

## **Royale Energy, Inc.**

### **Charter of the Compensation Committee**

#### **Organization**

The Compensation Committee of the Board of Directors shall consist of at least two (2) independent directors who are generally knowledgeable in matters of organizational personnel/human resource management policy, compensation-benefits, and employment policies. The Co-President/Co-CEO may attend the Committee meetings as an *ex officio* member, except on matters pertaining to executive compensation as proscribed by Securities and Exchange Commission (SEC) regulations S-K Item 407, *et. seq.* and NASDAQ Rule 5605(d)(1)(C) (requiring that the Co-President/Co-CEO not be present during voting or deliberations on his compensation). The Committee will also operate consistent with any other rules and regulations of the NASDAQ Stock Market (NASDAQ), corporate laws of the State of Delaware, and other public regulations that may apply. The chairperson shall be appointed by the full board.

#### **Statement of Policy**

The Compensation Committee assists the Board of Directors in fulfilling their responsibilities to shareholders, potential shareholders and the investment community related to executive recruitment, selection, evaluation and compensation. The Committee reviews and advises on matters involving the personnel/human resource policies of the Corporation, its compensation program, and corporate strategy in compliance with public policy personnel/employment regulations in a changing environment.

#### **Relationship with Management**

The Compensation Committee consults with management to review critical personnel/human resource management policies, including recruiting, retention, compensation, performance evaluation and other employment-related issues impacting the corporation.

#### **Relationship with the Board of Directors**

The Compensation Committee regularly reports to the full board of directors on personnel/human resource and employment issues, executive compensation, evaluation and succession issues, and other matters pertaining to the employment policies of the corporation. Members of the Compensation Committee are not, however, expected to bear greater responsibility or liability for their role in assuring the compliance with employment rules, federal and state securities, and employment laws than other members of the board of directors.

## **Authority**

In discharging its oversight role, the Compensation Committee is empowered to investigate, as it deems appropriate, any personnel/human resource-related matter brought to its attention, with full power to retain and compensate outside counsel, consultants and other expertise for this purpose. The Corporation will sufficiently fund such expenses the Committee may deem necessary to discharge its duties.

## **Specific Responsibilities**

The Compensation Committee has the following specific responsibilities:

1. Review and approve objectives for the Co-President/Co-CEO's compensation, evaluate the Co-President/Co-CEO's performance in light of those objectives, and, either as a Committee or together with the other independent directors (as directed by the Board), determine and approve the Co-President/Co-CEO's compensation based on this evaluation.
2. Acting in consultation with the Co-President/Co-CEO or other appropriate Corporate executives, assess the performance of the senior management of the Corporation and determine and approve the compensation level for these executives based on this evaluation.
3. Recommend to the Board the compensation for independent directors of the Corporation.
4. Annually oversee and approve the SEC 10-K required Compensation Discussion and Analysis and other disclosures on executive compensation, which may be required by law or regulation.
5. Monitor the Corporation's executive compensation policy in accordance with NASDAQ Rule 5605.
6. Review, monitor, and advise on corporate plans and strategies for executive succession, recruitment and performance evaluation.
7. Other related personnel/human resources related matters as may arise.