



UNIT CORPORATION

SUSTAINABILITY STATEMENT

Our Goals

We strive to:

- conduct our business according to high standards of corporate governance;
- safeguard and promote the welfare of our employees and the public; and
- minimize our operations impact on the environment.

Corporate Governance

Both our management and our Board of Directors are committed to sound corporate governance. The Board maintains three primary committees, Nominating and Governance, Compensation, and Audit, each composed of independent outside directors and operated under a written charter that is reviewed annually. Each of these committees plays an important role in helping us meet the high standard of corporate governance that is our goal:

- The **Nominating and Governance Committee** advises our board on all matters relating to corporate governance, identifying best practices and recommending corporate governance principles. It sets and interprets our standards for determining board member independence, and has primary responsibility for advising the board on matters pertaining to director qualification and nomination, board structure, and board composition. The committee conducts annual board member self-assessment surveys, and advises our board on appropriate and effective responses to any stockholder concerns about corporate governance.

- The **Compensation Committee** has as its primary function oversight of our directors' and officers' compensation program, helping us manage the risks associated with compensation practices. This committee determines the compensation of our CEO, all executive officers, and the board itself, and it oversees the administration of our stock-based compensation plan for all employees, executive and non-executive. The committee is composed of directors who have no interlocking relationships, either individually or as officers or directors of a business entity, with any of our executive officers.
- The **Audit Committee** monitors the quality and integrity of our accounting, auditing and financial reporting practices. The committee oversees our internal and outside auditors, and assures outside auditor independence. The committee also monitors our internal controls over financial reporting, and provides input on the quality of accounting principles and the reasonableness of management's significant accounting assumptions and judgments. The committee also plays a role in our legal and regulatory compliance efforts, and it monitors our risk assessment and management policies. Each member of the committee is financially literate and qualified to review financial statements, and two members qualify as SEC audit committee financial experts.

In addition to the corporate governance oversight provided by the committees of the board of directors, management observes and enforces the Corporate Compliance Program adopted by our board in 2003. The Corporate Compliance Program is a comprehensive governance program that is designed to assist our directors, officers, and employees in complying with all applicable laws and to reflect our corporate commitment to operate legally and with sound business ethics. The program also provides formal accounting and auditing complaint procedures that protect employees from potential retaliation for reporting any concerns about our accounting, internal accounting controls, or auditing practices. In conjunction with this, we maintain a toll-free Compliance Report Line staffed by an independent third party, which allows our employees to anonymously report any concerns they might have. In addition to our Corporate Compliance Program, we have an active internal audit department as well as a risk management committee, the activities of both of which serve to monitor and strengthen our corporate governance practices.

Safety, Health and Environmental Management

Our Safety, Health & Environmental (SH&E) Policy affirms our commitment to protecting the safety and health of our employees, contractors and the general public while maintaining the quality of the environment in which we operate. We believe that all occupational injuries, illnesses and environmental incidents are unacceptable and are committed to eliminating hazards and safely managing those hazards that can't be eliminated. We strive to comply with all federal, state, local and industry safety, health and environmental laws and regulations. We commit to:

- recognize that no business operation is so important that it should knowingly be performed at the expense of safety, health or the environment -
 - our Refusal to Work Policy provides a means for employees to ensure any SH&E concerns they have are addressed before performing a work assignment;
 - we also have a Reporting Hotline independent of our financial reporting Compliance Report Line. Employees are encouraged to report any SH&E hazards, violations or other concerns. Employees contacting the hotline have the option of remaining anonymous.
- devote the resources necessary for effective safety, health and environmental management -

- the SH&E Department is staffed by both full time professionals and field personnel, providing daily oversight and support to operations.
- utilize management systems and standards to continuously improve our performance -
 - we have developed and implemented formal management systems and standards defining measurable SH&E responsibilities for our affected employees. Our standards define:
 - specific activities for all managers;
 - mandatory training requirements;
 - personal protective equipment requirements;
 - the reporting and investigation of accidents and near-misses;
 - the frequency of inspections and audits;
 - required SH&E communications to employees.
- educate employees about the company's safety, health and environmental policies as well as applicable laws and regulations -
 - our affected employees are provided formal education and training including:
 - orientation training prior to reporting to the work site;
 - operations managers receive formal training and scheduled, periodic training;
 - operator qualification training specific to job assignment;
 - rig managers and drillers attend a New Employee Training Program teachers course;
 - drilling company employees are enrolled in a 90 day New Employee Training Program;
 - monthly training on prescribed topics;
 - well control training for rig managers and drillers;
 - first aid and CPR training for defined positions.
- ensure that every employee and contractor recognizes they are responsible and accountable for their individual safety, health and environmental performance as well as that of the personnel in their charge -
 - we provide all new employees a copy of the Employee Health, Safety & Environmental Handbook during orientation. The handbook defines employee SH&E responsibilities and accountabilities. A quiz is administered to ensure our employees are aware of and understand their responsibilities;
 - we prohibit the use of illegal substances. New employees are subject to illegal substance testing prior to hiring. Random, reasonable-suspicion and post-accident testing is also conducted;
 - our contractors sign and agree to work under the terms of a Master Service Agreement that defines their SH&E responsibilities.

- design, operate, inspect and maintain our equipment and facilities to protect employees, contractors, the public and the environment from incidents involving our activities -
 - we have professional engineering and maintenance groups responsible for ensuring the integrity of our equipment. The groups utilize formal management standards and systems to measure compliance to our standards.
- routinely inspect and audit safety, health and environmental performance in our operations to ensure compliance with company policies and applicable laws and regulations -
 - we conduct formal, scheduled inspections and audits of our equipment and operations including:
 - pipelines and processing plants;
 - production systems and facilities;
 - drilling rigs and the equipment utilized on the rigs.
 - we utilize an Action Item Tracking System to ensure all items requiring action are assigned a due date and tracked through closure.
- include safety, health and environmental performance measurements in the management reporting system -
 - employee performance reviews will include a safety, health and environmental performance measurement;
 - formal monthly, quarterly and annual reports measuring SH&E performance are provided to company management;
 - annual performance goals are set, measured and utilized as a quantitative component in employee performance reviews.
- require every employee and contractor to abide by this policy -
 - our Discipline Policy states any violation of our SH&E rules or deviation from SH&E policies or procedures provides for disciplinary action up to and including immediate termination. All employees sign the policy acknowledging receipt and understanding;
 - contractors are held accountable to this requirement via the provisions of our Master Service Agreement;
 - our management embraces this requirement.

Environmental Stewardship

We recognize our responsibility to the communities we serve. Our goal is to be a corporate "good neighbor," and one of the ways we seek to achieve that is by preserving the environments in which we operate. Across our operations we are evaluating and implementing cleaner and more environmentally friendly ways to conduct our business:

- we devote necessary resources to environmental compliance by staffing in-house professionals that provide daily oversight and support to operations. These experts review current and upcoming regulatory requirements, ensure regulatory compliance, and provide operations training to effectively reduce environmental impact;
- we are increasing our use of multi-well skidding systems in our drilling operations, enabling us to reduce our environmental footprint by drilling multiple wells from a single location, minimizing disruption of the natural habitat and protecting native species;
- we have installed selective catalytic reduction ("SCR") systems on some of our Rocky Mountain Division drilling rigs. The SCR system reduces nitrogen oxide emissions by as much as 90 to 95% compared to standard engines. This system also reduces carbon monoxide emissions by as much as 70% for diesel engines and 93% for gasoline engines, as well as reducing non-methane hydrocarbon emissions by up to 40%, all as compared to standard engines;
- we continue to upgrade many of the older diesel engines used on our rigs with more efficient and environmentally friendly engines that release significantly fewer emissions into the atmosphere;
- we have enhanced detection and warning systems in place for control of wells and equipment situated in populated areas or in environmentally sensitive areas such as flood zones, reducing downtime and assisting us in identifying and responding to a potential environmental release in those areas.



Community Support



Our company and employees have a history of supporting local communities through fundraising and charitable activities:

- since 1997 we have donated to the Oklahoma Energy Resources Board (OERB), a private agency that cleans up orphaned and abandoned well-sites in Oklahoma. The environmental restoration projects undertaken by the OERB are done at no cost to landowners or taxpayers, and, at last count, over 12,000 abandoned well sites have been restored under this program;
- we contribute annually to numerous charitable organizations, including the Chamber of Commerce, the United Way, and several museums and educational organizations;
- as part of our continuing commitment to the renewal of downtown Tulsa and the strengthening of our local economy, we donated \$250,000 toward construction of a new baseball stadium for Tulsa;
- we support our local educational institutions:
 - we donated \$100,000 to establish the Unit Corporation Presidential Scholarship Endowment Fund for the College of Engineering and Natural Sciences at the University of Tulsa, earmarked to provide merit-based scholarships to select freshman enrolled in the University's College of Engineering and Natural Sciences;
 - we have contributed to other educational institutions in Oklahoma, including Oklahoma State University, Rogers State University, and Tulsa Bixby High School;
- our employees give of their time, money, and effort to support area families:
 - every year the company sponsors several needy families at Christmas time with a Christmas food and toy drive, which routinely receives generous employee support;
 - Tulsa employees participate in a paper recycling program, proceeds from which are donated to a public elementary school; and
 - Teams of our employees have participated in numerous charitable and fundraising activities, supporting such charitable causes as Habitat for Humanity and the Susan G. Komen Foundation.



Commitment to Equal Employment and Non-Discrimination

We are an Equal Employment Opportunity employer and do not discriminate in our hiring practices or any employer/employee relations based on race, color, religion, sex, national origin, age, disability or veteran's status.

Our Code of Business Conduct clearly prohibits our employees from engaging in discrimination or harassment of any kind.

We require all employees to adhere to these policies. Our anonymous reporting systems afford all employees additional safeguards for addressing possible compliance issues.

We will annually review and report on any significant changes or enhancements to our operations in any of the areas of corporate responsibility set forth above.

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