

# **LINN ENERGY, LLC**

## **COMPENSATION COMMITTEE CHARTER**

### **I. PURPOSE**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Linn Energy, LLC (the “Company”) is to assist the Board in its oversight and evaluation responsibilities relating to compensation matters. The Committee has overall responsibility for evaluating and approving the structure, operation and effectiveness of the Company’s compensation plans, policies and programs.

### **II. COMMITTEE MEMBERSHIP**

The Committee shall consist of at least three (3) directors appointed at least annually by the Board. Unless specified by resolution of the Board, the Committee shall appoint a chairperson of the Committee (the “Chairperson”) to preside over meetings of the Committee. Prior to their appointment and annually thereafter, the members of the Committee shall each have been affirmatively determined by the Board (i) not to be an officer or employee of the Company, (ii) to have no relationship that would interfere with their exercise of independent judgment in carrying out the responsibilities of a director and Committee member, (iii) to be “independent” under the rules of the NASDAQ Global Market (the “NASDAQ”), (iv) to be a “Non-Employee Director” as defined in Rule 16b-3 of the Securities Exchange Act of 1934 as amended, (the “Exchange Act”) and (v) an “outside director” as defined in Rule 162(m) under the Internal Revenue Code of 1986, as amended. The Board may from time to time remove any member of the Committee and fill any vacancy on the Committee.

### **III. MEETINGS**

The Committee shall hold at least two (2) meetings per year and such additional meetings as the Committee or its chairperson shall determine.

### **IV. DUTIES AND POWERS**

To carry out its purpose, the Committee shall have the following duties and powers:

A. The Committee annually shall review and approve corporate goals and objectives relevant to the compensation of the Company’s Senior Management, evaluate the performance of Senior Management in light of those goals and objectives, and determine the compensation levels of Senior Management (including any benefits and long-term incentive or other compensation under any incentive-based compensation plan or equity based compensation plan or the award or grant of any “perquisites” within the meaning of Item 402(c)(2) of Regulation S-K of the Securities Act of 1933, as amended (the “Securities Act”) based on this evaluation. In determining the long-term incentive component of the compensation of Senior Management, the Committee will consider the

Company's performance and the value of similar incentive awards to Senior Management of comparable companies.

For purposes of this Charter, the term "Senior Management" shall mean the Company's Executive Chairman of the Board, the President and Chief Executive Officer, the Executive Vice President and Chief Financial Officer, the Senior Vice President and Chief Operating Officer, the Senior Vice President and Chief Accounting Officer, the Senior Vice President, General Counsel and Corporate Secretary and any other officer that may be designated by the Board as an executive officer of the Company.

B. The Committee will conduct an annual review of the Chief Executive Officer's performance. No later than the first regularly scheduled Board meeting for a calendar year, the Chief Executive Officer will present to the Board his or her goals for the Company for that year. These goals will be discussed with the Board, will provide a basis for the Committee's assessment of the Chief Executive Officer's performance and will be a key ingredient in determining the Chief Executive Officer's compensation. In turn, the other Senior Management of the Company will develop their goals under the Chief Executive Officer's oversight. These goals will be considered when the committee meets to determine their compensation. The Board shall approve policies regarding succession in the event of an emergency or the retirement of the Chief Executive Officer.

C. The Committee annually shall review management's recommendations and make recommendations to the Board with respect to employee compensation and benefits (excluding compensation for Senior Management), including incentive-based compensation plans and equity-based compensation plans.

D. The Committee shall annually review and approve the compensation for directors of the Company including the award or grant of any "perquisites" within the meaning or Item 402(c)(2) of Regulation S-K of the Securities Act.

E. The Committee shall exercise oversight with respect to the Company's compensation policies, plans and programs.

F. The Committee shall periodically review and administer the Company's Long-Term Incentive Plan ("LTIP") and shall approve any amendments or modifications to the LTIP or any awards granted thereunder in accordance with the terms of the LTIP.

G. The Committee will consult with the Board regarding the Company's major risk exposures and whether the Company's compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.

H. The Committee shall prepare the report required by Item 407(e)(5) of Regulation S-K of the Securities Act which report shall state whether the Committee reviewed and discussed the Compensation Discussion & Analysis (the "CD&A") required by Item 402(b) of Regulation S-K under the Securities Act and whether, based on such review

and discussion, the Committee recommended to the Board that the CD&A be included in the Company's annual report on Form 10-K or proxy statement.

I. The Committee shall review and approve any employment agreements, severance arrangements, change-of-control agreements or other similar arrangements with respect to members of Senior Management.

J. The Committee shall review and approve, or review and recommend to the Board for its approval, any transaction between the Company and any director or officer of the Company subject to the reporting and short-swing liability provisions of Section 16 of the Exchange Act, involving any equity securities of the company, or derivatives of such securities.

K. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of compensation and shall have sole authority to approve any such consultant's fees and other retention terms. The Committee also shall have authority to obtain advice and assistance from internal or external legal, accounting or other advisors, to approve the fees and expenses of any such external advisors and to cause the Company to pay the fees and expenses of any such external advisors.

L. The Committee shall review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.

M. The Committee shall conduct an annual self-performance evaluation and report the results of such evaluation to the Board.

N. The Committee also shall perform such additional duties and have such additional responsibilities and functions as the Board from time to time may determine.

As Revised January 2011