



**LILIS ENERGY, INC.
COMPENSATION COMMITTEE CHARTER**

(As approved by the Board of Directors on January 24, 2017)

PURPOSE

The Compensation Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of Lilis Energy, Inc. (the “**Company**”) to discharge the Board’s responsibilities relating to the compensation the Company’s Chief Executive Officer (the “**CEO**”) and the Company’s other executive officers (collectively, including the CEO, the “**Executive Officers**”). The Committee has overall responsibility for approving and evaluating all compensation plans, policies, and programs of the Company as they affect the Executive Officers.

COMMITTEE MEMBERSHIP

The Committee shall consist of no fewer than three members.

Each member of the Committee shall meet the independence requirements of any national exchange on which the Company’s securities are then listed. At least two members of the Committee shall qualify as “outside” directors within the meaning of Internal Revenue Code Section 162(m) and as “non-employee” directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934.

The members of the Committee shall be appointed by the Board from among its members on the recommendation of its Nominating & Governance Committee and may be removed by the Board at any time. One member of the Committee shall be appointed as Committee Chairperson (the “**Chairperson**”) by the Board.

MEETINGS

The Committee shall meet as often as necessary to carry out its responsibilities. The Chairperson shall preside at each meeting. In the event the Chairperson is not present at a meeting, the Committee members present at that meeting shall designate one of those members as the acting chairperson of such meeting. As of the date hereof, the Committee shall be governed by the same rules of procedure as are applicable to the Board (including regarding meetings in person or by telephone, action without meetings, notice, waiver of notice, quorum and voting requirements, etc.). The Committee may fix its own rules of procedure in the future.

COMMITTEE RESPONSIBILITIES AND AUTHORITY

1. The Committee shall, at least annually, review and approve the corporate goals and objectives applicable to the compensation of the CEO, evaluate the CEO’s performance in light of those goals and objectives, and determine and approve the CEO’s compensation level based on this evaluation. The CEO shall not be present during any Committee deliberations or voting with respect to his or her compensation.
2. The Committee shall, at least annually, review and approve the annual base salaries and annual incentive opportunities of the Executive Officers other than the CEO.
3. The Committee shall, periodically and as and when appropriate, review and approve the following as they affect the Executive Officers: (a) all other incentive awards and opportunities, including both cash-based and equity-based awards and opportunities; (b) any employment agreements and severance

arrangements; (c) any change in control agreements and severance protection plans and change in control provisions affecting any elements of compensation and benefits; and (d) any special or supplemental compensation and benefits for the Executive Officers and individuals who formerly served as Executive Officers, including supplemental retirement benefits and the perquisites provided to them during and after employment.

4. The Committee shall, periodically and as and when appropriate, review and approve all equity-based awards and opportunities for all employees and consultants other than the Executive Officers.
5. If required, the Committee shall review and discuss with management the Compensation Discussion and Analysis (the “**CD&A**”) to be included in the Company’s proxy statement and annual report on Form 10-K under the rules of the Securities and Exchange Commission (the “**SEC**”) and, based on such review and discussion, determine whether or not to recommend to the Board that the CD&A be so included.
6. If required, the Committee shall produce the annual Compensation Committee Report for inclusion in the Company’s proxy statement in compliance with the rules promulgated by the SEC.
7. The Committee shall monitor the Company’s compliance with all applicable laws affecting employee compensation and benefits, including the requirements under the Sarbanes-Oxley Act of 2002 relating to loans to directors and officers.
8. The Committee shall oversee the Company’s compliance with SEC rules regarding stockholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and any applicable listing exchange rules.
9. The Committee shall make regular reports to the Board.
10. The Committee shall have the authority to retain and terminate (and obtain the advice of) any adviser to assist it in the performance of its duties, but only after taking into consideration factors relevant to the adviser’s independence from management specified in any applicable listing exchange rules. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any adviser retained by the Committee, and shall have sole authority to approve the adviser’s fees and the other terms and conditions of the adviser’s retention. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any adviser retained by the Committee. 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.
11. The Committee may form and delegate authority and duties to subcommittees as it deems appropriate.
12. The Committee shall, at least annually, review this Charter and recommend any proposed changes to the Board for approval.
13. The Committee shall, at least annually, evaluate its performance under this Charter and present the results of the evaluation to the Board.