

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K  
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**

**Date of Report:** (Date of Earliest Event Reported) **January 17, 2020 (January 16, 2020)**

**PANHANDLE OIL AND GAS INC.**

(Exact name of registrant as specified in its charter)

**OKLAHOMA**  
(State or other jurisdiction  
of incorporation)

**001-31759**  
(Commission File Number)

**73-1055775**  
(I.R.S. Employer  
Identification No.)

**5400 North Grand Blvd.,  
Suite 300  
Oklahoma City, OK**  
(Address of principal executive  
offices)

**73112**  
(Zip code)

**(405) 948-1560**  
(Registrant's telephone number including area code)

**Not Applicable**  
(Former name or former address if changed since last report)

Securities registered pursuant in Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, \$0.01666 par value	PHX	New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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## **ITEM 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On January 17, 2020, Panhandle Oil and Gas Inc. (the “Company”) announced the appointment of Chad L. Stephens as Chief Executive Officer of the Company, effective January 16, 2020. Mr. Stephens previously served as Interim Chief Executive Officer of the Company and currently serves as a member of the Company’s board of directors (the “Board”).

Mr. Stephens, 64, had served as the Company’s Interim Chief Executive Officer since August 2019. Mr. Stephens previously served as Senior Vice President – Corporate Development of Range Resources Corporation, an independent natural gas company (“Range Resources”), a position he held from 2002 until his retirement effective December 31, 2018. Mr. Stephens joined Range Resources in 1990 as Senior Vice President – Southwest. While at Range Resources, he was responsible for the origination, valuation and acquisition or divestiture of over \$6.0 billion of oil and gas producing properties. Mr. Stephens served on the internal hedging committee and was responsible for the oversight of all gas, oil and NGL marketing and sales for Range Resources. Mr. Stephens holds a Bachelor of Arts degree in Finance and Land Management from the University of Texas. He was appointed to the Board in 2017 and previously served as its Lead Independent Director.

The Company does not have a written employment agreement with Mr. Stephens. Mr. Stephens will receive an initial annual base salary of \$345,000, to be reviewed at least annually by the Compensation Committee of the Board. Mr. Stephens will receive a signing bonus of \$500,000 in the form of a restricted stock award with a three-year cliff vesting period. If a change-in-control were to occur, the restricted stock award would fully vest. If termination were to occur for any reason other than “for cause,” vesting of the restricted stock would be pro-rata. Mr. Stephens will be eligible for an annual cash bonus based on the Company’s financial and operating performance and subjective performance goals, with a target cash bonus award of 100% of his base salary (for a target cash bonus of \$345,000). Mr. Stephens will also be eligible to participate in the Company’s long-term incentive programs available to executive officers of the Company, including the Company’s Amended 2010 Restricted Stock Plan and the Employee Stock Ownership and 401(k) Plan and Trust Agreement (the “ESOP Plan”). Mr. Stephens’ target performance-based long-term incentive stock award for 2020 is equal to 155% of his annual base salary (for a target performance-based long-term incentive opportunity of \$534,750). Additionally, Mr. Stephens is eligible to participate in the health and welfare benefits available to all Company employees.

Mr. Stephens will enter into a Change-in-Control Executive Severance Agreement (“Change-in-Control Agreement”) with the Company. Under such Change-in-Control Agreement, if, within two years following a change-in-control event, the Company terminates Mr. Stephens’ employment without cause or he resigns for good reason as defined in the Change-in-Control Agreement, he would be entitled to a severance payment, payable as a lump sum, in cash, following his termination, in an amount equal to (i) two times the average base salary paid to him and contributions made by the Company to its ESOP Plan on his behalf during the two calendar years preceding the change-in-control event (or the annual average of any shorter period) *plus* (ii) two times his target bonus amount for the calendar year in which the change-in-control occurs (or, if not yet determined for that year, two times his targeted bonus for the preceding calendar year). Further, under the Change-in-Control Agreement, if Mr. Stephens qualifies, and the Company is required to provide coverage under COBRA, the Company also would be required to reimburse Mr. Stephens for the costs of purchasing continuing coverage under COBRA for him and his dependents for as long as he qualifies for COBRA coverage. The foregoing description of the Change-in-Control Agreement is qualified in its entirety by reference to the Change-in-Control Agreement, which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

Additionally, Mr. Stephens will be entitled to participate in all employee benefit plans, practices and programs that are generally made available to executive officers of the Company.

There are no arrangements or understandings between Mr. Stephens and any other person pursuant to which he was selected as Chief Executive Officer. There are no family relationships between Mr. Stephens and any of the Company’s directors or executive officers, and there are no relationships between Mr. Stephens and the Company that would require disclosure under Item 404(a) of Regulation S-K of the Securities Exchange Act of 1934, as amended.

## **ITEM 7.01 Regulation FD Disclosure**

On January 17, 2020, the Company issued a press release announcing the appointment of Chad L. Stephens as Chief Executive Officer.

A copy of this press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. This information shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

#### **ITEM 9.01 Financial Statements and Exhibits**

(d) *Exhibits*

##### **Exhibit**

##### **Number Description**

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**10.1\*** [Change-in-Control Agreement](#)

**99.1\*** [Press Release dated January 17, 2020](#)

\*Filed herewith

## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### **PANHANDLE OIL AND GAS INC.**

By: /s/ Chad L. Stephens  
Chad L. Stephens,  
Chief Executive Officer

DATE: January 17, 2020

## CHANGE-IN-CONTROL EXECUTIVE SEVERANCE AGREEMENT

This Change-in-Control Executive Severance Agreement (this “Agreement”), dated and effective January 16, 2020, is between Panhandle Oil and Gas Inc., an Oklahoma corporation (the “Company”), and Chad L. Stephens (the “Executive”).

### Statement of Purpose

The Company desires, for its continued success, to have the benefit of services of experienced management personnel like the Executive. The Board of Directors of the Company therefore believes that it is in the best interest of the Company that, in the event of any prospective change in control of the Company, the Executive be reasonably secure in his employment and position with the Company, so that the Executive can exercise independent judgment as to the best interest of the Company and its shareholders, without distraction by any personal uncertainties or risks regarding the executive’s continued employment with the Company created by the possibility of a change-in-control of the Company. The Board believes that this Agreement will create an environment that is best suited to maximizing shareholder value and retaining executive loyalty and focus when they are needed most and will further align the interests of Executive with the interests of the Company’s shareholders.

### Agreement

In consideration of the statements made in the Statement of Purpose and the mutual agreements set forth below, the Company and the Executive agree as follows:

1. Protection. In order to protect Executive against the possible consequences of a “Change-in-Control” of the Company (as defined in Section 2) and to induce Executive to remain in the employ of the Company and in consideration of Executive agreeing to remain in the employ of the Company subject to the terms and conditions set forth below, this Agreement sets forth the severance benefits which the Company agrees will be provided to Executive in the event his employment with the Company is terminated on or subsequent to a Change-in-Control of the Company under the circumstances described below.

2. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

- (a) “Board” means the Board of Directors of the Company.

(b) “Cause” means:

(i) the willful and continued failure of the Executive to perform substantially the Executive’s duties with the Company (other than a failure resulting from incapacity due to physical or mental illness), within a reasonable period of time after a written demand for substantial performance is delivered to the Executive by the Board which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive’s duties; or

(ii) the willful engaging by the Executive in illegal conduct, gross misconduct or a clearly established violation of the Company’s written policies and procedures, in each case, which is materially and demonstrably injurious to the Company, monetarily or otherwise.

For purposes of this paragraph (b), no act or failure to act, on the part of the Executive, will be considered “willful” unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive’s action or omission was in the best interests of the Company. Any act, or failure to act, based on authority given pursuant to a resolution duly adopted by the Board or based on the advice of counsel for the Company will be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

(c) “Change-in-Control” means the occurrence of any one or more of the following:

(i) any “person” (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the total voting power represented by the Company’s then outstanding Voting Securities; or

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board, and any new director, whose election by the Board or nomination for election by the Company’s shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board, or

(iii) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation that would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 80% of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

(iv) the shareholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company (in one transaction or a series of transactions) of all or substantially all of the Company's assets.

(d) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(e) "Date of Termination" means (i) if Executive's employment is terminated by the Company for "Cause," the date specified in the Notice of Termination, and (ii) if Executive's employment is terminated for any other reason, the date on which a Notice of Termination is given.

(f) "Effective Date" means January 16, 2020.

(g) "Good Reason" shall include:

(i) the assignment to Executive of any position which results, in the aggregate, in a material reduction in Executive's rank, authority, duties, status, or responsibilities as an officer of the Company or Executive is assigned duties and obligations inconsistent with his position with the Company;

(ii) Executive's annual base salary is reduced below the higher of Executive's base salary in effect immediately before the Change-in-Control or Executive's base salary in effect at any time after the Change-in-Control;

(iii) Executive is removed from or denied participation in incentive plans, benefit plans, or perquisites generally provided by the Company to other executives with a comparable level of responsibility, title or stature;

(iv) a failure to provide (or a reduction in, if previously provided) incentive compensation opportunities, benefits or perquisites that are provided other executives with comparable responsibility, title or stature;

(v) the failure by the Company to continue to provide the Executive with benefits similar in all material respects to those enjoyed by the

Executive under any Plan in which the Executive was participating at any time within three months before the Change-in-Control, the taking of action by the Company which would directly or indirectly materially reduce any of such benefits or deprive the Executive of any material fringe benefit enjoyed by the Executive at any time three months before the Change-in-Control, or the failure by the Company to provide the Executive with the number of paid vacation days to which the Executive is entitled on the basis of years of service with the Company in accordance with the Company's normal vacation policy in effect at any time within three months before the Change-in-Control.

(vi) the Company's principal offices are moved to a location more than 25 highway miles from its current location or Executive is required to be based anywhere other than the Company's principal executive offices;

(vii) the failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform this Agreement satisfactory in form and substance to Executive;

(viii) any purported termination of the Executive's employment which is not effected pursuant to a Notice of Termination satisfying its requirements, and for purposes of this Agreement, no such purported termination shall be effective; or

(ix) any material breach of this Agreement by the Company not described in paragraphs (i) through (viii) above.

(h) "Notice of Termination" means a written and dated notice which indicates the Date of Termination (not earlier than the date on which the notice is provided), and which indicates the specific termination provision in this Agreement relied on and which sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

(i) "Plan" means any bonus, incentive compensation, retirement, stock ownership or purchase, pension, deferred compensation, or welfare benefits plan, policy, practice, program or arrangement of (including any separate contract or agreement with) the Company for its employees.

(j) "Voting Securities" means the Company's Class A Common Stock, par value \$0.01666 per share, and any other securities of the Company that vote generally in the election of directors.

3. Change-in-Control. No benefits shall be payable hereunder unless there shall have been a Change-in-Control of the Company, and Executive's employment by the Company shall have been terminated in accordance with Section 5 below.

4. Rights Provided By Agreement. This Agreement does not constitute a guarantee of continued employment but instead provides for certain rights and benefits in the event Executive's employment with the Company terminates under the circumstances provided herein.

5. Termination Following Change-in-Control.

(a) Severance Payment. If, on the occurrence of a Change-in-Control or, within two (2) years following the occurrence of a Change-in-Control, (i) Executive's employment with the Company is terminated by the Company other than for Cause or Executive's death, or (ii) Executive resigns for Good Reason, then the Company shall pay to Executive as severance pay in a lump sum, in cash, on or before the fifth day following the Date of Termination, an amount equal to (A) two (2) times the average of the base salary and contributions made by the Company to its ESOP Plan on Executive's behalf paid to Executive during the two (2) calendar years preceding the Change-in-Control (or the annual average for any shorter period, if applicable) *plus* (B) two times the Executive's target bonus amount for the calendar year in which the Change-in-Control occurs (or if not yet determined for that calendar year in which the Change-in-Control occurs, the Executives' targeted bonus for the preceding calendar year). In addition, the Company shall promptly reimburse Executive each month for all costs incurred by Executive of purchasing COBRA continuing coverage (as described in Section 4980B of the Code) for Executive and all of Executive's dependents following Executive's Date of Termination for so long as Executive qualifies for such continuing coverage. Notwithstanding the foregoing, in the event a Change-in-Control occurs on or before the one (1) year anniversary of the Effective Date, the severance payment to Executive shall be limited to and shall not exceed One Million Dollars (\$1,000,000.00).

(b) Notice of Termination. Any termination of Executive's employment by Executive for Good Reason shall be communicated by Notice of Termination to the Company. Executive shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to him a copy of a Notice of Termination from the Board, after reasonable notice to Executive and an opportunity for Executive, together with his counsel, to be heard before the Board, finding that, in the good faith opinion of the Board, Executive was guilty of conduct set forth above in clauses (i) or (ii) in Section 5(a) and specifying the particulars thereof in detail.

6. Term of Agreement. This Agreement will continue in effect until the earlier of:

(a) The termination or cessation of the Executive's employment with the Company before a Change-in-Control; or

(b) The Company's performance of all of its obligations, and the Executive's receipt of all of the payments and benefits to which he is entitled, under this Agreement after a Change-in-Control.

7. Certain Additional Payments By the Company.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution from the Company to the Executive or for the Executive's benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise but determined without regard to any additional payments required under this Section 7 (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the sum of (i) the Excise Tax imposed upon the Payments; plus (ii) an amount equal to the product of any deductions disallowed for federal, state, or local income tax purposes because of the inclusion of the Gross-Up Payment in the Executive's adjusted gross income multiplied by the highest applicable marginal rate of federal, state, or local income taxation, respectively, for the calendar year in which the Gross-Up Payment is to be made.

(b) Subject to the provisions of Section 7(c), all determinations required to be made under this Section 7, including whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, shall be made by Ernst & Young LLP or another nationally recognized certified public accounting firm as may be selected by the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within fifteen (15) business days of the receipt of notice from the Executive that there has been a Payment which would be subject to the Excise Tax, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change-in-Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). The initial Gross-Up Payment, if any, as determined pursuant to this Section 7(b), shall be paid to the Executive within five (5) days of the receipt of the Accounting Firm's determination. If the Accounting Firm

determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with an opinion that the Executive has substantial authority not to report any Excise Tax on the Executive's federal income tax return. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that a Gross-Up Payment which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 7(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten (10) business days after the Executive knows of such claim, and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay any claim prior to the expiration of the 30-day period following the date on which the Executive gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim;

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order to effectively contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and directly pay all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect

thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 7(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner. The Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 7(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 7(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 7(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

8. Mitigation. Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Agreement be reduced by any compensation earned by Executive as the result of any other employment, consulting relationship, or other business activity after the Date of Termination.

9. No Set-Off. The Company's obligations under this Agreement are absolute and unconditional, and not subject to any set-off, counterclaim, recoupment, defense, or other right that the Company or any affiliate may have against the Executive.

10. Tax Withholding. The Company shall withhold from any payment or benefits under this Agreement (whether or not otherwise acknowledged under this Agreement) all federal, state, local, or other taxes as may be legally required to be withheld.

11. Executive's Legal Expenses. The Company shall pay the Executive an amount equal to the reasonable legal fees and other expenses incurred in good faith by him in obtaining or retaining payments and benefits under this Agreement, including all such fees and expenses (if any) in enforcing, in good faith, any right or benefit provided by this Agreement or in connection with the contest or defense of any tax audit or proceeding by the Internal Revenue Service to the extent that Section 3999 of the Code is alleged or claimed to apply to any payment or benefit provided under this Agreement. The Company will be obligated under the preceding sentence even if the Executive is not successful in any enforcement claim or counterclaim by him, or in any such tax contest or defense, so long as he acted in good faith. The Company shall make any payment required by this Section 11 within seven (7) days after written notice from the Executive requesting payment and providing such evidence of the incurrence of those fees and expenses as the Company may reasonably request.

12. Non-Exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any agreements with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan or program of the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan or program.

13. Successors and Binding Effect.

(a) Successor Must Assume Agreement. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this

Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive terminated employment for Good Reason following a Change-in-Control of the Company, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the date of termination of employment. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

(b) Binding Effect. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amount would still be payable to the Executive hereunder if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee or other designee or, if there is no such designee, to the Executive's estate.

14. Interest. If any amounts due and payable hereunder to Executive are not paid by the Company or its successor when due, the unpaid amount will bear interest at the per annum rate equal to twelve percent (12%) (the provision for such interest is not intended to alter, and shall not be construed as altering, the Company's obligation to pay, and the Executive's right to receive, all payments due hereunder in a timely manner).

15. Miscellaneous.

15.1 Amendment of Agreement. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be binding unless in the form of a writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall operate as a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided herein, no failure to exercise or any delay in exercising any right or remedy hereunder shall constitute a waiver thereof.

15.2 Severability. If any provision (or portion thereof) of this Agreement shall be held by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void, or otherwise

unenforceable, that is not itself invalid, void, or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, void, or unenforceable.

15.3 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Oklahoma applicable to contracts made and to be performed in such State without giving effect to the principles of conflicts of laws.

15.4 Notices. All notices, requests, consents and other communications hereunder to any party shall be deemed to be sufficient if contained in a written document: (i) delivered in person, (ii) sent by facsimile (with a copy sent by first class mail, postage prepaid), (iii) sent by nationally recognized overnight courier service, or (iv) mailed by first class certified or registered mail, return receipt requested, postage prepaid, addressed to such party at the address set forth below or such other address as may hereafter be designated on the signature pages of this Agreement or in writing by such party to the other party.

Notices provided in accordance with this Section 15.4 shall be deemed to have been delivered: (i) if personally delivered, upon delivery; (ii) if sent by facsimile transmission, upon electronic confirmation by the sender when received; (iii) if sent by overnight courier service, 24 hours after deposit with that service; or (iv) if sent by certified or registered mail, return receipt requested, 48 hours after deposit in the mail.

To Company: Panhandle Oil and Gas Inc.  
5400 Grand Boulevard, Suite 300  
Oklahoma City, OK 73112  
Attention: Chief Executive Officer  
Facsimile: 405.948.2038

and

To Executive: At Executive's current home address on file.

15.5 Specific Performance, Etc. The parties recognize that if any provision of this Agreement is violated by the Company, the Executive may be without an adequate remedy at law. Accordingly, in the event of any such violation, the Executive shall be entitled, if the Executive so elects, to institute proceedings, either in law or at equity, to obtain damages, to enforce specific performance, to enjoin such violation, or to obtain any relief or any combination of the foregoing as the Executive may elect to pursue.

15.6 Counterparts. This Agreement may be executed in counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

15.7 Waiver and Amendment. No term or condition of this Agreement shall be deemed waived other than by a writing signed by the party against whom or which enforcement of the waiver is sought. Without limiting the generality of the preceding sentence, a party's failure to insist upon the other party's strict compliance with any provision of this Agreement or to assert any right that a party may have under this Agreement shall not be deemed a waiver of that provision or that right. Any written waiver shall operate only as to the specific term or condition waived under the specific circumstances and shall not constitute a waiver of that term or condition for the future or a waiver of any other term or condition. No amendment or modification of this Agreement shall be deemed effective unless stated in a writing signed by the parties hereto.

15.8 Entire Agreement. This Agreement, including the Statement of Purpose, contains the parties' entire agreement regarding the subject matter of this Agreement and supersedes all prior agreements and understandings between them regarding that subject matter. The parties have made no agreements, representations or warranties regarding the subject matter of this Agreement that are not set forth in this Agreement.

15.9 Headings. All headings in this Agreement are for convenience only and are not intended to affect the meaning of any provision hereof.

[Signatures on Following Page]

In Witness Whereof, the parties have executed and delivered this Agreement as of the Effective Date.

“COMPANY”

PANHANDLE OIL AND GAS INC.

By: /s/ Robb P. Winfield  
Robb P. Winfield  
Corporate Secretary

“EXECUTIVE”

/s/ Chad L. Stephens  
Chad L. Stephens

ACKNOWLEDGED ON BEHALF OF THE BOARD BY:

By: /s/ Mark T. Behrman  
Mark T. Behrman  
Lead Independent Director

FOR IMMEDIATE RELEASE  
PLEASE CONTACT:  
Chad L. Stephens  
405.948.1560  
Website: [www.panhandleoilandgas.com](http://www.panhandleoilandgas.com)



**PANHANDLE OIL AND GAS INC.  
Announces Appointment of Chad L. Stephens as Chief Executive Officer**

OKLAHOMA CITY, Jan. 17, 2020– PANHANDLE OIL AND GAS INC. (NYSE: PHX) (the “Company” or “Panhandle”) announced that Chad L. Stephens was approved as Chief Executive Officer of Panhandle, effective Jan. 16, 2020. Mr. Stephens was previously Interim Chief Executive Officer and currently serves as a member of Panhandle’s board of directors.

Mr. Stephens has nearly 40 years of experience in the oil and gas industry. He was the Senior Vice President of Corporate Development at Range Resources from 2002 until his retirement on Dec. 31, 2018. Mr. Stephens joined Range Resources in 1990 as Senior Vice President – Southwest. While at Range Resources, he was responsible for the origination, valuation and acquisition or divestiture of over \$6.0 billion of oil and gas producing properties. Mr. Stephens served on the internal hedging committee and was responsible for the oversight of all gas, oil and NGL marketing and sales for Range Resources. Mr. Stephens holds a Bachelor of Arts degree in Finance and Land Management from the University of Texas.

Panhandle’s Lead Independent Director Mark T. Behrman stated, “We are excited to have Chad leading the Company and our senior management team going forward. Chad is a very capable executive with proven leadership and operations expertise gained from his decades of experience in the oil and gas industry. We are confident that our executives, employees and stockholders will benefit greatly from Chad’s skills and expertise as he successfully executes our business strategy.”

Mr. Stephens stated, “I am honored to be elected by the Board to lead Panhandle’s talented team of executives and employees. My focus will be on furthering Panhandle’s strategic decision to focus on perpetual oil and natural gas mineral ownership and growth through mineral acquisitions and development of Panhandle’s significant inventory of mineral acreage to increase value to our stockholders.”

***Panhandle Oil and Gas Inc. (NYSE: PHX)*** Oklahoma City-based, Panhandle Oil and Gas Inc. is an oil and natural gas mineral company with a strategy to proactively pursue the acquisition of additional minerals in our core areas of focus. Panhandle owns approximately 258,000 net mineral acres principally located in Oklahoma, North Dakota, Texas, New Mexico and Arkansas. Approximately 71% of this mineral count is unleased and undeveloped. Additional information on the Company can be found at [www.panhandleoilandgas.com](http://www.panhandleoilandgas.com).

***Cautionary Statement Regarding Forward-Looking Statements***

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Words such as “anticipates,” “plans,” “estimates,” “believes,” “expects,” “intends,” “will,” “should,” “may” and similar expressions may be used to identify forward-looking statements. Forward-looking statements are not statements of historical fact and reflect Panhandle’s current views about future events. Forward-looking statements may include, but are not limited to, statements relating to: our future financial and operating results; our ability to execute our business strategies; estimations and the respective values of oil, NGL and natural gas reserves; the level of production on our properties and the future expenses associated therewith; projections and volatility of future realized oil and natural gas prices; planned capital expenditures associated with our mineral, leasehold and non-operated working interests; statements concerning anticipated cash flow and liquidity; and our strategy and other plans and objectives for future operations. Although

Panhandle believes the expectations reflected in these and other forward-looking statements are reasonable, we can give no assurance they will prove to be correct. Such forward-looking statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. These forward-looking statements involve certain risks and uncertainties that could cause the results to differ materially from those expected by the Company's management. Information concerning these risks and other factors can be found in the Company's filings with the Securities and Exchange Commission, including its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, available on the Company's website or the SEC's website at [www.sec.gov](http://www.sec.gov).

Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements. The forward-looking statements in this press release are made as of the date hereof, and the Company does not undertake any obligation to update the forward-looking statements as a result of new information, future events or otherwise.