

# **ZAZA ENERGY CORPORATION**

## **COMPENSATION COMMITTEE CHARTER**

### **PURPOSE**

The primary functions of the Compensation Committee (the “Committee”) of ZaZa Energy Corporation (the “Company”) are to assist the Board of Directors (the “Board”) in fulfilling its oversight responsibilities for:

- compensation of executive officers; and
- administration of the Company’s compensation and benefit plans with respect to all eligible participants, including stock incentive plans and predecessor and related plans, pension, retirement and profit sharing plans, and any other plans that require or provide for approval or administration by the Board.

### **ORGANIZATION**

The Committee shall consist of at least three (3) members of the Board. The members and the chair shall be appointed by a majority of the Board.

A director may serve as a member of the Committee only during periods in which he or she is (i) an “independent director” as defined under the NASDAQ Stock Market Marketplace rules (unless the Company has elected to be exempt from this requirement as a “Controlled Company” under the NASDAQ Stock Market Marketplace rules), (ii) a “non-employee director” as defined under Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and (iii) an “outside director” as defined under Section 162(m) of the Internal Revenue Code of 1986 and regulations promulgated thereunder.

The Committee and its membership will comply with all applicable compensation committee requirements promulgated from time to time by The NASDAQ Stock Market, LLC (or any exchange on which the Corporation’s securities are then listed), the Securities and Exchange Commission and the Internal Revenue Service.

### **MEETINGS**

The Committee shall meet at such times as it determines to be necessary or appropriate, but not less than three times each year, and shall report to the Board at the next meeting following each such Committee meeting regarding any issues of which the Board should be made aware. A special meeting of the Committee may be called by the Chairman of the Board, the Chair of the Committee or by a majority of the Committee members upon not less than 48 hours notice. A majority of the Committee members shall constitute a quorum for the conduct of business at Committee meetings. The affirmative vote of a majority of the Committee members is necessary for the adoption of any resolution. The Committee may invite the Chairman of the Board, the Chief Executive Officer or others to attend all or a portion of its meetings. The

Committee shall have the opportunity at each regularly scheduled meeting to meet in executive session without the presence of management.

## **RESPONSIBILITIES**

Although the Committee may wish to consider other duties from time to time, the general recurring activities of the Committee in carrying out its oversight role are described below. The Committee shall:

1. Have separate but concurrent authority, except as stated in paragraph 2 below, to take actions required or permitted, without any action of the full board of directors, under the Company's compensation and benefit plans, including the 2012 Long Term Incentive Plan and predecessor and related plans, pension, retirement and profit sharing plans, and any other plans that require or provide for board of directors approval or administration (collectively, the "Plans"); provided, that from time to time the Committee may, by resolution of the Committee, delegate to one or more other committees of the board of directors separate but concurrent authority, to the extent specified in such resolution, to administer such Plans with respect to employees and consultants who are not subject to the short-swing profit restrictions of Section 16(b) of the Exchange Act.
2. Have sole and exclusive authority, without prior approval of the full Board, to take action on the following:
  - administering the Plans with respect to employees and consultants who are subject to the short-swing profit restrictions of Section 16(b) of the Exchange Act for the purposes and with the intent of complying with the exemption provided under Rule 16b-3 promulgated under the Exchange Act;
  - recommending to the full Board the hiring or termination of employment of the Company's executive officers (as defined by the Rules and Regulations under the Exchange Act), the identity and designation of which shall be determined by the full board of directors (the "Executive Officers"); a
  - engaging (or authorize management to engage), and obtaining advice from, such outside legal, accounting or other advisors and consultants, including compensation consultants (collectively, "consultants") to provide such advice and assistance as the Committee deems necessary to carry out its duties, after taking into consideration any factors required for such engagement and receipt of advice by any national securities exchange on which the Company's shares are listed; and
  - appointing, compensating and oversight of the work of any consultant, and the Company shall provide appropriate funding, as determined by the Committee, for the payment of reasonable compensation to be paid to, such consultants.
3. Review and recommend action by the Board on the following:

- the institution of, revisions in, terminations of and actions under Plans that are required to be approved by the Board;
  - the reservation of authorized and unissued Company common stock for issuance upon exercise of grants under the Plans, for use in payments of grants or awards under the Plans or as contributions or sales to any trustee of Company employee benefit plans; and
  - the purchase of Company common stock for transfer upon exercise of grants under the Plans, for use in payments of grants or awards under the Plans and for transfer as contributions or sales to any trustee of Company employee benefit plans.
4. Review and determine, or recommend to the Board for determination:
- The non-equity compensation payable to (i) the Chief Executive Officer (provided that the Chief Executive Officer shall not be present for any deliberations or voting with respect to the determination of the Chief Executive Officer's compensation) and (ii) the other Executive Officers (provided that the Committee may consider the recommendation of the Chief Executive Officer with respect thereto), including the adjustment of base salary each year, the implementation and administration of cash incentive compensation programs for such individuals and the authorization of all awards to such individuals under these cash incentive programs. To the extent deemed advisable by the Committee, the Committee shall strive to recommend compensation packages which are competitive with packages offered at peer companies and shall consult with third-party advisors to design compensation packages that provide reasonable assurances of officer and employee retention; and
  - all perquisites or special cash payments paid to Executive Officers.
5. Review with the Chief Executive Officer:
- the overall base compensation payable to employees other than Executive Officers; and
  - the Company's total incentive compensation program envisioned for each fiscal year.
6. Consult with the Chief Executive Officer regarding a succession plan for the Executive Officers. This plan shall be reviewed annually by the Committee and subsequently by the Board.
7. Review the performance of the Executive Officers for each fiscal year.

8. Review and discuss with management the Company's Compensation Discussion & Analysis ("CD&A"), recommend that the CD&A be included in the Company's filings under the Exchange Act and produce the compensation committee report on executive officer compensation required to be included in the Company's filings under the Exchange Act.
9. Review director compensation for service on the Board and Board committees at least once per year and recommend any changes to the Board.
10. At least annually, review the overall performance, operation and administration of the Company's employee benefit plans.
11. Perform any other responsibilities consistent with this charter, the Company's bylaws and applicable law as the Committee or the Board deems necessary or appropriate.
12. Report to the Board following meetings of the Committee, and as otherwise requested by the Board, regarding the Committee's actions and recommendations.
13. Confirm annually that all responsibilities outlined in this charter have been carried out and review and reassess annually the adequacy of this charter.
14. Evaluate the Committee's and individual members' performance at least annually.