

# Governance Principles

## Corporate Governance Guidelines

The Board of Directors of Whiting Petroleum Corporation (the "Company"), acting on the recommendation of its Nominating and Governance Committee, has developed and adopted certain corporate governance principles (these "Guidelines") establishing a common set of expectations to assist the Board and its committees in fulfilling their responsibilities to the Company's stockholders to oversee the work of management and the Company's results. These Guidelines are intended to ensure that the Board will have the necessary authority and practices in place to review and evaluate the Company's business operations as needed. In recognition of the continuing discussions about corporate governance, the Board will review and, if appropriate, revise these Guidelines from time to time.

### **Role of the Board of Directors and Management**

The Company's business is conducted by its employees, managers and officers, under the direction of the Company's Chairman of the Board of Directors and Chief Executive Officer ("CEO") and the oversight of the Board of Directors, to enhance the long-term value of the Company for its stockholders. The Board of Directors is elected by the Company's stockholders to oversee management and to assure that the long-term interests of the stockholders are being served.

## Responsibilities of the Board of Directors

The Board of Directors reviews and discusses reports by management on the performance of the Company, its plans and prospects, as well as immediate issues facing the Company. Directors are expected to attend scheduled meetings of the Board and its committees on which they serve. In addition to its general oversight of management, the Board (either directly or through its committees) also performs a number of specific functions, including:

1. Representing the interests of the Company's stockholders in maintaining and enhancing the success of the Company's business, including optimizing long-term returns to increase stockholder value;
2. Selecting, evaluating and compensating a well-qualified CEO of high integrity, and overseeing CEO succession planning;
3. Providing counsel and oversight on the selection, evaluation, development and compensation of senior management, including, with respect to the compensation of senior management, the review and approval of compensation plans and awards granted under those plans;
4. Reviewing and approving the Company's fundamental financial and business strategies, including strategic plans, management development and succession plans, and financial and capital budgets;
5. Reviewing and evaluating the processes in place to assess the major risks facing the Company, and periodically reviewing management's assessment of major risks, as well as the options for their mitigation;
6. Reviewing and assessing the processes in place for maintaining the integrity of the Company, including the integrity of its financial statements, the integrity of its compliance with law and

ethics, the integrity of its relationships with employees, customers and suppliers and the integrity of its relationships with other stakeholders; and

7. Providing general advice and counsel to the Chairman of the Board, CEO and other senior management personnel in the performance of their duties.

## Board Composition and Selection; Director Independence

### Board Size

Board size and composition will be set so that the Board will possess, in the aggregate, the strategic, managerial and financial skills and experience necessary to fulfill its duties and to achieve its objectives. The Board shall consist of no less than five and no more than twelve members. The specific number of Board members will be reviewed from time to time and adjusted as necessary and appropriate to promote the best overall interests of the Company and its stockholders.

### Board Leadership

The Board of Directors shall elect a Chairman of the Board who shall have primary responsibility for scheduling Board meetings, calling special meetings when necessary, setting or proposing the agenda for each meeting, and leading the conduct of Board meetings, as well as for carrying out such other duties as are specified for such office in the Company's By-laws. This responsibility does not, however, diminish the responsibilities of each Board member to raise appropriate agenda items, or to propose meetings. In addition, a presiding director shall be designated to preside over each executive session of the Board of Directors. The presiding director shall be the chair of the Nominating and Governance Committee.

### Communication with Directors

Stockholders and other interested parties may communicate with the full Board of Directors, non-management directors as a group or individual directors, including the presiding director, by submitting such communications in writing to the Secretary of the Company. Such communications will be delivered directly to the Company's Board of Directors.

### Selection of Board Members

The Nominating and Governance Committee of the Board of Directors shall be responsible for developing and refining general and specific criteria for Board membership for approval by the Board of Directors. Also, the Nominating and Governance Committee is responsible for evaluating on an ongoing basis all directors and director candidates based on such general and specific criteria and for seeking to assure that specific talents, skills and other characteristics that are needed to increase the Board's effectiveness are possessed by an appropriate combination of directors.

The Nominating and Governance Committee shall be responsible for identifying individuals qualified to become members of the Board, consistent with criteria approved by the Board, and shall recommend to the Board nominees to be members of the Board. The Nominating and Governance Committee, with the input of the Chairman of the Board and the CEO, will recommend to the Board of Directors (i) nominees for Board membership to fill vacancies or newly created directorships, (ii) the persons to be nominated by the Board for election by the Company's stockholders at the annual or special meetings of stockholders, and (iii) Board committee assignments and rotation of Board committee

members. The Board shall be responsible for selecting nominees to be members of the Board and for recommending them for election by the stockholders at annual or special meetings of stockholders.

The Nominating and Governance Committee will consider persons recommended by stockholders to become nominees for election as directors in accordance with the criteria set forth in these principles and the Nominating and Governance Committee Charter. Recommendations for consideration by the Nominating and Governance Committee should be sent to the Secretary of the Company in writing together with appropriate biographical information concerning each proposed nominee. The Company's By-laws also set forth certain requirements for stockholders wishing to nominate director candidates directly for consideration by stockholders.

In addition to other criteria that the Board of Directors and the Nominating and Governance Committee may develop from time to time pursuant to these principles and the Nominating and Governance Committee Charter, the Board and the Nominating and Governance Committee have established certain criteria for director candidates that are set forth in Appendix A.

The Board of Directors shall be responsible for determining the qualifications of an individual to serve on the Audit Committee as a designated "audit committee financial expert," as defined by applicable rules of the Securities and Exchange Commission (the "SEC").

### **Independence of Directors**

A majority of the directors shall be independent directors under the rules of the New York Stock Exchange, Inc. (the "NYSE").

Directors who do not meet the NYSE's independence standards also make valuable contributions to the Board and to the Company by reason of their experience and knowledge.

To be considered independent under the NYSE's proposed rules, the Board must determine that a director does not have any direct or indirect material relationship with the Company or its affiliates (including, without limitation, subsidiaries in the Company's consolidated group). The Board has established the categorical standards set forth in Appendix B to assist it in determining director independence.

The Board shall undertake an annual review to evaluate the independence of all non-employee directors. In advance of the meeting at which this review occurs, each non-employee director shall be asked to provide the Board with full information regarding the director's business and other relationships with the Company and its affiliates and with senior management and their affiliates to enable the Board to evaluate the director's independence.

### **Term Limits, Retirement Policy and Change of Status**

The Board of Directors believes it is appropriate to require, and the Company's By-Laws require, directors to retire from Board service no later than the annual meeting of stockholders after directors reach the age of 75, except for certain directors for whom the Company's By-Laws provide a limited exception from this requirement.

The Company's By-Laws provide that if any director experiences a material change in employment status (including termination of employment, retirement or a material decrease in job responsibilities) from that when the director was most recently elected to the Board of Directors, then such director

shall be deemed to have automatically tendered his or her resignation as a director, which may be accepted by the remainder of the Board of Directors, in its sole discretion. As a general policy, the CEO and other senior executives of the Company who are Board members will offer to tender his or her resignation from the Board upon the termination of their employment with the Company. However, the Board may ask the former CEO to remain on the Board if it believes that an exception to this policy is in the best interests of the Company and its stockholders.

A director who intends to be elected to an additional board of directors of a public company shall provide notice to the Board of Directors prior to accepting such additional directorship.

The CEO shall not serve on the board of any for-profit entity without the consent of the Board of Directors.

### **Majority Voting Policy**

The Board has adopted a policy with respect to majority voting for directors as set forth in Appendix C.

## **Executive and Private Sessions of the Board**

Normally, members of senior executive management who are not members of the Board of Directors will participate in Board and Board committee meetings to present information, make recommendations, and be available for direct interaction with Board members.

However, the Board of Directors will have at least two regularly scheduled meetings a year for the non-employee directors without members of the Company's management being present; such meetings may occur either independent of or in conjunction with regularly scheduled meetings of the Board of Directors. The non-employee directors may meet without management present at such other times as they determine appropriate. In addition, the Board of Directors will have at least one regularly scheduled meeting each year that is limited to independent directors.

## **Board Committees**

The Board of Directors shall at all times have an Audit Committee, a Nominating and Governance Committee and a Compensation Committee, each comprised solely of independent directors. The Board shall evaluate and determine the circumstances under which it will form or disband other Board committees.

In addition to the requirement that a majority of the Board satisfy the independence standards discussed above, members of the Audit Committee must also satisfy any additional independence requirements imposed by the NYSE or the SEC. Specifically, directors serving on the Audit Committee may not directly or indirectly receive any compensation from the Company other than the fees they receive for serving as directors.

Board committee chairs shall be recommended by the Nominating and Governance Committee in consultation with the Chairman of the Board and the CEO, and approved by the Board. Board committee chairs will be responsible, in consultation with the Chairman of the Board and the CEO, for scheduling committee meetings, setting meeting agendas, leading the conduct of each meeting, reporting the committee's findings and making recommendations to the full Board, and presenting resolutions requiring Board action.

## Committee Assignment and Rotation

The Nominating and Governance Committee, in consultation with the Chairman of the Board and the CEO, will recommend Board committee assignments and rotation to the entire Board for final approval. Board members will rotate among Board committees from time to time as the Board deems appropriate.

## Number and Scope of Board and Committee Meetings

The Board of Directors will meet at least four times per year, including in connection with the annual meeting of stockholders, and otherwise as necessary or appropriate. Board committees will meet as set forth in their charters. Each director is expected to attend meetings of the Board of Directors and any Board committee(s) of which he or she is a member and to review all meeting materials circulated prior to each meeting. Board members are also expected to attend the Company's annual meeting of stockholders.

Each Board meeting will include a financial and operating review. In addition, at least once annually, the Board will devote substantial time to reviewing the following matters: senior executive succession planning; the personal objectives and performance of the CEO; corporate controls and financial reporting policies and procedures (in consultation with the Audit Committee); the Board's effectiveness; and the Company's overall business strategy and strategic plan.

## Director Compensation

Non-employee directors and Board committee chairs shall receive reasonable compensation for their services, as may be determined from time to time by the Board of Directors upon recommendation of the Compensation Committee. Compensation for non-employee directors and Board committee chairs shall be consistent with the market practices of other similarly situated companies. The Compensation Committee of the Board shall periodically review and report to the Board with respect to director compensation and benefits.

Directors who are employees of the Company shall receive no additional compensation for serving as directors.

## Director Access to Management and Independent Advisors

The Board of Directors is expected to be highly interactive with members of the Company's senior management, and the Board and its individual members shall have access to individual senior executives of the Company. The Company also maintains an environment that permits senior managers to contact Board members directly.

It is policy of the Board that executive officers and other members of senior management who report directly to the CEO be present at Board and/or Board committee meetings at the invitation of the

Board or Board committee members. The Board encourages such executive officers and senior management to make presentations or to include in discussions at Board meetings managers and other employees who (i) can provide insight into the matters being discussed because of their functional expertise and/or personal involvement in such matters and/or (ii) are individuals with high potential whom such executive officers and senior management believe the directors should have the opportunity to meet and evaluate.

Directors are authorized to consult with independent advisors, as is necessary and appropriate, without consulting management.

## Ethics and Conflicts of Interest

The Board of Directors expects the Company's directors, as well as its officers and employees, to act ethically at all times. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the CEO and the Chairman of the Board. If a significant conflict exists and cannot be resolved, the director should resign. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Board shall resolve any conflict of interest question involving any executive officer of the Company, and the CEO shall resolve any conflict of interest issue involving any other officer of the Company.

## Director Orientation and Continuing Education

The Board of Directors shall ensure that an orientation program for newly elected directors is implemented. The Nominating and Governance Committee shall oversee and maintain the orientation program implemented by the Board.

Directors are required to continue educating themselves with respect to various matters, including domestic and international markets, accounting and finance, leadership, crisis response, industry practices, general management, and strategic planning.

## Management Succession and CEO Compensation

The Board of Directors shall develop and maintain an appropriate succession plan with respect to the position of CEO. The Nominating and Governance Committee is responsible for making recommendations to the Board about succession planning. The Nominating and Governance Committee also shall recommend to the Board succession plans in the event of an emergency or the retirement of the CEO.

The Compensation Committee is responsible for establishing annual and long-term performance goals for the CEO and for evaluating his or her performance against such goals.

# Annual Performance Self-Assessment of the Board

The Board of Directors will conduct a self-assessment at least annually to evaluate whether it and its committees are functioning effectively. The Nominating and Governance Committee will oversee, and communicate to the Board of Directors the results of, such self-assessments.

## Limitation

Nothing in these Guidelines is intended to expand the fiduciary obligations of Board members beyond those provided for under applicable law.

### **Appendix A**

## Criteria for Director Nominees

In making recommendations to the Company's Board of Directors of nominees to serve as directors, the Nominating and Governance Committee will examine each director nominee on a case-by-case basis regardless of who recommended the nominee and take into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills or financial acumen, diversity of viewpoint and industry knowledge. However, the Board of Directors and the Nominating and Governance Committee believe the following minimum qualifications must be met by a director nominee to be recommended by the Nominating and Governance Committee:

1. Each director must display the highest personal and professional ethics, integrity and values.
2. Each director must have the ability to exercise sound business judgment.
3. Each director must be highly accomplished in his or her respective field, with superior credentials and recognition and broad experience at the administrative and/or policy-making level in business, government, education, technology or public interest.
4. Each director must have relevant expertise and experience, and be able to offer advice and guidance to the Chief Executive Officer based on that expertise and experience.
5. Each director must be independent of any particular constituency, be able to represent all stockholders of the Company and be committed to enhancing long-term stockholder value.
6. Each director must have sufficient time available to devote to activities of the Board of Directors and to enhance his or her knowledge of the Company's business.

The Board of Directors and the Nominating and Governance Committee also believe the following qualities or skills are necessary for one or more directors to possess:

1. At least one director should have the requisite experience and expertise to be designated as an "audit committee financial expert" as defined by applicable rules of the SEC.
2. Directors generally should be active or former chief executive officers of public companies or leaders of major complex organizations, including commercial, scientific, government, educational and other non-profit institutions.

3. Directors should be selected so that the Board of Directors is a diverse body, with diversity reflecting age, gender, race and professional experience.

## **Appendix B**

The Board of Directors has established categorical standards to assist it in making determinations of director independence. Under these categorical standards, the following relationships that currently exist or that have existed, including during the preceding three years, will not be considered to be material relationships that would impair a director's independence:

1. A family member of the director is or was an employee (other than an executive officer) of the Company.
2. A director, or a family member of the director, has received less than \$120,000 during each twelve-month period in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided that such compensation is not contingent in any way on continued service with the Company). Compensation received by (a) a director for former service as an interim Chairperson, Chief Executive Officer or other executive officer of the Company or (b) a family member of the director for service as an employee of the Company (other than an executive officer) need not be considered.
3. A director or a family member of a director is or was affiliated with or employed by a firm that is the Company's internal or external auditor, so long as (a) the director or the family member is not a current partner of a firm that is the Company's internal or external auditor; (b) the director is not a current employee of such a firm; (c) the family member is not a current employee of such a firm who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; and (d) the director or the family member, if he or she was within the past three years (but is no longer) a partner or employee of such a firm, did not personally work on the Company's audit within that time.
4. A director, or a family member of the director, is or was employed other than as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.
5. A director is a current employee of, or has any other relationship (including through a family member) with, another company (including any tax exempt organization), that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, does not exceed the greater of \$1 million or 2% of such other company's consolidated gross revenues. Both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year. This test applies solely to the financial relationship between the Company and the director's (or family member's) current employer. Former employment of the director or family member need not be considered.
6. A director is or was an executive officer, employee or director of, or has or had any other relationship (including through a family member) with, a tax exempt organization to which the Company's discretionary contributions in any of the last three fiscal years do not exceed the greater of \$1 million or 2% of such organization's consolidated gross revenues.
7. In addition, any relationship that a director (or an "immediate family member" of the director) previously had that constituted an automatic bar to independence under NYSE listing standards

will not be considered to be a material relationship that would impair a director's independence three years after the end of such relationship in accordance with NYSE listing standards.

For relationships not covered by the guidelines above, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, shall be made by the directors who satisfy the independence guidelines set forth in above.

## Appendix C

# Majority Voting Policy

In an uncontested election of directors, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election (a "*Majority Withheld Vote*") will promptly tender his or her resignation to the Chairman of the Board following certification of the stockholder vote. For purposes of this Policy, a contested election is one in which the Chairman of the Board determines that, as of the Determination Date, the number of persons properly nominated to serve as directors of the Company exceeds the number of directors to be elected. The "*Determination Date*" is (i) the day after the meeting of the Board of Directors at which the nominees for director of the Board of Directors for such election are approved, when such meeting occurs after the last day on which a stockholder may propose the nomination of a director for election in such election pursuant to the Certificate of Incorporation or By-Laws of the Company, or (ii) the day after the last day on which a stockholder may propose the nomination of a director for election in such election pursuant to the Certificate of Incorporation or By-Laws of the Company, when the last day for such a proposal occurs after the meeting of the Board of Directors at which the nominees for director of the Board of Directors for such election are approved, whichever of clause (i) or (ii) is applicable. The Resignation Committee (as defined below) will promptly consider the resignation submitted by a director receiving a Majority Withheld Vote, and the Resignation Committee will recommend to the Board of Directors whether to accept the tendered resignation or reject it. In considering whether to recommend that the Board of Directors accept or reject the tendered resignation, the Resignation Committee will consider all factors deemed relevant by the members of such committee, including, without limitation, any stated reasons why stockholders "withheld" votes for election from such director and the qualifications of the director whose resignation has been tendered.

The Board of Directors will act on the Resignation Committee's recommendation no later than 90 days following the date of the stockholders' meeting at which the election occurred. In considering such committee's recommendation, the Board of Directors will consider the factors considered by such committee and such additional information and factors the Board of Directors believes to be relevant. Following the Board of Directors' decision, the Company will promptly publicly disclose in a Current Report on Form 8-K filed with or furnished to, as applicable, the Securities and Exchange Commission the Board of Directors' decision whether to accept the resignation as tendered, including a full explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation.

Any director who tenders a resignation pursuant to this Policy will not participate in the recommendation of the Resignation Committee regarding whether or not to accept that director's tendered resignation. Any director who tenders a resignation pursuant to this Policy will not participate in the Board of Directors' deliberation or vote regarding whether or not to accept that director's tendered resignation. If directors constituting a quorum of the Board of Directors did not receive a Majority Withheld Vote in the election that prompted one or more directors to tender the

resignations upon which the Resignation Committee and the Board of Directors must then act, then no director who tendered a resignation pursuant to this Policy in connection with such election will participate in the Board of Directors' deliberation or vote (i) regarding whether or not to accept any tendered resignations related to such election or (ii) regarding matters relating to the Resignation Committee as it relates to such resignation.

The "*Resignation Committee*" shall be (i) the Nominating and Governance Committee of the Board of Directors, or such other committee of the Board of Directors then in effect performing a similar function, if (A) less than a majority of the members of such committee received Majority Withheld Votes in the election that prompted one or more directors to tender the resignations upon which the Resignation Committee must then act or (B) all of the directors received Majority Withheld Votes in such election or (ii) a committee of the Board of Directors appointed by the Board of Directors and consisting only of directors who did not receive Majority Withheld Votes, if a majority of the members of the Nominating and Governance Committee of the Board of Directors, or such other committee of the Board of Directors then in effect performing a similar function, but not all of the directors, received Majority Withheld Votes at such election.

This Policy will be summarized or included in each proxy statement relating to an election of directors of the Company.