

DEVON ENERGY CORPORATION

COMPENSATION COMMITTEE CHARTER

Adopted by the Board of Directors on
June 10, 2003

The Board of Directors of Devon Energy Corporation (the “Company”) has constituted and established a Compensation Committee (the “Committee”) with authority, responsibility and specific duties as described in this Compensation Committee Charter.

COMPOSITION

The Committee shall consist of directors who are independent of management and free from any relationship that, in the opinion of the Board of Directors, as evidenced by its election of such Committee members, would interfere with the exercise of independent judgment as Committee members.

MISSION STATEMENT AND PRINCIPAL FUNCTIONS

The Committee’s primary responsibility is to assure that the senior executives of the Company and its wholly-owned affiliates are compensated effectively in a manner consistent with the stated compensation strategy of the Company, internal equity considerations, competitive practice, and the requirements of the appropriate regulatory bodies. The Committee shall also communicate to shareholders the Company’s compensation policies and the principles underlying such policies, as required by the Securities and Exchange Commission. More specifically, the Committee shall be responsible for the following:

- Review from time to time and approve the Company’s stated compensation strategy to ensure that management is rewarded appropriately for its contributions to Company growth and profitability and that the executive compensation strategy supports organization objectives and shareholder interests.
- Annually review, approve and communicate to the Board and the Chief Executive Officer the corporate goals and objectives relevant to the Chief Executive Officer.
- Annually evaluate the performance of the Chief Executive Officer and communicate to him or her and the Board of Directors the results of that evaluation.
- Annually review and determine the individual elements of total compensation for the Chief Executive Officer and communicate to the Board of Directors and in the annual Board Compensation Committee Report to shareholders the factors and criteria on which the Chief Executive Officer’s compensation is based, including the relationship between the Company’s performance and the Chief Executive Officer’s compensation.
- Annually evaluate the Committee’s own performance and communicate to the Board of Directors the results of that evaluation.

- Review and approve the individual elements of total compensation for the senior management of the Company other than the Chief Executive Officer and communicate in the annual Board Compensation Committee Report to shareholders the relationship between the Company's performance and executive compensation.
- Assure that the Company's executive incentive compensation program, including the annual and long-term incentive plans, is administered in a manner consistent with the Company's compensation strategy as to participation, target annual award levels, corporate financial goals, actual awards made to senior management, 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.
- Approve, subject, where appropriate, to Board of Director approval and submission to shareholders, all new equity-related incentive plans for senior management.
- Approve, subject to Board of Director approval, annual retainer and meeting fees for members of the Board of Directors and committees of the Board and fix the terms and awards of stock compensation for members of the Board.
- Approve revisions to the Company's executive salary range structure, annual salary increase guidelines, and review compensation arrangements among members of the Company's Executive Committee.
- Review with the Chief Executive Officer matters relating to management succession.
- Review the Company's employee benefit programs and approve changes subject, where appropriate, to shareholder or Board of Director approval.
- If appropriate, hire experts in the field of executive compensation to assist the Committee with its reviews.
- Such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board of Directors of the Company and/or the Chairman of the Board of Directors, or as designated in plan documents.

MEETINGS

The Committee will meet as often as necessary to carry out its responsibilities. Meetings may be called by the Chairman of the Committee or any member of the Committee. All meetings of the Committee shall be held pursuant to the Bylaws of the Company with regard to notice and waiver thereof, and written minutes of each meeting shall be duly filed in the Company records. Reports of meetings of the Committee shall be made to the Board of Directors at its next regularly scheduled meeting following the Committee meeting accompanied by any recommendations to the Board of Directors approved by the Committee.