

CALLON PETROLEUM COMPANY

CORPORATE GOVERNANCE GUIDELINES (As amended and restated as of November 20, 2015)

The Board of Directors (the "Board" or individually "Director") of Callon Petroleum Company (the "Company") believes that sound corporate governance policies and practices provide an essential foundation to assist the Board in fulfilling its responsibilities. These Corporate Governance Guidelines (the "Guidelines") have been approved by the Board. The Guidelines, in conjunction with the Certificate of Incorporation, By-Laws and Board committee charters, provide the framework for governance of the Company. These Guidelines, which are to be reviewed periodically by the Nominating and Corporate Governance Committee of the Board, are set forth below:

1. Role of the Board and Management.

1.1 Function. The Board is elected by the stockholders to provide oversight, counseling and direction to the management of the Company for the benefit of the stockholders. The basic responsibility of each Director is to exercise his or her business judgment to act in what he or she reasonably believes to be in the best interests of the Company, its stockholders, and employees. In discharging this obligation, Directors should be entitled to rely on the honesty and integrity of their fellow Directors and the Company's senior executives and its outside advisors and auditors. This responsibility includes: (i) monitoring senior management's conduct of the Company's business operations and affairs to evaluate whether the business is being properly managed; (ii) reviewing and, where appropriate, approving the Company's fundamental financial and business objectives, long-term strategic plan, business plan, safety and environmental policies, and major corporate actions; (iii) assessing major risks facing the Company and reviewing options for their mitigation; (iv) selecting, regularly evaluating the performance of, and approving the compensation of the chief executive officer ("CEO") and other executive officers; (v) planning for succession with respect to the position of CEO and monitoring management's succession planning for other senior executives; and (vi) overseeing the Company's policies and procedures regarding corporate governance, legal compliance, ethical conduct, and integrity and maintenance of financial and accounting controls. The Directors shall also be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's charter, bylaws and any indemnification agreements, and to exculpation as provided by state law and the Company's bylaws.

1.2 Management. The Board has delegated to the CEO, working with the other executive officers of the Company, the authority and responsibility for managing the business of the Company in a manner consistent with oversight functions and powers of the Board and the standards and practices of the Company, and in accordance with any specific plans, instructions or directions of the Board. The CEO and management are responsible for seeking the advice and, in appropriate situations, the approval of the Board with respect to extraordinary actions to be undertaken by the Company.

2. Board Structure.

- 2.1 Size of Board and Term.** The number of Directors that constitutes the Board shall be fixed from time to time pursuant to the Company's Certificate of Incorporation and Bylaws (as amended from time to time). The Nominating and Governance Committee is responsible for reviewing, on an annual basis, the advisability or need for any changes in the number and composition of the Board. The Board is comprised of three classes (Class I, II and III), as nearly equal in number as possible, to serve staggered terms of three years and until their successors are elected and qualified.
- 2.2 Candidates.** The Board has a duty to the Company's stockholders to identify the most qualified candidates to serve as Board members. The Board is responsible for recommending director candidates for election by the stockholders and for electing directors to fill vacancies or newly created directorships. The Board has delegated the screening and evaluation process for director candidates to the Nominating and Corporate Governance Committee, which will identify, evaluate and recommend highly qualified director candidates to the Board.
- 2.3 Selection of Board Members and Director Qualification Standards.** The Nominating and Corporate Governance Committee of the Board has the responsibility for reviewing, evaluating and making a recommendation to the Board for director nominees to fill vacancies. The Board's objective is to select individuals to fill vacancies with the education, experience, qualifications, and skills necessary to effectively oversee the management of the Company. The Board should possess, as a group, the knowledge, experience and skills necessary to develop and oversee the implementation of the strategic vision of the Company, including: 1) understanding the Company's business and the marketplaces in which it operates; 2) experience in the oil and gas or other relevant industry, and an understanding and general acceptance of the Company's current corporate strategy and philosophy; (3) financial sophistication, including an audit committee financial expert and Directors who are financially literate; and (4) diversity of experiences, professional expertise and backgrounds.

The Nominating and Corporate Governance Committee may establish additional criteria for persons to be nominated for election to the Board, taking into account the composition of the Board as a whole, and shall submit such criteria to the Board for its approval. The following criteria should be evaluated by the Board and the Nominating and Corporate Governance Committee when evaluating persons to be nominated to serve on the Company's Board: (i) personal and professional integrity and high ethical standards; (ii) a candidate's qualification as "independent" under the various standards applicable to the Board and each of its committees; (iii) a candidate's depth of experience at the policy-making level in business, government or education; (iv) a candidate's availability and willingness to devote adequate time to Board duties; (v) the need for any required expertise on the Board or one of its committees; (vi) a candidate's character and judgment and ability to make independent analytical, probing and other inquiries; (vii) the candidate's ability to exercise independent judgment; (viii) the candidate's financial independence to ensure such candidate will not be financially dependent on director compensation;

(ix) the ability to work with other members of the Board, the CEO and senior officers of the Company in a constructive and collaborative fashion to achieve the Company's goals and implement its strategy; and (x) in the case of an incumbent Director, such Director's past performance on the Board.

- 2.4 Independence.** The Board will have a substantial majority of independent Directors who meet the criteria for independence required by the New York Stock Exchange (the "NYSE"). To be considered "independent," a Director must be determined by the Board, after recommendation by the Nominating and Corporate Governance Committee, to have no material relationship with the Company, its affiliates or senior management, other than as a Director. Annually, in time for disclosure in the proxy statement for the annual meeting of stockholders, the Board, after recommendation by the Nominating and Corporate Governance Committee, will make affirmative determinations that each Director who is considered to be independent meets the foregoing standard of independence as well as the applicable standard of independence in the NYSE and federal rules and regulations.
- 2.5 Board Leadership.** The Chairperson of the Board shall be selected by the Board.
- 2.6 Selection of Board Nominees for Reelection.** One class of directors is elected for three year terms by the stockholders at each Annual Meeting. The Board, based on the recommendation of the Nominating and Corporate Governance Committee, proposes a slate of nominees for consideration each year. Between Annual Meetings, the Board may elect Directors to serve until the next Annual Meeting. The Nominating and Corporate Governance Committee shall also review, for each incumbent director whose term expires at the next Annual Meeting, the incumbent director's past performance and recommend to the Board whether such director should be nominated for reelection. The Nominating and Corporate Governance Committee will consider a stockholder's recommendation of a nominee by writing to the Corporate Secretary specifying the nominee's name and the qualifications for Board membership as specified in Section 6.
- 2.7 Majority Vote Requirement and Resignation.** At any stockholder meeting for the election of Directors at which a quorum is present, any nominee for Director who receives a greater number of votes "withheld" from his or her election than votes "for" such election ("Majority Withheld Vote") shall tender his or her resignation for consideration by the Nominating and Corporate Governance Committee following certification of the stockholder vote, unless the number of nominees exceeds the number of Directors to be elected as of the record date for such meeting. Such resignation will only be effective upon Board acceptance of such resignation after receiving the recommendation of the Nominating and Corporate Governance Committee.

If a Director nominee receives a Majority Withheld Vote, then, promptly following certification of the election results, the Nominating and Corporate Governance Committee will consider any factors it deems relevant to the best interests of the Company and its stockholders in determining whether to accept the Director's resignation and recommend to the Board the action to be taken with respect to the

tendered resignation. Within 120 days following certification of the stockholder vote, the Board shall consider the recommendation and make a determination as to whether to accept or reject such Director's resignation and shall notify the Director concerned of its decision. The Company will also promptly publicly disclose the Board's decision and process in a periodic or current report filed with or furnished to the Securities and Exchange Commission.

Any Director who tenders his or her resignation pursuant to this provision will not participate in the Board's action regarding whether to accept or reject the resignation. However, such Director shall remain on the Board and active and engaged in all other committee and Board activities, deliberations and decisions during the Nominating and Corporate Governance Committee and Board process. If the only Directors who receive a sufficient vote for re-election constitute three or fewer Directors, then all Directors may participate in the action regarding whether to accept or reject the resignation offers.

2.8 Management Directors. The Board believes that the CEO should be a member of the Board. In addition, the Nominating and Corporate Governance Committee may, from time to time, recommend another member of the Company's senior management for election to the Board; however, the Board believes that at no time shall there be more than two Company employees serving as management Directors of the Board. A management Director is expected to resign from the Board upon his or her resignation, removal or retirement as an officer of the Company. The Board may request that a former management Director continue as a Board member after his or her resignation or retirement.

2.9 Retirement and Term Limits Policy. No person shall be nominated by the Board to serve as a Director after such person's 74th birthday, unless the members of the Nominating and Corporate Governance Committee (not including the Director in question if such Director is a member of the Nominating and Corporate Governance Committee) waive such requirement due to special circumstances.

The oil and gas industry is a very specialized industry that can take years to truly understand. In addition, the Board believes that the Company and its stockholders benefit from Board continuity and stability that allows Directors to focus on long-term business strategies and results. For these reasons, among others, the Board does not believe it should establish term limits for Directors based on years of service.

2.10 Director Service on Other Boards. No Director may serve on the board of directors of more than five other public companies. In advance of accepting an invitation to serve on another public company board, Directors should advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee to allow an assessment to be made of, among other things, the potential impact of such service on the Director's time and availability, potential conflict of interest issues, and the Director's status as an independent director.

2.11 Changes in Occupation or Association. The Board does not believe that Directors who retire, resign or otherwise materially change their position with their employers

should necessarily leave the Board, however, they are required to submit a notice of any such retirement, resignation or change to the Chairman of the Board and Chairman of the Nominating and Corporate Governance Committee. The Board will then review the continued appropriateness of Board membership under the changed circumstances.

- 2.12 Confidentiality and Conflicts of Interest.** The proceedings and deliberations of the Board and its committees are confidential. All Directors are to be aware of and comply with federal guidelines on disclosure of material and nonpublic information regarding the Company and its operations. Each Director will maintain the confidentiality of information received in connection with his or her service as a Director. Each Director will comply with the Board's Director Confidentiality Policy.

Directors are expected to act ethically and comply with the Company's Code of Business Conduct and Ethics. Directors shall attempt to avoid any situation that may give rise to a conflict of interest or the appearance of a conflict of interest. If an actual or potential conflict of interest arises, the Director shall promptly inform the Chairman and the Chair of the Nominating and Corporate Governance Committee (or in the event a potential conflict arises with the Chair of the Nominating and Corporate Governance Committee, he or she shall notify the Chair of the Audit Committee) and recuse himself or herself from any Board deliberations or decisions related to the matter that is the subject of the conflict of interest. If an actual or potential conflict exists and cannot be resolved by a Director's recusal from participation in discussions or deliberations related to the matter or in any other reasonable manner, the Director is expected to offer to tender his or her resignation to the Chair of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee shall determine whether to accept or reject such offer. The Board shall resolve any conflict of interest question involving the CEO or any executive officer.

- 2.13 Consideration of Stockholder Recommendations.** The Nominating and Corporate Governance Committee shall be responsible for overseeing the process of considering director candidates recommended by the Company's stockholders and the procedures to be followed by stockholders that desire to submit such a recommendation.

3. Board Operations.

- 3.1 Frequency of Meetings.** The Board shall have at least four (4) regularly scheduled meetings per year. Special Board meetings may be called at any time by the Chairperson of the Board or a majority of the Directors.
- 3.2 Agenda for Board and Committee Meetings.** The Chairperson of the Board, in consultation with Board members and any appropriate member of the Company's management staff as necessary, shall establish the agenda for each Board meeting. Any member of the Board may suggest items for inclusion on the agenda and raise subjects at any Board meeting that are not on the agenda for that meeting. With respect to committees of the Board, the chairperson of such committee, in consultation with committee members and appropriate members of management, will develop the Committee's agenda for applicable meetings. Any Director may attend

any committee meeting, whether or not a member of the committee, subject to the approval of the Chairman of the committee or a majority of the committee members.

- 3.3 Meeting Materials.** In advance of each Board meeting, a proposed agenda shall be distributed to each Director. In addition, to the extent feasible or appropriate (based on confidentiality requirements, time limitations and other factors), information and data important to the Directors' understanding of the matters to be considered at the meeting, including background summaries of presentations to be made at the meeting, shall be distributed sufficiently in advance of each meeting so that the Directors will have an opportunity to review and consider such materials in preparation for the meeting. As requested by the Chairperson, members of the Company's management and staff shall assist the Chairperson with the preparation of any background materials necessary for any Board meeting.
- 3.4 Executive Sessions of Non-Management Directors.** To promote open discussion among the non-management Directors, the non-management Directors shall meet in separate executive (private) sessions at each regularly scheduled meeting of the Board. The Chairperson of such executive sessions shall be the Chairperson of the Nominating and Corporate Governance Committee unless, at the first executive session held in each fiscal year, the independent Directors select a different independent Director to serve as the Chairperson for all executive sessions held during that fiscal year. If one or more non-management Directors are not "independent" under the rules and regulations of the NYSE, then the independent Directors shall meet in a separate executive session at least once a year.
- 3.5 Director Attendance.** A Director is expected to spend the time and effort necessary to properly discharge such Director's responsibilities. Accordingly, a Director is expected to regularly attend in person each regularly scheduled meeting of the Board and Board committees on which the Director sits, and attend in person or by teleconference, all other meetings of the Board and Board committees on which such Director sits, with the understanding that on occasion a director may be unable to attend a meeting in person or by telephone. A Director who is unable to attend a meeting is expected to notify the Chairperson of the Board or the Chairperson of the appropriate committee in advance of such meeting. Directors are expected to attend the Company's annual meeting of stockholders.
- 3.6 Attendance of Non-Directors at Board Meetings.** The Board encourages the CEO to bring members of management from time to time into Board meetings to: (i) provide management insight into items being discussed by the Board that involve the manager; (ii) make presentations to the Board on matters that involve the manager; and (iii) bring into contact with the Board managers with significant potential. Attendance of such non-Directors at Board meetings is at the discretion of the Board. The Corporate Secretary, Chief Financial Officer and, if the Company has an officer serving in such role, the general counsel or other officer in charge of legal affairs may be present during Board meetings, except where there is a specific reason for one or more of them to be excluded. Should the CEO desire to include additional members of management as attendees on a regular basis, such action should be submitted to the Board for its approval.

4. **Board Access to Senior Management and Advisors.** Directors shall have full access to the Company's senior management. Board members should coordinate contact with senior management with the CEO and exercise reasonable judgment when contacting management to avoid creating unnecessary distractions from the Company's business operations, and ensure that the CEO is copied on written communications with senior management. The Board welcomes regular attendance at each Board meeting of senior officers of the Company. The Directors may have access to the Company's independent advisors following consultation with the CEO.
5. **Board Interaction with External Constituencies.** The Board believes that management speaks for the Company. Individual Directors will not meet or otherwise directly communicate with stockholders, research analysts, vendors, the press or other external constituencies on behalf of the Company unless the communication is: (1) requested by the Chairman of the Board, the CEO or the full Board, or (2) required to discharge his or her duties as set forth in committee charters. However, it is expected that Board members will speak for the Company only with the knowledge of the CEO and, in most instances, at the request of the CEO.
6. **Stockholder Communications with Directors.** The Board welcomes communications from the Company's stockholders and other interested parties. Stockholders and any other interested parties may send communications to the Board, any committee of the Board, the Chairman of the Board, or any other Director in particular to:

Callon Petroleum Company
Attention: Corporate Secretary
P. O. Box 1287
Natchez, MS 39120

Stockholders and any other interested parties should mark the envelope containing each communication as "Stockholder Communication with Directors" and clearly identify the intended recipient(s) of the communication. The Company's Secretary will review each communication received from stockholders and other interested parties and will forward the communication, as expeditiously as reasonably practicable, to the addressees if: (1) the communication complies with the requirements of any applicable policy adopted by the Board relating to the subject matter of the communication; and (2) the communication falls within the scope of matters generally considered by the Board. To the extent the subject matter of a communication relates to matters that have been delegated by the Board to a committee or to an executive officer of the Company, then the Company's Secretary may forward the communication to the executive officer or chairman of the committee to which the matter has been delegated. The acceptance and forwarding of communications to the members of the Board or an executive officer does not imply or create any fiduciary duty of the Board members or executive officer to the person submitting the communications.

7. **Director Orientation and Continuing Education.** The Company shall provide an orientation program for new Directors to familiarize them with, among other things, the Company's business, strategic plans, significant financial, accounting and risk management issues, compliance policies, Code of Business Conduct and Ethics, executive officers, and its

internal and independent auditors. In addition, the Orientation Program will include visits to Company headquarters and/or other office locations, and to the extent practical, certain of the Company's significant field operations. All other Directors are also invited to attend the Orientation Program. Each Director is encouraged to attend, at the Company's expense, director education programs or seminars as the Director deems advisable. The Nominating and Corporate Governance Committee shall periodically, at its discretion, review and approve the orientation program.

8. **Advisors.** The Board and each committee shall have the authority to retain, at the Company's expense, independent legal, accounting, financial and other advisors it deems necessary to fulfill its responsibilities.

9. **Committee Matters.**

- 9.1 **Board Committees.** The Board has established the following committees to assist the board in discharging its responsibilities: Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, and Strategic Planning and Reserves Committee. The Board may from time to time establish ad hoc or special committees as it deems appropriate and determine the areas of competence of any such committee. All of the members of these committees will satisfy the requirements, including any independence requirements, detailed in their respective committee charters. The committee chairperson, in consultation with committee members, will determine the frequency and length of the meetings of the committee, in accordance with applicable regulations and committee charters.
- 9.2 **Committee Charters.** Each committee will have a written charter that shall be approved by the full Board, upon the recommendation of the Nominating and Corporate Governance Committee. Each Committee charter shall state the purpose of the Committee and reflect the responsibilities that the Committee has undertaken. The charters will also provide that each committee will annually evaluate its performance.
- 9.3 **Selection of Committee Members.** The Nominating and Corporate Governance Committee shall be responsible for recommending to the Board the membership of each Board committee and a Chairperson for each committee. In making its recommendations to the Board, the Nominating and Corporate Governance Committee shall consider: (i) the need for continuity; (ii) expertise in the subject matter of the Board committee; (iii) applicable Securities and Exchange Commission ("SEC") and NYSE requirements; (iv) the performance of the incumbent member(s); (v) the need for committee member rotation; and (vi) the desires of individual Board members. The members and Chairperson of each Board committee shall be selected by the Board on the recommendation of the Nominating and Corporate Governance Committee. There is no policy limiting the length of service on any committee.
- 9.4 **Evaluation of Committee Charters.** The Nominating and Corporate Governance Committee shall conduct periodic reviews of all committee charters and recommend to the Board any changes it deems necessary. In connection therewith, the Nominating and Corporate Governance Committee shall review the recommendations of each Board committee regarding the charter of its committee.

10. CEO Evaluation, Management Succession and Appointment of Officers.

10.1 CEO Evaluation. The Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter. The Board will review the Compensation Committee's report in order to ensure that the CEO is providing the best leadership for the Company in the long- and short-term.

10.2 CEO Succession. The Nominating and Corporate Governance Committee, in collaboration with the Compensation Committee, shall review and evaluate the succession plans relating to the CEO to ensure that a succession plan for the CEO is in place. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals. The Nominating and Corporate Governance Committee shall recommend to the Board a successor to the CEO when a vacancy occurs.

10.3 Appointment of Officers. The Nominating and Corporate Governance Committee shall review the CEO's appointment of SEC reporting officers ("**SEC reporting officers**") are those officers that are required to file Section 16 reports with the SEC) and make recommendations to the Board with respect to such persons to be elected officers by the Board and review any proposed personnel changes involving such officers.

11. Executive Compensation and Periodic Review of Director Compensation. The Compensation Committee shall be responsible for the design and administration of the Company's compensation plans and policies which support the Company's business strategy and long-term goals, particularly the creation of shareholder value, to develop talented executives and motivate them to work for the long-term advantage of the Company's stockholders.

The Board, based upon a recommendation from the Compensation Committee, will periodically review director compensation (including additional compensation to members and chairpersons of committees) to ensure that it is reasonable and competitive with companies that are similarly situated. Management Directors shall receive no additional compensation for Board service. To more closely align the interests of Directors and the Company's stockholders, a portion of the Directors' fees may be paid in the form of Company equity. All Directors and executive officers are expected to own stock in the Company in accordance with the Company's guidelines. The Company will not make any personal loans or extensions of credit to Directors or executive officers.

12. Evaluation of Board and Committees. The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Chairman of the Board will receive comments from all Directors and report annually to the Board with an assessment of the performance of the Board, the Board's committees and management. The assessment will focus on the Board's contribution to the Company and specifically focus on areas or practices in which the Board or management believes that the Board could improve.

13. Review of Corporate Governance Guidelines. The Nominating and Corporate Governance Committee shall periodically review these Guidelines. In addition, the Nominating and Corporate Governance Committee shall review the Company's Code of Business Conduct and Ethics, including the granting of waivers of the Code of Business Conduct and Ethics and the reporting of such waivers, to the extent required by applicable regulations.

14. Disclosure. The Company shall post these Guidelines, the charters of each Board committee and the Company's Code of Business Conduct and Ethics on the Company's website as required by applicable rules and regulations. In addition, the Company shall disclose in its proxy statement for its annual meeting of stockholders that a copy of each document is available on the Company's website and may be obtained by stockholders upon written request.

Interpretation and Limitation

These Guidelines offer a framework for governance of the Company and the Board. The Board recognizes that situations may dictate variations from the Guidelines in order to respond to business changes and the needs of the stockholders. These Guidelines are not intended to, and do not, create any legal or fiduciary duties or other responsibilities or form the basis for a claim of breach of fiduciary duty or potential liability. These Guidelines are subject to modification and interpretation of the Board. Accordingly, these Guidelines do not operate as invariable rules nor do they limit the Board's ability to act in variance to these Guidelines at any time in the future. To the extent that these Guidelines conflict with any provision of the Company's Certificate of Incorporation or Bylaws, the Certificate of Incorporation or Bylaws shall govern.