

# **Audit Committee Charter**

## **Legacy Reserves GP, LLC,**

### **the general partner of Legacy Reserves LP**

#### **Article I. Purpose**

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Legacy Reserves GP, LLC, the general partner (the “General Partner”) of Legacy Reserves LP (the “Partnership”), has been appointed by the Board for the purpose of overseeing:

1. the Partnership’s accounting and financial reporting processes;
2. the integrity of the Partnership’s financial statements;
3. the Partnership’s compliance with legal and regulatory requirements;
4. the qualifications and independence of the Partnership’s independent auditors;  
and
5. the performance of the Partnership’s internal audit function and its independent auditors.

The Committee is also charged with making regular reports to the Board and preparing any reports that may from time to time be required by the rules of the NASDAQ Stock Market, LLC (“NASDAQ”) or the Securities and Exchange Commission (the “SEC”) to be included in the Partnership’s annual proxy statement or annual report on Form 10-K.

#### **Article II. Membership**

The Committee shall consist of no fewer than three members of the Board. Prior to their election and annually thereafter, the members of the Committee shall each have been affirmatively determined by the Board (i) not to be an officer or employee of the Partnership, (ii) to have no relationship that would interfere with their exercise of independent judgment in carrying out the responsibilities of a director and (iii) to be “independent” under (x) the rules of the NASDAQ and (y) the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the SEC thereunder (collectively, the “Exchange Act”).

In addition:

1. No member of the Committee shall have participated in the preparation of the financial statements of the Partnership or any then-current subsidiary of the

Partnership at any time during the three years preceding the date of the annual determination of independence;

2. Each member of the Committee shall be “financially literate,” as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after such member’s appointment to the Committee;
3. At least one member of the Committee shall (a) have accounting or related financial management expertise, as the Board interprets such qualification in its business judgment, in accordance with NASDAQ rules and (b) be an “audit committee financial expert” within the meaning of Regulation S-K under the Securities Act of 1933, as amended (the “Securities Act”) and the Exchange Act; and
4. If a member of the Committee simultaneously serves on the audit committees of more than three public companies, the Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Committee.

Each member of the Committee shall first be nominated by the Nominating and Governance Committee of the Board and then be elected by the full Board, and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation, retirement or removal. The members of the Committee may be removed at any time, with or without cause, by majority vote of the Board.

The Board shall elect a Chairperson of the Committee who will chair all regular sessions of the Committee and set the agendas for Committee meetings. This Chairperson shall serve until his or her successor is duly elected and qualified or until his or her earlier resignation, retirement or removal. If the Chairperson is absent from a particular meeting, another member of the Committee shall serve as chairperson for purposes of that meeting.

The Committee may delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

### **Article III. Meetings**

The Committee shall meet at least four times per year. Additional meetings may occur as the Committee or its Chairperson deem advisable. As part of the Committee’s oversight function, the Committee shall meet with the Partnership’s independent auditors and management at least quarterly to review the Partnership’s financial statements. The Committee (1) may meet separately in executive session with (a) the Partnership’s independent auditors, (b) members of management, (c) non-management members of the Board who are not members of the Committee or (d) any other persons the Committee deems appropriate to discuss any matters that any member of the Committee or any other such individual or group believes should be discussed privately and (2) shall meet separately in executive session at least annually with the Partnership’s independent auditors. In addition, the Committee may exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

A majority of Committee members shall constitute a quorum. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent to the fullest extent permitted by the Delaware Limited Liability Company Act.

The Committee will cause to be kept adequate minutes of all its proceedings and will report its actions to the next meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent.

#### **Article IV. Authority**

The Committee shall have the resources and authority necessary to discharge its duties and responsibilities as it deems appropriate. In connection therewith, the Committee shall have:

1. Such unrestricted access to Partnership personnel and documents as is necessary to carry out its responsibilities;
2. The sole authority to retain, compensate, evaluate and terminate the Partnership's independent auditors and the authority to retain independent legal counsel or other outside advisors, including other auditors or accountants, as the Committee determines necessary to carry out its duties; and
3. The appropriate funding provided by the Partnership, as determined by the Committee, for payment of compensation to the independent auditors and any advisors employed by the Committee and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the General Partner and the Partnership, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

#### **Article V. Responsibilities and Duties**

The Committee shall have the following responsibilities and duties:

##### **A. Independent Auditors**

1. The Committee shall have sole authority to appoint and terminate the Partnership's independent auditors. The Committee shall also be responsible for setting the compensation and retention terms for, and overseeing and evaluating the performance of, the Partnership's independent auditors. The Partnership's independent auditors shall report directly to the Committee.
2. The Committee shall have sole authority and responsibility to approve in advance (a) the retention of independent auditors for the performance of all audit and lawfully permitted non-audit services and (b) the fees to be paid for such services.

Pre-approval of non-audit services (other than review and attestation services) will not be required if such services fall within exceptions established by the SEC.

3. The Committee shall, at least annually, obtain and review a report by the independent auditor describing:
  - (a) the firm's internal procedures;
  - (b) any material issues raised by the most recent internal review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
  - (c) all relationships between the independent auditors and the Partnership.
4. The Committee shall ensure that it receives from the independent auditors all written disclosures and letters required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning auditor independence and delineating all relationships between the independent auditors and the Partnership. The Committee shall discuss with the Partnership's independent auditors their independence, including any disclosed relationships or services that may impact the auditors' objectivity and independence. If deemed appropriate by the Committee, the Committee may take, or recommend that the Board take, appropriate action in response to the independent auditors' report to satisfy itself of the auditors' independence. The Committee shall also confirm with the Partnership's independent auditors that the independent auditors rotate (a) the lead (or coordinating) audit partner of the audit team as well as the concurring or reviewing partner at least once every five years and (b) any other audit team members within any applicable period required under Regulation S-X under the Securities Act and the Exchange Act. Additionally, in order to ensure continuing auditor independence, the Committee shall periodically consider whether to rotate the independent audit firm itself.
5. On at least an annual basis, the Committee shall evaluate the qualifications, independence and performance of the Partnership's independent auditors, taking into account the opinions of the Partnership's management and internal auditors. This evaluation and review shall include a review of the lead audit partner.
6. The Committee shall present its conclusions with respect to the independent auditor to the Board.

**B. Audit and Accounting Process**

1. The Committee shall review and discuss with the Partnership's independent auditors reports that the independent auditors are required to provide to the Committee relating to significant financial reporting issues and judgments made

in connection with the preparation of the Partnership's financial statements, including, among other things, (a) all critical accounting policies and practices used, (b) all alternative treatments of financial information within U.S. generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of such treatments and the treatment preferred by the Partnership's independent auditors and (c) any material written communications between the Partnership's independent auditors and management.

2. The Committee shall inquire as to whether there was, and review with the independent auditor, any significant difference of opinion or disagreement between management and the Partnership's independent auditor in connection with the preparation of the Partnership's audited financial statements. The Committee shall also review with the independent auditors any audit problems or difficulties (including any restrictions on the scope of activities or access to requested information) and management's responses to such problems or difficulties.
3. The Committee shall discuss with the independent auditor the responsibilities, budget and staffing of the Partnership's internal audit function.
4. To the extent required by applicable law or the NASDAQ rules, the Committee shall discuss with the Partnership's independent auditors the matters required to be discussed by the Public Company Accounting Oversight Board standards (the "PCAOB Standards"). The PCAOB Standards require that independent auditors provide audit committees with such additional information regarding the scope and results of outside audits as may be necessary to assist such committees in overseeing the financial reporting and disclosure process for which management is responsible. To ensure that all matters required to be discussed by the PCAOB Standards have already been discussed pursuant to the other provisions of this Charter, the Committee may ask the Partnership's independent auditors to advise them as to whether the requirements of the PCAOB Standards have been satisfied.

C. Financial Reporting Process

1. The Committee shall review and discuss with members of management and the Partnership's independent auditors the annual audited financial statements to be included in the Partnership's annual reports on Form 10-K (including the Partnership's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations") prior to the filing of each Form 10-K.
2. The Committee shall review and discuss with members of management and the Partnership's independent auditors the quarterly financial statements to be included in the Partnership's quarterly reports on Form 10-Q (including the Partnership's disclosures under "Management's Discussion and Analysis of

Financial Condition and Results of Operations”) prior to the filing of each Form 10-Q.

3. The Committee shall review with members of management and discuss with the Partnership’s independent auditors any registration statement of the Partnership that contains new or pro forma financial information prior to the initial filing of such registration statement with the SEC. The Chairperson of the Committee or a quorum of the Committee may represent the entire Committee for the purpose of these reviews.
4. The Committee shall discuss with management the Partnership’s earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be general (i.e., discussion of the types of information to be disclosed and the type of presentation to be made) and do not necessarily need to be held in advance of each release or presentation.
5. The Committee shall be directly responsible for the resolution of any disagreements between management and the independent auditors regarding financial reporting.

D. Pre-Approval and Disclosure of Audit and Non-Audit Services

1. The Committee shall pre-approve any audit services and any permissible non-audit services to be provided by the Partnership’s independent auditors on behalf of the Partnership that do not fall within any exception to the pre-approval requirements established by the SEC. The Committee may delegate to one or more members of the Committee the authority to pre-approve audit or permissible non-audit services, but any such delegate or delegates must present their pre-approval decisions to the Committee at its next meeting. In the event that any audit or permissible non-audit services are approved by the Committee or a delegate or delegates thereof, the Committee shall take steps to ensure that such approval is appropriately disclosed in the Partnership’s periodic reports filed with the SEC to the extent such disclosure is required.
2. The Committee shall ensure that Partnership’s independent auditors are not engaged to perform for the Partnership any of the non-audit services set forth on Exhibit A hereto.

E. Whistleblower Procedures

1. The Committee shall establish and maintain procedures for the receipt, retention, and treatment of complaints received by the Partnership regarding accounting, internal accounting controls and auditing matters.
2. The Committee shall establish procedures for the confidential, anonymous submission by Partnership employees, employees of affiliates, and consultants of concerns regarding questionable accounting or auditing matters.

F. Controls and Procedures

1. The Committee shall discuss periodically with members of management, the internal auditors and the Partnership's independent auditors the adequacy of the Partnership's disclosure controls and procedures and internal control over financial reporting, any changes in internal controls, any significant deficiencies or material weaknesses in the design or operation of internal controls, and any fraud involving management or other employees that is reported to the Committee.
2. The Committee shall review and discuss with management, the internal auditors and the independent auditors: (a) the annual report of management affirming management's responsibility for establishing and maintaining adequate internal control over financial reporting and assessing the effectiveness of the Partnership's internal control over financial reporting and (b) the independent auditors' attestation report on management's report.

G. Evaluation of Performance

1. The Committee shall annually evaluate its own performance and deliver a report to the Board setting forth the results of the evaluation.
2. The Committee shall annually review the adequacy of this Charter and submit any recommended changes to the Board for its approval.
3. The Committee shall, through its Chairperson, regularly report to the Board on the Committee's activities and actions, as well as any issues that arise with respect to the quality or integrity of the Partnership's financial statements, the Partnership's compliance with legal or regulatory requirements, the performance and independence of the auditors, or the performance of the internal audit function.

H. Other Compliance

1. The Committee shall meet periodically with management to review and discuss the Partnership's major financial risk exposures and the steps management has taken to monitor and control such exposures.
2. The Committee shall publish this Charter in accordance with applicable SEC and NASDAQ rules.
3. The Committee shall perform any other activities consistent with this Charter, the Amended and Restated Limited Liability Company Agreement and Certificate of Formation of the General Partner (as each may be amended and/or restated and in effect from time to time), the Amended and Restated Limited Partnership Agreement and Certificate of Limited Partnership of the Partnership (as each may be amended and/or restated and in effect from time to time) and applicable law as the Committee or the Board deems necessary or appropriate.

## **Article VI. Explanatory Note**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to ensure that the Partnership complies with laws and regulations and its policies and procedures. The Partnership's financial statements are the responsibility of management. The Partnership's independent auditors are responsible for planning and conducting audits to determine whether the Partnership's financial statements fairly present, in all material respects, the financial position of the Partnership.

## Exhibit A

Under the Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley”), the Partnership’s independent auditors cannot contemporaneously provide any of the following non-audit services to the Partnership:

- (1) bookkeeping or other services related to accounting records or financial statements;
- (2) financial information systems design and implementation;
- (3) appraisal or valuation services, fairness opinions or contribution-in-kind-reports;
- (4) actuarial services;
- (5) internal audit outsourcing services;
- (6) management functions or human resources;
- (7) broker-dealer, investment adviser or investment banking services;
- (8) legal services and expert services unrelated to the audit; or
- (9) any other service determined to be impermissible by the Public Company Accounting Oversight Board established pursuant to Sarbanes-Oxley.