



**ROSETTA RESOURCES INC.  
BOARD OF DIRECTORS GOVERNANCE GUIDELINES**

**As Amended and Restated by the Board of Directors  
December 6, 2012**

**Introduction**

The Board of Directors (the “Board”) of Rosetta Resources Inc. (the “Company”) has adopted these Board of Directors Governance Guidelines (“Guidelines”). These Guidelines along with the Articles of Incorporation and Bylaws of the Company form the framework for the Company’s governance. These Guidelines supplement, but do not supersede or replace the Company’s Bylaws and Articles of Incorporation, which Bylaws and Articles of Incorporation shall control in the event of any conflict with them and these Guidelines.

**Role and Responsibilities of the Board of Directors**

The Board oversees and provides policy guidance on the business and affairs of the Company. The Board monitors the overall Company performance, the integrity of the Company’s financial controls and the effectiveness of the Company’s compliance programs. The Board oversees management, management compensation, and the succession of management. The Board oversees the Company’s strategic and business planning process. The Board approves transactions at levels as determined by the Board and set out in delegation of authority documents.

**Director Qualification Standards**

1. Director Qualification Standards. Members of the Board should have the highest professional and personal ethics and values. They should have sufficient time to effectively carry out their duties. The Nominating and Corporate Governance Committee should at least annually review the appropriate skills, characteristics and availability required of Board members in the context of the then current composition of the Board and the long-term interests of the stockholders. A director’s service on other boards or management of public or private companies should be limited to a reasonable number.
2. Audit Committee Financial Expert. The Board, with assistance of the Nominating and Corporate Governance Committee, will determine at least on an annual basis whether a director satisfies the criteria necessary to be deemed an “audit committee financial expert” under the rules of the Securities and Exchange Commission.

## **Director Independence**

As set forth in the Company's Bylaws, the number of directors shall be three or more directors. The composition of the Board should be appropriate for effective deliberation of issues relevant to the Company's business and related interests. The Company shall have a majority of directors who meet the "independent" criteria under the rules of the NASDAQ Stock Market ("NASDAQ") and the Securities and Exchange Commission ("SEC"). The Board, with the assistance of the Nominating and Governance Committee will determine at least on an annual basis whether each director satisfies the criteria for director independence.

## **Director Access to Management and Independent Advisors**

Directors are encouraged to talk directly with one or more executive officers, and non-executive officers and other senior managers of the Company without other executive officers present. Directors and committees may retain independent legal, accounting, financial and other advisors, as necessary or appropriate to assist the Board or committees in the conduct of their respective duties.

## **Director Compensation**

Non-employee directors receive compensation that is competitive and links rewards to business results and stockholder returns. The compensation consists of cash and equity components. Employee directors are not paid additional compensation for their services as directors.

## **Director Term of Office and Election**

The directors stand for election annually at the Annual Meeting of Stockholders. The directors serve until they are not re-elected to the Board, until a director's successor has been duly elected, or until a director's earlier death, resignation or removal.

## **Retirement from the Board**

A director shall retire from the Board at the end of the calendar year in which he or she reaches 73 years of age.

## **Selection of New Directors**

Between the Annual Meetings of Stockholders, the Board may elect directors to serve until the next Annual Meeting of Stockholders. The Nominating and Corporate Governance Committee identifies, investigates and recommends prospective directors to the Board. The committee shall provide prospective directors a prospective director candidate questionnaire to be answered by the prospective director and returned to the committee at completion of due diligence by the Vice President of Human Resources and the Office of General Counsel, including a background check.

## **Elections of Directors**

In accordance with the Company's Bylaws, unless the Secretary of the Company determines that the number of nominees exceeds the number of directors to be elected as of the record date for any meeting of the stockholders, a nominee must receive more votes cast for than against his or her election or re-election (excluding abstentions) in order to be elected or re-elected to the Board. The Board shall nominate for re-election as directors only incumbent candidates who tender, at or prior to such nomination, an irrevocable resignation that will be effective upon the occurrence of both (1) the failure to receive the required vote for re-election at any meeting at which they are nominated for re-election and (2) Board acceptance of such resignation. In addition, the Board shall fill Director vacancies and new directorships only with candidates who tender, at or prior to the time of their appointment to the Board, the same form of resignation tendered by other directors in accordance with these Guidelines.

In the event one or more directors fails to receive the required vote for election or re-election (each, a "Subject Director"), either (i) the Nominating and Corporate Governance Committee or (ii) if one or more of the members of the Nominating and Corporate Governance Committee is a Subject Director or the Board determines that a committee other than the Nominating and Corporate Governance Committee should act to determine whether to accept the Subject Director's resignation, a committee consisting solely of independent directors (as determined in accordance with applicable Nasdaq Stock Market LLC rules and listing requirements) who are not Subject Directors (the committee described in clause (i) or (ii) of this sentence, the "Committee" for purposes of these Guidelines) will make a recommendation to the Board as to whether to accept or reject the Subject Director's previously tendered resignation, or whether other action should be taken (including whether to request that a Subject Director resign from the Board if no resignation had been previously tendered). The Board, not including any Subject Director, shall act with respect to any Subject Directors, taking into account the recommendation of the Committee, within ninety (90) days from the date of the certification of the election results and shall notify the Subject Directors of its decision. Notwithstanding the foregoing, if the result of accepting all tendered resignations then pending and requesting resignations from directors who did not submit a resignation prior to the relevant meeting would be that the Company would have fewer than three directors who were in office before the election of directors, the Board may determine to extend such 90-day period by an additional ninety (90) days if it determines that such an extension is in the best interests of the Company and its stockholders.

The Committee in making its recommendation, and the Board in making its decision, may each consider all factors it considers relevant, including any stated reasons for "against" votes, whether the underlying cause or causes of the "against" votes are curable, the length of service of each Subject Director, each Subject Director's contributions to the Company, and whether the acceptance of any resignation would cause the Company to fail to comply with any requirement of the Nasdaq Stock Market LLC or any rule or regulation promulgated under the Securities Exchange Act of 1934. Subject Directors shall not participate in the deliberation or recommendation(s) of the Committee or in the deliberation or decision(s) of the Board. Notwithstanding the foregoing, if all of the independent directors are Subject Directors, then the Committee shall consist of all the independent

directors, except for the independent Director whose resignation is under consideration, and furthermore, if the directors who are not Subject Directors constitute less than a quorum of the Board, then all directors, except for the Director whose resignation is under consideration, may participate in the Board's deliberation and decisions regarding whether to accept or reject the previously tendered resignations.

The Company shall promptly disclose the decision(s) of the Board in a filing with the Securities and Exchange Commission of a Current Report on Form 8-K. If a Subject Director's tendered resignation is not accepted by the Board or such Subject Director does not otherwise submit his or her resignation to the Board, such Director shall continue to serve until his or her successor is duly elected, or his or her earlier resignation or removal. If a Subject Director's resignation is accepted by the Board, or if a nominee for Director is not elected and the nominee is not an incumbent Director, then the Board, in its sole discretion, may fill any resulting vacancy or decrease the size of the Board in accordance with the Company's Bylaws.

### **Director Orientation and Continuing Education**

All new directors shall receive an orientation package. The package will include a copy of the Company's Bylaws, Code of Business Conduct and Ethics, these Guidelines, all SEC filings for the current year and last preceding year, press releases issued during the current calendar year and any other pertinent information. The new director will be briefed by the CEO, Chief Financial Officer and General Counsel on the Company's strategic plans, its significant financial, accounting, risk management, and legal issues and current significant exploration and development projects.

Directors are required to receive and track director education in subjects relevant to the duties of a director, including the study of corporate governance best practices and ethics. Director education may be as a result of a program planned by the Company or by the director attending a pre-approved seminar, with all expenses paid by the Company.

### **Code of Business Conduct and Ethics Policy and Other Company Policies**

The Board expects all directors, officers, employees and contractors, to display the highest standard of ethics consistent with the Company's Code of Business Conduct and Ethics Policy and all other Company policies, to the extent applicable. The Board expects directors, officers and employees to acknowledge their understanding and adherence to the Company's Code of Business Conduct and Ethics Policy and all other Company policies. The Company has and will continue to maintain the Code of Business Conduct and Ethics Policy. The Audit Committee periodically reviews compliance with the Code of Business Conduct and Ethics Policy.

## **Management Succession and Annual Performance Evaluation**

The Nominating and Corporate Governance Committee, in consultation with the CEO, oversees the Company's executive succession and management development plans. The Nominating and Corporate Governance Committee shall periodically review the executive succession and management development plans. The CEO will advise the Board of the results of his annual review of senior management performance. The term "Senior Management" means the Company's five most highly compensated officers.

## **Director and Officer Stock Ownership Guidelines**

The Board expects all directors and executive officers to display confidence in the Company by ownership of Company stock. The Nominating and Corporate Governance Committee periodically assesses the guidelines and directors' ownership relative to the guidelines, and makes recommendations as appropriate. The guidelines require a minimum amount of Company stock ownership for directors.

## **Board Annual Performance Evaluation**

The Board, in conjunction with the Nominating and Corporate Governance Committee, will at least annually evaluate the performance and effectiveness of the Board and each committee. In addition, each committee and individual director will perform an annual self-evaluation. The qualifications and performance of individual directors shall be evaluated by the Nominating and Corporate Governance Committee each time a director is nominated or re-nominated as a director, when there has been a change of employment of a director, and at other times as the committee may deem appropriate. The committee is responsible for the administration of the processes for the performance evaluations and self-evaluations.

## **Resignation from the Board**

Any director may resign by giving written notice. The resignation shall take effect at the time stated or immediately, if no time is specified. The Board should consider the continued appropriateness of the director's membership on the Board under changes in circumstances for a director. A director should tender a resignation in the event there is a substantial conflict of interest between the director and the Company and the Company or the Board and the conflict cannot be resolved to the satisfaction of the Board. Also a director should tender his or her resignation when the director is no longer qualified to serve as a director. The irrevocable resignation of a director who tendered such resignation pursuant to the Company's Bylaws will become effective upon the occurrence of both (1) the failure to receive the required vote for re-election at any meeting at which such director is nominated for re-election and (2) Board acceptance of such resignation.

## **Board Meetings**

The Board expects to have periodic, regularly scheduled meetings each year, including an annual meeting. Upon notice as provided in the Bylaws, unscheduled special meetings may be called throughout the year.

1. Meeting Attendance. Directors are expected to attend regularly scheduled Board and committee meetings, and the Annual Meeting of Stockholders.
2. Board Materials. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should be provided in writing to directors before the meeting, if possible. Directors also may provide input for additional pre-meeting materials. Directors are expected to review these materials before the meetings. A director may request that a member of Senior Management present information to the Board or committees.
3. Board Meeting Agenda. Each director shall be provided a copy of the agenda for a meeting in advance of the meeting. Each director may suggest the inclusion of agenda items. Each director can propose, at any Board or committee meeting, any matter that is not on the agenda for that meeting.
4. Non-employee Executive Session of Directors. The non-employee directors shall meet in executive session after each regularly scheduled Board meeting or more frequently, if necessary. The non-management directors shall elect a "Lead Director" to preside at these executive sessions.
5. Recusal for Conflict of Interest. Prior to any Board discussion or decision related to any matter that potentially affects a director's personal, business or professional interests, that director should disclose all material facts in connection with the existence of the potential conflict of interest to the Chairman of the Nominating and Corporate Governance Committee and recuse himself or herself from any discussions or vote relating to the matter. The Chairman of the Nominating and Corporate Governance Committee may excuse an interested director from a Board meeting called to consider for approval a matter which the interested director has a potential conflict of interest.

## **Board Committees**

The Board shall have at all times an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. All members of these committees shall be independent directors as determined by the Board in accordance with the independence criteria. Committee members shall be appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee. Each committee shall have a written charter that sets for the committee's purpose, responsibilities, and procedures. The Board may establish additional committees of the Board, if necessary. Each committee may retain independent legal, financial or other advisors as it may deem necessary, without consulting with or obtaining pre-approval of the Board.

Each committee chairman, in consultation with the committee members, shall determine the agenda, frequency and length of the committee meetings. Each committee shall report to the Board its activities, findings and recommendations after each committee meeting. Any director may attend any committee meetings, whether or not he or she is a member of that committee, provided that the director has obtained pre-approval to attend from the committee chair or a majority of the committee members.

### **Chairman of the Board**

The Board will appoint the Chairman of the Board. The Chairman of the Board can be an employee of the Company, but need not be an employee. The Chairman will chair all regular sessions of the Board and set the agenda for board meetings, subject to the right of other directors to suggest the inclusion of items to the agenda or to raise matters outside the agenda at meetings.

### **Communication with the Board**

Any stockholder or interested party, who wishes to communicate with the Board or a specific director, may contact the Chairman of the Nominating and Corporate Governance Committee at:

Chairman, Nominating and Corporate Governance Committee  
Rosetta Resources Inc.  
1111 Bagby, Suite 1600  
Houston, Texas 77002

Any reports of concerns regarding accounting or internal audit controls shall be reported to the address given above. If confidentiality is requested, the communication shall be kept confidential and forwarded to the Chairman of the Audit Committee.

### **Recommendations for Director Nominees**

Stockholder recommendations of individuals for consideration as a nominee for director should be submitted in writing to the attention of the Corporate Secretary. The recommendations must include:

1. The name, address, telephone number and comprehensive biography of the nominee and an explanation of why the nominee is qualified to serve as a director;
2. The name, address, telephone number of the stockholder or stockholder group making the recommendation, proof of ownership, number of shares, and length of time of ownership, and a representation that the stockholder or group is entitled and will remain entitled to vote at the Company's next annual meeting; and
3. A letter in writing from the individual being recommended of his or her willingness to serve, if elected as a director.