

## **PENN VIRGINIA CORPORATION** **CORPORATE GOVERNANCE PRINCIPLES**

Penn Virginia Corporation's ("Penn Virginia") business is conducted by Penn Virginia's employees under the direction of the Chief Executive Officer (the "CEO") and other members of the management team with the oversight of its Board of Directors (the "Board"). Both the Board and management recognize the importance of conducting Penn Virginia's business in a legal and ethically responsible manner.

The following principles have been approved by the Board and, together with the charters of the Board's Committees, provide the corporate governance framework at Penn Virginia. The Board recognizes that corporate governance is an evolving process and will review and consider the adequacy and effectiveness of these principles on an on-going basis.

1. **Board Responsibilities.** The core responsibility of the Board is to exercise its business judgment in the best interests of Penn Virginia and its shareholders. In addition to this and to its general oversight of management, the Board also has several specific responsibilities, including the following:

a. **Evaluate and Compensate the CEO.** As the leader of the management team, the CEO is accountable to the Board for Penn Virginia's management and performance. The CEO will meet annually with Penn Virginia's Compensation and Benefits Committee to discuss Penn Virginia's overall performance, as well as the CEO's individual performance. Based on this evaluation and such other information as it deems appropriate, the Compensation and Benefits Committee will set the annual compensation of the CEO. As part of the Board's oversight function, all non-employee directors are invited to attend and participate in these meetings.

b. **Review and Approve CEO Succession.** The non-employee directors, with the assistance of the Nominating and Governance Committee, will establish policies regarding succession of the CEO in the event of an emergency or the retirement of the CEO. To assist the non-employee directors and the Nominating and Governance Committee in setting such policies, the CEO will annually provide the non-employee directors with an assessment of each member of senior management and his or her potential to succeed the CEO. Each year, the Nominating and Governance Committee will make a report to the Board on succession planning and work with the Board and the CEO to evaluate potential successors to the CEO.

c. **Review and Approve Strategic Direction and Significant Corporate Actions.** Each year, senior management will present and discuss with the Board Penn Virginia's long-term business strategy and plans. Annually, the Board will review a long-term strategic plan for Penn Virginia and, on an on-going basis, will approve all significant corporate actions.

d. **Ethics and Conflicts of Interest.** The Board requires directors, as well as officers, employees and independent contractors, to act ethically at all times and to acknowledge their adherence to Penn Virginia's Code of Business Conduct and Ethics for directors, officers, employees and independent contractors. Any waiver of such Code for any director or executive

officer may be made only by the Board and will be promptly disclosed to shareholders. If an actual or potential conflict of interest arises for a director, the director will promptly so inform the Chairperson of the Board of Directors and the CEO. If a significant conflict exists and cannot be resolved, the director will resign. All directors will recuse themselves from any decision affecting their personal, business or professional interests.

e. **Meeting Attendance.** Directors are expected to attend all Board meetings and the meetings of all Committees on which they serve, as well as Penn Virginia's annual meeting of shareholders. It is recognized that, on occasion, timing conflicts will occur, making attendance impossible for a director. However, it is expected that directors will make every reasonable effort to attend all meetings. Attendance at meetings in person is preferred, but it is recognized that occasionally a director will have to participate in a meeting by telephone.

f. **Conduct of Meetings and Review of Board Materials.** Management will distribute an agenda and information regarding agenda items in advance of each regularly scheduled Board and Committee meeting. The agendas will be flexible enough to accommodate last minute developments or additions of items requested by directors. Directors are expected to carefully review the agendas and information in advance of Board or Committee meetings.

## 2. **Board Composition and Qualifications.**

a. **Independence.** According to New York Stock Exchange listing standards and Securities and Exchange Commission rules and regulations, a director is independent if he or she is a non-management director and has no direct or indirect material relationship with Penn Virginia. The Board will, at all times, consist of a majority of independent directors as determined by the Board.

b. **Size.** The Board, with the assistance of the Nominating and Governance Committee, determines the appropriate Board size, taking into consideration the parameters set forth in Penn Virginia's bylaws, Penn Virginia's strategic goals and objectives and the overall Board composition. The Board should be neither too small to maintain the needed expertise and independence, nor too large to be efficiently functional.

c. **Candidate Selection and/or Membership Criteria.** The Nominating and Governance Committee solicits and reviews the qualifications of both new director candidates and current members of the Board, and determines whether or not to recommend to the Board the nomination of those persons. The Nominating and Governance Committee nominates directors to stand for election based on their professional, business and industry experience, their ability to contribute to some aspect of Penn Virginia's business and their willingness to commit the time and effort required of a Penn Virginia director. The Nominating and Governance Committee may also consider whether and how a director candidate's views, experience, skill, education or other attributes may contribute to Board diversity. Directors must possess good judgment, strength of character, a reputation for integrity and personal and professional ethics and an ability to think independently while contributing to a group process. The Board, with the assistance of the Nominating and Governance Committee, continually assesses the skills and areas of expertise needed to maintain a strong and effective Board.

d. **Changes to a Director's Current Position.** If the principal job responsibilities or business associations held by a non-employee director at the time of election (including retirement) change significantly, he or she should offer to tender his or her resignation as a director to the Chairperson of the Nominating and Governance Committee. The Board does not believe that such director should necessarily leave the Board; however, the Board should have an opportunity, with the assistance of the Nominating and Governance Committee, to review the continued appropriateness of such director serving as a Penn Virginia Board member.

e. **Majority Vote Requirement and Resignation Policy.** The Nominating and Governance Committee recommends a slate of directors for shareholders to elect at each of Penn Virginia's Annual Meeting of Shareholders and, after considering such recommendation, the Board nominates a slate of directors for election at such meeting. Under Article 1, Section 3.C. of Penn Virginia's bylaws, each director must be elected by a vote of the majority of the votes cast with respect to that director nominee's election at a meeting for the election of directors at which a quorum is present unless there are more nominees for election at such meeting than the number of directors to be elected, in which case a nominee for director shall be elected by a plurality of the votes cast in such election. Any incumbent director nominated for re-election who is not re-elected in accordance with Article 1, Section 3.C. of Penn Virginia's bylaws must tender his or her resignation to the Board for its consideration promptly following certification of the election results. The Board will consider all factors it deems relevant to the best interests of Penn Virginia (including any recommendation of the Nominating and Governance Committee or any other committee of the Board formed for the purpose of evaluating such resignation), make a determination as to whether to accept or reject such resignation and publicly disclose its decision and rationale within 90 days after certification of the election results. Any director who tenders his or her resignation pursuant to this provision will not participate in the Board's action regarding whether to accept or reject the resignation. However, if the only directors who receive a sufficient vote for re-election constitute three or fewer directors, then all directors may participate in the action regarding whether to accept or reject the resignations. If a resignation is accepted or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board may fill the resulting vacancy pursuant to Article 2, Section 5 of Penn Virginia's bylaws or decrease the size of the Board.

### 3. **Board Operations.**

a. **Board Meetings and Meetings of Non-Employee Directors.** The Penn Virginia Board typically holds five regularly scheduled meetings per year and holds special meetings when necessary. Penn Virginia's Chief Operating Officer, Chief Financial Officer and Chief Administrative Officer, General Counsel and Corporate Secretary customarily attend Board meetings. At many meetings, other of Penn Virginia's senior executives and key employees report to the Board regarding their respective areas of responsibility. Executive sessions of independent directors only are typically held at some point during each meeting. The Chairperson of the Board, who is an independent director, presides at all Board meetings and executive sessions.

b. **Committee Structure.** Penn Virginia has three standing Committees: the Audit Committee, the Nominating and Governance Committee and the Compensation and Benefits Committee. Each Committee is composed entirely of independent directors as defined

by New York Stock Exchange listing standards and Securities and Exchange Commission rules and regulations. Each Committee acts pursuant to a Board-approved written charter which is published on Penn Virginia's website and will be mailed to shareholders on written request. Each Committee also reports on a regular basis to the Board and conducts an annual self-evaluation. The main responsibilities of each Committee are as follows:

- ***Audit Committee:*** The Audit Committee is responsible for the appointment, compensation, evaluation and termination of Penn Virginia's independent registered public accountants, and oversees the work, internal quality-control procedures and independence of the independent registered public accountants. The Audit Committee discusses with management and the independent registered public accountants Penn Virginia's annual audited and quarterly unaudited financial statements and recommends to the Board that Penn Virginia's annual financial statements be included in its Annual Report on Form 10-K. The Audit Committee also discusses with management earnings press releases and guidance provided to analysts. The Audit Committee appoints, replaces, dismisses and, after consulting with management, establishes the compensation of Penn Virginia's internal audit manager, if any, and any outside internal audit firm. The Audit Committee also provides oversight with respect to business risk matters, compliance with ethics policies and Penn Virginia's compliance with legal and regulatory requirements. The Audit Committee prepares a report which is included in Penn Virginia's Proxy Statement. The Audit Committee has established procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, auditing and other matters and the confidential anonymous submission by employees of concerns regarding questionable accounting, auditing and other matters. The Audit Committee expects that its members will include at least one "audit committee financial expert" as defined in Item 407(d)(5) of Regulation S-K. The Audit Committee may obtain advice and assistance from outside legal, accounting or other advisors as it deems necessary to carry out its duties.

- ***Nominating and Governance Committee:*** The Nominating and Governance Committee (i) seeks, identifies and evaluates individuals who are qualified to become members of the Board, (ii) recommends to the Board candidates to fill vacancies on the Board, as such vacancies occur, and (iii) recommends to the Board the slate of nominees for election as directors by the shareholders of Penn Virginia at each Annual Meeting of Shareholders. Additionally, the Nominating and Governance Committee recommends to the Board the individual to serve as Chairperson of the Board. The Nominating and Governance Committee also consults with the CEO to review and consider recommendations for CEO succession and monitors and reviews corporate governance issues and emerging trends and recommends to the Board, on an on-going basis, a set of corporate governance principles. The Nominating and Governance Committee may obtain advice and assistance from outside director search firms as it deems necessary to carry out its duties.

- ***Compensation and Benefits Committee:*** The Compensation and Benefits Committee approves corporate and individual performance criteria for the executive officers of Penn Virginia, evaluates the executive officers in light of these criteria and sets the short-term and long-term compensation for the executive officers. The Compensation and Benefits Committee reviews and discusses with management a written discussion and analysis of information necessary to an understanding of Penn Virginia's executive compensation policies

and decisions (the “CD&A”) and recommends to the Board that the CD&A be included in Penn Virginia’s Proxy Statement, and the Compensation and Benefits Committee prepares a report to that effect, which is included in Penn Virginia’s Proxy Statement. The Compensation and Benefits Committee also periodically reviews and makes recommendations or decisions regarding Penn Virginia’s incentive compensation and equity-based plans, provides oversight with respect to Penn Virginia’s other employee benefit plans and reports its recommendations to the Board. The Compensation and Benefits Committee reviews and makes recommendations to the Board regarding Penn Virginia’s director compensation policy. The Compensation and Benefits Committee may obtain advice and assistance from outside compensation consultants and other advisors as it deems necessary to carry out its duties.

c. **Service by Directors on Other Boards and Other Audit Committees.**

Penn Virginia does not limit the number of other public company boards on which a non-employee director may serve. However, Penn Virginia does expect each director to devote sufficient time and effort to his or her duties as a Penn Virginia Board member. Penn Virginia’s non-employee directors may not serve on more than two other public company audit committees in addition to Penn Virginia’s Audit Committee.

4. **Director Compensation.** The Compensation and Benefits Committee reviews, recommends to the Board and administers the policies that govern director compensation and recommends to the Board the level and type of compensation for directors.

5. **Director Orientation and Continuing Education.** Penn Virginia’s new directors are provided certain materials, including periodic reports, governance policies and Penn Virginia’s strategic plan to facilitate their becoming knowledgeable with Penn Virginia’s businesses and its principles of governance. New directors are also encouraged to visit operations facilities and meet key personnel. Penn Virginia will also make continuing education opportunities available to its directors in areas relevant to its businesses and with respect to corporate governance issues.

6. **Annual Performance Evaluations.** Each year, the Board will conduct a self-evaluation to determine whether it and its committees are functioning effectively as a whole. Penn Virginia’s individual committees will also conduct annual self-evaluations the results of which will be reviewed with the Board.

7. **Board Access to Management; Retention of Independent Advisors.** The Board will have complete access to management to become and remain informed about Penn Virginia’s businesses and to allow for the Board to fulfill its supervisory and other responsibilities. The Board may also retain such independent advisors as it deems appropriate.

### **Effective Date of Corporate Governance Principles**

These principles were approved by the Board on February 10, 2004 and last revised on February 13, 2014.