

## **GEOMET, INC.**

### **COMPENSATION COMMITTEE CHARTER**

This Compensation Committee Charter was originally adopted by the Board effective February 8, 2006 and most recently amended effective September 14, 2010, and may be further amended from time to time at the discretion of the Board.

#### **Purpose**

The Compensation Committee will assist the Board of Directors of GeoMet, Inc. (the "Company") in discharging its responsibilities relating to compensation of the Company's executive officers and the members of the Board. The Compensation Committee has overall responsibility for approval, evaluation and oversight of all compensation plans, policies and programs of the Company.

The Compensation Committee also reviews and discusses with management the Company's compensation discussion and analysis ("CD&A") which is included in the Company's annual proxy statement. The Compensation Committee also prepares the Compensation Committee Report for inclusion in the annual proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission.

#### **Committee Membership**

The Compensation Committee shall consist of no fewer than three members, all of whom shall meet the independence requirements of the NASDAQ National Market rules and other applicable law. The Board shall appoint the members of the Compensation Committee. The Board shall also have the power to replace any of the members of the Compensation Committee.

The full Board shall elect the Chair of the Compensation Committee. The Chair will chair all regular sessions of the Compensation Committee and approve the agendas for Compensation Committee meetings.

In fulfilling its responsibilities, the Compensation Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Compensation Committee; provided, however, that no subcommittee shall consist of fewer than two members; and provided further that the Compensation Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Compensation Committee as a whole.

The Compensation Committee shall meet as frequently as circumstances dictate. A majority of the Compensation Committee members, but not less than two, will constitute a quorum. A majority of the Compensation Committee members present at any Compensation Committee meeting at which a quorum is present may act on behalf of the Compensation Committee. The Compensation Committee may meet by telephone or videoconference and may take action by unanimous written consent. Committee meeting notices shall be sent to all members of the Board and all members of the Board are welcome to attend Committee meetings.

The Compensation Committee may appoint a person, who need not be a member, to act as secretary, and minutes of the Compensation Committee's proceedings shall be kept in minute books provided for that purpose.

### **Committee Authority and Responsibilities**

1. The Compensation Committee shall have the sole authority to retain and terminate any compensation consultant who may assist in the evaluation of senior executive compensation and shall have sole authority to approve the consultant's fees and other retention terms. The Compensation Committee shall also have authority to obtain advice and assistance from internal or external human resources, legal, accounting or other advisors.
2. The Compensation Committee shall establish compensation philosophy for the Company and shall annually review and make recommendations to the Board with respect to general compensation policies of the Company with respect to all officers and other key executives and directors.
3. The Compensation Committee shall annually review and approve, for the CEO and other senior executives of the Company, (a) annual base salary levels, (b) awards of stock options, (c) awards under other incentive compensation plans and equity-based plans, (d) employment agreements, severance arrangements, and change in control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits.
4. The Compensation Committee shall administer any short-term incentive plan covering officers and employees of the Company, set performance targets for such plan and determine whether performance targets have been met and the amounts and terms of any awards.
5. The Compensation Committee shall annually review and approve, for the CEO and other senior executives, those corporate goals and objectives previously set by the Board that are relevant to their compensation, shall evaluate their performance in light of these goals and objectives, and shall determine their compensation levels based on this evaluation.
6. The Compensation Committee shall annually review and approve, for all other key employees of the Company, awards of stock options and other long term incentive awards under equity-based plans.
7. The Compensation Committee shall annually review the compensation programs available to the non-executive directors of the Company and shall make recommendations to the Board regarding adjustments to such programs.
8. The Compensation Committee shall annually assess the risk inherent in its compensation programs to determine whether risks are reasonably likely to have a material adverse effect on the Company. If such a material adverse risk is identified, the Compensation Committee shall report its findings to the Board and shall see that the appropriate steps are taken to mitigate such risk.

9. The Compensation Committee shall make regular reports to the Board.
10. The Compensation Committee shall perform a review and evaluation, at least annually, of the performance of the Compensation Committee and its members, including a review of the compliance of the Compensation Committee with this Charter and shall deliver to the Board a report which may be oral, setting forth the results of its evaluation. In addition, the Compensation Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Compensation Committee considers necessary or valuable. The Compensation Committee shall conduct such evaluations in such manner as it deems appropriate
11. At least annually and prior to the initial engagement of a compensation consultant by the Company, the Board or a committee thereof, obtain and review a written report by the compensation consultant describing (a) all relationships between the compensation consultant and the Company or any of its officers or directors in order to assess the compensation consultant's independence as contemplated in applicable laws, regulations and listing requirements and (b) a description of any services not related to executive compensation services provided by the compensation consultant to the Company.

## **Reports**

1. The Compensation Committee will review and discuss with management the Company's CD&A and, based on that review and discussion, recommend its inclusion in the Company's annual proxy statement.
2. The Compensation Committee will produce an annual Compensation Committee Report for inclusion in the Company's annual proxy statement in accordance with applicable rules and regulations of the SEC.
3. The Compensation Committee will review the description of its processes and procedures for the consideration and determination of executive and director compensation to be included in the Company's annual proxy statement.
4. The Compensation Committee will assure that its findings regarding compensation risk are appropriately reported in the Company's annual proxy statement in accordance with applicable rules and regulations of the SEC.