

## **ENERGEN CORPORATION CORPORATE GOVERNANCE GUIDELINES**

The following Corporate Governance Guidelines (the “Guidelines”) have been adopted by the Board of Directors (the “Board”) of Energen Corporation (the “Company” or “Energen”) to assist the Board in the exercise of its responsibilities. The Guidelines are subject to modification from time to time by the Board.

### **1. Role of Board of Directors.**

The Board, which is elected by the shareholders, is the ultimate decision-making body of the Company, except with respect to those matters specifically reserved to the shareholders. The Board selects the senior management team, which is charged with the conduct of the Company’s business. The Board does not generally involve itself in the day-to-day operations of the Company, but acts as an advisor and counselor to senior management and monitors its performance on behalf of shareholders.

### **2. Chairman and CEO Positions.**

The Board of Directors has the discretion to determine, from time to time, how to configure the leadership of the Board and the Company in the way that best serves the Company. The Board reserves the right to vest the responsibilities of Chairman of the Board and CEO in the same individual but has no fixed policy with respect to this issue.

### **3. Size of the Board.**

The Company’s certificate of incorporation specifies that the Board should have no fewer than 9 and no more than 15 directors.

### **4. Selection of New Directors.**

The entire Board shall be responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of shareholders. The Governance and Nominations Committee is responsible for identifying, screening and recommending candidates to the entire Board for Board membership. The Governance and Nominations Committee considers candidates to fill new positions created by expansion and vacancies that occur by resignation, by retirement or for any other reason. In selecting individuals to stand for election as Board members, the Committee considers such criteria as it deems appropriate. Directors are expected to possess high personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the shareholders. They are also expected to have an inquisitive and objective perspective, practical wisdom and good judgment.

Ordinarily, it is expected that directors will not sit on more than four other boards of public companies in addition to the Company board. This is a general guideline and a factor considered when determining whether an individual would be a good candidate for election, or re-election, to the Company's Board. It is not a definitive rule or limitation. Directors are expected to advise the Chairman of the Board and the Chairman of the Governance and Nominations Committee promptly upon accepting any other public company directorship or any assignment to the audit committee or compensation committee of the board of directors of any public company of which such director is a member.

## **5. Director Development and Education.**

All new Directors participate in the Company's orientation initiatives as soon as practicable after the meeting at which they are elected. The initiatives include presentations by senior management and outside advisors as appropriate to familiarize new Directors with the Company's business, its strategic plans, its significant financial, accounting, and risk management issues, and its compliance programs, as well as their fiduciary duties and responsibilities as Directors.

The Board of Directors periodically receives presentations at Board meetings relating to the Company's business and operations, its compliance programs and any significant financial, accounting, litigation and risk management information and issues as well as any other matters of interest to the Board.

## **6. Director Independence.**

It is the policy of the Company that the Board consist of a majority of independent directors. An independent director is one who meets the independence requirements of the applicable Securities and Exchange Commission and New York Stock Exchange regulations and rules. Directors are expected to disclose to other Directors any potential conflicts of interest they may have with respect to any matters under discussion, and, if appropriate, refrain from voting on a matter in which they may have a conflict.

## **7. Non-Management and Independent Director Executive Sessions.**

The non-management directors of the Company shall meet in regularly scheduled executive sessions, but no less than once per year. If all of the non-management directors are not independent, then the independent directors shall meet in an executive session at least once per year. "Non-management" directors are all those directors who are not executive officers of the Company. "Independent" directors are as defined in Section 6 above. The Board may from time to time designate one of its non-management directors as "Presiding Director" for purposes of convening non-management executive sessions and presiding as chairman at such sessions.

## **8. Retirement Age.**

No person after having attained the age of 70 years shall be nominated for election or re-election to the Board.

## **9. Directors Who Change Their Present Job Responsibility.**

When an outside director's principal occupation or business association changes substantially during his or her tenure as a director, that director is expected to promptly advise the Chairman of the Board and the Chairman of the Governance and Nominations Committee. The Governance and Nominations Committee will recommend to the Board the action, if any, that it determines appropriate for the Board to take with respect to the Director. Such recommendation may include, without limitation, no action needed, no recommendation for reelection to the Board at the end of the Director's current term, or a request for immediate resignation from the Board. If requested, the affected director shall be expected to tender his or her resignation.

Similarly, the Governance and Nominations Committee will recommend the action, if any, that it determines appropriate for the Board to take with respect to a management director who no longer holds a corporate officer title. If requested, the affected management director shall be expected to tender his or her resignation.

## **10. Evaluation of Board.**

The Board shall be responsible for annually conducting a self-evaluation. The Governance and Nominations Committee shall be responsible for establishing the evaluation criteria and implementing the process for such evaluation. The Board evaluation shall include individual evaluations of whether the Board's committees are functioning effectively.

## **11. Board Contact with Management and Independent Advisors.**

Directors have free access to members of management, including but not limited to in-house counsel and internal audit and accounting personnel, as well as to the independent auditors. Any meetings or contact that a Director wishes to initiate may be arranged through the CEO or the Director may directly arrange for the desired meetings.

The Board and its committees have the authority to retain such legal, financial and other advisors as they may deem appropriate. The Company shall provide adequate funds to retain such advisors.

## **12. Board Compensation.**

The Company's executive officers shall not receive additional compensation for their service as directors. Only non-management Directors are compensated for their service as Directors. Their compensation is intended to be sufficient to attract and retain qualified candidates and may include a combination of cash and stock-based compensation. Director compensation is reviewed by the Board of Directors from time to time. The Governance and Nominations Committee is responsible for making recommendations to the Board concerning Director compensation.

## **13. Frequency of Meetings.**

The number and scheduling of regular Board meetings is at the discretion of the Board. It is expected that there will be 6 to 8 such meetings annually. Directors are expected to attend a minimum of seventy-five percent (75%) of all Board meetings.

## **14. Provision of Meeting Materials to the Board.**

Board materials related to agenda items are expected to be provided to Board members sufficiently in advance of Board meetings to allow the Directors to prepare for discussion of the items at the meeting. The Company expects that all Directors shall review any Board materials circulated prior to Board meetings prior to the meeting date at which such materials are to be discussed.

## **15. Succession Planning.**

The Officers Review Committee is responsible for the succession planning for the position of CEO. When it becomes necessary to appoint a new CEO, the Committee, in consultation with all non-management Directors (and members of Management as deemed appropriate), reviews and recommends one or more candidates for consideration by the full Board of Directors.

## **16. Stock Ownership.**

Each non-management director is expected to hold, directly or indirectly, at least 5,000 shares of the Company's common stock. New directors have five years to meet the ownership threshold. Shares or share equivalents allocated to a director under a Company compensation plan will be included in calculating the director's ownership.