

COMPENSATION COMMITTEE CHARTER

As Amended September 19, 2013

- 1. Purpose.** The Board of Directors (the “Board”) of PDC Energy, Inc. (the “Company”) has duly established the Compensation Committee (the “Committee”). The Committee is appointed by the Board of Directors to oversee the compensation policies and practices for the senior executive officers of the Company, including administration of all equity compensation plans, to set the compensation for the Company’s senior executive officers, to establish and monitor performance criteria for performance based compensation for the Company’s senior executive officers, and to recommend compensation for Board and committee service for Board approval. For purposes of this Charter, “senior executive officer” shall mean the CEO, anyone who is a member of the Senior Management Team (“SMT”), and any other officers of the Company that the SEC or NASDAQ requires the Compensation Committee to approve their compensation.
- 2. Responsibilities of the Committee.**

 - 2.1. Compensation Strategy.** Oversee the development of a compensation strategy for the Company’s senior executive officers and administer the programs. Oversee the Company’s assessment of compensation policies and practices as they relate to the Company’s risk management, as required by the SEC regulations.
 - 2.2. CEO Evaluation.** Evaluate the performance of the CEO, on an annual basis with specific input from the Board’s Non-Executive Chairman, the CEO and, if desired, other Senior Executive Officers.
 - 2.3. CEO Compensation.** Review and approve the elements of compensation, including executive benefits and perquisites, for the CEO after evaluation of performance, with specific input from the Board’s Non-Executive Chairman. The CEO shall not be present during voting or deliberations on his or her compensation.
 - 2.4. Senior Executive Officers Compensation.** Review and approve the elements of compensation, including executive benefits and perquisites for other senior executive officers.
 - 2.5. Employment Agreements/Change of Control Plans.** Negotiate the terms of employment agreements with the senior executive officers of the Company, and approve all change of control severance plans/agreements entered into by the Company.
 - 2.6. Director Compensation.** Review the compensation of the Company’s Directors for Board and Committee work and recommend changes in compensation levels to the Board of Directors.
 - 2.7. Non-Executive Chairman.** Review the compensation of the Company’s Non-Executive Chairman and recommend changes in compensation levels to the Non-Executive Chairman.
 - 2.8. Cash Incentive Programs.** Review and approve the performance criteria and results under which the bonus amounts for the senior executive officers will be determined under any incentive program, including the annual cash bonus program. Approve bonus awards made to senior executive officers.
 - 2.9. Equity Programs.** Recommend for Board approval equity-based incentive plans and plan amendments necessary to implement the Company’s compensation strategy. Approve all grants under the plans and administer all equity-based incentive programs. Such approval may

include specific delegation to management concerning certain grants to non-senior executive officers.

- 2.10. **Qualified Retirement Programs.** Review and approve any changes to the level of Company contribution to the Company's retirement plans, including any annual profit sharing contribution.

3. **Membership.**

- 3.1. **Composition of the Committee.** The Committee shall consist of no fewer than three members of the Board. The members of the Committee shall meet the independence requirements of the NASDAQ Stock Exchange and such other rules and regulations as may be required by applicable rules and regulations.
- 3.2. **Selection of Members.** The members of the Committee shall be appointed annually by the Board on the recommendation of the Nominating and Governance Committee.
- 3.3. **Selection of the Chair.** The Chair of the Committee shall be appointed annually by the Board on the recommendation of the Nominating and Governance Committee.
- 3.4. **Vacancies.** Vacancies on the Committee or in the Chair shall be filled by the Board upon recommendation of the Nominating and Governance Committee.
- 3.5. **Removal or Replacement of Members.** Members of the Committee may be removed or replaced, with or without cause, by a majority vote of the Board.

4. **Meetings, Minutes, and Voting.**

- 4.1. **Meeting Schedule.** The Committee will meet as often as necessary to carry out its responsibilities. The Chair, in consultation with the other members of the Committee, shall set the time, frequency and agenda of each meeting.
- 4.2. **Agendas.** The Chair, in consultation with the other members of the Committee, shall establish the agenda of items to be addressed at each upcoming meeting of the Committee.
- 4.3. **Quorum.** A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.
- 4.4. **Procedures.** The Chair will preside at each meeting of the Committee. The Chair shall ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee as well as to each other non-management director in advance of the meeting. The Chair, subject to the approval of a majority of the members of the Committee, shall have the authority to change the agenda to respond to any matters that warrant attention.
- 4.5. **Voting.** The Committee shall make decisions and take other actions by majority vote of members present.
- 4.6. **Minutes.** The Committee shall keep minutes of each meeting and file those minutes with the Corporate Secretary in a timely fashion.

5. **Reports.** Reports of meetings of the Committee shall be made to the Board at its next regularly scheduled meeting following the Committee meeting, accompanied by any recommendations to the Board approved by the Committee.

6. **Advisors and Counsel; Cooperation and Reliance.** The Committee shall have the resources and authority to discharge its responsibilities and the Company shall provide appropriate funding, as determined by the Committee in its capacity as a committee of the Board.

6.1. Retention of Advisors and Counsel. The Committee shall have the authority, in its sole discretion, to retain and terminate any compensation consultant that reports directly to the Committee, as needed to assist in its evaluation of compensation, and shall have sole authority to approve such consultants' fees and other retention terms. The Committee shall also have the authority to obtain advice and assistance from, and to retain at the Company's expense, such administrative support, independent or outside legal counsel, accounting or other advisors and experts as the Committee determines necessary or appropriate to carry out its duties, and in connection therewith to receive appropriate funding, as determined by the Committee, from the Company. The Committee shall also have the authority to obtain advice and assistance from, and to retain at the Company's expense, such administrative support, independent or outside legal counsel, accounting or other advisors and experts as the Committee determines necessary or appropriate to carry out its duties, and in connection therewith to receive appropriate funding, as determined by the Committee, from the Company. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant or other adviser retained by the Committee.

Subject to limited exceptions provided for under Nasdaq Stock Exchange rules, the Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser, other than in-house legal counsel, only after taking into consideration the following factors:

- 1) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- 2) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- 3) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- 4) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee;
- 5) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- 6) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an Executive Officer of the Company.

The foregoing does not require a compensation consultant, legal counsel or other adviser to be independent, only that the Committee consider the enumerated independence factors before selecting, or receiving advice from, a compensation adviser. The Committee may select, or receive advice from, any compensation adviser it prefers, including ones that are not independent, after considering the six independence factors outlined above.

6.2. Determine Administrative Expenses. The Committee shall have the authority to determine the level and cost of separate administrative support necessary or appropriate in carrying out its duties, with the Company bearing such costs.

6.3. Required Participation of Employees. The Committee shall have unrestricted access to the Company's employees, independent auditors, and outside counsel and may require any

employee of the Company or representative of the Company's independent auditors or outside counsel to attend meetings of the Committee or to meet with any members of the Committee or representative of the Committee's counsel, advisors, or experts.

- 6.4. Reliance Permitted.** The Committee may act in reliance upon other committees of the Board, management and other employees, the Company's independent auditors, internal auditors, advisors and experts, as it deems necessary or appropriate.
- 7. Evaluation of the Committee.** The Committee shall, on an annual basis, evaluate its performance under this Charter. This self-evaluation may be accomplished through the Board's annual self-evaluation process. In conducting this review, the Committee shall evaluate:

 - 7.1. Scope of Charter.** Whether this Charter appropriately addresses the matters that are or should be within its scope.
 - 7.2. Quality of Committee Work.** The adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board.
 - 7.3. Participation of Members and Quality of Decision Process.** The manner in which issues were discussed or debated, whether all members actively participated and contributed to the work of the Committee.
 - 7.4. Length and Number of Meetings.** Whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.
 - 7.5. Other Appropriate Factors.** Such other factors as the Committee deems relevant to the completion of its responsibilities under this Charter.
- 8. Rules and Procedures.** Except as expressly set forth in this Charter or the Company's By-Laws or Corporate Governance Guidelines, or as otherwise required by law or the rules of NASDAQ, the Committee shall establish its own rules and procedures that are consistent with this Charter.
- 9. Limitation on Responsibility.** Nothing in this Charter or in a member's service on the Committee shall increase or be deemed to increase the liability of any member of the Board under applicable state law.
- 10. Annual Review of Charter.** The Committee shall review this Charter at least annually and recommend to the Board for its consideration and action revisions to this Charter, as the Committee shall deem necessary or appropriate.