

# MONTAUK RENEWABLES, INC.

## Compensation Committee Charter

### **Purpose**

The purpose of the Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Montauk Renewables, Inc. (the “*Company*”) is to (1) establish the Company’s policies, programs and procedures for compensating and providing benefits to its officers<sup>1</sup> and non-employee directors; (2) administer the Company’s equity and cash incentive plans (including reviewing, recommending and approving stock option and other equity incentive grants to officers); and (3) prepare the Committee’s report to be included in the Company’s annual proxy statement (the “*Compensation Committee Report*”).

### **Membership**

***Size.*** The Committee will be comprised of at least two directors, with the exact number to be determined from time to time by the Board.

***Independence.*** Each Committee member must meet the director and compensation committee member independence requirements set forth in the Exchange Act, the listing standards of The Nasdaq Stock Market, LLC (“*Nasdaq*”), and any other requirements imposed by applicable laws, rules and regulations, subject to an election by the Company to rely on the exemption available to “controlled companies,” the transition periods applicable to initial public offerings or as may otherwise be permitted by the Nasdaq listing standards. In affirmatively determining the independence of any director who will serve on the Committee, the Board must consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director's ability to be independent from management in connection with the duties of a Committee member, including, but not limited to: (1) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and (2) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

***Selection, Resignation and Removal.*** Committee members will be appointed by a majority vote of the Board from among its members based on the recommendations of the Board’s Nominating and Corporate Governance Committee, including to fill vacancies following the death, resignation or removal of a Committee member. The Board will select a Committee Chair from among the Committee’s members. Committee members will serve at the pleasure of the Board until such member’s successor is duly appointed and qualified or until such member’s resignation upon written notice to the Board or removal by a majority vote of the Board.

### **Authority and Responsibilities**

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<sup>1</sup> For purposes of this charter, “officers” means employees of the Company designated as “officers” of Montauk Renewables, Inc. by the Board or Committee within the meaning of Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

(January 2021)

The Committee's authority and responsibilities include the following:

### ***Executive Compensation***

1. Establish and Review Executive Compensation Policies and Programs. The Committee will develop and implement the Company's compensation policies and programs for officers. The Committee will review and approve the overall officer compensation philosophy consistent with the Company's long-term business strategy, objectives and stockholder interests, and recommend any appropriate modifications.
2. Review and Approve CEO Compensation. The Committee will (1) review and approve corporate goals and objectives relevant to CEO compensation, (2) evaluate the CEO's performance in light of these goals and objectives, and (3) will determine and approve the CEO's compensation based on this evaluation, including annual base salary, cash incentive compensation, equity compensation, severance rights and any special or supplemental benefits or other compensation, which will be reviewed with the Board. The CEO will not be present during voting or deliberations on the CEO's compensation.
3. Review and Approve Officer Compensation. At least annually, the Committee will (a) review and approve the compensation of the officers of the Company, including annual base salary, cash incentive compensation, equity compensation, severance rights and any special or supplemental benefits or other compensation and (b) oversee the evaluation of the performance of the officers of the Company.
4. Review Employment Agreements and Severance Arrangements. The Committee will review and approve any proposed employment agreement or consulting agreement with, and any proposed severance, retention or change-in-control plans or agreements applicable to, any officer of the Company. The Committee will also review and approve any severance or other termination payments proposed to be made to any officer of the Company.
5. Consider Stockholder Votes. The Committee will review the results of any advisory stockholder votes on executive compensation and consider whether to recommend adjustments to the Company's executive compensation policies and programs as a result of such votes.
6. Compensation Peer Group. The Committee will annually review and determine the peer group(s) used for benchmarking executive compensation levels and the criteria for selection of the members of such peer group(s).

### ***Non-Employee Director Compensation***

7. Review Non-Employee Director Compensation. The Committee will periodically review non-employee director compensation in relation to other comparable companies and in light of such other factors as the Committee may deem appropriate. The

Committee will make recommendations to the Board with respect to non-employee director compensation, including Board committee member fees, equity-based compensation and other benefits.

### ***Compensation and Benefit Plans***

8. Recommend Equity and Incentive Compensation Plans. The Committee will review and make recommendations to the Board with respect to, or approve, any cash- and equity-based incentive compensation plans for the Company to be adopted, amended or submitted to stockholders for approval. In determining the long-term incentive component of the CEO's and other officers' compensation pursuant to such plans, the Committee will, among other things, consider the Company's performance and relative stockholder return, the value of similar incentive awards to the chief executive officers and other executive officers at comparable companies and the awards given to the Company's CEO or other executive officers in past years.
9. Administer Compensation Plans. The Committee will administer, or provide for the administration of, the Company's pension, savings, incentive and equity-based compensation plans, and other plans adopted by the Board that contemplate administration by the Committee. The Committee, or a subcommittee of the Committee, will approve, or delegate approval authority for, all grants of stock options and other equity-based awards, subject to the terms and conditions of applicable plans and applicable law. The Committee's administrative authority will include the authority to approve the acquisition by the Company of shares of the Company's stock from any plan participant.
10. Review Other Employee Plans and Agreements. The Committee will, as requested by management, (a) review, consult and make recommendations and/or determinations regarding employee compensation and benefit plans and programs generally, including employee bonus and retirement plans and programs; and (b) review and approve any employment, severance, indemnification or similar agreement, or amendment thereto, between the Company and any former, current or new employees.

### ***Other***

11. Oversee Compensation-Related Risk Management Policies. The Committee will oversee the risks related to the Company's overall compensation policies and programs, and assess whether such policies and programs encourage excessive or inappropriate risk taking.
12. Oversee Regulatory Compliance. The Committee will, in consultation with appropriate officers of the Company, oversee, or provide for the oversight of, regulatory compliance with respect to compensation matters, including, as applicable, 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.

13. Review and Recommend Clawback Policies. The Committee will review, and make recommendations to the Board regarding, the creation or revision of any clawback policy allowing the Company to recoup compensation paid to employees.
14. Determine and Review Stock Ownership Guidelines. The Committee will determine stock ownership guidelines, if any, for the CEO, other officers and non-employee directors, and review compliance with such guidelines.
15. Review Compensation Discussion and Analysis. When applicable, the Committee will review and discuss the Compensation Discussion and Analysis (“CD&A”) section of the Company’s annual proxy statement with any outside advisor that the Committee deems appropriate and with management, including the CEO, and make a recommendation to the Board as to whether the CD&A be included in the Company’s annual report and proxy statement. In addition and as appropriate, the Committee will review and discuss with management any further disclosures related to executive compensation not contained in the CD&A but provided elsewhere in the Company’s annual report or proxy statement, as applicable.
16. Prepare Compensation Committee Report. When applicable, the Committee will prepare the Compensation Committee Report containing the disclosures required by the rules of the Securities and Exchange Commission to be included in the Company’s annual proxy statement.
17. Assess Conflicts of Interest. The Committee will annually review an assessment of any potential conflicts of interest raised by the work of compensation consultants, whether retained by the Committee or management, who are involved in determining or recommending officer or non-employee director compensation (other than any consultant whose role is limited to consulting on any broad-based plan that does not discriminate in favor of the Company’s officers or non-employee directors and that is available generally to all salaried employees, or providing information that either is not customized for the Company or that is customized based on parameters that are not developed by the compensation consultant).
18. Other Delegated Duties or Responsibilities. The Committee will perform any other duties or responsibilities delegated to the Committee by the Board from time to time, and perform any other activities consistent with this Compensation Committee Charter (this “Charter”), the Nasdaq listing standards, the Company’s certificate of incorporation, bylaws and applicable laws, rules and regulations, including, but not limited to, reviewing and/or approving the creation of any compensation-related policies applicable to officers or non-employee directors, as appropriate.

### **Meetings**

The Committee will meet as frequently as necessary to carry out its responsibilities under this Charter. The Committee may meet in person, telephonically or by other communications

equipment by means of which all persons participating in the meeting can hear each other. The Committee Chair will, in consultation with the other members of the Committee and appropriate officers of, and legal counsel to, the Company, establish the agenda for each Committee meeting. Any Committee member may submit items to be included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting. The Committee Chair or a majority of the Committee members may call a meeting of the Committee at any time. A majority of the number of Committee members selected by the Board will constitute a quorum for conducting business at a meeting of the Committee. The act of a majority of Committee members present at a Committee meeting at which a quorum is in attendance will be the act of the Committee, unless a greater number is required by law, the Company's certificate of incorporation or its bylaws. The Committee Chair will supervise the conduct of the meetings and will have such other responsibilities as the Board or the Committee may designate from time to time.

The Committee may request any officer or employee of the Company, or any representative of the Company's internal or outside legal counsel or other advisors (including any compensation advisor), to attend a meeting or to meet with any members or representatives of the Committee. Any individual whose performance or compensation is to be discussed at a Committee meeting should not attend such meeting unless specifically invited by the Committee. Any Committee member may be excused from a meeting to permit the remaining members of the Committee to act on any matter in which such member's participation is not appropriate, and such member's absence will not destroy the quorum for the meeting. The Committee may act by unanimous written consent in lieu of a meeting.

The Committee will maintain minutes or other records of its meetings and will give regular reports to the Board on these meetings, including the Committee's actions, conclusions and recommendations and such other matters as required by this Charter or as the Board may from time to time specify. Reports to the Board may take the form of oral reports by the Committee Chair.

### **Delegation**

Except as otherwise provided in the Company's certificate of incorporation, bylaws, applicable laws, regulations, listing standards or a resolution of the Board, the Committee may, in its discretion, form subcommittees and delegate all or a portion of its duties and responsibilities to a subcommittee, an individual member of the Committee or officers of the Company, or as otherwise permitted by the terms of any compensation or benefit plan, program, policy, agreement or arrangement approved by the Committee or the Board.

### **Resources and Authority**

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other advisor. The Committee will be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other advisor retained by the Committee. Subject to an election by the Company to rely on the exemption available to "controlled companies," the Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor (other than in-house legal

counsel or another advisor excluded from this requirement under the Nasdaq listing standards) only after taking into consideration the factors set forth in the Nasdaq listing standards.

The Company will provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other advisor retained by the Committee. The Committee will also have the appropriate resources to pay any other ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties, and will have the authority to investigate any matter brought to its attention within the scope of its duties.

### **Annual Review**

At least annually, the Committee will (1) review this Charter with the Board and recommend any changes to the Board and (2) evaluate its performance against the requirements of this Charter and review this evaluation with the Board. The evaluation will include the establishment of goals and objectives of the Committee for the upcoming year. The Committee will conduct its review of this Charter in such manner as it deems appropriate. The Committee will conduct its performance evaluation in such manner as directed by the Nominating and Corporate Governance Committee. Notwithstanding anything to the contrary herein, the Committee may choose to forgo an evaluation of its charter pursuant to the exemption provided to “controlled companies” under the Nasdaq listing standards for so long as the Company remains a controlled company.