**CORPORATE GOVERNANCE**

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| Our Board of Directors is committed to provide continuing insight into and transparency in our governance process. As part of this commitment, below are descriptions of standing committees of the Board of Directors as well as links to various documents that govern the conduct of our business. Committee charters for the Audit Committee, Compensation Committee, and the Corporate Governance and Nominating Committee are linked in the descriptive paragraphs below.  The Board of Directors has three standing committees: the Audit Committee, Compensation Committee, and the Corporate Governance and Nominating Committee.  The [**Audit Committee**](http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MzE1NzIwfENoaWxkSUQ9LTF8VHlwZT0z&t=1&cb=635847777167535448) is appointed by the Board from its independent directors to assist the Board in fulfilling their oversight responsibility to the shareholders, potential shareholders, the investment community and others relating to: (1) the integrity of the financial statements of the Company; (2) the compliance by the Company with applicable legal and regulatory requirements related to disclosure; (3) the performance of the Company’s internal audit function and independent auditors; and (4) the independent auditor’s qualifications and independence. The Board has determined that each of the members of the Audit Committee is financially literate and that at least one member is an “audit committee financial expert” as that term is defined in the rules promulgated by the Securities and Exchange Commission pursuant to the Sarbanes-Oxley Act of 2002.  The [**Compensation Committee**](http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MzE1NzIzfENoaWxkSUQ9LTF8VHlwZT0z&t=1&cb=635847779429069250) is appointed by the Board from its independent directors to discharge the Board’s responsibilities relating to compensation of the Company’s Executive Officers. The Compensation Committee has overall responsibility for reviewing, evaluating and approving the Company’s executive officer compensation agreements (to the extent such agreements are considered necessary or appropriate by the Compensation Committee), plans, policies and programs. The Compensation Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company’s Proxy and for performing such other functions as the Board may assign to the Compensation Committee from time to time.  The goal of the [**Corporate Governance and Nominating Committee**](http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MzE1NzIyfENoaWxkSUQ9LTF8VHlwZT0z&t=1&cb=635847778447822625) is to take the leadership role in shaping the corporate governance and business standards of the Company’s Board of Directors and the Company. The Corporate Governance and Nominating Committee consists of no fewer than three members, all of whom shall meet the independence requirements of the NYSE, who are appointed by the Board of Directors.  In March 2016, the Board adopted a [**Lead Director Charter**](http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MzI3MTA4fENoaWxkSUQ9LTF8VHlwZT0z&t=1&cb=635931582330891280). If the office of the Chairman of the Board and the Chief Executive Officer are held by the same person, the Board will annually elect an independent director to coordinate the activities of the other independent directors and to perform such other duties and responsibilities set forth in the charter and as the independent directors may determine from time to time.  In addition, in 2003, we established a formal [**Code of Business Conduct and Ethics**](http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MjE1NzgzfENoaWxkSUQ9LTF8VHlwZT0z&t=1). The Code applies to all of our employees, directors, officers, agents, and consultants. At that time we also established a [**Code of Ethics for Chief Executive Officer and Senior Financial Officers**](http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MzE1NzIxfENoaWxkSUQ9LTF8VHlwZT0z&t=1&cb=635847777643105001) that is currently applicable to the Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer or Corporate Controller (or person performing a similar function, if any), and Vice President – Internal Audit. We have also established a compliance program that is intended to ensure that we have in place policies and systems designed to prevent and detect violations of these Codes or any applicable law, policy or regulation.  Our Board of Directors adopted our initial [**Corporate Governance Guidelines**](http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MzE1NzI0fENoaWxkSUQ9LTF8VHlwZT0z&t=1&cb=636361657942991767) in 2005 to provide a concise description of the Company's corporate governance obligations, principles and practices.  In addition to the information to this website, interested parties may make contact the following Company representative:  Senior Vice President and General Counsel  3505 W Sam Houston Pkwy N, Ste 400  Houston, Texas 77043  (281) 618-0400 |