

## **EXHIBIT A**

### **MEXCO ENERGY CORPORATION**

#### **COMPENSATION COMMITTEE CHARTER**

##### **Purpose**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Mexco Energy Corporation (the “Company”) is (i) to review and approve the compensation of the Company’s “Section 16 Officers” (as hereinafter defined), (ii) to oversee and advise the Board on the adoption of policies that govern the Company’s compensation programs, (iii) to administer the Company’s 1997 Incentive Stock Plan, 2004 Incentive Stock Plan and other equity-based compensation plans, all in accordance with the terms and conditions thereof, and (iv) to produce an annual report on executive compensation for inclusion in the Company’s proxy statement, in accordance with the rules and regulations of the Securities Exchange Commission (the “SEC”).

##### **Committee Membership**

The Committee shall consist of a number of directors fixed from time to time by the Board but not fewer than two. The members of the Committee shall be appointed annually by the Board in its discretion. The Company’s Nominating Committee shall make recommendations to the Board regarding members to serve on the Committee. Committee members may be replaced by the Board between annual appointments in the Board’s discretion. The Committee shall consist solely of “independent directors,” i.e., those directors who neither are officers or employees of the Company or its subsidiaries nor have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and who are otherwise “independent” under the rules of the American Stock Exchange. In addition, it is expected that each member of the Committee shall be (i) a “non-employee director” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and (ii) an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “code”).

##### **Committee Structure and Operations**

The Board shall designate one member of the Committee as its chairperson. In the event of a tie vote on any issue, the chairperson’s vote shall decide the issue. The chairperson shall be responsible for scheduling all meetings of the Committee, determining the agenda for each meeting, presiding over meetings of the Committee and coordinating reporting to the Board. In the absence of the chairperson, the majority of the members of the Committee present at a meeting shall appoint a member to preside at the meeting.

The Committee shall meet in person or telephonically at such times and with such frequency as it determines to be necessary or appropriate, but no less than two times a year. Members of the Committee are expected to use all reasonable efforts to attend each meeting. The Committee may, to the extent consistent with the maintenance of the confidentiality of compensation discussions, invite members of management, legal counsel, compensation

consultants or other advisors to attend meetings of the Committee; however, the Company's Chief Executive Officer ("CEO") may not be present during any discussions and deliberations of the Committee regarding the CEO's compensation. The Committee may take action by the unanimous written consent of its members.

### **Committee Duties and Responsibilities**

The Committee shall:

1. Annually review and approve the Company's general compensation philosophy and oversee the development and implementation of the Company's compensation programs.
2. Review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the performance of the CEO in light of those goals and objectives, and have the sole authority to determine the CEO's compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee shall consider, among other factors, the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years.
3. Review and approve the compensation of all other "officers" of the Company (as defined in Rule 16a-1 promulgated under Section 16 of the Exchange Act; herein called "Section 16 Officers").
4. Make recommendations to the Board with respect to the Company's incentive compensation plans and equity-based compensation plans, including the 1997 Incentive Stock Plan and 2004 Incentive Stock Plan.
5. Administer the Company's 1997 Incentive Stock Plan, 2004 Incentive Stock Plan and any other equity-based compensation plans in accordance with the terms and conditions thereof, discharge any responsibilities imposed on, and exercise all rights and powers granted to, the Committee by any of these plans, and oversee the activities of the individuals and entities responsible for the day-to-day operation and administration of these plans.
6. Approve issuances under, or any material amendment of, any tax qualified, non-discriminatory employee benefit plan or parallel nonqualified plan pursuant to which a director, officer, employee or consultant will acquire stock or options.
7. Approve issuances under, or any material amendment of, any stock option or other similar plan pursuant to which a person not previously an employee or director of the Company, as an inducement material to the individual's entering into employment with the Company, will acquire stock or options.
8. Consult with management to oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Code.
9. Review and approve any employment agreement to be entered into between the Company and any Section 16 Officer.
10. To the extent not provided for in any employment agreement approved by the Committee in accordance with the preceding paragraph, review and approve any severance or similar termination payments proposed to be made to any current or former Section 16 Officer.

11. Prepare and issue the evaluations and reports required under “Committee Reports” below.
12. Review from time to time when and as it deems appropriate the compensation and benefits of non-employee directors, including compensation pursuant to equity-based plans and approve or recommend to the Board for its action, any changes in such compensation or benefits.
13. Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company’s compensation programs.

**The Committee shall produce the following reports and provide them to the Board.**

1. An annual report of the Compensation Committee on executive compensation for inclusion in the Company’s annual proxy statement in accordance with applicable SEC rules and regulations.
2. An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this charter. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.
3. A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting. The summary to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee.

**Resources and Authority of the Committee**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel, compensation consultants or other experts or consultants, as it deems appropriate, without seeking approval of the Board or management. With respect to any compensation consultants retained to assist in the evaluation of director, CEO or executive officer compensation, this authority shall be vested solely in the Committee.

As adopted by the Board of Directors as of June 15, 2005.