



DEVON ENERGY CORPORATION COMPENSATION COMMITTEE CHARTER

Adopted by the Board of Directors on
June 10, 2003
(Revised November 29, 2006)
(Revised November 28, 2007)

A. PURPOSE

The purpose of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Devon Energy Corporation (the "Company") is to assist the Board with its duties and responsibilities in monitoring, approving and disclosing the Company's compensation philosophies and practices. The Committee shall:

- a) Review and approve compensation philosophy and strategy for the Company;
- b) Direct management to administer the annual compensation process in accordance with the stated compensation strategy of the Company and any requirements of the appropriate regulatory bodies;
- c) Review and approve the Company's employee benefit and incentive programs;
- d) Annually review and determine total compensation for any employee that is a member of the Board of Directors ("Employee/Board Member") in consultation with the Chief Executive Officer, review and approve total compensation for the Company's executive officers;
- e) Review with the Chief Executive Officer and advise the Board with regard to executive officer succession planning; and
- f) Perform such other duties and responsibilities as the Board shall approve and assign to the Committee.

B. ORGANIZATION

1) **Members.** The Committee shall consist of two or more directors, who shall be appointed by the Board and may be removed by the Board. All members of the Committee shall fulfill the independence requirements of the listing standards of the New York Stock Exchange ("NYSE") and shall meet the definitions of "non-employee director" under Rule 16b-3 under the Securities Exchange Act of 1934, and "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986. The Chair of the Committee shall be designated by the Board.

2) **Operation.** The Committee shall be provided the resources necessary to satisfy its responsibilities, including the authority to engage legal counsel, compensation consultants and such other consultants and advisors as the Committee deems necessary. The Committee shall have sole authority to retain or terminate any consultant it selects in connection with the discharge of its duties and responsibilities, including sole authority to approve the fees and other terms of such consultant's retention.

The Board believes the duties and responsibilities of the Committee should remain flexible in order to best react to changing demands and expectations of the Committee. The Committee is therefore authorized to take such further actions as are consistent with the following described functions and to perform such other actions as required by law, the listing standards of the NYSE, the Company's charter documents and the Board.

3) **Meetings.** The Committee will meet not less than once each calendar year and will call special meetings as and when a Committee member deems it necessary. The Committee shall meet in person or telephonically at such times and at such places determined by the Committee Chair, and may act by unanimous written consent.

4) **Quorum.** A majority of the members of the Committee, but in no event less than two members, shall constitute a quorum for the meetings of the Committee.

5) **Record Keeping.** The Committee Chair shall be responsible for establishing the agenda for a Committee meeting and the agenda shall be distributed to the Committee members prior to each meeting. Minutes of all meetings shall be prepared by a designated Secretary who is not a Committee member and submitted for approval at a subsequent Committee meeting.

6) **Charter.** The Committee shall annually review and assess the adequacy of this Charter, conduct a self-evaluation of the Committee and its activities and recommend to the Board any changes to this charter the Committee considers necessary or appropriate.

C. DUTIES AND RESPONSIBILITIES

The Committee shall perform the following duties and responsibilities:

- a) Review from time to time and approve the Company's compensation strategy and ensure that the compensation strategy supports organization objectives and stockholder interests;
- b) Direct management to ensure that the Company's incentive compensation programs, including annual and long-term incentive plans, are administered in a manner consistent with the Company's compensation strategy as to participation, annual award levels, corporate goals, actual awards made, total

- funds reserved for payment under compensation plans and shares, options and other forms of incentives reserved and available for issuance under the Company's long-term incentive plans;
- c) Annually review, approve and communicate to each Employee/Board Member the corporate goals and objectives relevant to that Employee/Board Member;
 - d) Annually evaluate the performance of each Employee/Board Member and communicate to them and the Board the results of that evaluation;
 - e) Annually review and determine the individual elements of total compensation for each Employee/Board Member and the factors and criteria on which that compensation is based, including the relationship between the Company's performance, the individual performance and each Employee/Board Member's compensation;
 - f) Review and approve the individual elements of total compensation for the executive officers of the Company;
 - g) Approve revisions to the Company's executive officers' salary range structure and annual salary increase guidelines, and review compensation arrangements for the Company's executive officers;
 - h) Approve, subject to Board and stockholder approval where appropriate, all new equity-related incentive plans or amendments to existing plans;
 - i) Review and approve the report on executive compensation required by the rules of the SEC to be included in the Company's annual proxy statement; and
 - j) Annually evaluate the Committee's own performance and communicate to the Board the results of that evaluation.

D. REPORTING

The Committee shall report to and review with the Board issues that are discussed by the Committee, and the Committee will make recommendations for action by the full Board when appropriate. The Committee shall report to the full Board not less than once each year.

E. DELEGATION

The Committee may delegate its responsibilities under this Charter to a subcommittee comprised of one or more members of the Committee. The creation of such a subcommittee, as well as its purpose, shall be reported to the Board.