

## **SILVERBOW RESOURCES, INC.**

### **CHARTER FOR THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**

(As adopted April 2016)

#### **Purpose**

The Compensation Committee's primary function is to discharge the responsibilities of the Board of Directors (the "Board") of SilverBow Resources, Inc. ("SilverBow Resources" or the "Company") relating to compensation of the Company's executive officers. This includes evaluating the compensation of the executive officers of the Company and its affiliates and their performance relative to their compensation to assure that such executive officers are compensated effectively in a manner consistent with the strategy of SilverBow Resources, competitive practices, and the requirements of the appropriate regulatory bodies. In addition, the Committee shall evaluate and make recommendations to the Board regarding the compensation of the directors.

#### **Membership, Structure and Operations**

The Committee shall be comprised of three or more non-employee directors, each of whom is determined by the Board to be "independent" under the applicable rules of the New York Stock Exchange ("NYSE") and the applicable rules promulgated by the SEC under the Securities Exchange Act of 1934, all as may be amended from time to time. In addition, each member of the Committee shall satisfy all requirements necessary from time to time to be "disinterested directors" under SEC Rule 16b-3 and qualified "outside directors" under Section 162(m) of the Internal Revenue Code and related regulations, all as may be amended from time to time. The members of the Committee shall be appointed by the Board upon recommendation of the Corporate Governance Committee, for one-year terms, or until their successors are duly appointed and qualified.

The Board shall designate the Chairman of the Committee, *provided* that if the Board does not designate a Chairman, the members of the Committee, by majority vote, may designate one of the members of the Committee to serve as Chairman until such time as the Board designates a Chairman, upon recommendation of the Corporate Governance Committee. All actions of the Committee will require the vote of a majority of its members present at a meeting of the Committee at which a quorum is present. The presence in person or by telephone of a majority of the Committee's members shall constitute a quorum for any meeting of the Committee. The Board may remove any Committee member at any time.

The Committee shall meet at least twice a year or more frequently as it deems necessary, advisable or as circumstances dictate, and shall report regularly to the Board. Meetings may be called by the Chairman of the Committee, Chairman of the Board or Chief Executive Officer ("CEO") of the Company. The Committee may delegate its

authority to subcommittees constituted by a member or members of the Committee, provided that a report on any activities or actions is presented to the full committee at its next scheduled meeting.

## **Responsibilities and Duties**

The following functions shall be the key responsibilities and duties of the Committee. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions.

1. On an annual basis, the Committee shall review and approve corporate goals and objectives relevant to the CEO's compensation and evaluate the CEO's performance in light of those goals and objectives, and have the authority to determine the amounts and individual elements of total compensation for the CEO based on this evaluation. The Committee will determine the criteria to be used to evaluate the CEO and submit such criteria to the Board for approval. In determining the CEO's long-term compensation, the Committee should consider the Company's performance and stockholder return, the value of similar incentive awards to CEO's at comparable companies, and the awards given to the Company's CEO in prior years, and any other factors the Committee deems appropriate or applicable.
2. On an annual basis, the Committee shall review and approve the Company's corporate goals and objectives relevant to executive compensation other than the CEO and make recommendations to the Board with respect thereto. Additionally, the Committee shall review management's recommendations on a salary program, make modifications to, substitute, or otherwise create a salary program (all as the Committee deems necessary), and approve a salary program for the Company's officers. This involves the review and approval of management's recommendations for annual salary adjustments of all individual officers except for the CEO.
3. Discharge the Board's responsibilities relating to the compensation of the Company's "Section 16 officers" (as defined in Rule 16a-1 under the Securities Exchange Act of 1934) and the determination and certification of performance based compensation of the Company's "covered employees" (as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended).
4. On an annual basis, the Committee shall review and approve management's recommendations for an incentive compensation program to reward officers, modify, substitute, or otherwise create an incentive compensation program (all as the Committee deems necessary), and approve an incentive compensation program. This involves the review and approval of management's recommendations for incentive compensation of all individual officers, except for the CEO, according to the Company's incentive compensation plans and

programs.

5. Periodically evaluate the terms and administration of (and approve, subject to stockholder approval if required, any proposed amendments to) 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, annual incentive award targets, corporate financial goals, actual awards paid to the Company's executive officers, and total funds reserved for payment under the compensation plans.
6. As part of the Board's overall role of providing oversight of enterprise risk in the Company's business and in connection with the Committee's responsibilities set out above, periodically consider whether, and the extent to which, risks arising from the Company's compensation policies and practices are reasonably likely to have a material adverse effect on the Company.
7. Periodically evaluate (and approve, subject to stockholder approval if required, 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 (based on advice of counsel) or otherwise desirable: (a) to modify, discontinue or supplement any such plans; or (b) to submit amendments or adoption to a vote of the Board and/or the Company's stockholders.
8. The Committee shall review and discuss with management the compensation discussion and analysis ("CD&A") as required by the Securities and Exchange Commission's rules and regulations, as may be amended from time to time, and based on such review and discussion, determine whether to recommend to the Board that the CD&A be included in the Company's proxy statement and/or comply with such other requirements that the SEC may require in its rules and regulations, as may be amended from time to time.
9. The Committee shall prepare a compensation committee report for inclusion in the Company's proxy statement. The report shall state whether the Committee reviewed and discussed with management the CD&A, and whether, based on such review and discussion, the Committee recommended to the Board that the CD&A be included in the Company's proxy statement and/or comply with such other requirements that the SEC may require in its rules and regulations, as may be amended from time to time.
10. Periodically evaluate the compensation of directors, including for service on Board committees, taking into account the compensation of directors at the Company's peers. Determine annual retainer and meeting fees for directors and for service on Board committees and fix the terms and awards of any stock based compensation for members of the Board, and submit such matters to the Board for approval, subject to stockholder approval if required.
11. The Committee shall conduct a self-evaluation of its performance not less

frequently than annually and report its findings to the Board.

12. Maintain minutes or other records of meetings and activities of the Committee.

The Committee shall have the sole authority to retain, compensate and oversee outside compensation consultants, independent legal counsel and other advisers (collectively, "compensation advisers") to assist it in the performance of the Committee's duties, as deemed necessary or advisable in its sole discretion. Before selecting any compensation adviser, the Committee must take into consideration specific factors identified in applicable provisions of and rules promulgated under the Securities Exchange Act of 1934 that affect the independence of compensation advisers. The Committee shall advise management of appropriate funding levels required for payment of compensation to any compensation advisers retained by the Committee and the Company must provide appropriate funding for the payment of reasonable compensation, as determined by the Committee, to such advisers.