

# **Magnolia Oil & Gas Corporation**

## **Corporate Governance Guidelines**

### **I. DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

The role of the Board of Directors (the “Board”) of Magnolia Oil & Gas Corporation (the “Company”) is to manage and direct the affairs of the Company in the Company’s best interests including the interest of the shareholders in the long-term health and overall success of the business. The Board delegates the day-to-day management of the Company to the Chief Executive Officer and other senior executives of the Company, and provides guidance to and oversight of management.

#### **The Role of the Board of Directors**

The Board generally fulfills its role (directly or by delegating certain responsibilities to its committees) by:

1. providing advice and counsel to the Chief Executive Officer and senior executives;
2. selecting, regularly evaluating, fixing the compensation of, and, where appropriate, replacing the Chief Executive Officer;
3. planning for Chief Executive Officer succession and guiding and overseeing management development;
4. providing oversight of Company performance to evaluate whether the business is being appropriately managed;
5. reviewing and approving strategic plans and providing guidance to management in formulating corporate strategy;
6. reviewing and approving the Company’s financial objectives and major corporate plans and actions (including material capital expenditures and transactions outside the ordinary course of business);
7. designing governance structures and practices to position the Board to fulfill its duties effectively and efficiently;
8. providing oversight of risk assessment and monitoring processes;
9. reviewing and approving major changes in accounting principles and practices;
10. providing oversight of internal and external audit processes, financial reporting, and disclosure controls and procedures;
11. overseeing compliance with applicable laws and regulations;

12. setting expectations about the tone and ethical culture of the Company, and reviewing management efforts to instill an appropriate tone and culture throughout the Company; and
13. performing such other functions as the Board believes appropriate or necessary, or as otherwise prescribed by rules or regulations.

### **Care, Candor and Avoidance of Conflicts**

The Company's directors recognize their obligation individually and collectively to pay careful attention and to be properly informed. This requires regular attendance at, and preparation for, meetings of the Board and its committees including the advance review of circulated materials, and active participation in Board and committee discussions. The directors also recognize that candor and avoidance (or in circumstances where conflicts are unavoidable or related person transactions are in the interests of the Company, the appropriate handling) of conflicts in fact and in perception are hallmarks of accountability owed to the Company and its shareholders. Directors have a personal obligation to disclose personal or business interests that involve an actual, potential or apparent conflict of interest to the Chairman of the Board prior to any Board decision related to the matter and, if in consultation with the Audit Committee and legal counsel it is determined that a conflict exists or the perception of a conflict is likely to be significant, the Audit Committee shall determine how to address, in accordance with the Company's Code of Business Conduct and Ethics, Related Person Transaction Policy, any other applicable Company policies and any related disclosure obligations. Directors having a conflict, potential conflict or apparent conflict are expected to recuse themselves from the discussion and the vote related to the matter.

### **Integrity and Conduct**

Each director is expected to act with integrity and to adhere to the policies in the Company's Code of Business Conduct and Ethics and all other applicable Company policies (including but not limited to these Corporate Governance Guidelines). Any waiver of the requirements of the Code of Business Conduct and Ethics for any director must be approved by the Audit Committee.

### **Confidentiality**

Each director has an obligation to keep confidential all non-public information that he or she receives in connection with serving on the Board. Directors may not use such information for personal benefit or the benefit of persons or entities outside the Company nor may they disclose this information for any purpose without express permission. Confidential information includes, but is not limited to, information regarding the strategy, business, finances and operations of the Company (or any of the Company's suppliers, customers or other constituents), minutes, reports and materials of the Board and its committees, and other documents identified as confidential by the Company. The proceedings and deliberations of the Board and its committees are also confidential non-public information and are subject to strict protection.

## **II. BOARD INDEPENDENCE**

The Board has a majority of independent directors. In making independence determinations, the Board observes all applicable requirements, including the corporate governance listing standards established by the New York Stock Exchange (NYSE). In addition, to be considered independent

under these Guidelines, the Board must determine under applicable NYSE listing standards that a director does not have any direct or indirect “material” relationship with the Company (either directly or as a partner, controlling shareholder or executive officer of an organization that has a material relationship with the Company). The Board will carefully consider all relevant facts and circumstances in making an independence determination. The Board has adopted guidelines for determining whether a director is independent which are set forth in the attached Annex A.

### **III. BOARD LEADERSHIP**

The Board has leadership in the form of a Chairman. The Board does not have a fixed policy regarding the separation of the offices of Chairman of the Board and Chief Executive Officer and believes that it should maintain the flexibility to select the Chairman of the Board and its leadership structure, from time to time, based on the criteria that it deems in the best interests of the Company and its stockholders.

When the position of Chairman is not held by an independent director, a Lead Independent Director may be designated by the Board. If selected, the Lead Independent Director will serve until the Company’s next Annual Meeting of Shareholders. In the event the Board appoints a Lead Independent Director, the Lead Independent Director’s duties will include: (i) serving as a liaison between the Chairman and the independent directors of the Board; (ii) reviewing information sent to the Board; (iii) reviewing meeting agendas for the Board and meeting schedules; and (iv) presiding at meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors. The name of the Lead Independent Director may be disclosed in the Company’s proxy statement for its Annual Meeting of Shareholders or, if the Company does not file an annual proxy statement, in its Annual Report on Form 10-K.

### **IV. EXECUTIVE SESSIONS**

The non-management directors meet regularly without members of management present in executive session as otherwise determined by such directors. If any of the non-management directors do not qualify as an “independent director” as set forth in Section II above, then, as regularly as may be determined by the independent directors, executive sessions shall be held that are attended only by independent directors. The executive sessions have such agendas and procedures as are determined by the non-management and independent directors. Authority in such sessions to act on behalf of the Company or the Board on any matters requires an express delegation of authority by the Board.

### **V. FORMAL EVALUATION OF THE CHIEF EXECUTIVE OFFICER**

The Board has delegated to the Compensation Committee the task of evaluating the Chief Executive Officer annually and reporting its recommendations to the Board. The Chairman of the Compensation Committee communicates the Board’s conclusions to the Chief Executive Officer.

The evaluation is based on objective criteria including performance of the business, accomplishment of long-term strategic objectives, development of management, and other factors that the Board and Compensation Committee agree are appropriate in assessing the Chief Executive Officer’s performance. The evaluation is used in determining the Chief Executive Officer’s compensation.

## **VI. MANAGEMENT DEVELOPMENT AND SUCCESSION PLANNING**

The Board periodically reviews management development and succession plans with respect to senior management positions, and engages the Chief Executive Officer in such discussions as appropriate. The Board considers from time to time as appropriate potential successors to the Chief Executive Officer in the event of his or her resignation, retirement or disability, or in the event of an emergency. The Chief Executive Officer reports on senior executive succession planning at least annually to the Board, which has oversight of the succession planning process for the senior executive team and the Company's program for management development.

## **VII. DIRECTOR NOMINATION, QUALIFICATION AND ELECTION**

### **Selection of Board Nominees**

Each year, subject to the terms of the Stockholders' Agreement, dated as of July 31, 2018, by and among the Company and the EnerVest Funds (as defined therein), if then in effect, the Board proposes a slate of director nominees to shareholders for election at the Annual Meeting of Shareholders. Directors are elected for a one-year term. Shareholders may also recommend candidates for election to the Board, as described below. The Board has delegated the process of screening potential director candidates to the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate criteria that directors are required to fulfill (including experience, qualifications, attributes, skills and other characteristics) in the context of the current make-up of the Board and the needs of the Board given the circumstances of the Company. In identifying and screening director candidates, the Nominating and Corporate Governance Committee considers whether the candidates fulfill the criteria for directors approved by the Board, including integrity, objectivity, independence, sound judgment, leadership, courage and diversity of experience (for example, in relation to finance and accounting, international operations, strategy, risk management, technical expertise, policy-making, etc.).

The Nominating and Corporate Governance Committee values the input of shareholders in identifying director candidates. The Nominating and Corporate Governance Committee considers recommendations for Board candidates submitted by shareholders using substantially the same criteria it applies to recommendations from the Committee, directors and members of management. Shareholders may submit recommendations by providing the person's name and appropriate background and biographical information in writing to the Committee at 1001 Fannin Street, Suite 400, Houston, TX 77002.

Invitations to serve as a nominee are extended by the Board itself via the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee.

### **Term of Service: Director Renomination**

The Board believes that it must periodically refresh its membership to ensure that its composition remains appropriate given the Company's needs over time. The Board may renominate a director, based on the recommendation of the Nominating and Corporate Governance Committee. The

Nominating and Corporate Governance Committee formally reviews the performance of each director in determining whether to renominate directors for election.

### **Commitment and Limits on Other Activities**

Directors must be prepared to devote the time required to prepare for and attend Board meetings, and fulfill their responsibilities effectively. Directors are asked to advise the Chairman of the Board, the Chairman of the Nominating and Corporate Governance Committee and the Corporate Secretary in advance of accepting an invitation to serve on another board.

### **Offer of Resignation upon a Job Change or Other Significant Events**

When a director's principal occupation or business association changes from the position such director held when originally invited to join the Board, the director shall notify the Chairman of the Nominating and Corporate Governance Committee of her or his offer to resign. The Committee may review whether it would be appropriate for the director to continue serving on the Board. Directors are also expected to inform the Chairman of the Nominating and Corporate Governance Committee of other events that could reasonably be perceived to be relevant to consideration about ongoing independence.

## **VIII. DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

The Board has delegated to the Nominating and Corporate Governance Committee the task of designing, with Company management, an appropriate orientation program for new directors that includes background material, meetings with senior management and visits to Company facilities. The Committee also explores and makes available education and development opportunities for directors, from time to time.

In addition to education and development programs that are specifically tailored for the Board, all directors are encouraged to attend director development programs and conferences that relate to director duties or other corporate governance topics or to other topics relevant to the work of the Board. Each director will be reimbursed for the cost of one such program per year (and reasonable travel and hotel expenses associated with attending such program) selected from among a list pre-approved by the Nominating and Corporate Governance Committee, or upon advance approval by the Committee to be reimbursed for attending a program not on the list.

## **IX. BOARD AGENDA, MATERIALS, INFORMATION AND PRESENTATIONS**

The Chairman of the Board, with input from senior members of management, establishes the agenda for each Board meeting. A schedule of Board meetings and agenda topics to be discussed for the ensuing year is issued at the beginning of each year (to the degree these can be foreseen). Specific agenda items will be determined and the final agenda will be circulated to the Board in advance of each Board and committee meeting. Each director is encouraged to suggest to the Chairman of the Board item(s) for the agenda or additional information to be provided to directors.

Presentations on specific subjects are forwarded to the directors in advance so that directors may prepare and Board meeting time may be used primarily for discussion rather than information exchange. However, it is recognized that there may be occasions when an important issue arises

without time for written background materials to circulate or the subject matter is not appropriate for written materials, such that more presentation time will be required.

## **X. DIRECTOR ACCESS TO SENIOR MANAGERS AND INDEPENDENT ADVISERS**

The Board and its committees retain independent advisers to assist them in carrying out their activities when and as needed, and the Company provides adequate resources to compensate such advisers. Directors have complete access to senior management and to Board and committee advisers. Directors are expected to use good judgment to ensure that this contact is not distracting to the business operation of the Company, and that independent advisers are used efficiently.

The Board expects that certain senior managers will be invited to attend portions of Board meetings. Should the Chairman and Chief Executive Officer wish to suggest that a senior manager attend on a regular basis, such suggestion is made to the Board for its concurrence. The Board encourages management to bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) have future potential such that management believes the Board should have greater exposure to the individual.

## **XI. BOARD COMMUNICATION WITH SHAREHOLDERS AND OTHERS, AND ANNUAL MEETING ATTENDANCE**

Management, and, in particular, the Chief Executive Officer, speaks for the Company with shareholders, investors, employees, customers, suppliers, the press and others. In circumstances when it is appropriate for the Board to communicate separately from the Company's management, the Chairman of the Board speaks for the Board, although there may be circumstances when another director, such as a committee chair, may be asked to participate and even lead the communication effort. Directors are expected to take special care in all communications concerning the Company, in light of strict confidentiality requirements and laws prohibiting insider trading, tipping and avoidance of selective disclosure.

The Board believes that effective communications with the Company's shareholders are important, and has established means for the Company's shareholders and other interested parties to contact the Board and its committees. Information regarding how to contact the Board and its committees is included below in Section XII and is posted on the Company's website.

In order to build constructive, informed relationships with shareholders, and encourage transparency and accountability, directors may be available to participate in discussions with shareholders from time to time, as appropriate.

Directors are encouraged to attend the Company's annual meeting of stockholders. The Company discloses director attendance at the Annual Meeting in the Company's next proxy statement or on the Company's website.

## **XII. COMMUNICATING WITH THE BOARD**

Shareholders are invited to communicate to the Board or its committees by writing to: Secretary at 1001 Fannin Street, Suite 400, Houston, TX 77002. In addition, interested parties may communicate with the Chairman of the Board or with the non-management and independent directors of the Company as a group by writing to: Chairman at 1001 Fannin Street, Suite 400, Houston, TX 77002.

### **XIII. STANDING BOARD COMMITTEES**

The Board currently has three committees: Audit, Compensation, and Nominating and Corporate Governance. Membership on such committees is limited to independent directors, and subject to other SEC and NYSE regulations. Each committee has its own charter, which sets forth the responsibilities of each committee, the qualifications of its members and the procedures of the committee. Each committee will conduct a self-assessment annually. Subject to applicable regulations and listing rule requirements, the Board retains discretion to form new committees or disband current committees depending upon the circumstances.

The Nominating and Corporate Governance Committee recommends, after consultation with the Chairman of the Board and Chief Executive Officer, and with consideration of the views, experiences and characteristics of individual directors, the appointment of directors to various committees and the appointment of committee chairmen, for Board approval.

### **XIV. COMPENSATION MATTERS**

#### **Director Compensation**

The Compensation Committee recommends to the Board for approval general principles for determining the form and amount of director compensation and subject to such principles, evaluates annually the status of Board compensation in relation to comparable U.S. companies (in terms of size, business sector, etc.), reporting its findings and recommendations to the Board for approval.

#### **Recovery of Incentive Compensation**

In addition to any other remedy available to the Company, subject to applicable law, the Board may seek to recover incentive compensation paid or awarded to executive officers of the Company where such payment or award was predicated upon the achievement of certain financial results that were subsequently the subject of a material negative restatement of the Company's financial statements filed with the SEC and/or such financial results were the product of misconduct or fraudulent activity and a lower incentive payment would have been made to the executive officer based upon the restated financial results.

### **XV. ANNUAL BOARD AND COMMITTEE PERFORMANCE EVALUATIONS**

The Board conducts an annual self-evaluation of its performance and the performance of its committees. The Nominating and Corporate Governance Committee recommends to the Board and its committees the methodology for such evaluations and oversees its execution.

### **XVI. CORPORATE GOVERNANCE GUIDELINES**

The Nominating and Corporate Governance Committee reviews these Guidelines periodically and recommends amendments to the Board as necessary.

These Guidelines are posted on the Company's website.

These Corporate Governance Guidelines were adopted by the Board on July 31, 2018.

**Standards of Independence for Board of Directors**

The Board has established the following guidelines to assist it in determining director independence.

A director shall not be deemed “independent” if:

1. the director is, or within the last three years has been, employed by the Company, or has an immediate family member who is, or within the last three years has been, an executive officer of the Company, other than prior employment as an interim executive officer;
2. the director or an immediate family member of the director has received, during any twelve-month period within the last three years, more than \$120,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
3. (a) the director is a current partner, or has an immediate family member who is, or has been within the last three years, a current partner, of a firm that is the Company’s internal or external auditor; (b) the director is a current employee of such a firm; (c) the director has an immediate family member who is a current employee of such a firm and who personally works on the Company’s audit; or (d) the director or an immediate family member was, within the last three years (but in either case is no longer), a partner or employee of such a firm and personally worked on the Company’s audit within that time;
4. the director or an immediate family member of the director is or has been, within the last three years, employed as an executive officer by another company where any of the Company’s current executive officers serves or served on that company’s compensation committee; or
5. the director is an employee, or has an immediate family member who is an executive officer, of an organization that has made or received from the Company, payments for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of 2% of such other company’s consolidated gross revenues or \$1 million.

For the purposes of these independence standards, a reference to the “Company” includes any parent or subsidiary in a consolidated group with the Company.

“Immediate family member” includes a person’s spouse, parent, sibling, child, mother- or father-in-law, son- or daughter-in-law or brother- or sister-in-law or anyone (other than domestic employees) who shares a person’s home.