

PACIFIC DRILLING S.A.
Compensation Committee Charter

A. PURPOSE

The purpose of the Compensation Committee of the Board of Directors (the “Board”) of **Pacific Drilling S.A.** (the “Company”) is to oversee the discharge of the responsibilities of the Board relating to compensation of the executive officers of the Company and its subsidiaries.

B. MEMBERSHIP, STRUCTURE AND ADMINISTRATION

1. Size and Membership Qualifications – The Compensation Committee shall consist of at least two members of the Board. Each member of the Compensation Committee shall be independent of management and the Company and shall satisfy the independence requirements as defined by any applicable laws, rules and regulations. Furthermore, only those members of the Board who are independent of management and not current or former employees of the Company may vote on resolutions concerning membership and structure of the Compensation Committee as well as any revisions to this Charter.
2. Board Authority – Members of the Compensation Committee shall be appointed by the Board. The Board may remove members of the Compensation Committee from such committee with or without cause.
3. Chair – Unless the Board elects a Chair of the Compensation Committee, the Compensation Committee shall elect one by majority vote.
4. Compensation – The compensation of the members of the Compensation Committee shall be determined by the Board from time to time.
5. Meetings – The Compensation Committee shall meet at least annually and as often as it deems necessary in order to perform its responsibilities, in a manner as the Compensation Committee shall establish. A special meeting may be called on not less than 24 hours notice, at any time by the Chairman. The Compensation Committee may also act by written resolution signed by all Compensation Committee members in lieu of a meeting. The Compensation Committee shall keep such records of its meetings as it shall deem appropriate.
6. Subcommittees – The Compensation Committee may form and delegate authority to one or more subcommittees as it deems appropriate from time to time under the circumstances.
7. Consulting Arrangements – The Compensation Committee shall have the sole authority to retain and terminate any compensation consultant firm to be used to assist in the evaluation of executive officer compensation and shall have sole authority to approve the consultant’s fees and other retention terms.
8. Charter – The Compensation Committee shall periodically review and assess the adequacy of this Charter and obtain the approval of the Board for all revisions or changes to the Charter.
9. Annual Performance Evaluations – At least annually, and as conditions dictate, the Compensation Committee shall evaluate its own performance.

10. Report to the Board – The Compensation Committee will keep regular minutes of its proceedings and report regularly to the Board in such manner and at such times as the Compensation Committee or the Board deems appropriate.

C. RESPONSIBILITIES AND DUTIES

1. General – The Compensation Committee will perform its responsibilities and duties in accordance with the authority delegated from the Board and applicable laws, rules and regulations. Only those members of the Board who are independent of Company management and not current or former employees of the Company may vote on resolutions related to compensation, including officer and senior executive compensation, as well as the compensation of the members of the Compensation Committee.
2. CEO Compensation - The Compensation Committee shall annually review and approve, or make recommendations to the Board with respect to, the corporate goals and objectives relevant to the compensation of the Chief Executive Officer of the Company (the “CEO”), prepare an evaluation of the CEO’s performance in light of those goals and objectives, review and approve the terms of any employment, severance and change-in-control agreements and, either as a committee or together with the other non-executive directors independent of company management (as directed from time to time by the Board), determine and approve the CEO’s compensation based on this evaluation.
3. Compensation of Other Executive Officers - The Compensation Committee shall periodically review and approve, or make recommendations to the Board with respect to, the compensation of the executive officers of the Company and its subsidiaries (other than the CEO), including the terms of any employment, severance and change-in-control agreements.
4. Evaluation of Senior Executives - The Compensation Committee shall be responsible for establishing and overseeing the processes related to setting the goals and objectives of the senior executives relevant to compensation, and the evaluation of such senior executives against such goals and objectives. In conjunction with the Audit Committee in the case of the evaluation of the senior financial management, the Compensation Committee shall determine the nature and frequency of the evaluation and the persons subject to the evaluation, supervise the conduct of the evaluation and prepare assessments of the performance of the Company’s senior executives to be presented to, and discussed with, the Board.
5. Plan Recommendations and Approvals - The Compensation Committee shall periodically review and make recommendations to the Board with respect to incentive compensation and equity-based plans that are subject to approval by the Board.
6. Administration of Equity-Based Plans - The Compensation Committee shall exercise all rights, authority and functions of the Board under all of the Company’s stock option, stock incentive, employee stock purchase and other equity-based plans, including, without limitation, the authority to interpret the terms thereof, to grant options thereunder and to make stock awards thereunder; provided, however, that, except as otherwise expressly authorized to do so by this Charter, any such plan or a resolution of the Board, the Compensation Committee shall not be authorized to amend any such plan.

7. Additional Duties – The Compensation Committee shall discharge any other duties or responsibilities delegated to the Compensation Committee by the Board from time to time.