

EV ENERGY PARTNERS, LP

FORM 8-K (Current report filing)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 24, 2017 (November 17, 2017)

EV Energy Partners, L.P.

(Exact name of registrant as specified in charter)

Delaware
(State of Incorporation)

001-33024
(Commission File No.)

20-4745690
(I.R.S. Employer Identification No.)

1001 Fannin, Suite 800, Houston, Texas
(Address of Principal Executive Offices)

77002
(Zip Code)

Registrant's telephone number, including area code: (713) 651-1144

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On November 17, 2017, the Board of Directors (the "Board") of EV Management, LLC (the "Company"), on behalf of the general partner of EV Energy Partners, L.P. (the "Partnership"), and upon the recommendation of the Compensation Committee of the Board (the "Committee"), approved and adopted:

- An Employment Agreement between the Company and Michael E. Mercer, President and Chief Executive Officer of the Company;
- An Employment Agreement between the Company and Nicholas Bobrowski, Vice President and Chief Financial Officer of the Company;
- The 2017-2018 Key Employee Incentive Plan of the Company; and
- Retention Bonus Agreements by and between the Company and each of Michael E. Mercer and Nicholas Bobrowski.

The plans and agreements were recommended by the Committee and adopted by the Board as a means for the Company to retain the services of certain key employees of the Company and provide those key employees with incentives in order for them to remain with the Company and achieve certain performance goals for the Partnership.

Employment Agreements

The Employment Agreements between the Company and Messrs. Mercer and Bobrowski were executed on November 17, 2017 (the "Effective Date").

The Employment Agreement with Mr. Mercer provides that he will serve as President and Chief Executive Officer of the Company for a term beginning on the Effective Date and continuing through December 31, 2018, subject to automatic one-year renewals of the term if neither Mr. Mercer nor the Company submits a notice of termination at least 60 days prior to the end of the then-current term. The agreement may be terminated by either party, at any time, subject to certain severance obligations in the event Mr. Mercer is terminated by the Company without cause or if he dies or is disabled.

Mr. Mercer's employment agreement provides for a minimum annual base salary of \$400,000, subject to upward adjustment by the Company (but not a decrease), in its sole discretion.

Under his employment agreement, Mr. Mercer will be entitled to receive severance pay upon his separation of service from the Company under certain circumstances. Payment of any such severance amounts is conditioned on Mr. Mercer's execution of a release of claims (in a form provided by the Company) and his not revoking such release.

In the event Mr. Mercer's service is terminated due to (i) his terminating his employment for "good reason," (ii) termination of his employment by the Company "without cause" or (iii) his employment agreement not being renewed by the Company, he will be entitled to receive from the Company a lump-sum cash payment equal to two times his annual base salary in effect as of the termination date.

In addition, under any such circumstances, Mr. Mercer will also be entitled to receive from the Company a cash amount equal to either (i) the target bonus amount he is eligible to receive under the applicable key employee incentive plan (if still effective at the time of such termination) or (ii) the amount he earned as a bonus in the year prior to the year of the termination, whichever circumstance applies and whichever amount is greater. Mr. Mercer will also receive continued group health plan coverage following the termination date for himself and his eligible spouse and dependents, at the same cost charged by the Company to its officers receiving coverage under such plan.

Mr. Mercer will not be entitled to receive a severance pay in the event of his resignation or other voluntary termination of employment by him without "good reason," his termination by the Company "for cause" or a termination due to his death or disability.

"Good reason" is defined in Mr. Mercer's employment agreement as the occurrence of (i) a reduction of his annual base salary; (ii) a material reduction in his authority, duties or responsibilities; (iii) a material diminution in the authority, duties or responsibilities of his supervisor, if any; (iv) his primary place of employment being moved to a location greater than 50 miles away from its then-current location; or (v) any other action or inaction that constitutes a material breach by the Company of the employment agreement. "Cause" is defined as (w) Mr. Mercer's conviction of a felony or entering a plea of nolo contendere to such crime; (x) his commission of a demonstrable act of fraud, or misappropriation of material funds or property of the Company, the Partnership or any affiliate thereof; (y) without approval of the Board or the Committee, his engagement in any activity that directly competes with the business of the Company, the Partnership or any affiliate thereof, or which would directly result in a material injury to the business or reputation of the Company, the Partnership or any affiliate thereof; or (z) a continued nonperformance of his duties.

The Employment Agreement described above entered into by Mr. Mercer replaces his former employment agreement with the Company dated October 1, 2006.

The Company's employment agreement with Nicholas Bobrowski is effective as of the Effective Date, and contains the same terms and conditions as Mr. Mercer's, except that Mr. Bobrowski is to serve as Vice President and Chief Financial Officer of the Company, and his minimum annual base salary will be \$300,000.

Copies of the Employment Agreements are filed as Exhibits 10.1 and 10.2 to this Form 8-K and are incorporated herein by reference. The foregoing description of the Employment Agreements does not purport to be complete and is qualified in its entirety by the full text of such Employment Agreements.

2017-2018 Key Employee Incentive Plan

The Company's 2017-2018 Key Employee Incentive Plan (the "Incentive Plan") is an incentive program designed to motivate Company officers to achieve the Partnership's performance objectives and reward officers when those objectives are met or exceeded. The Incentive Plan features pre-established target levels related to three key performance measures for the Partnership: quarterly production, lease operating expenses ("LOE") and Adjusted EBITDAX of the Partnership. The plan was adopted as of November 17, 2017 and is in effect for the four consecutive calendar quarters beginning October 1, 2017 through September 30, 2018.

Actual cash bonuses that may be payable under the Incentive Plan will be determined and earned based on the achievement of quarterly threshold, target and maximum performance metrics and goals as of the end of each calendar quarter during the term of the plan. Each such quarterly period is referred to as a "performance period" under the Incentive Plan. In addition to cash bonuses being determined on a quarterly basis, each performance metric shall also be measured cumulatively as of the end of each performance period, and to the extent the Partnership's performance equals or exceeds the cumulative performance goals/metrics, a "catch-up payment" will also be made to the participants.

For Mr. Mercer, his quarterly threshold amount is \$50,000, his quarterly target amount is \$100,000 and his quarterly maximum amount is \$150,000. For Mr. Bobrowski, his quarterly threshold amount is \$26,250, his quarterly target amount is \$52,500 and his quarterly maximum amount is \$78,750. Each of the performance metrics — production, LOE and Adjusted EBITDAX — is weighted equally (33.33% for each performance metric) in determining the total amount eligible for the participant to earn. For the term of the Incentive Plan, the aggregate of all four quarterly and all cumulative amounts that may be paid to Mr. Mercer and to Mr. Bobrowski are:

- For Mr. Mercer, \$200,000 (threshold amount), \$400,000 (target amount) and \$600,000 (maximum amount), and
- For Mr. Bobrowski, \$105,000 (threshold amount), \$210,000 (target amount) and \$315,000 (maximum amount).

These amounts assume that all quarterly payments and cumulative payments are made under the applicable category (threshold, target or maximum).

A copy of the Incentive Plan is filed as Exhibit 10.3 to this Form 8-K and is incorporated herein by reference. The foregoing description of the Incentive Plan does not purport to be complete and is qualified in its entirety by the full text of such Incentive Plan.

Retention Bonus Agreements

Michael E. Mercer and, Nicholas Bobrowski have each entered into a Retention Bonus Agreement (a “Retention Agreement”) with the Company dated as of November 17, 2017. Each Retention Agreement provides that the Company will pay each such officer a cash lump sum payment within 15 days of the date that such officer executed and returned a copy of his Retention Agreement to the Company.

In the event that the officer’s employment with the Company terminates for any reason other than a “Qualifying Termination” before December 31, 2018 (the “Completion Date”), that officer will be required to repay to the Company within 15 days of such termination, the total amount of the retention bonus previously paid to him, net of any taxes that the officer is required to pay in respect of the retention bonus and determined by taking into account any tax benefit that may be available in respect of such repayment. However, if the officer’s employment terminates because of a Qualifying Termination before the Completion Date, and that officer executes and does not revoke a customary release of claims in a form reasonably satisfactory to the Company, then such officer will not be required to repay any portion of his retention bonus previously paid.

Under each Retention Agreement, the term “Qualifying Termination” means the termination of the officer’s employment (i) by the Company for a reason other than “cause,” (ii) by the officer for “good reason,” or (iii) due to such officer’s death or disability. The definitions of the terms “cause” and “good reason” are similar to, but not identical to, the definitions of those terms contained in the Employment Agreements for Messrs. Mercer and Bobrowski (see “ — *Employment agreements* ” above).

Under their respective Retention Agreements, the amount of Mr. Mercer’s retention bonus is \$550,000 and the amount of Mr. Bobrowski’s retention bonus is \$290,000.

The foregoing description of the Retention Agreements does not purport to be complete and is qualified in its entirety by the full text of the Retention Agreements, copies of which are filed as Exhibits 10.4 and 10.5 to this Form 8-K and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

[10.1*](#) [Employment Agreement between the Company and Michael E. Mercer, the President and Chief Executive Officer of the Company dated as of November 17, 2017.](#)

[10.2*](#) [Employment Agreement between the Company and Nicholas Bobrowski, Vice President and Chief Financial Officer of the Company dated as of November 17, 2017.](#)

[10.3*](#) [2017-2018 Key Employee Incentive Plan of the Company.](#)

[10.4*](#) [Retention Bonus Agreement by and between the Company and Michael E. Mercer dated as of November 17, 2017.](#)

[10.5*](#) [Retention Bonus Agreement by and between the Company and Nicholas Bobrowski dated as of November 17, 2017.](#)

*Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EV Energy Partners, L.P.

Dated: November 24, 2017

By: /s/ NICHOLAS BOBROWSKI
Nicholas Bobrowski
Chief Financial Officer of EV Management LLC,
General partner of EV Energy GP, L.P.,
General partner of EV Energy Partners, L.P.

EXHIBIT INDEX

Exhibit No.	Description
10.1*	Employment Agreement between the Company and Michael E. Mercer, the President and Chief Executive Officer of the Company dated as of November 17, 2017.
10.2*	Employment Agreement between the Company and Nicholas Bobrowski, Vice President and Chief Financial Officer of the Company dated as of November 17, 2017.
10.3*	2017-2018 Key Employee Incentive Plan of the Company.
10.4*	Retention Bonus Agreement by and between the Company and Michael E. Mercer dated as of November 17, 2017.
10.5*	Retention Bonus Agreement by and between the Company and Nicholas Bobrowski dated as of November 17, 2017.

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the “*Agreement*”) is made effective as of the 17th day of November, 2017 (the “*Effective Date*”) by and between EV Management, LLC, a limited liability company (hereafter the “*Company*”) and Michael E. Mercer (the “*Employee*”). The Company and Employee are referred to herein individually as a “*Party*” and together as the “*Parties*.”

RECITALS

WHEREAS, the Company currently employs Employee; and

WHEREAS, the Company desires, for its continued success, to have the benefit of services of experienced management personnel like Employee and thus believes it is in the best interest of the Company and its owners that Employee be reasonably secure in his employment and position with the Company so that Employee can exercise independent judgment regarding the best interests of the Company and its owners without distraction by uncertainties or risks regarding Employee’s continued employment with the Company that would be created by the possibility of Employee’s termination by the Company not for Cause (as defined below) during the term of this Agreement;

WHEREAS, the Company believes it is in its best interests to provide Employee with certain severance benefits in the event Employee’s employment with the Company and any of its Affiliates (as defined below) is terminated not for Cause by the Company, in order to induce Employee to continue to provide employment services as described in this Agreement, and Employee desires to continue to provide employment services as described herein; and

WHEREAS, Employee agrees that the severance benefits referenced in this Agreement constitute a meaningful incentive for Employee to be reasonably secure regarding Employee’s continued employment with the Company throughout the Employment Period (as defined below);

NOW, THEREFORE, in consideration of the mutual promises set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. **Definitions**. In addition to the terms defined in the text of this Agreement, for all purposes of this Agreement, the following terms shall have the meanings ascribed thereto in this **Section 1**:

(a) “**Affiliate**” means EV Energy Partners, L.P., or any entity, in whatever form, of which the Company or EV Energy Partners, L.P., has ownership or management control, as determined by the Compensation Committee.

(b) “**Base Salary**” means Employee’s base salary, as specified in **Section 3(a)**. For purposes of calculating the Severance Payment described in **Section 4(b)**, “Base Salary” shall mean Employee’s then current Base Salary in effect as of the Employment Termination Date (or, if such Employee’s Base Salary was reduced within ninety (90) days prior to the Employment Termination Date without Employee’s written consent, Employee’s annual Base Salary as in effect immediately prior to the date of such reduction).

(c) “**Board**” means the then-current Board of Directors of the Company or the applicable Affiliate.

(d) “**Business Day**” means any Monday through Friday, excluding any such day on which banks are authorized to be closed in Texas.

(e) “**Cause**” means any of the following: (1) Employee’s conviction by a court of competent jurisdiction as to which no further appeal can be taken of a felony or entering the plea of *nolo contendere* to such crime by Employee; (2) the commission by Employee of a demonstrable act of fraud, or a misappropriation of material funds or property, of or upon the Company or any Affiliate; (3) the engagement by Employee, without the written approval of the Board or the Compensation Committee, in any material activity which directly competes with the business of the Company or any Affiliate, or which would directly result in a material injury to the business or reputation of the Company or any Affiliate; or (4) the repeated nonperformance of Employee’s duties to the Company or any Affiliate (other than by reason of Employee’s illness or incapacity) that continues after Notice (defined below) from the Board or Compensation Committee to Employee of such nonperformance (which Notice specifically identifies the manner and sets forth specific facts, circumstances and examples of which the Board or Compensation Committee believes that Employee has not substantially performed duties hereunder) and Employee’s continued failure to engage in such nonperformance.

(f) “**Claim**” means any claim, liability or obligation, of any nature, arising out of or relating to this Agreement or an alleged breach of this Agreement.

(g) “**Code**” means the Internal Revenue Code of 1986, as amended.

(h) “**Compensation Committee**” means the Compensation Committee of the Board.

(i) “ **Confidential Information** ” means information (whether or not recorded in documentary form, or stored on any magnetic or optical disk or memory) relating to the business, products, affairs and finances of the Company or any Affiliate for the time being confidential to the Company or the Affiliate, and trade secrets including, without limitation, technical data and know-how relating to the business of the Company or any Affiliate or any of their business contacts, including in particular (by way of illustration only and without limitation): (a) information relating to the business of exploring, acquiring, developing, exploiting and disposing of oil and natural gas resources (regardless of when conceived, made, developed or acquired); (b) information relating to the business or prospective business, current or projected plans or internal affairs of the Company or any Affiliate; (c) information relating to the current or prospective marketing or sales of any products or services of the Company or any Affiliate, including non-public lists of customers’ and suppliers’ names, addresses and contacts; sales targets and statistics; market share and pricing information; marketing surveys; research and reports; non-public advertising and promotional material; strategies; and financial and sales data; (d) information relating to any actual or prospective business strategies of the Company or any Affiliate; (e) information relating to any actual acquisitions, investments or corporate opportunities or prospective acquisition, investment targets or corporate opportunity; (f) know-how, trade secrets, unpublished information relating to the Company or any Affiliate’s intellectual property or to the creation, production or supply of any products or services of the Company or any Affiliate; (g) information to which the Company or any Affiliate owes an obligation of confidence to a third party (including, without limitation, customers, clients, suppliers, partners, investors, joint venturers and professional advisors of the Company or any Affiliate); and (h) other commercial, financial or technical information relating to the business or prospective business of the Company or any Affiliate, or to any past, current or prospective client, customer, investor, supplier, licensee, officer or employee, agent of the Company or any Affiliate, or any Person interested in the share capital or assets of the Company or any Affiliate, and any other Person to whom the Company or any Affiliate may provide or from whom they may receive information (whether marked confidential or not).

(j) “ **Dispute** ” means any dispute, disagreement, claim, or controversy arising in connection with or relating to the Agreement, or to the validity, interpretation, performance, breach, or termination of the Agreement.

(k) “ **Employment Period** ” means from the beginning of the Initial Term (defined below) of employment (and any extension thereof) through Employee’s Employment Termination Date, subject to the provisions of Section 2(a).

(l) “ **Employment Termination Date** ” means the date that Employee’s employment with the Company, and all of its Affiliates if applicable, is terminated for whatever reason. Notwithstanding anything contained herein to the contrary, the date on which such a Separation from Service (as defined below) occurs shall be the “Employment Termination Date” with respect to any payment of deferred compensation hereunder that is subject to, and not exempt under, Code Section 409A.

(m) “ **Exchange Act** ” means the Securities Exchange Act of 1934, as amended from time to time.

(n) “ **Good Reason** ” means the occurrence of any of the following events (without Employee’s express written consent) (1) a reduction of Employee’s Base Salary; (2) a material reduction in Employee’s authority, duties or responsibilities of employment; (3) a material diminution in the authority, duties or responsibilities of the supervisor to whom Employee is required to report; (4) Employee’s primary place of employment is moved to a location greater than fifty (50) miles away from its then current location; or (5) any other action or inaction that constitutes a material breach by the Company of the Agreement.

In the case of Employee's allegation of a Good Reason event, (i) Employee shall provide Notice to the Board or Compensation Committee of the event alleged to constitute Good Reason within sixty (60) days of Employee's knowledge of such event, and (ii) the Company shall have the opportunity to remedy the alleged Good Reason event within thirty (30) days from receipt of Notice of such allegation (the "**Cure Period**"). If the Company does not cure the circumstance giving rise to Good Reason, the Employment Termination Date must occur within thirty (30) days following the end of the Cure Period (as described in clause (ii) above) in order for such termination to be considered a termination for Good Reason.

(o) "**Notice**" means a written communication complying with Section 23 of the Agreement ("notify" has the correlative meaning).

(p) "**Notice of Termination**" means a written Notice which (a) indicates the specific termination provision in the Agreement that is being relied upon, (b) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Employee's employment under the provision so indicated, and (c) if the Employment Termination Date is other than the date of receipt of such Notice, specifies the Employment Termination Date (which date shall be not more than sixty (60) days after the giving of such Notice). Any termination of Employee by the Company for Cause, or by Employee for Good Reason, shall be communicated by Notice of Termination to the other Party. The failure by Employee or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of such Party, or preclude such Party from asserting, such fact or circumstance in enforcing such Party's rights.

(q) "**Person**" means any individual, firm, corporation, partnership, limited liability company, trust, or other entity, including any successor (by merger or otherwise) of such entity.

(r) "**Qualifying Termination**" means Employee's Separation from Service during the Employment Period due to (1) a termination of Employee's employment by Employee for Good Reason; (2) a termination of Employee's employment by the Company without Cause; or (3) a non-renewal of this Agreement by the Company under Section 2(a). For purposes of clarity, a termination of Employee's employment due to Employee's death or disability (as such term is defined under Section 22(e)(3) of the Code) shall not be considered a "Qualifying Termination."

(s) "**Separation from Service**" means a termination of all services provided by Employee to the Company and its Affiliates, whether voluntarily or involuntarily, as determined by the Company in accordance with the requirements of Code Section 409A.

(t) "**Specified Employee**" means a "specified employee," as such term is defined under Code Section 409A.

2. Employment.

(a) Employment Period. Employee's initial term of employment with the Company under this Agreement shall be for the period from the Effective Date through December 31, 2018 (the "**Initial Term**"). Thereafter, Employee's term of employment shall be automatically extended repetitively for an additional one (1) year period on January 1, 2019, and each one-year anniversary thereof, unless Notice of Termination (pursuant to Sections 1(p) and 5) is given by either the Company or Employee to the other Party at least sixty (60) days prior to the end of the Initial Term or any one-year extension thereof, as applicable, that the Agreement will not be renewed for a successive one-year period after the end of the current one-year period. Additionally, the Company and Employee shall each have the right to give Notice of Termination to terminate this Agreement at will, with or without Cause, at any time (including during the Initial Term and any extension thereof) subject, however, to the terms and conditions of this Agreement regarding the rights and duties of the Parties following the Employment Termination Date. The Parties agree that in the event of the death or disability (as such term is defined under Section 22(e)(3) of the Code) of Employee, the Company will not be required to provide Notice of Termination to terminate this Agreement and the Agreement will automatically expire upon Employee's death or disability.

(b) Employment. Effective as of the Effective Date and continuing for the Employment Period, Employee's employment by the Company shall be subject to the terms and conditions of this Agreement.

(c) Position. As of the Effective Date, Employee will serve as President and Chief Executive Officer of the Company.

(d) Duties and Services. Employee agrees to serve in the position(s) referred to in Section 2(c) of this Agreement and to perform the duties and services appertaining to such offices, as well as such additional duties and services appropriate to such offices upon which the Parties mutually may agree from time to time. Employee's employment shall also be subject to the policies maintained and established by the Company from time to time, as the same may be amended or otherwise modified.

Employee shall at all times use his best efforts to in good faith comply with United States and foreign laws applicable to Employee's actions on behalf of the Company and its Affiliates. Employee understands and agrees that he may be required to travel extensively at times for purposes of the Company's business.

(e) Other Interests. Employee agrees that, during the Employment Period, he will devote substantially all his business time to the business and affairs of the Company and its Affiliates. The foregoing notwithstanding, the Parties recognize and agree that Employee may engage in passive personal investments (such as real estate investments and rental properties) and other civic and charitable activities (such as continued service on non-profit and/or educational boards) that do not materially conflict with the business and affairs of the Company or materially interfere with Employee's performance of his duties hereunder; provided, however, Employee agrees that if the Compensation Committee or the CEO determines in good faith that continued service with one or more civic or charitable entities is inconsistent with Employee's duties hereunder and gives written notice to Employee, he will promptly resign from each such position.

3. Compensation and Benefits.

(a) Base Salary. During the Employment Period, Employee shall receive a minimum annual base salary of \$400,000, which shall be prorated for any period of less than 12 months. The Company shall review Employee's Base Salary on an annual basis and may, in its sole discretion, increase (but not decrease) the Base Salary, and thereafter references in this Agreement to "Base Salary" shall refer to annual Base Salary as adjusted. The Base Salary shall be paid in equal installments in accordance with the Company's standard policy regarding payment of compensation to executives, but no less frequently than monthly.

(b) Reimbursement of Business Expenses. During the Employment Period, subject to the Company's standard policies and procedures with respect to expense reimbursement as applied to its executives generally, the Company shall reimburse Employee for, or pay on behalf of Employee, the reasonable and appropriate expenses incurred by Employee for business related purposes, including reasonable and customary dues and fees to industry and professional organizations and costs of entertainment and business development.

(c) Employee and Executive Benefits Generally. During the Employment Period, Employee shall be eligible for participation in all employee and executive benefit plans and programs of the Company, including without limitation, retirement and savings plans, medical and life insurance plans, and other fringe benefits, as in effect from time to time, to the same extent as available to other officers of the Company under the terms and conditions of such plans or programs. Nothing herein shall be construed to prevent the Company (or other plan sponsor of any plan) from amending or terminating any such plan at any time, in its discretion, subject to the terms and conditions of the plan.

(d) Vacation and Holidays. During the Employment Period, Employee shall be entitled initially to 25 days of paid vacation per calendar year, as accrued in accordance with the Company's vacation benefit policy. The Company may be converting to a Paid-Time-Off Policy ("PTO") and, upon such conversion, Employee's vacation time will be replaced with PTO leave, as applicable to similarly situated employees.

4. Rights and Payments Upon Termination. Employee's right to compensation and benefits for periods after the Employment Termination Date shall be determined in accordance with this Section 4, as follows:

(a) Minimum Payments. Employee shall be entitled to the following minimum payments under this Section 4(a), in addition to any other payments or benefits to which he is entitled to receive under the terms of this Agreement or any employee benefit plan or program:

- (1) Employee's accrued and unpaid Base Salary through the Employment Termination Date;

(2) Employee's accrued and unused vacation days or PTO through the Employment Termination Date (subject to the terms and conditions of the vacation policy and/or PTO policy); and

(3) reimbursement of Employee's reasonable business expenses that were incurred but unpaid as of the Employment Termination Date.

Such salary and accrued vacation days shall be paid to Employee within the next applicable pay period following the Employment Termination Date in a cash lump sum less applicable withholdings. Business expenses shall be reimbursed in accordance with the Company's normal policy and procedures.

(b) Severance Payment. Subject to the other provisions of this Agreement, if Employee incurs a Qualifying Termination and timely executes and returns to the Company (and does not revoke) a release of claims on the form provided to Employee by the Company for such purpose at the time of Employee's Qualifying Termination (the "**Release**"), as provided for in Section 15 of this Agreement, the Company shall:

(1) pay Employee (a) a lump sum cash payment equal to two (2) times the sum of Employee's Base Salary, and (b) either (i) the target bonus amount Employee is eligible to receive under the applicable Key Employee Incentive Plan as defined therein and if still effective at the time of the Qualifying Termination or (ii) the amount Employee earned as a bonus in the year prior to the year of the Qualifying Termination, whichever is the applicable and greater bonus amount (collectively, the "**Severance Payment**"), less all required employment taxes and any other appropriate withholdings, on the first payroll date immediately following the date that the Release becomes effective. In the event that the period for signing, returning and revoking the Release spans two (2) tax years, the first payment will be paid in the second tax year; and

(2) maintain continued group health plan coverage following the Employment Termination Date under all group health plans subject to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") (as codified in Code Section 4980B and Part 6 of Subtitle B of Title I of ERISA) for Employee and Employee's eligible spouse and dependents for the maximum period for which such qualified beneficiaries are eligible to receive COBRA coverage. However, Employee (and Employee's spouse and dependents) shall not be required to pay more for such COBRA coverage than is charged by the Company to its officers who are then in active service for the Company and receiving coverage under such plan and, therefore, the Company shall be responsible for the difference between the amount charged hereunder and the full COBRA premiums. In all other respects, Employee (and Employee's spouse and dependents) shall be treated the same as other COBRA qualified beneficiaries under the terms of such plans and the provisions of COBRA. In the event of any change to a group health plan following the Employment Termination Date, Employee and Employee's spouse and dependents, as applicable, shall be treated consistently with the then-current officers of the Company with respect to the terms and conditions of coverage and other substantive provisions of the plan. Following the Employment Termination Date, Employee and Employee's spouse hereby agree to acquire and maintain any and all coverage that either or both of them are entitled to at any time during their lives under the Medicare program or any similar program of the United States or any agency thereof. Employee and Employee's spouse further agree to pay any required premiums for Medicare coverage from their personal funds.

(c) Limitation on Severance Payment. For purposes of clarity, in the event of (i) resignation or other voluntary termination of Employee's employment by Employee without Good Reason, (ii) termination of Employee's employment by the Company for Cause or (iii) termination of Employee's employment due to Employee's death or "disability" (as such term is defined under Section 22(e)(3) of the Code), the Company shall have no obligation to provide the Severance Payment described in Section 4(b), except to offer COBRA coverage (as required by COBRA) but not at the discounted rate described in Section 4(b)(2). Employee shall still be entitled to receive the minimum payments provided under Section 4(a).

5. Notice of Termination. If the Company or Employee desires to terminate Employee's employment hereunder at any time during, as of, or prior to, expiration of the Employment Period, such Party shall do so by giving written Notice of Termination to the other Party, provided that no such action shall alter or amend any other provisions hereof or rights arising hereunder. No further renewals of Employee's term of employment hereunder shall occur pursuant to Section 2(a) after the giving of such Notice of Termination.

6. No Rights as an Owner. Employee shall not have any rights as an owner of the Company or any Affiliate as a result of this Agreement, or as a result of any action taken (or omitted to be taken) by the Company or an Affiliate with respect to this Agreement.

7. Restrictive Covenants. As an inducement to the Company to enter into this Agreement, Employee represents to, and covenants with or in favor of, the Company that Employee will comply with all of the restrictive covenants set out in Sections 8 through 12, as a condition to the Company's obligation to provide the Severance Payment and any other benefits to Employee under the Agreement.

8. Trade Secrets.

(a) *Access to Trade Secrets*. As of the Effective Date and on an ongoing basis, the Company agrees to give Employee access to Trade Secrets which Employee did not have access to, or knowledge of, before the Effective Date.

(b) *Access to Specialized Training*. As of the Effective Date and on an ongoing basis, the Company has provided, and agrees to provide on an ongoing basis, Employee with Specialized Training which Employee does not have access to, or knowledge of, before the Effective Date.

(c) **Agreement Not to Use or Disclose Trade Secrets** . In exchange for the Company's promises to provide Employee with access to Trade Secrets and Specialized Training and the other consideration provided to Employee under this Agreement, Employee agrees not to disclose to any Person, or publish or use for any purpose, any Trade Secrets, except as required in the ordinary course of business of the Company or an Affiliate or as authorized by the Board or Compensation Committee.

(d) **Definitions** . The following terms, when used in this Agreement, are defined below:

(1) “**Specialized Training**” includes the training the Company or an Affiliate provides to Employee that is unique to its business and enhances Employee's ability to perform Employee's job duties effectively.

(2) “**Trade Secrets**” means any and all information and materials (in any form or medium) that are proprietary to the Company or an Affiliate, or are treated as confidential by the Company or Affiliate as part of, or relating to, all or any portion of its or their business, including information and materials about the products and services offered, or the needs of customers served, by the Company or Affiliate; compilations of information, records and specifications, properties, processes, programs, and systems of the Company or Affiliate; research of or for the Company or Affiliate; and methods of doing business of the Company or Affiliate. Trade Secrets include, without limitation, all of the Company's or Affiliate's technical and business information, whether patentable or not, which is of a confidential, trade secret or proprietary character, and which is either developed by Employee alone, with others or by others; lists of customers; identity of customers; contract terms; bidding information and strategies; pricing methods or information; computer software; computer software methods and documentation; hardware; the Company's or Affiliate's methods of operation; the procedures, forms and techniques used in servicing accounts; and other documents, information or data that the Company requires to be maintained in confidence for the business success of the Company or any Affiliate.

9. Confidential Information .

(a) **Confidential Information Defined** . For purposes of this Section 9, the term “Company” shall include the Company and its Affiliates. During the course of Employee's employment with the Company, the Company will (1) disclose or entrust to Employee, and provide Employee with access to, Confidential Information, (2) place Employee in a position to develop business goodwill belonging to the Company, and (3) disclose or entrust to Employee business opportunities to be developed for the Company.

(b) ***Protection of Confidential Information*** .

(1) Employee acknowledges that Confidential Information has been and will be developed or acquired by the Company or an Affiliate through the expenditure of substantial time, effort and money and provides the Company or an Affiliate with an advantage over competitors who do not know or use the Confidential Information. Employee further acknowledges and agrees that the nature of the Confidential Information obtained during Employee's employment would make it difficult, if not impossible, for Employee to perform in a similar capacity for a business competitive with the Company or an Affiliate without disclosing or utilizing Confidential Information.

(2) During and following Employee's employment by the Company or an Affiliate, Employee shall hold in confidence and not directly or indirectly disclose except in the course of performance of his duties for the Company or an Affiliate, use, copy or make lists of any Confidential Information, except to the extent necessary to carry out Employee's duties on behalf of the Company or an Affiliate. Employee agrees to give the Company Notice of any and all attempts to compel disclosure of any Confidential Information within one (1) Business Day after Employee is informed that such disclosure is being, or will be, compelled. Such written Notice shall include a description of the Confidential Information to be disclosed, the court, government agency, or other forum through which the disclosure is sought, and the date by which the Confidential Information is to be disclosed, and shall contain a copy of the subpoena, order or other process used to compel disclosure.

(3) This confidentiality covenant shall be in addition to, and shall not waive, limit or restrict in any way, any confidentiality provisions in any other confidentiality agreement or post-employment covenant between the Parties or otherwise.

10. **Duty to Return Company Documents and Property**. On or before the Employment Termination Date, Employee shall immediately return and deliver to the Company any and all papers, books, records, documents, memoranda and manuals, e-mail, electronic or magnetic recordings or data, including all copies thereof, belonging to the Company or an Affiliate or relating to their businesses, in Employee's possession, whether prepared by Employee or others. If at any time after the Employment Termination Date, Employee determines that Employee has any Trade Secrets or Confidential Information in Employee's possession or under his control, Employee shall immediately return same to the Company, including all copies thereof.

All writings, records, and other documents and things comprising, containing, describing, discussing, explaining, or evidencing any Confidential Information or Trade Secrets, and all equipment, computers, mobile phones, components, manuals, parts, keys, tools, and the like in Employee's custody, possession or under his control that have been obtained by, prepared by, or provided to, Employee by the Company or any Affiliate in the course or scope of Employee's employment with the Company (or any Affiliate) shall be the exclusive property of the Company (or such Affiliate, as applicable), shall not be copied and/or removed from the premises of the Company or any Affiliate, except in pursuit of the business of the Company or an Affiliate, and shall be delivered to the Company or an Affiliate, as applicable, without Employee retaining any copies or electronic versions, within one (1) day following the Employment Termination Date or at any other time requested by the Company.

11. Inventions and Other Works. Any and all writings, computer software, inventions, improvements, processes, procedures and/or techniques which Employee may make, conceive, discover, or develop, either solely or jointly with any other Person, at any time during employment, whether at the request or upon the suggestion of the Company or an Affiliate or otherwise, which relate to or are useful in connection with any business now or hereafter carried on or contemplated by the Company or an Affiliate, including developments or expansions of its present fields of operations, shall be the sole and exclusive property of the Company or an Affiliate, as applicable. Employee agrees to take any and all actions necessary or appropriate so that the Company or the Affiliate can prepare and present applications for copyright or Letters Patent therefor, and secure such copyright or Letters Patent wherever possible, as well as reissue renewals, and extensions thereof, and obtain the record title to such copyright or patents. Employee shall not be entitled to any additional or special compensation or reimbursement regarding any such writings, computer software, inventions, improvements, processes, procedures and techniques.

12. Non-Solicitation Restriction. During employment and for a period of twelve (12) months after the Employment Termination Date, Employee will not, whether for his own account or for the account of any other Person (other than the Company or its Affiliates), intentionally solicit, endeavor to entice away from the Company or its Affiliates, or otherwise interfere with the relationship of the Company or its Affiliates with any Person who is employed by the Company or an Affiliate (including any independent consultants).

13. Tolling. If Employee violates any of the restrictions contained in Sections 10 through 12, then notwithstanding any provision hereof to the contrary, the restrictive period will be suspended and will not run in favor of Employee from the time of the commencement of any such violation, unless and until such time when Employee cures the violation to the reasonable satisfaction of the Board or the Compensation Committee.

14. Reformation. If a court rules that any time period or the geographic area specified in any restrictive covenant in Sections 8 through 12 is unenforceable, then the time period will be reduced by the number of months, or the geographic area will be reduced by the elimination of such unenforceable portion, or both, so that the restrictions may be enforced in the geographic area and for the time to the full extent permitted by law.

15. Release Agreement. As a condition to the receipt of the Severance Payment under Section 4(b), Employee must first execute the Release and return it to the Company. The Release shall be in substantially the same form as attached hereto as Exhibit A (with any changes to such form as the Company may reasonably require, in its discretion, to reflect the circumstances relating to the termination of Employee's employment, any changes in applicable law or other legal authority, or any agreement by the Company not to require a release with respect to one or more particular or potential claims). The Company shall deliver the Release to Employee within five (5) Business Days after the Employment Termination Date. Employee must return the executed Release within the twenty-one (21) or forty-five (45) day, whichever is applicable, period following the date of his receipt of the Release, as applicable and stated in the Release. If the Release delivery and non-revocation period spans two taxable years, the Severance Payment will always commence or be made in the second taxable year. The Company shall also execute the Release, after it has been signed and returned by Employee, within three (3) Business Days after the end of the revocation period specified in the Release. No Severance Payment shall be provided by the Company unless and until the Release has been executed by Employee, has not been revoked, and is no longer subject to revocation by Employee. The Release shall not release any claim or cause of action by or on behalf of Employee for (a) any payment or other benefit that is required under this Agreement prior to the receipt of such benefit by or on behalf of Employee or (b) a breach of this Agreement by the Company.

16. No Additional Severance Payments. Employee acknowledges and agrees that he shall not be a participant in, and he hereby waives any right to participate in, any severance pay plan (as the same may be amended from time to time) that generally covers employees of the Company or an Affiliate such as to preclude duplicative severance pay benefits that are in addition to those provided to Employee under the terms of this Agreement and, in such event, such other severance pay benefits shall not be provided to Employee.

17. No Disparaging Comments. Employee and the Company shall refrain from any criticisms or disparaging comments about the other Party; provided, however, that nothing in this Agreement shall apply to or restrict in any way the communication of information to any governmental law enforcement agency by either Party that is required by compulsion of law or for internal statements in the course of performance of his duties for the Company. A violation or threatened violation of this prohibition may be enjoined by a court of competent jurisdiction. The rights under this provision are in addition to any and all rights and remedies otherwise afforded by law to the Parties.

Employee acknowledges that in executing this Agreement, he has knowingly, voluntarily, and intelligently waived any free speech, free association, free press or First Amendment to the United States Constitution (including, without limitation, any counterpart or similar provision or right under any other state constitution which may be deemed to apply) and rights to disclose, communicate, or publish disparaging information or comments concerning or related to the Company; provided, however, nothing in this Agreement shall be deemed to prevent Employee from testifying fully and truthfully in response to a subpoena from any court or from responding to an investigative inquiry from any governmental agency.

For all purposes of the obligations of Employee under this Section 17, the term "Company" refers to the Company and its Affiliates, and its and their directors, officers, employees, owners, partners and agents.

18. Tax Withholding. The Company or its Affiliate shall withhold from any payments or benefits under this Agreement (whether or not otherwise acknowledged under this Agreement) all federal, state, local, or other taxes that it is required to withhold.

19. Employment Status. Nothing in this Agreement provides Employee with any right to continued employment with the Company or any Affiliate, or shall interfere with the right of the Company or an Affiliate to terminate Employee's employment at any time subject to their obligations under this Agreement.

20. Company's Successor and Assignment. In addition to any obligations imposed by law upon any successor to the Company, this Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise). The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company, as previously defined, and any successor by operation of law or otherwise, and any successor to the business and/or assets of the Company (as provided above) which assumes and agrees to perform this Agreement.

21. Employee's Successor. This Agreement is personal to Employee and shall not be assigned by Employee. Any purported assignment by Employee shall be null and void from the initial date of the purported assignment. If Employee should die after the occurrence of a Qualifying Termination event, but before any payment or other benefit to which Employee is entitled to receive under this Agreement has been fully received by Employee, all payments or other benefits which Employee would have been entitled to receive had he continued to live shall be made or provided in accordance with the terms of this Agreement to Employee's surviving lawful spouse, if any, or if not, to his estate upon receipt by the Company of proper instructions regarding the lawful representative of such estate.

22. Restricted Assignment. Except as expressly provided in Sections 20 and 21, this Agreement, and the rights and obligations of the Parties hereunder, are personal in nature, and neither this Agreement, nor any right, benefit, or obligation of either Party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the prior written consent of the other Party. Any attempted assignment, transfer, or delegation in violation of the preceding sentence shall be void and of no force or effect.

23. Notice. Each Notice or other communication required or permitted under this Agreement shall be in writing and transmitted or delivered by personal delivery, prepaid courier or messenger service (whether overnight or same-day), prepaid telecopy or facsimile, or prepaid certified United States mail (with return receipt requested), addressed (in any case) to the other Party at the address for that Party set forth below that Party's signature on this Agreement, or at such other address as the recipient has designated by Notice to the other Party.

Each Notice or communication so transmitted, delivered, or sent in person, by courier or messenger service, or by certified United States mail, shall be deemed given, received, and effective on the date delivered to or refused by the intended recipient (with the return receipt, or the equivalent record of the courier or messenger, being deemed conclusive evidence of delivery or refusal.) Nevertheless, if the date of delivery is after 5:00 p.m. (local time of the recipient) on a Business Day, the Notice or other communication shall be deemed given, received and effective on the next Business Day.

24. Waiver and Amendment. No term or condition of this Agreement shall be deemed waived other than by a writing signed by the Party against whom or which enforcement of the waiver is sought. Without limiting the generality of the preceding sentence, a Party's failure to insist upon the other Party's strict compliance with any provision of this Agreement or to assert any right that a Party may have under this Agreement shall not be deemed a waiver of that provision or that right. Any written waiver shall operate only as to the specific term or condition waived under the specific circumstances, and shall not constitute a waiver of that term or condition for the future or a waiver of any other term or condition. No amendment, termination or other modification of this Agreement shall be effective unless stated in a writing signed by the Parties.

25. Severability and Reformation. It is the desire of the Parties hereto that this Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held invalid or otherwise unenforceable by a court of competent jurisdiction, the Parties hereby agree that such provision shall be reformed to create a valid and enforceable provision to the maximum extent permitted by law; provided, however, if such provision cannot be reformed, it shall be deemed ineffective and deleted herefrom without affecting any other provision of this Agreement which shall remain fully enforceable. This Agreement should be construed by limiting and reducing it only to the minimum extent necessary to be enforceable under applicable law. Any such determination or reformation shall not be binding on any court or other governmental authority not otherwise bound to follow such conclusions under applicable law.

26. Compliance with Code Section 409A. Any provisions of the Agreement that are subject to Code Section 409A and the regulations and other authority issued thereunder by the appropriate governmental entity (" **Section 409A** ") are intended to comply with all applicable requirements of Section 409A, or an exemption from the application of Section 409A, and shall be interpreted and administered accordingly. Notwithstanding any provision of this Agreement to the contrary, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amount or benefit that constitutes "non-qualified deferred compensation" (within the meaning of Section 409A) upon or following a termination of Employee's employment unless such termination is also a Separation from Service and, for purposes of any such provision, references herein to a "termination," "termination of employment" or like terms shall mean a Separation from Service.

Notwithstanding any provision of this Agreement to the contrary, if any payment or other benefit provided herein would be subject to additional taxes and interest under Section 409A because the timing of such payment is not delayed as required by Section 409A for a Specified Employee, then if Employee is on the applicable date a Specified Employee, any such payment that Employee would otherwise be entitled to receive during the first six months following his Separation from Service shall be accumulated and paid, within ten (10) days after the date that is six months following the Employment Termination Date, or such earlier date upon which such amount can be paid under Section 409A without being subject to such additional taxes and interest such as, for example, upon the Employee's death.

With respect to any amounts or benefits that are subject to Section 409A, this Agreement shall in all respects be administered in accordance with Section 409A. Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A. In no event may Employee, directly or indirectly, designate the calendar year of any payment to be made under this Agreement.

All reimbursements and in-kind benefits provided under this Agreement that constitute deferred compensation within the meaning of Section 409A shall be made or provided in accordance with the requirements of Section 409A. Within the time period permitted by Section 409A, the Company may, in consultation with Employee, modify the Agreement in the least restrictive manner necessary and without any diminution in the value of payments or other benefits to Employee hereunder, in order to avoid the imposition of accelerated tax, additional tax and/or penalties on Employee under Section 409A.

Notwithstanding the foregoing, the Company makes no representations, warranties, or guarantees regarding the tax treatment of this Agreement or the Severance Payment under Section 409A or otherwise, and has advised Employee to obtain his own tax advisor regarding the tax consequences of this Agreement.

27. Cooperation. Employee agrees that he will reasonably cooperate (taking into account his personal and professional schedule) in any litigation, proceeding, investigation or inquiry in which the Company or any of its Affiliates may be or become involved. Employee also agrees to reasonably cooperate with any internal investigation or inquiry conducted by or on behalf of the Company or an Affiliate. Such cooperation shall include Employee making himself reasonably available (taking into account his personal and professional schedule), upon the request of the Company or the Affiliate, or its counsel, for depositions, court appearances and interviews by such counsel. The Company shall reimburse Employee for all reasonable and documented out-of-pocket expenses incurred by him in connection with such cooperation. To the extent permitted by law, Employee agrees that he will notify the Board if he is contacted by any government agency or any other Person contemplating or maintaining any claim or legal action against the Company or its Affiliate or by any agent or attorney of such Person. Nothing contained in this Section 27 shall preclude Employee from providing truthful testimony in response to a valid subpoena, court order, regulatory request or as may be required by law. Payment for expenses to be reimbursed under this Section 27 may not be made after December 31st of the year following the year in which the expense was incurred.

28. No Duties; Waiver of Claims. Except to the extent required by any unwaivable requirement under applicable law, no employee of the Company (and none of its Affiliates) shall have any duties or liabilities, including without limitation any fiduciary duties, to Employee (or any Person claiming by and through Employee) as a result of this Agreement or any Claim arising hereunder. To the full extent permitted under applicable law, Employee irrevocably waives and releases any right or opportunity Employee might have to assert (or participate or cooperate in) any Claim against any employee of the Company and any of its Affiliates arising out of this Agreement. This Agreement does not create, nor shall it be construed as creating, any principal and agent, trust, or other fiduciary duty or special relationship running from the Company to Employee.

29. Limitation of Liability. Employee's sole remedy for any Disputes or Claims arising from this Agreement or any other agreement, Employee's employment or Employee's relationship with the Company or any of its predecessors, successors, Affiliates, assigns, owners, investors, agents, directors, officers, employees, consultants, committees, employee benefit plans and committees, fiduciaries, representatives, insurers, attorneys, and all Persons acting by, through, under or in concert with any of them, shall be against the Company. Employee shall have no claim or right of any nature against any Affiliate or any owner of the Company or against any existing or former director, officer or employee of the Company or any of its Affiliates.

30. No Trust or Funding. The Company (and not any of its Affiliates) will be solely responsible for the payment of the Severance Payment hereunder. This Agreement shall at all times be entirely unfunded and no provision shall at any time be made with respect to segregating assets of the Company for payment of any Severance Payment or other benefit hereunder. This Agreement shall not create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and Employee. Neither Employee nor any other Person shall have any interest in any particular assets of the Company (or any of its Affiliates) by reason of the right to receive any payment or other benefit under this Agreement. To the extent that Employee acquires a right to receive any payment from the Company pursuant to this Agreement, such right shall be no greater than the right of any general unsecured creditor of the Company.

31. Controlling Law. This Agreement shall be governed by and construed under the laws of the State of Texas. Venue of any litigation arising from this Agreement or any Disputes relating to this Agreement or Employee's employment shall be in the United States District Court for the Southern District of Texas, or a state district court of competent jurisdiction in Harris County, Texas. Employee hereby consents and agrees to personal jurisdiction in these courts for any Dispute relating to or arising out of this Agreement or to Employee's employment, and Employee agrees that he shall not challenge personal or subject matter jurisdiction in such courts for whatever reason.

32. Employee Acknowledgment. Employee acknowledges that (a) he is knowledgeable and sophisticated as to business matters, including the subject matter of this Agreement, (b) he has read this Agreement and understands its terms and conditions, (c) he has had ample opportunity to discuss this Agreement with his legal counsel prior to execution, and (d) no strict rules of construction shall apply for or against the drafter or any other Party. Employee represents that he is free to enter into this Agreement including, without limitation, that he is not subject to any restrictive covenant that would conflict with his duties and covenants under this Agreement.

33. Survival of Certain Provisions. Wherever appropriate to the intention of the Parties, the respective rights and obligations of the Parties hereunder shall survive any termination or expiration of this Agreement.

34. Entire Agreement and Amendment. This Agreement constitutes the final and complete expression of agreement among the parties hereto with respect to the subject matter hereof, and fully supersedes any and all prior agreements, understanding or representations between the Company (or any Affiliate) and Employee pertaining to or concerning the subject matter of this Agreement. No oral statements or prior written material not specifically incorporated in this Agreement shall be of any force and effect, and no changes in or additions to this Agreement shall be recognized, unless incorporated in this Agreement by written amendment executed by both Parties, such amendment to become effective on the date stipulated in it. Employee acknowledges and represents that he did not rely, and has not relied, on any communications, promises, statements, inducements, or representations, oral or written, by the Company or any Affiliate in connection with this Agreement. Employee confirms that he has relied solely and exclusively on Employee's own judgment in entering into this Agreement, and he expressly disclaims that he is owed any duty, including the duty of good faith and fair dealing, that is not expressly set forth in this Agreement.

35. Interpretive Matters. In the interpretation of the Agreement, except where the context clearly otherwise requires:

- (a) “ **including** ” or “ **include** ” does not denote or imply any limitation;
- (b) “ **or** ” has the inclusive meaning “and/or”;
- (c) the singular includes the plural, and vice versa, and each gender includes each of the others;
- (d) captions or headings are for reference purposes only, and they are not to be considered in interpreting the Agreement;
- (e) “ **Section** ” refers to a Section of the Agreement, unless otherwise stated in the Agreement;
- (f) “ **month** ” refers to a calendar month; and

(g) a reference to any statute, rule, or regulation includes any amendment thereto or any statute, rule, or regulation enacted or promulgated in replacement thereof, as well as any regulation or other authority issued by the appropriate governmental entity under, or with respect to, a statute.

36. Counterparts. This Agreement may be executed by the Parties in multiple counterparts, whether or not all signatories appear on these counterparts (including via electronic signatures and exchange of PDF documents via email), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature page follows.]

EXHIBIT A
TO
EMPLOYMENT AGREEMENT

CONFIDENTIAL RELEASE AGREEMENT

In consideration of the Severance Payment and other consideration described in that certain Employment Agreement dated as of November 17, 2017 (the “**Employment Agreement**”), and as it may be amended thereafter, by and between EV Management, LLC (the “**Company**”) and Michael E. Mercer (the “**Employee**”), this Release Agreement (this “**Agreement**”) is made and entered into by the Company and Employee. The Company and Employee may be individually referred to herein as “**Party**” and collectively as the “**Parties**.”

By signing this Agreement, Employee and the Company hereby agree as follows:

1. **Purpose.** Terms used in this Agreement with initial capital letters that are not defined herein are defined in the Employment Agreement between the Parties. The purpose of this Agreement is to provide for the orderly termination of the employment relationship between the Parties, and to voluntarily resolve any actual or potential disputes or claims that Employee has or might have, as of the date of Employee’s execution of this Agreement, against the Company and all of its owners, parents, predecessors, successors, divisions, subsidiaries and Affiliates, and its and their present and former agents, employees, managers, officers, directors, attorneys, owners, plan fiduciaries, assigns, representatives, Employees, consultants, and all other Persons acting by, through, or in concert with any of them (individually and collectively, the “**Released Parties**”). Neither the fact that this Agreement has been proposed or executed, nor the terms of this Agreement, are intended to suggest, or should be construed as suggesting, that the Released Parties have acted unlawfully or violated any federal, state or local law or regulation, or any other duty, policy or contract.
2. **Termination of Employment.** Effective _____ (the “**Termination Date**”), Employee’s employment with the Company and all of its Affiliates has terminated.
3. **Termination Benefits** . In consideration for Employee’s execution of, and required performance under, this Agreement, the Company shall provide Employee with the Severance Payment (as such term is defined in Section 5(b) of the Employment Agreement). Employee confirms and agrees that he would not otherwise have received, or been entitled to receive, the Severance Payment or benefits other than those that are required to be provided under the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) or such other laws that cannot be waived. All payments hereunder shall be net of withholding for applicable federal, state and local taxes to the extent required by law.
4. **Waiver of Additional Compensation or Benefits** . The Severance Payment to be paid to Employee constitute the entire amount of compensation and consideration due to Employee under this Agreement, and Employee acknowledges that he has no right to seek, and will not seek, any additional or different compensation or consideration for executing or performing under this Agreement.

5. **Neutral Employment Reference.** The Company shall provide a neutral employment reference to any potential employers that consider the employment of Employee or seek information concerning the reasons for the departure of Employee. The Company will provide to any such potential employers the identity of the positions held by Employee and the dates of Employee's employment with the Company.
6. **Tax Consequences.** The Company has made no representations to Employee regarding the tax consequences of any benefits received, or to be received, by Employee under the Employment Agreement.
7. **Certain Continuing Obligations.** Employee acknowledges and agrees that the post-termination restrictive covenants and obligations that apply to Employee as set forth in the Employment Agreement shall survive termination of the employment relationship and the execution of this Agreement, and Employee shall continue to fully honor his post-employment obligations.
8. **Employee Representations.** Employee expressly agrees to and acknowledges, confirms and represents to the following, and intends for the Company to rely upon the following in entering this Agreement:
 - (1) The term “ **Released Parties** ” means the Company and all of its Affiliates, and its and their present and former employees, managers, officers, directors, owners, partners, agents, attorneys, owners, plan fiduciaries, representatives, and successors and assigns, all other Persons acting by, through or in concert with any of them (collectively, the “ **Released Parties** ”).
 - (2) Employee has not filed any complaints, charges, claims or actions against the Company or any of the other Released Parties with any court, agency, or commission regarding any of the matters related to this Agreement or to his employment or separation from service with the Company. By executing this Agreement, Employee hereby waives the right to recover in any proceeding Employee may bring before the federal Equal Employment Opportunity Commission (“ **EEOC** ”) or any state human rights commission, or in any proceeding brought by the EEOC or any state human rights commission on Employee's behalf, against the Company or any of the other Released Parties.
 - (3) Employee, by entering into this Agreement, is releasing the Released Parties from any and all claims that Employee may have against them under federal, state, or local laws, which have arisen on or before the Release Effective Date (as defined on the signature page of this Agreement).
 - (4) Employee, by entering into this Agreement, is waiving all claims that Employee may have against the Released Parties under the federal Age Discrimination in Employment Act of 1967, as amended (*i.e.* , 29 USC § 621 et seq.), which have arisen on or before the Release Effective Date.

(5) Employee has reviewed all aspects of this Agreement, and has carefully read and fully understands this Agreement.

(6) Employee has been hereby advised to consult with an attorney of his choice before signing this Agreement.

(7) Employee is knowingly and voluntarily entering into this Agreement, and has relied solely and completely upon his own judgment and, if applicable, the advice of his attorney before entering into this Agreement.

(8) Employee is not relying upon any representations, promises, predictions, projections, or statements made by or on behalf of the Company or any of the other Released Parties, other than those that are specifically stated in this Agreement.

(9) Employee represents and acknowledges that in executing this Release, he does not rely, and has not relied, on any prior oral or written communications, promises, agreements, statements, inducements, understandings, or representations by the Company or any of the Released Parties, except as expressly contained in this Agreement. Further, Employee expressly disclaims any reliance on any prior oral or written communications, promises, agreements, statements, inducements, understandings, or representations in entering into this Agreement and, therefore, Employee understands and agrees that he is precluded from bringing any fraud or similar claim against the Company or any of the other Released Parties associated with any such communications, promises, agreements, statements, inducements, understandings, or representations, and he is hereby entering into this Agreement based on his own independent judgment.

(10) Employee acknowledges that this Agreement shall be binding on Employee, and on his spouse, heirs, administrators, representatives, executors, beneficiaries, successors and assigns.

(11) Employee agrees that this Agreement shall, in all cases, be construed as a whole, according to its fair meaning, and not strictly for or against, either of the Parties.

(12) Employee does not waive any right or claim that initially arose for the first time after the Release Effective Date.

(13) Employee will receive payment of consideration under this Agreement that is beyond what Employee was entitled to receive before entering into this Agreement.

(14) Employee understands and agrees that this Agreement shall not in any way be construed as an admission by the Released Parties of any unlawful or wrongful acts whatsoever against Employee or any other Person; and the Released Parties specifically disclaim any liability to, or wrongful acts against, Employee or any other Person.

9. **Release** . Employee, on behalf of himself and his spouse, heirs, administrators, representatives, executors, beneficiaries, successors and assigns (individually and collectively, the “ **Releasing Parties** ”), hereby fully, unconditionally and forever releases, acquits and discharges the Released Parties, jointly and severally, from and against any and all claims, demands, actions, lawsuits, grievances, liabilities, and obligations of any nature whatsoever that the Releasing Parties had, have or may ever have against the Released Parties, or that might be assigned by the Releasing Parties, whether known or unknown, fixed or contingent, as of the Release Effective Date. Employee acknowledges, understands and agrees that this Agreement specifically includes, without limitation, (a) law or equity claims; (b) contract (express or implied) or tort claims; (c) claims arising under any federal, state or local laws of any jurisdiction that prohibit age, sex, race, national origin, color, disability, religion, veteran, military status, sexual orientation or any other form of discrimination, harassment, hostile work environment or retaliation (including, without limitation, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments Act of 2008, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Civil Rights Acts of 1866 and/or 1871, 42 U.S.C. Section 1981, the Rehabilitation Act, the Family and Medical Leave Act, the Sarbanes-Oxley Act, the Employee Polygraph Protection Act, the Worker Adjustment and Retraining Notification Act, the Equal Pay Act of 1963, the Lilly Ledbetter Fair Pay Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Genetic Information and Nondiscrimination Act of 2008, the Texas Commission on Human Rights Act, the Texas Labor Code, Section 1558 of the Patient Protection and Affordable Care Act of 2010, the Consolidated Omnibus Budget Reconciliation Act of 1985, and any other federal, state or local laws of any jurisdiction); (d) claims under any other federal, state, local, municipal or common law whistleblower protection, discrimination, wrongful discharge, anti-harassment or anti-retaliation statute or ordinance; (e) claims arising under ERISA; or (f) any other statutory or common law claims related to Employee’s employment or separation from employment with the Company or its Affiliate. Employee further represents that, as of the Release Effective Date, he has not been the victim of any illegal or wrongful acts by any of the Released Parties, including, without limitation, discrimination, retaliation, harassment or any other wrongful act based on sex, age, race, religion, or any other legally protected characteristic.

The release contained in this Section 9 does not include the following: (a) a claim for which the facts giving rise to such claim first occurred after the Release Effective Date; (b) any eligibility to receive continuation of health care coverage to the extent required under COBRA; (c) any vested benefit under any employee benefit plan to the extent required by ERISA and the terms of the plan; (d) any claim for worker’s compensation benefits that is currently pending as of the Release Effective Date; (e) any right of Employee to be indemnified by D&O, or the Company or an Affiliate in his capacity as a director, officer or employee of the Company or any Affiliate during his employment period through the Termination Date, or as an insured under any applicable liability policy; (f) any claim challenging the validity of this release under the Older Workers Benefit Protection Act; and (g) any claim or cause of action by or on behalf of Employee (or his beneficiary) for (i) any payment or other benefit that is required under the terms of the Employment Agreement, prior to the receipt thereof, or (ii) any breach of the Employment Agreement by the Company.

10. **Time to Consider Offer of Termination Benefits** . Employee shall have, and by signing this Agreement Employee acknowledges and represents that he has been given, a time period of at least [*insert twenty-one (21) or forty-five (45) as appropriate*] days to consider whether to elect to sign this Agreement, and to thereby waive and release the rights and claims addressed in this Agreement. Although Employee may sign this Agreement prior to the end of the applicable time period (as specified above), Employee may not sign this Agreement on or before the Termination Date. In addition, if Employee signs this Agreement prior to the end of the applicable time period, Employee shall be deemed, by doing so, to have certified and agreed that the decision to make such election prior to the expiration of the applicable time period is knowing and voluntary and was not induced by the Company through: (a) fraud, misrepresentation, or a threat to withdraw or alter the offer prior to the end of the applicable time period; or (b) an offer to provide different terms or benefits in exchange for signing the Agreement prior to the expiration of applicable time period.
11. **Seven Day Revocation Period** . Employee may revoke this Agreement at any time within seven (7) days after he signs it. To revoke the Agreement, Employee must deliver written Notice of such revocation to the attention of the Chief Executive Officer, or other person with known authority to receive the revocation, within seven (7) days after the date that he signs this Agreement. Employee further understands that if he does not revoke the Agreement within seven (7) days following its execution (excluding the date of execution), it will become effective, binding, and enforceable as of the Release Effective Date.
12. **Agreement Not to Sue** . Except as required by law that cannot be waived, Employee agrees that he will not commence, maintain, initiate, or prosecute, or cause, encourage, assist, volunteer, advise or cooperate with any other Person to commence, maintain, initiate or prosecute, any action, lawsuit, proceeding, charge, petition, complaint or claim before any court, agency or tribunal against the Company or any other Released Party arising from, concerned with, or otherwise relating to, in whole or in part, Employee's employment or separation from employment with the Company or an Affiliate, or any of the other matters discharged and released in this Agreement. Employee further understands and agrees that if he, or someone acting on his behalf, should file, or cause to be filed, any such claim, charge, complaint, or action against the Company and/or any other Released Party, Employee expressly waives any and all rights to recover any damages or other relief from the Company and/or other Released Party including, without limitation, costs and attorneys' fees. Employee further represents and warrants that he has not filed or lodged, and has no outstanding claims, including, without limitation, any lawsuits, charges of discrimination, or administrative proceedings, against the Company or any of the Released Parties regarding matters that have been released pursuant to this Agreement.

13. **Participation in Investigations** . Notwithstanding any other provision of the Agreement to the contrary, the Agreement is not intended to interfere or prevent Employee from filing a charge or claim with any governmental agency charged with investigating employment claims, including, but not limited to, the EEOC, or, from participating in, cooperating with, or providing truthful evidence in connection with an investigation being conducted by a governmental agency responsible for investigating employment claims; provided, however, Employee hereby agrees that such filing or participation does not give Employee the right to recover any damages or equitable relief (including, but not limited to, reinstatement, back pay, front pay, damages, and attorneys' fees) against the Company or any of the other Released Parties based on his release of claims in this Agreement. By executing this Agreement, Employee also hereby waives the right to recover monetary damages in any proceeding he may bring before the EEOC or any state or local human rights commission or in any proceeding brought by the EEOC or any state or local human rights commission (or any other agency) on Employee's behalf.
14. **Cooperation** . After Employee's termination of employment, he agrees to cooperate with the Company on the terms and conditions as set out in the Employment Agreement.
15. **Severability** . Should any provision of this Agreement be declared or be determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, all remaining provisions of this Agreement shall otherwise remain in full force and effect and be construed as if such illegal, invalid, or unenforceable provision has not been included herein.
16. **Relief** . It is further understood and agreed that if a violation of any term of this Agreement is asserted, the Party who asserts such violation shall have the right to seek specific performance of that term and/or any other necessary and proper relief as permitted by law or equity, including but not limited to, damages from any court of competent jurisdiction, and the prevailing Party shall be entitled to recover its reasonable costs and attorney's fees. Nothing in this Agreement will be construed to prevent Employee from challenging the validity of this Agreement under the Age Discrimination in Employment Act or Older Workers' Benefit Protection Act. Employee further understands and agrees that if he, or someone acting on his behalf, files, or causes to be filed, any such claim, charge, complaint, or action against the Company, any Affiliate, or other Released Parties, Employee expressly fully waives and relinquishes any right to recover any damages or other relief, whatsoever, from the Company, its Affiliates, and/or other Persons, including costs and attorneys' fees.
17. **Binding Effect** . This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective heirs, executors, beneficiaries, personal representatives, successors and permitted assigns hereunder, but otherwise this Agreement shall not be for the benefit of any third parties.

18. **Entire Agreement** . This Agreement sets forth the entire agreement of the Parties and fully supersedes and replaces any and all prior agreements, promises, representations, or understandings, written or oral, between the Company (and any other Released Party) and Employee that relates to the subject matter of this Agreement. This Agreement may be amended or modified only by a written instrument identified as an amendment hereto that is executed by both Parties. Employee acknowledges that in executing this Agreement, Employee does not rely, and has not relied, upon any oral or written representation, promise or inducement by the Company and/or any of the other Released Parties, except as expressly contained in this Agreement.
19. **Choice of Law and Forum.** THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS, EXCEPT TO THE EXTENT PREEMPTED BY CONTROLLING FEDERAL LAW, BUT WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS THAT MIGHT DIRECT THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION. ANY ACTION TO ENFORCE THE PROVISIONS OF THIS AGREEMENT, OR ANY DISPUTE RELATING TO THIS AGREEMENT, MUST BE BROUGHT IN ANY FEDERAL OR STATE COURT OF COMPETENT JURISDICTION IN HARRIS COUNTY, TEXAS, AND THE PARTIES HEREBY WAIVE ANY OBJECTION TO SUCH EXCLUSIVE VENUE INCLUDING, WITHOUT LIMITATION, THAT IT IS INCONVENIENT. For all purposes of this agreement, the term “Dispute” means any dispute, disagreement, controversy, claim, or cause of action arising in connection with or relating to this Agreement, the Employment Agreement, or to Employee’s employment or termination of employment with the Company or any Affiliate.
20. **Waiver of Jury Trial.** THE PARTIES HERETO WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES TO IRREVOCABLY WAIVE TRIAL BY JURY, AND THAT ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.
21. **Waiver** . A Party’s waiver of any breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any later breach of the same or any other provision hereof by such Party.

22. **Assignment** . The Agreement may be assigned by the Company to its successor in interest, in which case the rights and obligations of the Company under the Agreement shall inure to the benefit of and shall be binding upon its successor in interest which shall then be the “Company” Party as referenced herein. Except as provided in the Agreement, Employee may not assign the Agreement, or any of his rights or obligations under the Agreement, without the written consent of the Company. Any attempted assignment by Employee in violation of the Agreement shall be null and void.
23. **Amendment** . The Agreement may be amended or modified only by a written instrument identified as an amendment hereto that is executed by both Parties.
24. **Survival of Certain Provisions** . Wherever appropriate to the intention of the Parties, the respective rights and obligations of the Parties hereunder shall survive any termination or expiration of this Agreement.

[Intentionally blank]

PLEASE READ CAREFULLY BEFORE SIGNING

- Employee acknowledges that he has carefully read and understands the terms of this Agreement and his obligations hereunder.
- Employee acknowledges that he has been advised to review this Agreement with an attorney of his choosing.
- Employee acknowledges that he has been given at least [*insert twenty-one (21) or forty-five (45) as appropriate*] days to consider whether to sign this Agreement. Employee acknowledges that if he signs this Agreement before the end of such period, it will be his personal and voluntary decision to do so.
- Employee understands that this Agreement will not become effective or enforceable until after the 7-day revocation period has expired. The Company will have no obligations to Employee under this Agreement or the Employment Agreement if Employee revokes the Agreement during such 7-day period.
- This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same instrument.

I ACKNOWLEDGE THAT (1) I HAVE CAREFULLY READ THE FOREGOING AGREEMENT, (2) I UNDERSTAND ALL OF ITS TERMS AND CONDITIONS, (3) I AM RELEASING CLAIMS, AND (4) I AM VOLUNTARILY ENTERING INTO THIS AGREEMENT.

[*Signature page follows.*]

Please review this document carefully as it includes a release of claims.

IN WITNESS WHEREOF, Employee has entered into this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf by its duly authorized officer, to be effective as of the date this Agreement is executed by Employee as set forth beneath Employee's signature below (the "Release Effective Date").

This document was presented to Employee on _____, 20__.

COMPANY

Address for Notice:

By: _____

Printed Name: _____

Title: _____

Date: _____

Note: *Employee may not sign this Agreement on or before his Termination Date.*

EMPLOYEE

WITNESS

Employee's Signature

Witness' Signature

Printed Name: _____

Printed Name: _____

Date: _____

Title: _____

Date: _____

Address for Notice:

[Signature page ends.]

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the “*Agreement*”) is made effective as of the 17th day of November, 2017 (the “*Effective Date*”) by and between EV Management, LLC, a limited liability company (hereafter the “*Company*”) and Nicholas Bobrowski (the “*Employee*”). The Company and Employee are referred to herein individually as a “*Party*” and together as the “*Parties*.”

RECITALS

WHEREAS, the Company currently employs Employee; and

WHEREAS, the Company desires, for its continued success, to have the benefit of services of experienced management personnel like Employee and thus believes it is in the best interest of the Company and its owners that Employee be reasonably secure in his employment and position with the Company so that Employee can exercise independent judgment regarding the best interests of the Company and its owners without distraction by uncertainties or risks regarding Employee’s continued employment with the Company that would be created by the possibility of Employee’s termination by the Company not for Cause (as defined below) during the term of this Agreement;

WHEREAS, the Company believes it is in its best interests to provide Employee with certain severance benefits in the event Employee’s employment with the Company and any of its Affiliates (as defined below) is terminated not for Cause by the Company, in order to induce Employee to continue to provide employment services as described in this Agreement, and Employee desires to continue to provide employment services as described herein; and

WHEREAS, Employee agrees that the severance benefits referenced in this Agreement constitute a meaningful incentive for Employee to be reasonably secure regarding Employee’s continued employment with the Company throughout the Employment Period (as defined below);

NOW, THEREFORE, in consideration of the mutual promises set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. **Definitions**. In addition to the terms defined in the text of this Agreement, for all purposes of this Agreement, the following terms shall have the meanings ascribed thereto in this **Section 1**:

(a) “**Affiliate**” means EV Energy Partners, L.P., or any entity, in whatever form, of which the Company or EV Energy Partners, L.P., has ownership or management control, as determined by the Compensation Committee.

(b) “**Base Salary**” means Employee’s base salary, as specified in **Section 3(a)**. For purposes of calculating the Severance Payment described in **Section 4(b)**, “Base Salary” shall mean Employee’s then current Base Salary in effect as of the Employment Termination Date (or, if such Employee’s Base Salary was reduced within ninety (90) days prior to the Employment Termination Date without Employee’s written consent, Employee’s annual Base Salary as in effect immediately prior to the date of such reduction).

(c) “**Board**” means the then-current Board of Directors of the Company or the applicable Affiliate.

(d) “**Business Day**” means any Monday through Friday, excluding any such day on which banks are authorized to be closed in Texas.

(e) “**Cause**” means any of the following: (1) Employee’s conviction by a court of competent jurisdiction as to which no further appeal can be taken of a felony or entering the plea of *nolo contendere* to such crime by Employee; (2) the commission by Employee of a demonstrable act of fraud, or a misappropriation of material funds or property, of or upon the Company or any Affiliate; (3) the engagement by Employee, without the written approval of the Board or the Compensation Committee, in any material activity which directly competes with the business of the Company or any Affiliate, or which would directly result in a material injury to the business or reputation of the Company or any Affiliate; or (4) the repeated nonperformance of Employee’s duties to the Company or any Affiliate (other than by reason of Employee’s illness or incapacity) that continues after Notice (defined below) from the Board or Compensation Committee to Employee of such nonperformance (which Notice specifically identifies the manner and sets forth specific facts, circumstances and examples of which the Board or Compensation Committee believes that Employee has not substantially performed duties hereunder) and Employee’s continued failure to engage in such nonperformance.

(f) “**Claim**” means any claim, liability or obligation, of any nature, arising out of or relating to this Agreement or an alleged breach of this Agreement.

(g) “**Code**” means the Internal Revenue Code of 1986, as amended.

(h) “**Compensation Committee**” means the Compensation Committee of the Board.

(i) “**Confidential Information**” means information (whether or not recorded in documentary form, or stored on any magnetic or optical disk or memory) relating to the business, products, affairs and finances of the Company or any Affiliate for the time being confidential to the Company or the Affiliate, and trade secrets including, without limitation, technical data and know-how relating to the business of the Company or any Affiliate or any of their business contacts, including in particular (by way of illustration only and without limitation): (a) information relating to the business of exploring, acquiring, developing, exploiting and disposing of oil and natural gas resources (regardless of when conceived, made, developed or acquired); (b) information relating to the business or prospective business, current or projected plans or internal affairs of the Company or any Affiliate; (c) information relating to the current or prospective marketing or sales of any products or services of the Company or any Affiliate, including non-public lists of customers’ and suppliers’ names, addresses and contacts; sales targets and statistics; market share and pricing information; marketing surveys; research and reports; non-public advertising and promotional material; strategies; and financial and sales data; (d) information relating to any actual or prospective business strategies of the Company or any Affiliate; (e) information relating to any actual acquisitions, investments or corporate opportunities or prospective acquisition, investment targets or corporate opportunity; (f) know-how, trade secrets, unpublished information relating to the Company or any Affiliate’s intellectual property or to the creation, production or supply of any products or services of the Company or any Affiliate; (g) information to which the Company or any Affiliate owes an obligation of confidence to a third party (including, without limitation, customers, clients, suppliers, partners, investors, joint venturers and professional advisors of the Company or any Affiliate); and (h) other commercial, financial or technical information relating to the business or prospective business of the Company or any Affiliate, or to any past, current or prospective client, customer, investor, supplier, licensee, officer or employee, agent of the Company or any Affiliate, or any Person interested in the share capital or assets of the Company or any Affiliate, and any other Person to whom the Company or any Affiliate may provide or from whom they may receive information (whether marked confidential or not).

(j) “ **Dispute** ” means any dispute, disagreement, claim, or controversy arising in connection with or relating to the Agreement, or to the validity, interpretation, performance, breach, or termination of the Agreement.

(k) “ **Employment Period** ” means from the beginning of the Initial Term (defined below) of employment (and any extension thereof) through Employee’s Employment Termination Date, subject to the provisions of Section 2(a).

(l) “ **Employment Termination Date** ” means the date that Employee’s employment with the Company, and all of its Affiliates if applicable, is terminated for whatever reason. Notwithstanding anything contained herein to the contrary, the date on which such a Separation from Service (as defined below) occurs shall be the “Employment Termination Date” with respect to any payment of deferred compensation hereunder that is subject to, and not exempt under, Code Section 409A.

(m) “ **Exchange Act** ” means the Securities Exchange Act of 1934, as amended from time to time.

(n) “ **Good Reason** ” means the occurrence of any of the following events (without Employee’s express written consent) (1) a reduction of Employee’s Base Salary; (2) a material reduction in Employee’s authority, duties or responsibilities of employment; (3) a material diminution in the authority, duties or responsibilities of the supervisor to whom Employee is required to report; (4) Employee’s primary place of employment is moved to a location greater than fifty (50) miles away from its then current location; or (5) any other action or inaction that constitutes a material breach by the Company of the Agreement.

In the case of Employee's allegation of a Good Reason event, (i) Employee shall provide Notice to the Board or Compensation Committee of the event alleged to constitute Good Reason within sixty (60) days of Employee's knowledge of such event, and (ii) the Company shall have the opportunity to remedy the alleged Good Reason event within thirty (30) days from receipt of Notice of such allegation (the "**Cure Period**"). If the Company does not cure the circumstance giving rise to Good Reason, the Employment Termination Date must occur within thirty (30) days following the end of the Cure Period (as described in clause (ii) above) in order for such termination to be considered a termination for Good Reason.

(o) "**Notice**" means a written communication complying with Section 23 of the Agreement ("notify" has the correlative meaning).

(p) "**Notice of Termination**" means a written Notice which (a) indicates the specific termination provision in the Agreement that is being relied upon, (b) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Employee's employment under the provision so indicated, and (c) if the Employment Termination Date is other than the date of receipt of such Notice, specifies the Employment Termination Date (which date shall be not more than sixty (60) days after the giving of such Notice). Any termination of Employee by the Company for Cause, or by Employee for Good Reason, shall be communicated by Notice of Termination to the other Party. The failure by Employee or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of such Party, or preclude such Party from asserting, such fact or circumstance in enforcing such Party's rights.

(q) "**Person**" means any individual, firm, corporation, partnership, limited liability company, trust, or other entity, including any successor (by merger or otherwise) of such entity.

(r) "**Qualifying Termination**" means Employee's Separation from Service during the Employment Period due to (1) a termination of Employee's employment by Employee for Good Reason; (2) a termination of Employee's employment by the Company without Cause; or (3) a non-renewal of this Agreement by the Company under Section 2(a). For purposes of clarity, a termination of Employee's employment due to Employee's death or disability (as such term is defined under Section 22(e)(3) of the Code) shall not be considered a "Qualifying Termination."

(s) "**Separation from Service**" means a termination of all services provided by Employee to the Company and its Affiliates, whether voluntarily or involuntarily, as determined by the Company in accordance with the requirements of Code Section 409A.

(t) "**Specified Employee**" means a "specified employee," as such term is defined under Code Section 409A.

2. Employment.

(a) Employment Period. Employee's initial term of employment with the Company under this Agreement shall be for the period from the Effective Date through December 31, 2018 (the "**Initial Term**"). Thereafter, Employee's term of employment shall be automatically extended repetitively for an additional one (1) year period on January 1, 2019, and each one-year anniversary thereof, unless Notice of Termination (pursuant to Sections 1(p) and 5) is given by either the Company or Employee to the other Party at least sixty (60) days prior to the end of the Initial Term or any one-year extension thereof, as applicable, that the Agreement will not be renewed for a successive one-year period after the end of the current one-year period. Additionally, the Company and Employee shall each have the right to give Notice of Termination to terminate this Agreement at will, with or without Cause, at any time (including during the Initial Term and any extension thereof) subject, however, to the terms and conditions of this Agreement regarding the rights and duties of the Parties following the Employment Termination Date. The Parties agree that in the event of the death or disability (as such term is defined under Section 22(e)(3) of the Code) of Employee, the Company will not be required to provide Notice of Termination to terminate this Agreement and the Agreement will automatically expire upon Employee's death or disability.

(b) Employment. Effective as of the Effective Date and continuing for the Employment Period, Employee's employment by the Company shall be subject to the terms and conditions of this Agreement.

(c) Position. As of the Effective Date, Employee will serve as Vice President and Chief Financial Officer of the Company.

(d) Duties and Services. Employee agrees to serve in the position(s) referred to in Section 2(c) of this Agreement and to perform the duties and services appertaining to such offices, as well as such additional duties and services appropriate to such offices upon which the Parties mutually may agree from time to time. Employee's employment shall also be subject to the policies maintained and established by the Company from time to time, as the same may be amended or otherwise modified.

Employee shall at all times use his best efforts to in good faith comply with United States and foreign laws applicable to Employee's actions on behalf of the Company and its Affiliates. Employee understands and agrees that he may be required to travel extensively at times for purposes of the Company's business.

(e) Other Interests. Employee agrees that, during the Employment Period, he will devote substantially all his business time to the business and affairs of the Company and its Affiliates. The foregoing notwithstanding, the Parties recognize and agree that Employee may engage in passive personal investments (such as real estate investments and rental properties) and other civic and charitable activities (such as continued service on non-profit and/or educational boards) that do not materially conflict with the business and affairs of the Company or materially interfere with Employee's performance of his duties hereunder; provided, however, Employee agrees that if the Compensation Committee or the CEO determines in good faith that continued service with one or more civic or charitable entities is inconsistent with Employee's duties hereunder and gives written notice to Employee, he will promptly resign from each such position.

3. Compensation and Benefits.

(a) Base Salary. During the Employment Period, Employee shall receive a minimum annual base salary of \$300,000, which shall be prorated for any period of less than 12 months. The Company shall review Employee's Base Salary on an annual basis and may, in its sole discretion, increase (but not decrease) the Base Salary, and thereafter references in this Agreement to "Base Salary" shall refer to annual Base Salary as adjusted. The Base Salary shall be paid in equal installments in accordance with the Company's standard policy regarding payment of compensation to executives, but no less frequently than monthly.

(b) Reimbursement of Business Expenses. During the Employment Period, subject to the Company's standard policies and procedures with respect to expense reimbursement as applied to its executives generally, the Company shall reimburse Employee for, or pay on behalf of Employee, the reasonable and appropriate expenses incurred by Employee for business related purposes, including reasonable and customary dues and fees to industry and professional organizations and costs of entertainment and business development.

(c) Employee and Executive Benefits Generally. During the Employment Period, Employee shall be eligible for participation in all employee and executive benefit plans and programs of the Company, including without limitation, retirement and savings plans, medical and life insurance plans, and other fringe benefits, as in effect from time to time, to the same extent as available to other officers of the Company under the terms and conditions of such plans or programs. Nothing herein shall be construed to prevent the Company (or other plan sponsor of any plan) from amending or terminating any such plan at any time, in its discretion, subject to the terms and conditions of the plan.

(d) Vacation and Holidays. During the Employment Period, Employee shall be entitled initially to 17 days of paid vacation per calendar year, as accrued in accordance with the Company's vacation benefit policy. The Company may be converting to a Paid-Time-Off Policy ("PTO") and, upon such conversion, Employee's vacation time will be replaced with PTO leave, as applicable to similarly situated employees.

4. Rights and Payments Upon Termination. Employee's right to compensation and benefits for periods after the Employment Termination Date shall be determined in accordance with this Section 4, as follows:

(a) Minimum Paymentss. Employee shall be entitled to the following minimum payments under this Section 4(a), in addition to any other payments or benefits to which he is entitled to receive under the terms of this Agreement or any employee benefit plan or program:

- (1) Employee's accrued and unpaid Base Salary through the Employment Termination Date;

(2) Employee's accrued and unused vacation days or PTO through the Employment Termination Date (subject to the terms and conditions of the vacation policy and/or PTO policy); and

(3) reimbursement of Employee's reasonable business expenses that were incurred but unpaid as of the Employment Termination Date.

Such salary and accrued vacation days shall be paid to Employee within the next applicable pay period following the Employment Termination Date in a cash lump sum less applicable withholdings. Business expenses shall be reimbursed in accordance with the Company's normal policy and procedures.

(b) Severance Payment. Subject to the other provisions of this Agreement, if Employee incurs a Qualifying Termination and timely executes and returns to the Company (and does not revoke) a release of claims on the form provided to Employee by the Company for such purpose at the time of Employee's Qualifying Termination (the "**Release**"), as provided for in Section 15 of this Agreement, the Company shall:

(1) pay Employee (a) a lump sum cash payment equal to two (2) times the sum of Employee's Base Salary, and (b) either (i) the target bonus amount Employee is eligible to receive under the applicable Key Employee Incentive Plan as defined therein and if still effective at the time of the Qualifying Termination or (ii) the amount Employee earned as a bonus in the year prior to the year of the Qualifying Termination, whichever is the applicable and greater bonus amount (collectively, the "**Severance Payment**"), less all required employment taxes and any other appropriate withholdings, on the first payroll date immediately following the date that the Release becomes effective. In the event that the period for signing, returning and revoking the Release spans two (2) tax years, the first payment will be paid in the second tax year; and

(2) maintain continued group health plan coverage following the Employment Termination Date under all group health plans subject to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") (as codified in Code Section 4980B and Part 6 of Subtitle B of Title I of ERISA) for Employee and Employee's eligible spouse and dependents for the maximum period for which such qualified beneficiaries are eligible to receive COBRA coverage. However, Employee (and Employee's spouse and dependents) shall not be required to pay more for such COBRA coverage than is charged by the Company to its officers who are then in active service for the Company and receiving coverage under such plan and, therefore, the Company shall be responsible for the difference between the amount charged hereunder and the full COBRA premiums. In all other respects, Employee (and Employee's spouse and dependents) shall be treated the same as other COBRA qualified beneficiaries under the terms of such plans and the provisions of COBRA. In the event of any change to a group health plan following the Employment Termination Date, Employee and Employee's spouse and dependents, as applicable, shall be treated consistently with the then-current officers of the Company with respect to the terms and conditions of coverage and other substantive provisions of the plan. Following the Employment Termination Date, Employee and Employee's spouse hereby agree to acquire and maintain any and all coverage that either or both of them are entitled to at any time during their lives under the Medicare program or any similar program of the United States or any agency thereof. Employee and Employee's spouse further agree to pay any required premiums for Medicare coverage from their personal funds.

(c) Limitation on Severance Payment. For purposes of clarity, in the event of (i) resignation or other voluntary termination of Employee's employment by Employee without Good Reason, (ii) termination of Employee's employment by the Company for Cause or (iii) termination of Employee's employment due to Employee's death or "disability" (as such term is defined under Section 22(e)(3) of the Code), the Company shall have no obligation to provide the Severance Payment described in Section 4(b), except to offer COBRA coverage (as required by COBRA) but not at the discounted rate described in Section 4(b)(2). Employee shall still be entitled to receive the minimum payments provided under Section 4(a).

5. Notice of Termination. If the Company or Employee desires to terminate Employee's employment hereunder at any time during, as of, or prior to, expiration of the Employment Period, such Party shall do so by giving written Notice of Termination to the other Party, provided that no such action shall alter or amend any other provisions hereof or rights arising hereunder. No further renewals of Employee's term of employment hereunder shall occur pursuant to Section 2(a) after the giving of such Notice of Termination.

6. No Rights as an Owner. Employee shall not have any rights as an owner of the Company or any Affiliate as a result of this Agreement, or as a result of any action taken (or omitted to be taken) by the Company or an Affiliate with respect to this Agreement.

7. Restrictive Covenants. As an inducement to the Company to enter into this Agreement, Employee represents to, and covenants with or in favor of, the Company that Employee will comply with all of the restrictive covenants set out in Sections 8 through 12, as a condition to the Company's obligation to provide the Severance Payment and any other benefits to Employee under the Agreement.

8. Trade Secrets.

(a) *Access to Trade Secrets*. As of the Effective Date and on an ongoing basis, the Company agrees to give Employee access to Trade Secrets which Employee did not have access to, or knowledge of, before the Effective Date.

(b) *Access to Specialized Training*. As of the Effective Date and on an ongoing basis, the Company has provided, and agrees to provide on an ongoing basis, Employee with Specialized Training which Employee does not have access to, or knowledge of, before the Effective Date.

(c) **Agreement Not to Use or Disclose Trade Secrets** . In exchange for the Company's promises to provide Employee with access to Trade Secrets and Specialized Training and the other consideration provided to Employee under this Agreement, Employee agrees not to disclose to any Person, or publish or use for any purpose, any Trade Secrets, except as required in the ordinary course of business of the Company or an Affiliate or as authorized by the Board or Compensation Committee.

(d) **Definitions** . The following terms, when used in this Agreement, are defined below:

(1) " **Specialized Training** " includes the training the Company or an Affiliate provides to Employee that is unique to its business and enhances Employee's ability to perform Employee's job duties effectively.

(2) " **Trade Secrets** " means any and all information and materials (in any form or medium) that are proprietary to the Company or an Affiliate, or are treated as confidential by the Company or Affiliate as part of, or relating to, all or any portion of its or their business, including information and materials about the products and services offered, or the needs of customers served, by the Company or Affiliate; compilations of information, records and specifications, properties, processes, programs, and systems of the Company or Affiliate; research of or for the Company or Affiliate; and methods of doing business of the Company or Affiliate. Trade Secrets include, without limitation, all of the Company's or Affiliate's technical and business information, whether patentable or not, which is of a confidential, trade secret or proprietary character, and which is either developed by Employee alone, with others or by others; lists of customers; identity of customers; contract terms; bidding information and strategies; pricing methods or information; computer software; computer software methods and documentation; hardware; the Company's or Affiliate's methods of operation; the procedures, forms and techniques used in servicing accounts; and other documents, information or data that the Company requires to be maintained in confidence for the business success of the Company or any Affiliate.

9. Confidential Information .

(a) **Confidential Information Defined** . For purposes of this Section 9, the term "Company" shall include the Company and its Affiliates. During the course of Employee's employment with the Company, the Company will (1) disclose or entrust to Employee, and provide Employee with access to, Confidential Information, (2) place Employee in a position to develop business goodwill belonging to the Company, and (3) disclose or entrust to Employee business opportunities to be developed for the Company.

(b) **Protection of Confidential Information** .

(1) Employee acknowledges that Confidential Information has been and will be developed or acquired by the Company or an Affiliate through the expenditure of substantial time, effort and money and provides the Company or an Affiliate with an advantage over competitors who do not know or use the Confidential Information. Employee further acknowledges and agrees that the nature of the Confidential Information obtained during Employee's employment would make it difficult, if not impossible, for Employee to perform in a similar capacity for a business competitive with the Company or an Affiliate without disclosing or utilizing Confidential Information.

(2) During and following Employee's employment by the Company or an Affiliate, Employee shall hold in confidence and not directly or indirectly disclose except in the course of performance of his duties for the Company or an Affiliate, use, copy or make lists of any Confidential Information, except to the extent necessary to carry out Employee's duties on behalf of the Company or an Affiliate. Employee agrees to give the Company Notice of any and all attempts to compel disclosure of any Confidential Information within one (1) Business Day after Employee is informed that such disclosure is being, or will be, compelled. Such written Notice shall include a description of the Confidential Information to be disclosed, the court, government agency, or other forum through which the disclosure is sought, and the date by which the Confidential Information is to be disclosed, and shall contain a copy of the subpoena, order or other process used to compel disclosure.

(3) This confidentiality covenant shall be in addition to, and shall not waive, limit or restrict in any way, any confidentiality provisions in any other confidentiality agreement or post-employment covenant between the Parties or otherwise.

10. Duty to Return Company Documents and Property. On or before the Employment Termination Date, Employee shall immediately return and deliver to the Company any and all papers, books, records, documents, memoranda and manuals, e-mail, electronic or magnetic recordings or data, including all copies thereof, belonging to the Company or an Affiliate or relating to their businesses, in Employee's possession, whether prepared by Employee or others. If at any time after the Employment Termination Date, Employee determines that Employee has any Trade Secrets or Confidential Information in Employee's possession or under his control, Employee shall immediately return same to the Company, including all copies thereof.

All writings, records, and other documents and things comprising, containing, describing, discussing, explaining, or evidencing any Confidential Information or Trade Secrets, and all equipment, computers, mobile phones, components, manuals, parts, keys, tools, and the like in Employee's custody, possession or under his control that have been obtained by, prepared by, or provided to, Employee by the Company or any Affiliate in the course or scope of Employee's employment with the Company (or any Affiliate) shall be the exclusive property of the Company (or such Affiliate, as applicable), shall not be copied and/or removed from the premises of the Company or any Affiliate, except in pursuit of the business of the Company or an Affiliate, and shall be delivered to the Company or an Affiliate, as applicable, without Employee retaining any copies or electronic versions, within one (1) day following the Employment Termination Date or at any other time requested by the Company.

11. Inventions and Other Works. Any and all writings, computer software, inventions, improvements, processes, procedures and/or techniques which Employee may make, conceive, discover, or develop, either solely or jointly with any other Person, at any time during employment, whether at the request or upon the suggestion of the Company or an Affiliate or otherwise, which relate to or are useful in connection with any business now or hereafter carried on or contemplated by the Company or an Affiliate, including developments or expansions of its present fields of operations, shall be the sole and exclusive property of the Company or an Affiliate, as applicable. Employee agrees to take any and all actions necessary or appropriate so that the Company or the Affiliate can prepare and present applications for copyright or Letters Patent therefor, and secure such copyright or Letters Patent wherever possible, as well as reissue renewals, and extensions thereof, and obtain the record title to such copyright or patents. Employee shall not be entitled to any additional or special compensation or reimbursement regarding any such writings, computer software, inventions, improvements, processes, procedures and techniques.

12. Non-Solicitation Restriction. During employment and for a period of twelve (12) months after the Employment Termination Date, Employee will not, whether for his own account or for the account of any other Person (other than the Company or its Affiliates), intentionally solicit, endeavor to entice away from the Company or its Affiliates, or otherwise interfere with the relationship of the Company or its Affiliates with any Person who is employed by the Company or an Affiliate (including any independent consultants).

13. Tolling. If Employee violates any of the restrictions contained in Sections 10 through 12, then notwithstanding any provision hereof to the contrary, the restrictive period will be suspended and will not run in favor of Employee from the time of the commencement of any such violation, unless and until such time when Employee cures the violation to the reasonable satisfaction of the Board or the Compensation Committee.

14. Reformation. If a court rules that any time period or the geographic area specified in any restrictive covenant in Sections 8 through 12 is unenforceable, then the time period will be reduced by the number of months, or the geographic area will be reduced by the elimination of such unenforceable portion, or both, so that the restrictions may be enforced in the geographic area and for the time to the full extent permitted by law.

15. Release Agreement. As a condition to the receipt of the Severance Payment under Section 4(b), Employee must first execute the Release and return it to the Company. The Release shall be in substantially the same form as attached hereto as Exhibit A (with any changes to such form as the Company may reasonably require, in its discretion, to reflect the circumstances relating to the termination of Employee's employment, any changes in applicable law or other legal authority, or any agreement by the Company not to require a release with respect to one or more particular or potential claims). The Company shall deliver the Release to Employee within five (5) Business Days after the Employment Termination Date. Employee must return the executed Release within the twenty-one (21) or forty-five (45) day, whichever is applicable, period following the date of his receipt of the Release, as applicable and stated in the Release. If the Release delivery and non-revocation period spans two taxable years, the Severance Payment will always commence or be made in the second taxable year. The Company shall also execute the Release, after it has been signed and returned by Employee, within three (3) Business Days after the end of the revocation period specified in the Release. No Severance Payment shall be provided by the Company unless and until the Release has been executed by Employee, has not been revoked, and is no longer subject to revocation by Employee. The Release shall not release any claim or cause of action by or on behalf of Employee for (a) any payment or other benefit that is required under this Agreement prior to the receipt of such benefit by or on behalf of Employee or (b) a breach of this Agreement by the Company.

16. No Additional Severance Payments. Employee acknowledges and agrees that he shall not be a participant in, and he hereby waives any right to participate in, any severance pay plan (as the same may be amended from time to time) that generally covers employees of the Company or an Affiliate such as to preclude duplicative severance pay benefits that are in addition to those provided to Employee under the terms of this Agreement and, in such event, such other severance pay benefits shall not be provided to Employee.

17. No Disparaging Comments. Employee and the Company shall refrain from any criticisms or disparaging comments about the other Party; provided, however, that nothing in this Agreement shall apply to or restrict in any way the communication of information to any governmental law enforcement agency by either Party that is required by compulsion of law or for internal statements in the course of performance of his duties for the Company. A violation or threatened violation of this prohibition may be enjoined by a court of competent jurisdiction. The rights under this provision are in addition to any and all rights and remedies otherwise afforded by law to the Parties.

Employee acknowledges that in executing this Agreement, he has knowingly, voluntarily, and intelligently waived any free speech, free association, free press or First Amendment to the United States Constitution (including, without limitation, any counterpart or similar provision or right under any other state constitution which may be deemed to apply) and rights to disclose, communicate, or publish disparaging information or comments concerning or related to the Company; provided, however, nothing in this Agreement shall be deemed to prevent Employee from testifying fully and truthfully in response to a subpoena from any court or from responding to an investigative inquiry from any governmental agency.

For all purposes of the obligations of Employee under this Section 17, the term “Company” refers to the Company and its Affiliates, and its and their directors, officers, employees, owners, partners and agents.

18. Tax Withholding. The Company or its Affiliate shall withhold from any payments or benefits under this Agreement (whether or not otherwise acknowledged under this Agreement) all federal, state, local, or other taxes that it is required to withhold.
19. Employment Status. Nothing in this Agreement provides Employee with any right to continued employment with the Company or any Affiliate, or shall interfere with the right of the Company or an Affiliate to terminate Employee's employment at any time subject to their obligations under this Agreement.
20. Company's Successor and Assignment. In addition to any obligations imposed by law upon any successor to the Company, this Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise). The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company, as previously defined, and any successor by operation of law or otherwise, and any successor to the business and/or assets of the Company (as provided above) which assumes and agrees to perform this Agreement.
21. Employee's Successor. This Agreement is personal to Employee and shall not be assigned by Employee. Any purported assignment by Employee shall be null and void from the initial date of the purported assignment. If Employee should die after the occurrence of a Qualifying Termination event, but before any payment or other benefit to which Employee is entitled to receive under this Agreement has been fully received by Employee, all payments or other benefits which Employee would have been entitled to receive had he continued to live shall be made or provided in accordance with the terms of this Agreement to Employee's surviving lawful spouse, if any, or if not, to his estate upon receipt by the Company of proper instructions regarding the lawful representative of such estate.
22. Restricted Assignment. Except as expressly provided in Sections 20 and 21, this Agreement, and the rights and obligations of the Parties hereunder, are personal in nature, and neither this Agreement, nor any right, benefit, or obligation of either Party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the prior written consent of the other Party. Any attempted assignment, transfer, or delegation in violation of the preceding sentence shall be void and of no force or effect.
23. Notice. Each Notice or other communication required or permitted under this Agreement shall be in writing and transmitted or delivered by personal delivery, prepaid courier or messenger service (whether overnight or same-day), prepaid telecopy or facsimile, or prepaid certified United States mail (with return receipt requested), addressed (in any case) to the other Party at the address for that Party set forth below that Party's signature on this Agreement, or at such other address as the recipient has designated by Notice to the other Party.

Each Notice or communication so transmitted, delivered, or sent in person, by courier or messenger service, or by certified United States mail, shall be deemed given, received, and effective on the date delivered to or refused by the intended recipient (with the return receipt, or the equivalent record of the courier or messenger, being deemed conclusive evidence of delivery or refusal.) Nevertheless, if the date of delivery is after 5:00 p.m. (local time of the recipient) on a Business Day, the Notice or other communication shall be deemed given, received and effective on the next Business Day.

24. Waiver and Amendment. No term or condition of this Agreement shall be deemed waived other than by a writing signed by the Party against whom or which enforcement of the waiver is sought. Without limiting the generality of the preceding sentence, a Party's failure to insist upon the other Party's strict compliance with any provision of this Agreement or to assert any right that a Party may have under this Agreement shall not be deemed a waiver of that provision or that right. Any written waiver shall operate only as to the specific term or condition waived under the specific circumstances, and shall not constitute a waiver of that term or condition for the future or a waiver of any other term or condition. No amendment, termination or other modification of this Agreement shall be effective unless stated in a writing signed by the Parties.

25. Severability and Reformation. It is the desire of the Parties hereto that this Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held invalid or otherwise unenforceable by a court of competent jurisdiction, the Parties hereby agree that such provision shall be reformed to create a valid and enforceable provision to the maximum extent permitted by law; provided, however, if such provision cannot be reformed, it shall be deemed ineffective and deleted herefrom without affecting any other provision of this Agreement which shall remain fully enforceable. This Agreement should be construed by limiting and reducing it only to the minimum extent necessary to be enforceable under applicable law. Any such determination or reformation shall not be binding on any court or other governmental authority not otherwise bound to follow such conclusions under applicable law.

26. Compliance with Code Section 409A. Any provisions of the Agreement that are subject to Code Section 409A and the regulations and other authority issued thereunder by the appropriate governmental entity (" **Section 409A** ") are intended to comply with all applicable requirements of Section 409A, or an exemption from the application of Section 409A, and shall be interpreted and administered accordingly. Notwithstanding any provision of this Agreement to the contrary, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amount or benefit that constitutes "non-qualified deferred compensation" (within the meaning of Section 409A) upon or following a termination of Employee's employment unless such termination is also a Separation from Service and, for purposes of any such provision, references herein to a "termination," "termination of employment" or like terms shall mean a Separation from Service.

Notwithstanding any provision of this Agreement to the contrary, if any payment or other benefit provided herein would be subject to additional taxes and interest under Section 409A because the timing of such payment is not delayed as required by Section 409A for a Specified Employee, then if Employee is on the applicable date a Specified Employee, any such payment that Employee would otherwise be entitled to receive during the first six months following his Separation from Service shall be accumulated and paid, within ten (10) days after the date that is six months following the Employment Termination Date, or such earlier date upon which such amount can be paid under Section 409A without being subject to such additional taxes and interest such as, for example, upon the Employee's death.

With respect to any amounts or benefits that are subject to Section 409A, this Agreement shall in all respects be administered in accordance with Section 409A. Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A. In no event may Employee, directly or indirectly, designate the calendar year of any payment to be made under this Agreement.

All reimbursements and in-kind benefits provided under this Agreement that constitute deferred compensation within the meaning of Section 409A shall be made or provided in accordance with the requirements of Section 409A. Within the time period permitted by Section 409A, the Company may, in consultation with Employee, modify the Agreement in the least restrictive manner necessary and without any diminution in the value of payments or other benefits to Employee hereunder, in order to avoid the imposition of accelerated tax, additional tax and/or penalties on Employee under Section 409A.

Notwithstanding the foregoing, the Company makes no representations, warranties, or guarantees regarding the tax treatment of this Agreement or the Severance Payment under Section 409A or otherwise, and has advised Employee to obtain his own tax advisor regarding the tax consequences of this Agreement.

27. Cooperation. Employee agrees that he will reasonably cooperate (taking into account his personal and professional schedule) in any litigation, proceeding, investigation or inquiry in which the Company or any of its Affiliates may be or become involved. Employee also agrees to reasonably cooperate with any internal investigation or inquiry conducted by or on behalf of the Company or an Affiliate. Such cooperation shall include Employee making himself reasonably available (taking into account his personal and professional schedule), upon the request of the Company or the Affiliate, or its counsel, for depositions, court appearances and interviews by such counsel. The Company shall reimburse Employee for all reasonable and documented out-of-pocket expenses incurred by him in connection with such cooperation. To the extent permitted by law, Employee agrees that he will notify the Board if he is contacted by any government agency or any other Person contemplating or maintaining any claim or legal action against the Company or its Affiliate or by any agent or attorney of such Person. Nothing contained in this Section 27 shall preclude Employee from providing truthful testimony in response to a valid subpoena, court order, regulatory request or as may be required by law. Payment for expenses to be reimbursed under this Section 27 may not be made after December 31st of the year following the year in which the expense was incurred.

28. No Duties; Waiver of Claims. Except to the extent required by any unwaivable requirement under applicable law, no employee of the Company (and none of its Affiliates) shall have any duties or liabilities, including without limitation any fiduciary duties, to Employee (or any Person claiming by and through Employee) as a result of this Agreement or any Claim arising hereunder. To the full extent permitted under applicable law, Employee irrevocably waives and releases any right or opportunity Employee might have to assert (or participate or cooperate in) any Claim against any employee of the Company and any of its Affiliates arising out of this Agreement. This Agreement does not create, nor shall it be construed as creating, any principal and agent, trust, or other fiduciary duty or special relationship running from the Company to Employee.

29. Limitation of Liability. Employee's sole remedy for any Disputes or Claims arising from this Agreement or any other agreement, Employee's employment or Employee's relationship with the Company or any of its predecessors, successors, Affiliates, assigns, owners, investors, agents, directors, officers, employees, consultants, committees, employee benefit plans and committees, fiduciaries, representatives, insurers, attorneys, and all Persons acting by, through, under or in concert with any of them, shall be against the Company. Employee shall have no claim or right of any nature against any Affiliate or any owner of the Company or against any existing or former director, officer or employee of the Company or any of its Affiliates.

30. No Trust or Funding. The Company (and not any of its Affiliates) will be solely responsible for the payment of the Severance Payment hereunder. This Agreement shall at all times be entirely unfunded and no provision shall at any time be made with respect to segregating assets of the Company for payment of any Severance Payment or other benefit hereunder. This Agreement shall not create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and Employee. Neither Employee nor any other Person shall have any interest in any particular assets of the Company (or any of its Affiliates) by reason of the right to receive any payment or other benefit under this Agreement. To the extent that Employee acquires a right to receive any payment from the Company pursuant to this Agreement, such right shall be no greater than the right of any general unsecured creditor of the Company.

31. Controlling Law. This Agreement shall be governed by and construed under the laws of the State of Texas. Venue of any litigation arising from this Agreement or any Disputes relating to this Agreement or Employee's employment shall be in the United States District Court for the Southern District of Texas, or a state district court of competent jurisdiction in Harris County, Texas. Employee hereby consents and agrees to personal jurisdiction in these courts for any Dispute relating to or arising out of this Agreement or to Employee's employment, and Employee agrees that he shall not challenge personal or subject matter jurisdiction in such courts for whatever reason.

32. Employee Acknowledgment. Employee acknowledges that (a) he is knowledgeable and sophisticated as to business matters, including the subject matter of this Agreement, (b) he has read this Agreement and understands its terms and conditions, (c) he has had ample opportunity to discuss this Agreement with his legal counsel prior to execution, and (d) no strict rules of construction shall apply for or against the drafter or any other Party. Employee represents that he is free to enter into this Agreement including, without limitation, that he is not subject to any restrictive covenant that would conflict with his duties and covenants under this Agreement.

33. Survival of Certain Provisions. Wherever appropriate to the intention of the Parties, the respective rights and obligations of the Parties hereunder shall survive any termination or expiration of this Agreement.

34. Entire Agreement and Amendment. This Agreement constitutes the final and complete expression of agreement among the parties hereto with respect to the subject matter hereof, and fully supersedes any and all prior agreements, understanding or representations between the Company (or any Affiliate) and Employee pertaining to or concerning the subject matter of this Agreement. No oral statements or prior written material not specifically incorporated in this Agreement shall be of any force and effect, and no changes in or additions to this Agreement shall be recognized, unless incorporated in this Agreement by written amendment executed by both Parties, such amendment to become effective on the date stipulated in it. Employee acknowledges and represents that he did not rely, and has not relied, on any communications, promises, statements, inducements, or representations, oral or written, by the Company or any Affiliate in connection with this Agreement. Employee confirms that he has relied solely and exclusively on Employee's own judgment in entering into this Agreement, and he expressly disclaims that he is owed any duty, including the duty of good faith and fair dealing, that is not expressly set forth in this Agreement.

35. Interpretive Matters. In the interpretation of the Agreement, except where the context clearly otherwise requires:

- (a) “ **including** ” or “ **include** ” does not denote or imply any limitation;
- (b) “ **or** ” has the inclusive meaning “and/or”;
- (c) the singular includes the plural, and vice versa, and each gender includes each of the others;
- (d) captions or headings are for reference purposes only, and they are not to be considered in interpreting the Agreement;
- (e) “ **Section** ” refers to a Section of the Agreement, unless otherwise stated in the Agreement;
- (f) “ **month** ” refers to a calendar month; and

(g) a reference to any statute, rule, or regulation includes any amendment thereto or any statute, rule, or regulation enacted or promulgated in replacement thereof, as well as any regulation or other authority issued by the appropriate governmental entity under, or with respect to, a statute.

36. Counterparts. This Agreement may be executed by the Parties in multiple counterparts, whether or not all signatories appear on these counterparts (including via electronic signatures and exchange of PDF documents via email), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF , the Parties have executed and delivered this Agreement as of the Effective Date above first written above.

EMPLOYEE :

Signature: /s/ Nicholas Bobrowski

Name: Nicholas Bobrowski

Date: November 17, 2017

Address for Notices: _____

1001 Fannin

Suite 800

Houston, Tx 77002

COMPANY:

By: /s/ John B. Walker

Its: Executive Chairman

Name: John B. Walker

Date: November 17, 2017

Address for Notices: _____

1001 Fannin

Suite 800

Houston, Tx 77002

[Exhibits A follows.]

EXHIBIT A
TO
EMPLOYMENT AGREEMENT

CONFIDENTIAL RELEASE AGREEMENT

In consideration of the Severance Payment and other consideration described in that certain Employment Agreement dated as of November 17, 2017 (the “**Employment Agreement**”), and as it may be amended thereafter, by and between EV Management, LLC (the “**Company**”) and Nicholas Bobrowski (the “**Employee**”), this Release Agreement (this “**Agreement**”) is made and entered into by the Company and Employee. The Company and Employee may be individually referred to herein as “**Party**” and collectively as the “**Parties**.”

By signing this Agreement, Employee and the Company hereby agree as follows:

1. **Purpose.** Terms used in this Agreement with initial capital letters that are not defined herein are defined in the Employment Agreement between the Parties. The purpose of this Agreement is to provide for the orderly termination of the employment relationship between the Parties, and to voluntarily resolve any actual or potential disputes or claims that Employee has or might have, as of the date of Employee’s execution of this Agreement, against the Company and all of its owners, parents, predecessors, successors, divisions, subsidiaries and Affiliates, and its and their present and former agents, employees, managers, officers, directors, attorneys, owners, plan fiduciaries, assigns, representatives, Employees, consultants, and all other Persons acting by, through, or in concert with any of them (individually and collectively, the “**Released Parties**”). Neither the fact that this Agreement has been proposed or executed, nor the terms of this Agreement, are intended to suggest, or should be construed as suggesting, that the Released Parties have acted unlawfully or violated any federal, state or local law or regulation, or any other duty, policy or contract.
2. **Termination of Employment.** Effective _____ (the “**Termination Date**”), Employee’s employment with the Company and all of its Affiliates has terminated.
3. **Termination Benefits** . In consideration for Employee’s execution of, and required performance under, this Agreement, the Company shall provide Employee with the Severance Payment (as such term is defined in Section 5(b) of the Employment Agreement). Employee confirms and agrees that he would not otherwise have received, or been entitled to receive, the Severance Payment or benefits other than those that are required to be provided under the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) or such other laws that cannot be waived. All payments hereunder shall be net of withholding for applicable federal, state and local taxes to the extent required by law.
4. **Waiver of Additional Compensation or Benefits** . The Severance Payment to be paid to Employee constitute the entire amount of compensation and consideration due to Employee under this Agreement, and Employee acknowledges that he has no right to seek, and will not seek, any additional or different compensation or consideration for executing or performing under this Agreement.

5. **Neutral Employment Reference.** The Company shall provide a neutral employment reference to any potential employers that consider the employment of Employee or seek information concerning the reasons for the departure of Employee. The Company will provide to any such potential employers the identity of the positions held by Employee and the dates of Employee's employment with the Company.
6. **Tax Consequences.** The Company has made no representations to Employee regarding the tax consequences of any benefits received, or to be received, by Employee under the Employment Agreement.
7. **Certain Continuing Obligations.** Employee acknowledges and agrees that the post-termination restrictive covenants and obligations that apply to Employee as set forth in the Employment Agreement shall survive termination of the employment relationship and the execution of this Agreement, and Employee shall continue to fully honor his post-employment obligations.
8. **Employee Representations.** Employee expressly agrees to and acknowledges, confirms and represents to the following, and intends for the Company to rely upon the following in entering this Agreement:
 - (1) The term "**Released Parties**" means the Company and all of its Affiliates, and its and their present and former employees, managers, officers, directors, owners, partners, agents, attorneys, owners, plan fiduciaries, representatives, and successors and assigns, all other Persons acting by, through or in concert with any of them (collectively, the "**Released Parties**").
 - (2) Employee has not filed any complaints, charges, claims or actions against the Company or any of the other Released Parties with any court, agency, or commission regarding any of the matters related to this Agreement or to his employment or separation from service with the Company. By executing this Agreement, Employee hereby waives the right to recover in any proceeding Employee may bring before the federal Equal Employment Opportunity Commission ("**EEOC**") or any state human rights commission, or in any proceeding brought by the EEOC or any state human rights commission on Employee's behalf, against the Company or any of the other Released Parties.
 - (3) Employee, by entering into this Agreement, is releasing the Released Parties from any and all claims that Employee may have against them under federal, state, or local laws, which have arisen on or before the Release Effective Date (as defined on the signature page of this Agreement).
 - (4) Employee, by entering into this Agreement, is waiving all claims that Employee may have against the Released Parties under the federal Age Discrimination in Employment Act of 1967, as amended (*i.e.*, 29 USC § 621 et seq.), which have arisen on or before the Release Effective Date.

(5) Employee has reviewed all aspects of this Agreement, and has carefully read and fully understands this Agreement.

(6) Employee has been hereby advised to consult with an attorney of his choice before signing this Agreement.

(7) Employee is knowingly and voluntarily entering into this Agreement, and has relied solely and completely upon his own judgment and, if applicable, the advice of his attorney before entering into this Agreement.

(8) Employee is not relying upon any representations, promises, predictions, projections, or statements made by or on behalf of the Company or any of the other Released Parties, other than those that are specifically stated in this Agreement.

(9) Employee represents and acknowledges that in executing this Release, he does not rely, and has not relied, on any prior oral or written communications, promises, agreements, statements, inducements, understandings, or representations by the Company or any of the Released Parties, except as expressly contained in this Agreement. Further, Employee expressly disclaims any reliance on any prior oral or written communications, promises, agreements, statements, inducements, understandings, or representations in entering into this Agreement and, therefore, Employee understands and agrees that he is precluded from bringing any fraud or similar claim against the Company or any of the other Released Parties associated with any such communications, promises, agreements, statements, inducements, understandings, or representations, and he is hereby entering into this Agreement based on his own independent judgment.

(10) Employee acknowledges that this Agreement shall be binding on Employee, and on his spouse, heirs, administrators, representatives, executors, beneficiaries, successors and assigns.

(11) Employee agrees that this Agreement shall, in all cases, be construed as a whole, according to its fair meaning, and not strictly for or against, either of the Parties.

(12) Employee does not waive any right or claim that initially arose for the first time after the Release Effective Date.

(13) Employee will receive payment of consideration under this Agreement that is beyond what Employee was entitled to receive before entering into this Agreement.

(14) Employee understands and agrees that this Agreement shall not in any way be construed as an admission by the Released Parties of any unlawful or wrongful acts whatsoever against Employee or any other Person; and the Released Parties specifically disclaim any liability to, or wrongful acts against, Employee or any other Person.

9. **Release** . Employee, on behalf of himself and his spouse, heirs, administrators, representatives, executors, beneficiaries, successors and assigns (individually and collectively, the “ **Releasing Parties** ”), hereby fully, unconditionally and forever releases, acquits and discharges the Released Parties, jointly and severally, from and against any and all claims, demands, actions, lawsuits, grievances, liabilities, and obligations of any nature whatsoever that the Releasing Parties had, have or may ever have against the Released Parties, or that might be assigned by the Releasing Parties, whether known or unknown, fixed or contingent, as of the Release Effective Date. Employee acknowledges, understands and agrees that this Agreement specifically includes, without limitation, (a) law or equity claims; (b) contract (express or implied) or tort claims; (c) claims arising under any federal, state or local laws of any jurisdiction that prohibit age, sex, race, national origin, color, disability, religion, veteran, military status, sexual orientation or any other form of discrimination, harassment, hostile work environment or retaliation (including, without limitation, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments Act of 2008, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Civil Rights Acts of 1866 and/or 1871, 42 U.S.C. Section 1981, the Rehabilitation Act, the Family and Medical Leave Act, the Sarbanes-Oxley Act, the Employee Polygraph Protection Act, the Worker Adjustment and Retraining Notification Act, the Equal Pay Act of 1963, the Lilly Ledbetter Fair Pay Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Genetic Information and Nondiscrimination Act of 2008, the Texas Commission on Human Rights Act, the Texas Labor Code, Section 1558 of the Patient Protection and Affordable Care Act of 2010, the Consolidated Omnibus Budget Reconciliation Act of 1985, and any other federal, state or local laws of any jurisdiction); (d) claims under any other federal, state, local, municipal or common law whistleblower protection, discrimination, wrongful discharge, anti-harassment or anti-retaliation statute or ordinance; (e) claims arising under ERISA; or (f) any other statutory or common law claims related to Employee’s employment or separation from employment with the Company or its Affiliate. Employee further represents that, as of the Release Effective Date, he has not been the victim of any illegal or wrongful acts by any of the Released Parties, including, without limitation, discrimination, retaliation, harassment or any other wrongful act based on sex, age, race, religion, or any other legally protected characteristic.

The release contained in this Section 9 does not include the following: (a) a claim for which the facts giving rise to such claim first occurred after the Release Effective Date; (b) any eligibility to receive continuation of health care coverage to the extent required under COBRA; (c) any vested benefit under any employee benefit plan to the extent required by ERISA and the terms of the plan; (d) any claim for worker’s compensation benefits that is currently pending as of the Release Effective Date; (e) any right of Employee to be indemnified by D&O, or the Company or an Affiliate in his capacity as a director, officer or employee of the Company or any Affiliate during his employment period through the Termination Date, or as an insured under any applicable liability policy; (f) any claim challenging the validity of this release under the Older Workers Benefit Protection Act; and (g) any claim or cause of action by or on behalf of Employee (or his beneficiary) for (i) any payment or other benefit that is required under the terms of the Employment Agreement, prior to the receipt thereof, or (ii) any breach of the Employment Agreement by the Company.

10. **Time to Consider Offer of Termination Benefits** . Employee shall have, and by signing this Agreement Employee acknowledges and represents that he has been given, a time period of at least [*insert twenty-one (21) or forty-five (45) as appropriate*] days to consider whether to elect to sign this Agreement, and to thereby waive and release the rights and claims addressed in this Agreement. Although Employee may sign this Agreement prior to the end of the applicable time period (as specified above), Employee may not sign this Agreement on or before the Termination Date. In addition, if Employee signs this Agreement prior to the end of the applicable time period, Employee shall be deemed, by doing so, to have certified and agreed that the decision to make such election prior to the expiration of the applicable time period is knowing and voluntary and was not induced by the Company through: (a) fraud, misrepresentation, or a threat to withdraw or alter the offer prior to the end of the applicable time period; or (b) an offer to provide different terms or benefits in exchange for signing the Agreement prior to the expiration of applicable time period.
11. **Seven Day Revocation Period** . Employee may revoke this Agreement at any time within seven (7) days after he signs it. To revoke the Agreement, Employee must deliver written Notice of such revocation to the attention of the Chief Executive Officer, or other person with known authority to receive the revocation, within seven (7) days after the date that he signs this Agreement. Employee further understands that if he does not revoke the Agreement within seven (7) days following its execution (excluding the date of execution), it will become effective, binding, and enforceable as of the Release Effective Date.
12. **Agreement Not to Sue** . Except as required by law that cannot be waived, Employee agrees that he will not commence, maintain, initiate, or prosecute, or cause, encourage, assist, volunteer, advise or cooperate with any other Person to commence, maintain, initiate or prosecute, any action, lawsuit, proceeding, charge, petition, complaint or claim before any court, agency or tribunal against the Company or any other Released Party arising from, concerned with, or otherwise relating to, in whole or in part, Employee's employment or separation from employment with the Company or an Affiliate, or any of the other matters discharged and released in this Agreement. Employee further understands and agrees that if he, or someone acting on his behalf, should file, or cause to be filed, any such claim, charge, complaint, or action against the Company and/or any other Released Party, Employee expressly waives any and all rights to recover any damages or other relief from the Company and/or other Released Party including, without limitation, costs and attorneys' fees. Employee further represents and warrants that he has not filed or lodged, and has no outstanding claims, including, without limitation, any lawsuits, charges of discrimination, or administrative proceedings, against the Company or any of the Released Parties regarding matters that have been released pursuant to this Agreement.

13. **Participation in Investigations** . Notwithstanding any other provision of the Agreement to the contrary, the Agreement is not intended to interfere or prevent Employee from filing a charge or claim with any governmental agency charged with investigating employment claims, including, but not limited to, the EEOC, or, from participating in, cooperating with, or providing truthful evidence in connection with an investigation being conducted by a governmental agency responsible for investigating employment claims; provided, however, Employee hereby agrees that such filing or participation does not give Employee the right to recover any damages or equitable relief (including, but not limited to, reinstatement, back pay, front pay, damages, and attorneys' fees) against the Company or any of the other Released Parties based on his release of claims in this Agreement. By executing this Agreement, Employee also hereby waives the right to recover monetary damages in any proceeding he may bring before the EEOC or any state or local human rights commission or in any proceeding brought by the EEOC or any state or local human rights commission (or any other agency) on Employee's behalf.
14. **Cooperation** . After Employee's termination of employment, he agrees to cooperate with the Company on the terms and conditions as set out in the Employment Agreement.
15. **Severability** . Should any provision of this Agreement be declared or be determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, all remaining provisions of this Agreement shall otherwise remain in full force and effect and be construed as if such illegal, invalid, or unenforceable provision has not been included herein.
16. **Relief** . It is further understood and agreed that if a violation of any term of this Agreement is asserted, the Party who asserts such violation shall have the right to seek specific performance of that term and/or any other necessary and proper relief as permitted by law or equity, including but not limited to, damages from any court of competent jurisdiction, and the prevailing Party shall be entitled to recover its reasonable costs and attorney's fees. Nothing in this Agreement will be construed to prevent Employee from challenging the validity of this Agreement under the Age Discrimination in Employment Act or Older Workers' Benefit Protection Act. Employee further understands and agrees that if he, or someone acting on his behalf, files, or causes to be filed, any such claim, charge, complaint, or action against the Company, any Affiliate, or other Released Parties, Employee expressly fully waives and relinquishes any right to recover any damages or other relief, whatsoever, from the Company, its Affiliates, and/or other Persons, including costs and attorneys' fees.
17. **Binding Effect** . This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective heirs, executors, beneficiaries, personal representatives, successors and permitted assigns hereunder, but otherwise this Agreement shall not be for the benefit of any third parties.

18. **Entire Agreement** . This Agreement sets forth the entire agreement of the Parties and fully supersedes and replaces any and all prior agreements, promises, representations, or understandings, written or oral, between the Company (and any other Released Party) and Employee that relates to the subject matter of this Agreement. This Agreement may be amended or modified only by a written instrument identified as an amendment hereto that is executed by both Parties. Employee acknowledges that in executing this Agreement, Employee does not rely, and has not relied, upon any oral or written representation, promise or inducement by the Company and/or any of the other Released Parties, except as expressly contained in this Agreement.
19. **Choice of Law and Forum.** THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS, EXCEPT TO THE EXTENT PREEMPTED BY CONTROLLING FEDERAL LAW, BUT WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS THAT MIGHT DIRECT THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION. ANY ACTION TO ENFORCE THE PROVISIONS OF THIS AGREEMENT, OR ANY DISPUTE RELATING TO THIS AGREEMENT, MUST BE BROUGHT IN ANY FEDERAL OR STATE COURT OF COMPETENT JURISDICTION IN HARRIS COUNTY, TEXAS, AND THE PARTIES HEREBY WAIVE ANY OBJECTION TO SUCH EXCLUSIVE VENUE INCLUDING, WITHOUT LIMITATION, THAT IT IS INCONVENIENT. For all purposes of this agreement, the term "Dispute" means any dispute, disagreement, controversy, claim, or cause of action arising in connection with or relating to this Agreement, the Employment Agreement, or to Employee's employment or termination of employment with the Company or any Affiliate.
20. **Waiver of Jury Trial.** THE PARTIES HERETO WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES TO IRREVOCABLY WAIVE TRIAL BY JURY, AND THAT ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.
21. **Waiver** . A Party's waiver of any breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any later breach of the same or any other provision hereof by such Party.

22. **Assignment** . The Agreement may be assigned by the Company to its successor in interest, in which case the rights and obligations of the Company under the Agreement shall inure to the benefit of and shall be binding upon its successor in interest which shall then be the “Company” Party as referenced herein. Except as provided in the Agreement, Employee may not assign the Agreement, or any of his rights or obligations under the Agreement, without the written consent of the Company. Any attempted assignment by Employee in violation of the Agreement shall be null and void.
23. **Amendment** . The Agreement may be amended or modified only by a written instrument identified as an amendment hereto that is executed by both Parties.
24. **Survival of Certain Provisions** . Wherever appropriate to the intention of the Parties, the respective rights and obligations of the Parties hereunder shall survive any termination or expiration of this Agreement.

[Intentionally blank]

PLEASE READ CAREFULLY BEFORE SIGNING

- Employee acknowledges that he has carefully read and understands the terms of this Agreement and his obligations hereunder.
- Employee acknowledges that he has been advised to review this Agreement with an attorney of his choosing.
- Employee acknowledges that he has been given at least [*insert twenty-one (21) or forty-five (45) as appropriate*] days to consider whether to sign this Agreement. Employee acknowledges that if he signs this Agreement before the end of such period, it will be his personal and voluntary decision to do so.
- Employee understands that this Agreement will not become effective or enforceable until after the 7-day revocation period has expired. The Company will have no obligations to Employee under this Agreement or the Employment Agreement if Employee revokes the Agreement during such 7-day period.
- This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same instrument.

I ACKNOWLEDGE THAT (1) I HAVE CAREFULLY READ THE FOREGOING AGREEMENT, (2) I UNDERSTAND ALL OF ITS TERMS AND CONDITIONS, (3) I AM RELEASING CLAIMS, AND (4) I AM VOLUNTARILY ENTERING INTO THIS AGREEMENT.

[*Signature page follows.*]

[21407.45]

Please review this document carefully as it includes a release of claims.

IN WITNESS WHEREOF, Employee has entered into this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf by its duly authorized officer, to be effective as of the date this Agreement is executed by Employee as set forth beneath Employee's signature below (the "**Release Effective Date** ").

This document was presented to Employee on _____, 20__.

COMPANY

Address for Notice:

By: _____

Printed Name: _____

Title: _____

Date: _____

Note: *Employee may not sign this Agreement on or before his Termination Date.*

EMPLOYEE

WITNESS

Employee's Signature

Witness' Signature

Printed Name: _____

Printed Name: _____

Date: _____

Title: _____

Date: _____

Address for Notice:

[Signature page ends.]

EV MANAGEMENT, LLC

2017-2018 KEY EMPLOYEE INCENTIVE PLAN

1. Purpose. This EV Management, LLC (the “*Company*”) 2017-2018 Key Employee Incentive Plan (the “*Plan*”) is designed to align the interests of the Company and eligible key employees of the Company and its Affiliates.
 2. Adoption of the Plan. The Company, intending to be legally bound, hereby adopts the Plan effective as of November 17, 2017 (the “*Effective Date*”). The Plan shall be in effect from the Effective Date and shall continue until September 30, 2018, unless earlier terminated by the Company in accordance with Section 8(e) (the “*Term*”). The expiration or termination of the Term shall not in any event reduce or adversely affect any amounts due to any Participant hereunder for any Performance Period (as defined herein) ending on or before such date.
 3. General. The compensation provided under the Plan is intended to be in addition to all other compensation payable to Participants under any employment agreement or incentive plan or program in effect with the Company or its direct or indirect Affiliates.
 4. Definitions. For purposes of this Plan:
 - (a) “*Affiliates*” means EV Energy Partners, L.P., or any entity, in whatever form, of which the Company or EV Energy Partners, L.P., has ownership or management control, as determined by the Committee (as defined herein).
 - (b) “*Board*” means the Company’s Board of Directors.
 - (c) “*Cause*” means Participant (i) has been convicted of, or pleaded no contest to, a misdemeanor involving moral turpitude, or a felony, (ii) engaged in misconduct which is materially injurious to the Company or its Affiliates (including, without limitation, misuse of any funds or other property), (iii) engaged in gross negligence or willful misconduct in the performance of Participant’s duties for the Company, (iv) willfully refused, without proper legal reason, to perform Participant’s duties for the Company, (v) materially breached of Participant’s duties and responsibilities, which is not remedied promptly after the Company gives Participant written notice specifying such breach, (vi) committed, or engaged in, any act of fraud, embezzlement, theft, a material breach of trust, or any material act of dishonesty, in each case, involving the Company or its Affiliates, or (iv) committed, or engaged in, any significant violation of the code of conduct of the Company or its Affiliates, or of any statutory or common law duty of loyalty to the Company or its Affiliates. For purposes of this definition, no act or failure to act will be deemed “willful,” unless effected by the Participant not in good faith and without a reasonable belief that his action or failure to act was in or not opposed to the best interests of the Company or any of its Affiliates.
 - (d) “*Committee*” means the Compensation Committee of the Board.
 - (e) “*Company Group*” means the Company and its direct and indirect Affiliates.
-

(f) “**Disability**” means Participant’s inability, due to physical or mental incapacity, to perform the essential functions of Participant’s job, for two hundred seventy (270) consecutive days.

(g) “**Good Reason**” means any of the following, in each case, without Participant’s consent and as compared to what was in effect as of the Effective Date: (i) a material breach by the Company of any material provision of any material written agreement between Participant and the Company, (ii) any material reduction in Participant’s base salary or target annual bonus amount, (iii) any material diminution in Participant’s authority, duties, or responsibilities, or (iv) a material and involuntary change in geographic location from the Company’s offices at which Participant is principally employed to a location more than fifty (50) miles from such offices immediately prior to the relocation (except for required travel on the Company’s business to an extent substantially consistent with Participant’s business travel obligations). Notwithstanding the foregoing, the occurrence of an event that would otherwise constitute Good Reason will cease to be an event constituting Good Reason upon any of the following: (x) Participant’s failure to provide written notice to the Company within thirty (30) days of the date the Participant has actual knowledge of the facts or circumstances giving rise thereto, (y) substantial correction of such occurrence by the Company within thirty (30) days following receipt of Participant’s written notice described in (x), or (z) Participant’s failure to actually terminate employment within the ten (10) day period following the expiration of the Company’s thirty (30) day cure period.

(h) “**First Performance Period**” means the period commencing October 1, 2017 and ending December 31, 2017.

(i) “**Fourth Performance Period**” means the period commencing July 1, 2018 and ending September 30, 2018.

(j) “**Participant**” shall have the meaning ascribed thereto in Section 5 hereof.

(k) “**Participation Agreement**” means the agreement between the Company and a Participant granting Participant the opportunity to earn a Quarterly Performance Incentive under this Plan and in the form attached hereto as Exhibit B.

(l) “**Performance Goals**” means the Performance Metrics (as defined below) for each Performance Period as set forth on Exhibit A as follows: the (i) Quarterly Threshold Performance Goals, (ii) Quarterly Target Performance Goals, and (iii) Quarterly Maximum Performance Goals, collectively, the “**Quarterly Performance Goals**”; and for the purposes of catch-up payments described in Section 6(b): the (i) Cumulative Threshold Performance Goals; (ii) Cumulative Target Performance Goals; and (iii) Cumulative Maximum Performance Goals, collectively, the “**Cumulative Performance Goals**” of applicable Performance Metrics.

(m) “**Performance Metric**” means the specific performance criteria used in determining Performance Goals for the Performance Period as set forth in Exhibit A; provided that each Performance Metric shall be adjusted on a pro forma basis to take into account any acquisitions or dispositions consummated during the Performance Period. The Performance Metric shall be adjusted on a pro forma basis to exclude costs and benefits associated with the Company’s restructuring.

(n) “**Performance Period**” means each successive calendar quarter commencing during the Term.

(o) “**Qualifying Termination**” means the termination of Participant’s employment (i) by the Company for a reason other than Cause, (ii) by Participant for Good Reason, or (iii) due to Participant’s death or Disability.

(p) “**Quarterly Performance Incentive**” shall mean, in the case of any Participant, the incentive payable to such Participant under the Plan for the applicable Performance Period.

(q) “**Second Performance Period**” means the period commencing January 1, 2018 and ending March 31, 2018.

(r) “**Section 409A**” means Section 409A of the Internal Revenue Code of 1986, as amended.

(s) “**Third Performance Period**” means the period commencing April 1, 2018 and ending June 30, 2018.

5. Eligible Participants. Each person designated by the Committee from time to time shall be a Participant under the Plan and eligible to receive a Quarterly Performance Incentive with respect to each Performance Period.

6. Term of Participation.

(a) Subject to the provisions of this Plan and any Participation Agreement granted hereunder, each Participant shall earn a Quarterly Performance Incentive as of the end of each Performance Period, depending upon the extent to which the Performance Goals set forth in Exhibit A have been achieved for such Performance Period.

(b) In addition to being measured on a quarterly basis, each Performance Metric shall be measured cumulatively as of the end of each of the Second Performance Period, Third Performance Period, and Fourth Performance Period. A “catch-up” payment will be made to the extent the Company equals or exceeds the Cumulative Performance Goals/Metrics for the applicable Performance Period as follows:

(i) Second Performance Period Catch-Up: A Participant shall earn an amount equal to the excess, if any, of (i) the aggregate Quarterly Performance Incentive payable based on achievement, as applicable, of the Cumulative Performance Goals as of the end of the Second Performance Period over (ii) the sum of the Quarterly Performance Incentives actually paid for the First and Second Performance Periods. The Second Performance Period Catch-Up, if any, shall be payable in addition to any Quarterly Performance Incentive earned for the Second Performance Period pursuant to Section 6(a) above.

(ii) Third Performance Period Catch-Up: A Participant shall earn an amount equal to the excess, if any, of (i) the aggregate Quarterly Performance Incentive payable based on achievement, as applicable, of the Cumulative Performance Goals as of the end of the Third Performance Period over (ii) the sum of the Quarterly Performance Incentives actually paid for the First, Second, and Third Performance Periods. The Third Performance Period Catch-Up, if any, shall be payable in addition to any Quarterly Performance Incentive earned for the Third Performance Period pursuant to Section 6(a) above.

(iii) Fourth Performance Period Catch-Up: A Participant shall earn an amount equal to the excess, if any, of (i) the aggregate Quarterly Performance Incentive payable based on achievement, as applicable, of the Cumulative Performance Goals as of the end of the Fourth Performance Period over (ii) the sum of the Quarterly Performance Incentives actually paid for the First, Second, Third, and Fourth Performance Periods. The Fourth Performance Period Catch-Up, if any, shall be payable in addition to any Quarterly Performance Incentive earned for the Fourth Performance Period pursuant to Section 6(a) above.

(c) Participant shall not be eligible to earn a Quarterly Performance Incentive with respect to any calendar quarter that commences following the end of the Term.

(d) Exhibit A sets forth for each Performance Period, as applicable: (i) the Quarterly Threshold Performance Goals, Quarterly Target Performance Goals, and Quarterly Maximum Performance Goals; and (ii) the Cumulative Threshold Performance Goals, Cumulative Target Performance Goals, and Cumulative Maximum Performance Goals. Exhibit A also sets forth the payout schedule setting forth the Quarterly Performance Incentive amount potentially payable upon the achievement of the applicable Performance Goals. The payout schedule for a Quarterly Performance Incentive for a Participant shall be based on Participant's individual target payment amount that has been approved by the Committee and the level of achievement of the applicable Performance Metrics. Participant's individual target payment shall be set forth in such Participant's Participation Agreement. Achievement of the Performance Goals shall be calculated on the basis of straight-line interpolation between the normal and cumulative Quarterly Threshold Performance Goals, Quarterly Target Performance Goals, and Quarterly Maximum Performance Goals for each Performance Metric underlying the Performance Goal. Except as otherwise may be provided by the Committee, in its sole discretion, no Quarterly Performance Incentive shall be payable for a Performance Metric unless the Quarterly Threshold Performance Goals for such Performance Metric are achieved.

(e) Except as set forth in this Section 6(e), in order to earn a Quarterly Performance Incentive for any Performance Period, a Participant must remain employed by the Company Group through the date on which the Quarterly Performance Incentive for the applicable Performance Period is paid. Except as set forth in this Section 6(e), a Participant whose employment with the Company Group terminates for any reason prior to the date on which the Quarterly Performance Incentive for the applicable Performance Period is paid shall forfeit the right to any Quarterly Performance Incentive for that Performance Period. Notwithstanding the foregoing, in the event of Participant's Qualifying Termination during a Performance Period, Participant shall be entitled to a pro rata portion (based on the percentage of the Performance Period Participant was engaged by the Company Group) of the Quarterly Performance Incentive that would otherwise have been earned for such Performance Period.

7. Performance Certification. Promptly after the end of each Performance Period and as soon as quarterly financials are estimable, the Committee shall certify the degree to which the applicable Performance Goals have been achieved and the amount of Quarterly Payment Incentive payable to each Participant hereunder. Any Quarterly Performance Incentive required to be made under this Plan shall be paid on a fully-vested basis by the Company as soon as possible after the end of the applicable Performance Period, but in any event not less than forty-five (45) days after the end of the Performance Period.

8. Plan Administration. This Plan shall be administered by the Committee. The Committee is given full authority and discretion within the limits of this Plan to establish such administrative measures as may be necessary to administer and attain the objectives of this Plan and may delegate the authority to administer the Plan to an officer of the Company. The Committee (or its delegate, as applicable) shall have full power and authority to construe and interpret this Plan, and any interpretation by the Committee shall be binding on all Participants and shall be accorded the maximum deference permitted by law.

(a) All rights and interests of Participants under this Plan shall be non-assignable, and nontransferable, and otherwise not subject to pledge or encumbrance, whether voluntary or involuntary, other than by will or by the laws of descent and distribution. In the event of any sale, transfer, or other disposition of all or substantially all of the Company's assets or business, whether by merger, stock sale, consolidation, or otherwise, the Company may assign this Plan.

(b) Any payment to a Participant in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Company Group related to this Plan, and the Company may require Participant, as a condition precedent to such payment, to execute a receipt and release to such effect.

(c) Payment of amounts due under the Plan shall be provided to Participant in the same manner as Participant receives his or her regular paycheck or by mail at the last known address of Participant in the possession of the Company, at the discretion of Committee. The Company may deduct all applicable taxes and any other withholdings required to be withheld with respect to the payment of any award pursuant to this Plan.

(d) The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to ensure the payment of any award provided for hereunder. Quarterly Performance Incentive payments shall not be considered as extraordinary, special incentive compensation, and it will not be included as "earnings," "wages," "salary," or "compensation" in any pension, welfare, life insurance, or other employee benefit plan or arrangement of the Company Group.

(e) The Company, in its sole discretion, shall have the right to modify, supplement, suspend, or terminate this Plan at any time; provided that, except as required by law, in no event shall any amendment or termination adversely affect the rights of Participants regarding any Quarterly Performance Incentive for a Performance Period that has commenced as of the date of such action without the prior written consent of the affected Participants. Subject to the foregoing, the Plan shall terminate upon the satisfaction of all obligations of the Company or its successor entities hereunder.

(f) Nothing contained in this Plan shall in any way affect the right and power of the Company to discharge any Participant or otherwise terminate his or her employment at any time or for any reason or to change the terms of his or her employment in any manner.

(g) Except as otherwise provided under this Plan, any expense incurred in administering this Plan shall be borne by the Company.

(h) Captions preceding the sections hereof are inserted solely as a matter of convenience and in no way define or limit the scope or intent of any provision hereof.

(i) The administration of the Plan shall be governed by the laws of Texas, without regard to the conflict of law principles of any state. Any persons or corporations who now are or shall subsequently become parties to the Plan shall be deemed to consent to this provision.

(j) The Plan is intended to either comply with, or be exempt from, the requirements of Section 409A. To the extent that the Plan is not exempt from the requirements of Code Section 409A, the Plan is intended to comply with the requirements of Code Section 409A and shall be limited, construed, and interpreted in accordance with such intent. Notwithstanding the foregoing, in no event whatsoever shall the Company be liable for any additional tax, interest, income inclusion, or other penalty that may be imposed on a Participant by Code Section 409A or for damages for failing to comply with Code Section 409A.

* * * * *

IN WITNESS WHEREOF, EV Management, LLC has caused the Plan to be signed by its duly authorized officer as of the date first set forth above.

EV MANAGEMENT, LLC

By: /s/ John B. Walker

Name: John B. Walker

Its: Executive Chairman

Exhibit A

Performance Metrics and Goals

Payable if Quarterly Threshold Performance Metric Achieved:	50% of Applicable Portion of Target Quarterly Performance Incentive
Payable if Quarterly Target Performance Metric Achieved:	100% of Applicable Portion of Target Quarterly Performance Incentive
Payable if Cumulative Maximum Performance Metric Achieved:	150% of Applicable Portion of Target Quarterly Performance Incentive
Payable if Cumulative Quarterly Threshold Performance Metric Achieved:	50% of Aggregate Applicable Portion of Target Quarterly Performance Incentive Through the Applicable Performance Period
Payable if Cumulative Quarterly Target Performance Metric Achieved:	100% of Aggregate Applicable Portion of Target Quarterly Performance Incentive Through the Applicable Performance Period
Payable if Cumulative Quarterly Maximum Performance Metric Achieved:	150% of Applicable Portion of Aggregate Target Quarterly Performance Incentive Through the Applicable Performance Period

Portion of Applicable Portion Payable if Achievement is Between Quarterly and/or Cumulative Threshold and Maximum Performance Metric: Calculated on the basis of straight-line interpolation

(i) **Performance Metric:** **Production (mmcfe/day)**

Applicable Portion of Target Quarterly Performance Incentive: **33.33%**

Performance Period	First Performance Period	Second Performance Period	Third Performance Period	Fourth Performance Period
Quarterly Threshold Performance Goal	165.0	162.5	162.5	162.5
Quarterly Target Performance Goal	173.7	171.0	171.0	171.0
Quarterly Maximum Performance Goal	182.4	179.6	179.6	179.6
Cumulative Threshold Performance Goal	N/A	163.7	163.3	163.1
Cumulative Target Performance Goal	N/A	172.4	171.9	171.7
Cumulative Maximum Performance Goal	N/A	181.0	180.5	180.3

(ii) **Performance Metric:** Lease Operating Expense (\$mm)

Applicable Portion of Target Quarterly Performance Incentive : 33.33%

Performance Period	First Performance Period	Second Performance Period	Third Performance Period	Fourth Performance Period
Quarterly Threshold Performance Goal	27.9	27.9	27.9	27.9
Quarterly Target Performance Goal	26.6	26.6	26.6	26.6
Quarterly Maximum Performance Goal	25.3	25.3	25.3	25.3
Cumulative Threshold Performance Goal	N/A	55.8	83.7	111.6
Cumulative Target Performance Goal	N/A	53.2	79.8	106.4
Cumulative Maximum Performance Goal	N/A	50.6	75.9	101.2

(iii) **Performance Metric:** Adjusted EBITDAX (\$mm)

Applicable Portion of Target Quarterly Performance Incentive : 33.34%

Performance Period	First Performance Period	Second Performance Period	Third Performance Period	Fourth Performance Period
Quarterly Threshold Performance Goal	17.7	20.2	17.3	17.8
Quarterly Target Performance Goal	20.8	23.8	20.4	20.9
Quarterly Maximum Performance Goal	23.9	27.4	23.5	24.0
Cumulative Threshold Performance Goal	N/A	37.9	55.2	73.0
Cumulative Target Performance Goal	N/A	44.6	65.0	85.9
Cumulative Maximum Performance Goal	N/A	51.3	74.8	98.8

Definitions :

For purposes herein:

- a. Adjusted “*EBITDAX*” is a non-GAAP financial measure as defined in EV Energy Partners, L.P.’s quarterly earnings releases and determined in a manner consistent with past reporting practices to the Board, excluding fees and expenses related to or incurred on account of analyzing, structuring, negotiating, or effecting the restructuring of the Company’s liabilities (including, without limitation, fees and expenses of legal and financial advisors).
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- b. “ **Lease Operating Expense** ” means lease operating expenses as presented in, or calculated in the same manner as presented in, the EV Energy Partners, L.P. quarterly unaudited and annual audited financial statements prepared in accordance with generally accepted accounting principles, plus or minus any non-cash inventory adjustments contained therein.
 - c. “ **mmcf** ” means one million cubic feet of natural gas equivalent, determined using the ratio of six thousand (6,000) cubic feet of natural gas to one barrel of crude oil, condensate, or natural gas liquids.
 - d. “ **Production** ” means the production of oil, natural gas, and natural gas liquids as presented in, or calculated in the same manner as presented in, the EV Energy Partners, L.P. quarterly unaudited and annual audited financial statements prepared in accordance with generally accepted accounting principles.
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EXHIBIT B

TO: _____

FROM: _____

DATE: _____, 2017

RE: Participation Agreement under the EV Management, LLC 2017-2018 Key Employee Incentive Plan

We are pleased to advise you that you will be eligible to receive Quarterly Performance Incentive payments for the Performance Periods pursuant to the EV Management, LLC (the “**Company**”) 2017-2018 Key Employee Incentive Plan (the “**KEIP**”). Terms used herein with initial capital letters have the meanings set forth in the KEIP, and this letter and the respective rights and obligations of you and the Company shall be, in all respects, subject to the terms and conditions of the KEIP. A copy of the KEIP is attached for your reference.

1. Performance Period. This Participation Agreement relates to the Performance Period beginning October 1, 2017 through December 31, 2017 and continuing for successive quarters pursuant to the terms of the KEIP.
2. Total Threshold Amount; Total Target Amount; Total Maximum Amount. Your quarterly threshold amount is \$_____, your quarterly target amount is \$_____, and your quarterly maximum amount is \$_____.
3. Performance Metrics. You will be eligible to earn the applicable portion of your Quarterly Performance Incentive based on the Company’s performance against the following Performance Metrics:

<u>Performance Metric</u>	<u>Applicable Portion of Quarterly Performance Incentive</u>	<u>Quarterly Incentive Opportunity</u>
Production	33.33%	<ul style="list-style-type: none">• Threshold: \$ _____• Target: \$ _____• Maximum: \$ _____
Lease Operating Expense	33.33%	<ul style="list-style-type: none">• Threshold: \$ _____• Target: \$ _____• Maximum: \$ _____
Adjusted EBITDAX	33.34%	<ul style="list-style-type: none">• Threshold: \$ _____• Target: \$ _____• Maximum: \$ _____

4. Payment Schedule. Your Quarterly Performance Incentive amount, if any, will be paid to you as soon as practicable after the end of each Performance Period, but in no event shall payment be made later than as required by Section 409A.
5. Cumulative Payment. Commencing with the Second Performance Period, you will be eligible to receive a cumulative Quarterly Performance Incentive at the end of each Performance Period based on the degree to which the applicable cumulative Performance Metrics are achieved as of the end of that Performance Period.

Your eligibility for Quarterly Performance Incentive payments shall have no effect on your ability to participate in other benefits programs of the Company, including other incentive or benefit plans, subject to the terms and conditions of those programs, and does not affect the nature of your employment with the Company. Your rights under this letter and any interest in or right to the Award may not be transferred or assigned by you, other than by will or by the laws of descent and distribution.

The Company intends for the Quarterly Performance Incentive payments to be exempt from the requirements of Section 409A and the regulations and other guidance issued thereunder, and this letter shall be interpreted to give effect to such intention; provided, however, that nothing contained herein shall be construed as a representation, guarantee, or other undertaking on the part of the Company that the Award is or will be found to be exempt from Section 409A. You are hereby advised to consult immediately with your tax advisor regarding the tax consequences of the Quarterly Incentive Performance payments, including, without limitation, any possible tax consequences of the Quarterly Incentive Performance payments in connection with Section 409A.

We greatly appreciate your contributions to the Company and look forward to working together with you towards the Company's future successes. If you have any questions regarding this Participation Agreement, please contact **Ann Archer in Human Resources at 713-970-1923**.

IN WITNESS WHEREOF, Participant has entered into this Participation Agreement, and EV Management, LLC has caused this Participation Agreement to be executed in its name and on its behalf by its duly authorized officer as of the date first set forth above.

PARTICIPANT

EV MANAGEMENT, LLC

Participant's Signature

By: _____

Name: _____

Its: _____

EV MANAGEMENT, LLC
RETENTION BONUS AGREEMENT

Personal and Confidential

November 17, 2017

Re: Retention Bonus Agreement

Dear Michael E. Mercer:

On behalf of EV Management, LLC (the “*Company*”), I am pleased to offer you the opportunity to receive a retention bonus, if you agree to the terms and conditions contained in this letter agreement (this “*Agreement*”), which shall be effective as of the date you execute and return a copy of this Agreement (such date, the “*Effective Date*”).

1. Retention Bonus. Subject to the terms and conditions set forth herein, you (the “*Participant*”) will receive a cash lump sum payment in the amount of \$550,000 (the “*Retention Bonus*”) within fifteen (15) days of the Effective Date. Participant agrees that in the event Participant’s employment with the Company terminates for any reason other than a Qualifying Termination (as defined herein) before December 31, 2018 (the “*Completion Date*”), Participant will be required to repay to the Company within fifteen (15) days of such termination 100% of the After-Tax Value of the Retention Bonus (as defined herein). Notwithstanding anything to the contrary contained herein, in the event of Participant’s Qualifying Termination before the Completion Date and if Participant executes and does not revoke a customary release of claims in a form reasonably satisfactory to the Company, Participant will not be required to repay any portion of the Retention Bonus.

2. Definitions. For purposes of this Agreement:

“*Affiliate*” means EV Energy Partners, L.P., or any entity, in whatever form, of which the Company or EV Energy Partners, L.P., has ownership or management control, as determined by the Compensation Committee of the Board of Directors of the Company.

“*After-Tax Value of the Retention Bonus*” means the aggregate amount of the Retention Bonus net of any taxes Participant is required to pay in respect thereof and determined by taking into account any tax benefit that may be available in respect of such repayment. The Company shall determine in good faith the After-Tax Value of the Retention Bonus, which determination shall be conclusive and binding.

“ **Cause** ” means Participant (i) has been convicted of, or pleaded no contest to, a misdemeanor involving moral turpitude, or a felony, (ii) engaged in misconduct which is materially injurious to the Company or its Affiliates (including, without limitation, misuse of any funds or other property), (iii) engaged in gross negligence or willful misconduct in the performance of Participant’s duties for the Company, (iv) willfully refused, without proper legal reason, to perform Participant’s duties for the Company, (v) materially breached of Participant’s duties and responsibilities, which is not remedied promptly after the Company gives Participant written notice specifying such breach, (vi) committed, or engaged in, any act of fraud, embezzlement, theft, a material breach of trust, or any material act of dishonesty, in each case, involving the Company or its Affiliates, or (iv) committed, or engaged in, any significant violation of the code of conduct of the Company or its Affiliates, or of any statutory or common law duty of loyalty to the Company or its Affiliates. For purposes of this definition, no act or failure to act will be deemed “willful,” unless effected by the Participant not in good faith and without a reasonable belief that his action or failure to act was in or not opposed to the best interests of the Company or any of its Affiliates.

“ **Disability** ” means Participant’s inability, due to physical or mental incapacity, to perform the essential functions of Participant’s job, for two hundred seventy (270) consecutive days.

“ **Good Reason** ” means any of the following, in each case, without Participant’s consent and as compared to what was in effect as of the Effective Date: (i) a material breach by the Company of any material provision of any material written agreement between Participant and the Company, (ii) any material reduction in Participant’s base salary or target annual bonus amount, (iii) any material diminution in Participant’s authority, duties, or responsibilities, or (iv) a material and involuntary change in geographic location from the Company’s offices at which Participant is principally employed to a location more than fifty (50) miles from such offices immediately prior to the relocation (except for required travel on the Company’s business to an extent substantially consistent with Participant’s business travel obligations). Notwithstanding the foregoing, the occurrence of an event that would otherwise constitute Good Reason will cease to be an event constituting Good Reason upon any of the following: (x) Participant’s failure to provide written notice to the Company within thirty (30) days of the date the Participant has actual knowledge of the facts or circumstances giving rise thereto, (y) substantial correction of such occurrence by the Company within thirty (30) days following receipt of Participant’s written notice described in (x), or (z) Participant’s failure to actually terminate employment within the ten (10) day period following the expiration of the Company’s thirty (30) day cure period.

“ **Qualifying Termination** ” means the termination of Participant’s employment (i) by the Company for a reason other than Cause, (ii) by Participant for Good Reason, or (iii) due to Participant’s death or Disability.

3. **Release**. As a condition to receiving the Retention Bonus, Participant hereby agrees to release any and all Claims (as defined below) against the Company, its affiliates, and their respective directors, officers and employees. “ **Claims** ” means claims, charges, or complaints for, or related to, any breach of contract, violation of any statute or law, or tortious conduct occurring, or based on events occurring, on or before the date of this Amendment; provided that Claims do not include, and Participant is not releasing: (a) any claims that may not be released as a matter of law; (b) any claims or rights that arise after Participant signs this Agreement (including claims based on an event occurring after the date Participant signs this Agreement); (c) any claims or rights with respect to accrued compensation or benefits; (d) any claims or rights for indemnification, advancement of defense costs or other fees and expenses and related matters, arising as a matter of law or under the organizational documents of the Company or its affiliates or under any applicable insurance policy with respect to Participant’s liability as an employee, director, manager or officer of the Company or its affiliates; and (e) any claims or rights under the directors and officers and other insurance policies of the Company and its affiliates.

4. Withholding Taxes. The Company may withhold from any and all amounts payable to Participant hereunder such federal, state, and local taxes as the Company determines in its sole discretion may be required to be withheld pursuant to any applicable law or regulation.

5. No Right to Continued Employment. Nothing in this Agreement will confer upon Participant any right to continued employment with the Company (or its Affiliates or their respective successors) or to interfere in any way with the right of the Company (or its Affiliates or their respective successors) to terminate Participant's employment at any time.

6. Other Benefits. The Retention Bonus is a special payment to you, the above-named Participant, and will not be taken into account in computing the amount of salary or compensation for purposes of determining any bonus, incentive, pension, retirement, death, or other benefit under any other bonus, incentive, pension, retirement, insurance, or other employee benefit plan of the Company, unless such plan or agreement expressly provides otherwise.

7. Governing Law. This Agreement will be governed by, and construed under and in accordance with, the internal laws of the State of Texas, without reference to rules relating to conflicts of laws.

8. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

9. Entire Agreement; Amendment. This Agreement constitutes the entire agreement between Participant and the Company with respect to the Retention Bonus and supersedes any and all prior agreements or understandings between Participant and the Company with respect to the Retention Bonus, whether written or oral. This Agreement may be amended or modified only by a written instrument executed by you and the Company.

10. Section 409A Compliance. Although the Company does not guarantee the tax treatment of the Retention Bonus, the intent of the parties is that the Retention Bonus be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder, and accordingly, to the maximum extent permitted, this Agreement shall be interpreted in a manner consistent therewith.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

This Agreement is intended to be a binding obligation on you, the above-named Participant, and the Company. If this Agreement accurately reflects your understanding as to the terms and conditions of the Retention Bonus, please sign, date, and return to me one copy of this Agreement. You should make a copy of the executed Agreement for your records.

Very truly yours,

EV MANAGEMENT, LLC

By: /s/ John B. Walker

Name: John B. Walker

Its: Executive Chairman

The above terms and conditions accurately reflect our understanding regarding the terms and conditions of the Retention Bonus, and I hereby confirm my agreement to the same.

Dated: November 17, 2017

/s/ Michael E. Mercer
Participant's Signature

Signature Page to Agreement

EV MANAGEMENT, LLC
RETENTION BONUS AGREEMENT

Personal and Confidential

November 17, 2017

Re: Retention Bonus Agreement

Dear Nicholas Bobrowski:

On behalf of EV Management, LLC (the “*Company*”), I am pleased to offer you the opportunity to receive a retention bonus, if you agree to the terms and conditions contained in this letter agreement (this “*Agreement*”), which shall be effective as of the date you execute and return a copy of this Agreement (such date, the “*Effective Date*”).

1. Retention Bonus. Subject to the terms and conditions set forth herein, you (the “*Participant*”) will receive a cash lump sum payment in the amount of \$290,000 (the “*Retention Bonus*”) within fifteen (15) days of the Effective Date. Participant agrees that in the event Participant’s employment with the Company terminates for any reason other than a Qualifying Termination (as defined herein) before December 31, 2018 (the “*Completion Date*”), Participant will be required to repay to the Company within fifteen (15) days of such termination 100% of the After-Tax Value of the Retention Bonus (as defined herein). Notwithstanding anything to the contrary contained herein, in the event of Participant’s Qualifying Termination before the Completion Date and if Participant executes and does not revoke a customary release of claims in a form reasonably satisfactory to the Company, Participant will not be required to repay any portion of the Retention Bonus.

2. Definitions. For purposes of this Agreement:

“*Affiliate*” means EV Energy Partners, L.P., or any entity, in whatever form, of which the Company or EV Energy Partners, L.P., has ownership or management control, as determined by the Compensation Committee of the Board of Directors of the Company.

“*After-Tax Value of the Retention Bonus*” means the aggregate amount of the Retention Bonus net of any taxes Participant is required to pay in respect thereof and determined by taking into account any tax benefit that may be available in respect of such repayment. The Company shall determine in good faith the After-Tax Value of the Retention Bonus, which determination shall be conclusive and binding.

“ **Cause** ” means Participant (i) has been convicted of, or pleaded no contest to, a misdemeanor involving moral turpitude, or a felony, (ii) engaged in misconduct which is materially injurious to the Company or its Affiliates (including, without limitation, misuse of any funds or other property), (iii) engaged in gross negligence or willful misconduct in the performance of Participant’s duties for the Company, (iv) willfully refused, without proper legal reason, to perform Participant’s duties for the Company, (v) materially breached of Participant’s duties and responsibilities, which is not remedied promptly after the Company gives Participant written notice specifying such breach, (vi) committed, or engaged in, any act of fraud, embezzlement, theft, a material breach of trust, or any material act of dishonesty, in each case, involving the Company or its Affiliates, or (iv) committed, or engaged in, any significant violation of the code of conduct of the Company or its Affiliates, or of any statutory or common law duty of loyalty to the Company or its Affiliates. For purposes of this definition, no act or failure to act will be deemed “willful,” unless effected by the Participant not in good faith and without a reasonable belief that his action or failure to act was in or not opposed to the best interests of the Company or any of its Affiliates.

“ **Disability** ” means Participant’s inability, due to physical or mental incapacity, to perform the essential functions of Participant’s job, for two hundred seventy (270) consecutive days.

“ **Good Reason** ” means any of the following, in each case, without Participant’s consent and as compared to what was in effect as of the Effective Date: (i) a material breach by the Company of any material provision of any material written agreement between Participant and the Company, (ii) any material reduction in Participant’s base salary or target annual bonus amount, (iii) any material diminution in Participant’s authority, duties, or responsibilities, or (iv) a material and involuntary change in geographic location from the Company’s offices at which Participant is principally employed to a location more than fifty (50) miles from such offices immediately prior to the relocation (except for required travel on the Company’s business to an extent substantially consistent with Participant’s business travel obligations). Notwithstanding the foregoing, the occurrence of an event that would otherwise constitute Good Reason will cease to be an event constituting Good Reason upon any of the following: (x) Participant’s failure to provide written notice to the Company within thirty (30) days of the date the Participant has actual knowledge of the facts or circumstances giving rise thereto, (y) substantial correction of such occurrence by the Company within thirty (30) days following receipt of Participant’s written notice described in (x), or (z) Participant’s failure to actually terminate employment within the ten (10) day period following the expiration of the Company’s thirty (30) day cure period.

“ **Qualifying Termination** ” means the termination of Participant’s employment (i) by the Company for a reason other than Cause, (ii) by Participant for Good Reason, or (iii) due to Participant’s death or Disability.

3. **Release**. As a condition to receiving the Retention Bonus, Participant hereby agrees to release any and all Claims (as defined below) against the Company, its affiliates, and their respective directors, officers and employees. “ **Claims** ” means claims, charges, or complaints for, or related to, any breach of contract, violation of any statute or law, or tortious conduct occurring, or based on events occurring, on or before the date of this Amendment; provided that Claims do not include, and Participant is not releasing: (a) any claims that may not be released as a matter of law; (b) any claims or rights that arise after Participant signs this Agreement (including claims based on an event occurring after the date Participant signs this Agreement); (c) any claims or rights with respect to accrued compensation or benefits; (d) any claims or rights for indemnification, advancement of defense costs or other fees and expenses and related matters, arising as a matter of law or under the organizational documents of the Company or its affiliates or under any applicable insurance policy with respect to Participant’s liability as an employee, director, manager or officer of the Company or its affiliates; and (e) any claims or rights under the directors and officers and other insurance policies of the Company and its affiliates.

4. Withholding Taxes. The Company may withhold from any and all amounts payable to Participant hereunder such federal, state, and local taxes as the Company determines in its sole discretion may be required to be withheld pursuant to any applicable law or regulation.

5. No Right to Continued Employment. Nothing in this Agreement will confer upon Participant any right to continued employment with the Company (or its Affiliates or their respective successors) or to interfere in any way with the right of the Company (or its Affiliates or their respective successors) to terminate Participant's employment at any time.

6. Other Benefits. The Retention Bonus is a special payment to you, the above-named Participant, and will not be taken into account in computing the amount of salary or compensation for purposes of determining any bonus, incentive, pension, retirement, death, or other benefit under any other bonus, incentive, pension, retirement, insurance, or other employee benefit plan of the Company, unless such plan or agreement expressly provides otherwise.

7. Governing Law. This Agreement will be governed by, and construed under and in accordance with, the internal laws of the State of Texas, without reference to rules relating to conflicts of laws.

8. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

9. Entire Agreement; Amendment. This Agreement constitutes the entire agreement between Participant and the Company with respect to the Retention Bonus and supersedes any and all prior agreements or understandings between Participant and the Company with respect to the Retention Bonus, whether written or oral. This Agreement may be amended or modified only by a written instrument executed by you and the Company.

10. Section 409A Compliance. Although the Company does not guarantee the tax treatment of the Retention Bonus, the intent of the parties is that the Retention Bonus be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder, and accordingly, to the maximum extent permitted, this Agreement shall be interpreted in a manner consistent therewith.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

This Agreement is intended to be a binding obligation on you, the above-named Participant, and the Company. If this Agreement accurately reflects your understanding as to the terms and conditions of the Retention Bonus, please sign, date, and return to me one copy of this Agreement. You should make a copy of the executed Agreement for your records.

Very truly yours,

EV MANAGEMENT, LLC

By: /s/ John B. Walker

Name: John B. Walker

Its: Executive Chairman

The above terms and conditions accurately reflect our understanding regarding the terms and conditions of the Retention Bonus, and I hereby confirm my agreement to the same.

Dated: November 17, 2017

/s/ Nicholas Bobrowski

Participant's Signature

Signature Page to Agreement
