

**CARRIZO OIL & GAS, INC.**  
**Audit Committee Charter**  
(As of February 19, 2016)

**PURPOSE**

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) to oversee the accounting and financial reporting processes and audits of the financial statements of Carrizo Oil & Gas, Inc. (the “Company”) and to assist the Board in monitoring (i) the integrity of the Company’s financial statements, (ii) the performance of the Company’s internal audit function and the independent auditor, (iii) the independence and qualifications of the firm of independent public auditors hired to audit the Company’s financial statements (the “independent auditor”), and (iv) the Company’s compliance with legal and regulatory requirements.

**COMMITTEE MEMBERSHIP**

The Committee shall consist of at least three directors, each of whom shall serve at the discretion of the Board. Unless otherwise permitted under applicable laws, rules, or regulations, the Committee’s composition shall meet the independence and experience requirements of the Nasdaq Stock Market, Inc. (“Nasdaq”), Section 10A(m)(3) of the Securities Exchange Act of 1934 (the “Act”), and applicable rules and regulations of the Commission. Each member shall be able to read and understand fundamental financial statements, and at least one member shall have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual’s financial sophistication. The members of the Committee shall be appointed by the Board and may be replaced by the Board at any time.

Notwithstanding the foregoing membership and qualification requirements, no action of the Committee shall be invalid by reason of any such requirement not being met at the time such action is taken.

**COMMITTEE STRUCTURE AND OPERATIONS**

The Board shall designate one member of the Committee as its chairperson. 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 one of the members of the Committee to serve as a chairperson until the Board designates the chairperson. The Board may remove or replace the chairperson at any time by the affirmative vote of a majority of the members of the Board.

The Committee shall meet in person, telephonically, or in any other manner in which the Board is permitted to meet under the law or Nasdaq rules, at least quarterly, with special meetings called as the circumstances dictate, and shall meet periodically in separate executive sessions with Company’s management, internal auditor, and the independent auditor to discuss any matters that the Committee or each of these groups believe should be discussed privately.

A majority of the members of the Committee shall constitute a quorum. Members of the Committee are expected to use all reasonable efforts to attend each meeting. The Committee shall act on the affirmative vote of a majority of the members present at a meeting, at which a quorum is present. The Committee may also act by unanimous written consent of its members in lieu of the meeting.

## **AUTHORITY AND RESPONSIBILITIES**

The Committee has the authority to conduct or authorize investigations into any matters that are within the Committee's scope of responsibilities.

The Committee shall be solely responsible for the appointment, compensation, and retention of the independent auditor (subject to shareholder ratification, if applicable). The Committee shall be directly responsible for the oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work, or performing other audit, review, or attest services for the Company. The Committee shall be responsible for ensuring the independence of the independent auditor. The independent auditor shall report directly to the Committee.

The Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and the terms thereof) to be performed for the Company by its independent auditor, subject to the *de minimis* exceptions for non-audit services described in Section 10A(i)(1)(B) of the Act, which are approved by the Committee prior to the completion of the audit. The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals are presented to the full Committee at its next scheduled meeting.

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting, or other advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report, and to any advisors employed by the Committee as well as funding for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out the Committee's duties.

The Committee shall provide regular reports of its activities to the Board and shall review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor, and the performance of the Company's internal audit functions. At least annually, the Committee shall review and reassess the adequacy of this Audit Committee Charter (the "Charter"). The Committee shall report the results of the review to the Board and, if necessary, recommend that the Board amend this Charter.

The Committee shall perform any such other functions as requested by the Board or required by law or Nasdaq rules.

### Financial Statement and Disclosure Matters

The Committee, to the extent it deems necessary or appropriate, shall:

1. Review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.

2. Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the filing of its Form 10-Q, including disclosures made in management's discussions and analysis and the results of the independent auditor's review of the quarterly financial statements.
3. Discuss with management and the independent auditor major issues regarding accounting principles and financial statement presentations as well as significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of the accounting principles.
4. Review, discuss, and document quarterly reports from the independent auditor on the following:
  - (a) All critical accounting policies and practices to be used that have been compared with those used by the Company's peers or leaders in its industry;
  - (b) All alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and
  - (c) Other material written communications between the independent auditor and management such as any management letter or schedule of unadjusted differences.
5. Discuss with management the Company's earning press releases, including the use of "pro-forma" or "adjusted" non-GAAP information as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally and include the types of information to be disclosed and the types of presentations to be made.
6. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as the off-balance sheet structures on the Company's financial statements.
7. Discuss with the independent auditor the matters required to be discussed by Public Company Accounting Oversight Board (PCAOB) AU Section 380 (Communication with Audit Committees) relating to the conduct of the audit, including (a) any difficulties encountered in the course of the audit work, (b) any restrictions on the scope of activities or access to requested information, (c) any significant disagreements with management, (d) any accounting adjustments that were noted or proposed by the independent auditor but were "passed" (as immaterial or otherwise), (e) any communication between the audit team and the independent auditor regarding auditing or accounting issues presented by the engagement, (f) any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditor to the Company, and (g) the responsibilities, budget, and staffing of the Company's internal audit function.
8. Discuss with the independent auditor any matters brought to the Committee's attention as a result of the application of PCAOB AU Section 722 (Interim Financial Information).

9. Review disclosures made to the Committee by the Company's Chief Executive Officer and the Chief Financial Officer during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein, and any fraud involving management or other employees who have a significant role in the Company's internal controls.
10. Prepare a report to shareholders as required by the Securities and Exchange Commission to be included in the Company's annual proxy statement.
11. Discuss with management (a) the Company's major financial risk exposures and the steps management has taken to monitor and control those exposures and (b) the guidelines and policies to govern the process, by which risk assessment and risk management is undertaken.
12. Discuss with management and the independent auditor the design, quality, and adequacy of the Company's internal control over financial reporting.
13. Maintain minutes or other records of meetings and activities of the Committee.
14. Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time.

#### Oversight of the Independent Auditor

1. Review and evaluate the lead partner of the independent auditor team and ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for the audit as required by law.
2. Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review or peer review of the independent auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five (5) years, regarding one or more independent audits carried out by the independent auditor, and any steps taken to deal with any such issues, and (c) all relationships between the independent auditor and the Company.
3. Ensure that the independent auditor submit to the Committee on a periodic basis a formal written statement delineating all relationships between the independent auditor and the Company, actively engage in a dialogue with the independent auditor with respect to any such disclosed relationships or services that may impact the objectivity and independence of the independent auditor, and recommend that the Board take appropriate action in response to the written statement to satisfy itself of the independence of the independent auditor.
4. Evaluate the qualifications, performance, and independence of the independent auditor.
5. Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.

### Oversight of the Company's Internal Audit Function

1. Review the appointment and replacement of the internal audit director, including the outsourcing of the Company's internal audit function to a third party service provider other than the Company's independent auditor.
2. Review the significant reports to management prepared by the internal auditors and management's responses.
3. Discuss with the independent auditor and management the internal auditor's responsibilities, budget and staffing, and any recommended changes in the planned scope of the internal audit.
4. Periodically review and approve the Company's Internal Audit Charter.

### Compliance Oversight Responsibilities

The Committee, to the extent it deems necessary or appropriate, shall:

1. Receive reports from the independent auditor under Section 10A(b) of the Act if the independent auditor detect or become aware of any illegal acts.
2. Review and approve all "related party transactions" (as that term is defined by Item 404 of Regulation S-K) for potential conflicts of interest if a special committee of the Board is not formed to address a particular transaction.
3. Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by the employees of concerns regarding questionable accounting or auditing matters.
4. Discuss with management and the independent auditor any correspondence with the regulators or governmental agencies, and any published reports that raise material issues regarding the Company's financial statements or accounting policies.
5. Discuss with the Company's Chief Financial Officer or other personnel, including the General Counsel, legal matters that may have a material impact on the Company's financial statements or its compliance policies.

### **OVERSIGHT/RELIANCE**

While the Committee has the responsibilities and powers set forth in this Charter, the Board and the Committee recognize that Company's management is responsible for preparing the Company's financial statements, and the independent auditor are responsible for auditing those financial statements, internal control over financial reporting, and reviewing the Company's unaudited interim financial statements. Therefore, the Committee's responsibility is in the nature of oversight. It is not the responsibility of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate, or are in accordance with GAAP. In carrying out its oversight responsibilities, the Committee is not providing any expert or special assurances as to the Company's financial statements or the work of the independent auditor. Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to assume and rely upon (i) the integrity of those

persons and organizations within and outside the Company, from which it receives information, and (ii) the accuracy of the financial and other information provided to the Committee by such persons and organizations. Nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the Committee members, except to the extent otherwise provided under the applicable federal or state law.

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As adopted by the Board of Directors.