and discussed the Compensation Discussion and Analysis report and recommends to the Board that the CD&A be included in the Proxy Statement.
14. Review and recommend to the Board of Directors compensation programs for non-employee directors, committee chairs and committee members consistent with the applicable requirements of the listing standards for independent directors and including consideration of cash and equity components of this compensation.
15. The Committee shall recommend to the Board of Directors any appropriate extensions or changes in the duties of the Committee or revisions of the Committee Charter.