

Corporate Governance Guidelines

Last Revised March 7, 2018

The Board of Directors (the “Board”) of Panhandle Oil and Gas Inc. (the “Company”) has adopted the following Corporate Governance Guidelines tailored to the needs of the Company. These Guidelines reflect the Board’s commitment to monitor the effectiveness of policy and decision-making both at the Board and management level, with a view to enhancing shareholder value over the long term. The Board believes these Guidelines should be an evolving set of corporate governance principles, subject to alteration as circumstances warrant.

Director Qualifications and Board Composition

Independence - A majority of the Board members must qualify as “independent” directors in accordance with the rules of the New York Stock Exchange, the Securities and Exchange Commission and any other applicable laws, rules or regulations. The Board must affirmatively determine that all members of the Audit Committee, the Compensation Committee and the Governance and Nominating Committee are independent according to these standards.

Director Characteristics - Individual directors should possess all of the following characteristics:

Integrity and Accountability - Character is the primary consideration in evaluating any Board member. Directors should demonstrate high ethical standards and integrity in their personal and professional dealings and be willing to act on and remain accountable for their boardroom decisions.

Informed Judgment - Board members should have the ability to provide wise, thoughtful counsel on a broad range of issues.

Peer Respect - The Board functions best when directors value Board and team performance over individual performance. Openness to other opinions and the willingness to listen should rank as highly as the ability to communicate persuasively. Board members should approach others assertively, responsibly and supportively and raise tough questions in a manner that encourages open discussion.

High Performance Standards - In today’s highly competitive world, only companies capable of performing at the highest levels are likely to prosper. Board members should have a history of achievement that reflects high standards for themselves and others.

Passion - Directors should be passionate about the performance of the Company. That passion should manifest itself in engaged debate about the future of the Company and an atmosphere of teamwork, collegiality and goodwill among the Board that both challenges and inspires the Company’s employees.

Creativity - Success in the energy business will ultimately be achieved by companies who adapt quickly to changing environments and implement creative solutions to the significant challenges faced by industry participants. Board members should possess the talents needed to augment those of management.

Director Selection - The Governance and Nominating Committee shall be responsible for reviewing with the Board any other special Director qualifications, taking into account the composition and skills of the entire Board. Given the importance of the Board’s role in monitoring the financial performance

of the Company, the Governance and Nominating shall ensure that a sufficient number of the Board members are financially literate with ability to read and understand financial statements.

Director Recruitment - The Governance and Nominating Committee shall identify and recruit candidates to serve on the Board. A list of candidates to be elected by shareholders shall be presented to the Board for nomination at the next annual meeting of shareholders. Candidates identified to fill vacancies between meetings of shareholders shall be presented to the Board for appointment. The Governance and Nominating Committee may at its discretion seek third-party resources to assist in the process and will make the final recommendation to the Board.

An invitation to join the Board shall only be extended to a potential candidate at such time as the nomination or appointment of the candidate has been approved by the Board.

Uncontested Director Election - Each director to be elected by shareholders in an uncontested election shall be elected if the holders of a majority of shares present at the meeting, and entitled to vote for the election of directors, vote “for” his or her election. Any nominee for director in an uncontested election who is an incumbent director and receives a greater number of votes “withheld” from his or her election than votes “for” such election shall promptly submit his or her offer of resignation for consideration by the Governance and Nominating Committee. The Governance and Nominating Committee shall consider all of the relevant facts and circumstances and recommend to the Board the action to be taken with respect to such offer of resignation. The Board will act on the offered resignation, taking into account such recommendation, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the offered resignation within 90 days from the date of election. The director who offered his or her resignation shall not participate in any proceedings with respect to his or her offered resignation.

Contested Director Election - If the election of directors is contested, which the Board may determine at the record date for the shareholders’ meeting or at the time the Company’s proxy materials are mailed to shareholders, directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at such meeting and entitled to vote on the election of directors. If the Board determines that the election of directors is contested, the plurality vote standard shall remain in place even if there is no contested election at the time of the shareholders’ meeting.

Term Limits - The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into and knowledge about the Company and its operations and, thereby provide an increasing contribution to the Board as a whole. The Board believes an annual assessment of director and Board performance provides each director a convenient opportunity to reflect on the effectiveness of the Board, and to confirm a director’s decision to continue as a member of the Board.

Mandatory Retirement - Non-management directors will not be considered for re-election or initial election to the Board after their 70th birthday, but may continue to serve out an existing term past their 70th birthday.

Board Classification - As required by the Company’s Certificate of Incorporation, the Board will be divided into three classes as equal in number as may be feasible, with the term of one class expiring each year.

Lead Independent Director - It is the policy of the Company that a Lead Independent Director shall be elected annually to preside over meetings of the Board and executive sessions of the Company’s

independent directors, facilitate information flow and communication between the directors and the Chief Executive Officer and to perform such other duties specified by the Board and outlined in the Charter of the Lead Independent Director.

Multiple Directorships - The Company recognizes that its Board members benefit from service on the boards of other companies. While that service is encouraged, it is critical that directors have the opportunity to dedicate sufficient time to service on the Panhandle Board. It is recommended that directors serve on no more than five public companies boards including the Panhandle Board.

Directors are expected to advise the Chairman of the Governance and Nominating Committee and the Lead Independent Director promptly upon accepting any other public, private or not-for-profit company directorship or any assignment to the audit committee or compensation committee of the board of directors of any public, private or not-for-public company of which such director is a member.

No director shall serve as a director, officer or employee of a competitor of the Company, without the approval of the Governance and Nominating Committee.

Access to Management - The Company shall provide each director with access to the management of the Company, subject to reasonable advance notice to the Company and reasonable efforts to avoid disruption to the Company's management, business and operations and, as necessary and appropriate, to the Company's independent advisors.

Independent Advisors - The Board and Board committees, to the extent set forth in the applicable committee charter, have the right to consult and retain independent legal and other advisors at the expense of the Company.

Company Share Ownership

Outside directors are required, by the Bylaws of the Company, to beneficially own shares of the Company's common stock in order to be a member of its Board. To further align the interests of the directors with the Company's shareholders, each director is expected to own that number of shares at the end of their fifth year of Board service equal to, on a cost basis, the aggregate amount of their first three year's directors annual retainer and the meeting fees for the five regularly scheduled Board meetings held each year, plus the number of shares of restricted stock granted to such director under the Company's Amended 2010 Restricted Stock Plan which are granted and vested during such three year period.

Future unissued shares that have been credited to the Non-Employee Directors' Deferred Compensation Plan may be used to satisfy this share ownership requirement. The amount of these unissued shares are credited to each director's account as vested and are in lieu of cash payments for the annual retainer and meeting fees. Until these shares are issued upon a directors' retirement, termination or death or upon a change in control of the Company, each director is an unsecured creditor of the Company for the amount in his or her deferred compensation account.

Director Responsibilities

Best Judgment - Directors should exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company in a manner consistent with their fiduciary duties. Directors should regularly attend meetings of the Board and all Board committees upon which they serve.

Confidentiality - Directors shall preserve the confidentiality of information and proprietary material given or presented to the Board.

Conflicts of Interest - Directors must disclose to the Governance and Nominating Committee any potential conflicts of interest they may have with respect to any matter under discussion and, if appropriate, refrain from voting on a matter in which they may have a conflict.

Meeting Attendance - The Lead Independent Director and Chief Executive Officer will set the schedule and location for meetings of the Board. In addition to the regularly scheduled meetings, unscheduled Board meetings may be called, upon proper notice, at any time to address specific needs of the Company. The annual meeting of shareholders will be scheduled in conjunction with a regularly scheduled Board meeting. The Board expects all Board members to attend regularly scheduled Board and Committee meetings and the annual meeting of shareholders, unless there are extenuating circumstances.

Board Committees

Standing Committees - The Board shall at all times maintain an Audit Committee, a Compensation Committee and a Governance and Nominating Committee, which must operate in accordance with applicable law, their respective charters as adopted and amended from time to time by the Board, the applicable rules of the Securities and Exchange Commission, and the rules of the New York Stock Exchange. The Board may also establish such other committees as it deems appropriate and delegate to such committees any authority permitted by applicable law and the Company's Bylaws as the Board may see fit.

Agenda - The Chief Executive Officer and the Lead Independent Director shall set the agendas for meetings of the Board and the Chairman of each committee shall set the agendas for meetings of the applicable committee. Any director may suggest agenda items and may raise at meetings other matters that they consider worthy of discussion.

Information and data that is important to the Board's understanding of the business to be discussed at meetings will be distributed in advance of meetings to the extent practicable, except when such material is too sensitive to be put in writing. To prepare for meetings, directors are expected to review these materials in advance of each meeting.

Directors' Compensation

The Compensation Committee shall periodically review the form and amounts of directors' compensation and make recommendations to the Board with respect thereto. The Board shall set the form and amounts of directors' compensation, taking into account the recommendations of the Compensation Committee. The Board believes that the amount of directors' compensation should fairly reflect the contributions of the directors' to the performance of the Company. Only Non-Employee Directors shall receive compensation for services as Directors.

Board Procedures

Executive Leadership - The Board reserves the right to determine, from time to time, how to configure the leadership of the Board and the Company in the way that in its view best serves the Company.

Executive Sessions of Independent Directors - Executive sessions of independent directors without management present shall be held at each regularly scheduled Board meeting. Additional executive sessions or meetings of independent directors may be held from time to time as called by the Lead Independent Director. The Lead Independent Director will preside at meetings of independent directors.

Orientation - The Board will establish, or identify and provide access to, appropriate orientation programs, sessions or materials for newly elected Directors for their benefit either prior to or within a reasonable period of time after their election or appointment. The Board will encourage, but not require, Directors to periodically pursue or obtain appropriate programs, sessions or materials as to the responsibilities of directors of publicly traded companies.

Board Policies

Equity Plans - Any Company equity compensation plans, except plans assumed in connection with mergers or acquisitions, or tax qualified plans will be approved by shareholders.

Code of Conduct - The Company will continuously maintain a Code of Business Conduct and Ethics setting forth the Company's expectations in various areas of legal and ethical concern.

Management Evaluation and Succession

Annual Evaluation - The Compensation Committee shall be responsible for coordinating an annual evaluation of the Chief Executive Officer and other executive officers and recommending to the full board such annual compensation. The Chairman of the Compensation Committee shall be the liaison with the Chief Executive Officer for compensation matters.

Succession Planning - The Chief Executive Officer shall provide an annual report on succession planning and related personnel development recommendations to the Governance and Nominating Committee, including a short-term succession plan delineating temporary delegation of authority in the event that the Chief Executive Officer or any other executive officers are unexpectedly unable to perform his or her duties.

Annual Performance Evaluation of the Board

Self-Evaluation - The Board will conduct an annual self-evaluation of the effectiveness of the Board and the Board committees, which shall be compiled and consolidated by the Governance and Nominating Committee.

Committee Evaluations - The Governance and Nominating Committee, the Compensation Committee and the Audit Committee will complete annual performance evaluations in accordance with their respective charters.

The full Board will discuss the evaluation reports to determine what, if any, actions could improve the effectiveness and performance of the Board or the Board committees.

Reporting of Concerns to Independent Directors

The Company shall establish a method whereby shareholders and other interested parties may communicate directly with independent directors either by letter, email or telephone, as set forth under the Corporate Governance section of the Company's website at www.panhandleoilandgas.com. All such communications will be monitored by the Corporate Secretary and forwarded to the independent directors.

Communication with Public and Shareholders

Except in unusual circumstances or as required by committee charters or as requested by senior management, directors are expected to follow the principle that senior management, as opposed to individual directors, shall provide the public voice of the Company. Directors receiving inquiries from a member of the public, institutional investors, the press, customers, securities analysts, shareholders or others should refer the inquiries to the Chief Executive Officer of the Company.

The Chief Executive Officer is responsible for establishing effective communications with the Company's stakeholder groups, i.e., shareholders, customers, company associates, communities, suppliers, creditors, governments, and corporate partners. It is the policy of the Company that management speaks for the Company. This policy does not preclude non-management Directors from meeting with shareholders, but it is preferable for any such meetings to be conducted with management present.

Review of Corporate Governance Guidelines

The Board, with the assistance of the Governance and Nominating Committee, as appropriate, shall review these Corporate Governance Guidelines on an annual basis to determine whether any changes are appropriate.

These Guidelines may be amended, modified or waived by the Board, and waivers of these Guidelines may also be granted by the Governance and Nominating Committee, subject to the disclosure requirements and other provisions of the Securities and Exchange Act of 1934 and the rules promulgated thereunder.