

# DIAMONDBACK ENERGY, INC.

## CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “**Board**”) of Diamondback Energy, Inc. (the “**Company**”) has adopted these corporate governance guidelines to promote the effective functioning of the Board and its committees.

### **Role of the Board**

The Board’s fundamental responsibility is to promote the best interests of the Company and its stockholders by overseeing the management of the Company’s business and affairs. Directors must exercise their business judgment and act in what they reasonably believe to be the best interests of the Company and its stockholders.

The Company’s business is conducted by its employees, managers and officers, under the direction of the Chief Executive Officer (“**CEO**”) and the oversight of the Board. The Board is elected by the stockholders to oversee management and to assure that the long-term interests of the stockholders are being served. Directors must fulfill their responsibilities consistent with their fiduciary duties to stockholders and in compliance with applicable laws and regulations.

### **Board Composition and Selection; Director Qualifications**

1. **Board Size.** The Company’s Amended and Restated Certificate of Incorporation, as amended (the “**Certificate of Incorporation**”), sets the minimum and maximum size for the Company’s Board. The Nominating and Corporate Governance Committee periodically considers and recommends to the Board the appropriate size within these parameters based upon its assessment of the number of directors required to oversee the Company’s business and affairs, taking into account considerations of diversity as an important factor.
2. **Selection of Board Members.** Directors may be nominated by the Board or by stockholders in accordance with the Company’s Amended and Restated Bylaws, as amended (the “**Bylaws**”). The Nominating and Corporate Governance Committee will review all nominees for the Board, including proposed nominees of stockholders, in accordance with its charter. In evaluating the suitability of candidates, the Board and the Nominating and Corporate Governance Committee take into account many factors, including the nominee’s judgment, experience, independence, character, business acumen and such other factors as the Nominating and Corporate Governance Committee concludes are pertinent in light of the current needs of the Board. The Board believes that an important factor in its composition is diversity with respect to viewpoint, including such that is held by candidates of different gender, race, ethnicity, background, age, thought and tenure on our board (in connection with the consideration of the renomination of an existing director). To reflect this determination, the Nominating and Corporate Governance Committee, in accordance with its charter, seeks to include diverse candidates in all director searches, taking into account the foregoing diversity considerations, including by affirmatively instructing any search firm

retained to assist the Nominating and Corporate Governance committee in identifying director candidates to seek to include diverse candidates from traditional and nontraditional candidate groups. The Nominating and Corporate Governance Committee also takes into account, as an important factor, considerations of diversity in connection with each potential director nominee, as well as on a periodic basis in connection with its periodic review of the composition of the board and the size of the board as a whole.

3. **Determination of Independence.** A majority of the directors of the Board will be “independent” in accordance with the listing standards of the Nasdaq Stock Market LLC (“*Nasdaq*”). The Board will annually review and determine the independence of each director. In making its determination, the Board will carefully consider all facts and circumstances it deems relevant to the determination. Board members have an affirmative obligation to promptly inform the Board of changes in their circumstances or any transactions or relationships that may impact their designation by the Board as “independent.”
4. **Director Resignation.** In any uncontested election of directors (an election in which the number of nominees is the same as the number of directors to be elected), any incumbent director nominee who does not receive a majority of the votes cast shall immediately tender his or her resignation for consideration by the Board. Within 90 days after certification of the election results, the Board will decide, through a process managed by the Nominating and Corporate Governance Committee and excluding the nominee in question, whether to accept or reject such resignation, or whether other action should be taken. In reaching its decision, the Board may consider any factors it deems relevant, including the director’s qualifications, the director’s past and expected future contributions to the Company, the overall composition of the Board and whether accepting the tendered resignation would cause the Company to fail to meet any applicable rule or regulation, including Nasdaq listing requirements, and federal securities laws. The Board will promptly disclose its decision and, if applicable, the reasons for rejecting the tendered resignation on a Form 8-K filed with the Securities and Exchange Commission.
5. **Selection of Chairman and CEO.** The Board has a policy of separating the offices of Chairman of the Board and CEO. The Board believes that this issue is part of the succession planning process. The Board will periodically make a determination as to the appropriateness of this policy in connection with the recruitment and succession of the Chairman of the Board and/or CEO.
6. **Term Limits.** The Board does not believe it should limit the number of terms for which an individual may serve as director. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with, and understanding of, the Company’s history, policies and objectives. However, to ensure that the Board remains composed of experienced and effective members, the Nominating and Corporate Governance Committee will consider a director’s

tenure on the Board and evaluate the qualifications and performance of each incumbent director before recommending the nomination of that director for an additional term.

7. **Other Directorships.** The Board recognizes that its members benefit from service on the boards of other companies and it encourages such service. However, due to the substantial time commitment required of directors, directors may serve on the boards of other public companies or other for-profit entities only to the extent that such services do not detract from the director's ability to devote the necessary time and attention to the Company. Accordingly, prior to accepting an invitation to serve on the board of another public company or other for-profit entity or accepting membership of the audit committee of the board of another public company or other for-profit entity, a director must (i) provide timely notice to the Chair of the Nominating and Corporate Governance Committee, with a copy to the Chairman of the Board and the Corporate Secretary, and (ii) obtain approval from the Nominating and Corporate Governance Committee based upon its review of the opportunity in light of factors it deems relevant, including possible conflicts of interest, the director's status as an independent director and any constraints on the director's time that would detract from the director's ability to serve the Company. Additionally, no director may serve on more than four public company boards (including the Company's Board) and no member of the Audit Committee may serve on more than three public company audit committees (including the Company's Audit Committee).
8. **Change in Status.** A director who experiences a change in his or her employment status, other than retirement, shall advise the Nominating and Corporate Governance Committee, which shall give due consideration to the changed circumstances in connection with its consideration of the renomination of such director.
9. **Committees of the Board.** The Board has four standing committees: an Audit Committee; a Compensation Committee; a Nominating and Corporate Governance Committee; and a Safety, Sustainability and Corporate Responsibility Committee. The Board may add new committees or remove existing committees as it deems advisable in the fulfillment of its responsibilities. Each committee will perform its duties as assigned by the Board in compliance with the Company's Bylaws and such committee's charter.

Each of the standing committees will have its own written charter. The charter will set forth the responsibilities, duties and authorities of each committee, the qualifications and procedures of each committee and how the committee will report to the Board. Each committee member must satisfy the membership requirements set forth in the relevant committee charter. At least annually, each committee will conduct an evaluation of its performance and effectiveness.

The chairperson of each committee will determine the frequency of committee meetings, consistent with the committee's charter and the Company's needs.

## **Board Meetings; Director Responsibilities**

1. **Board Meetings and Agenda.** The Board will hold regularly scheduled meetings at least four times a year and will hold additional meetings as necessary. The Chairman of the Board will set the agenda for each Board meeting, taking into account suggestions from other members of the Board.

Information relevant to a director's understanding of matters to be addressed at a Board or committee meeting will be provided sufficiently in advance of meetings to the extent practicable to allow directors to prepare for discussion of the items at the meeting.

Directors are expected to prepare for and attend all meetings of the Board and the committees on which they serve. Directors are actively encouraged to attend the Company's annual stockholder meeting.

2. **Access to Management and Advisors.** Directors shall have complete access to the officers, employees and books and records of the Company, as needed to fulfill their oversight responsibilities. Any meetings that a director wishes to initiate with officers or employees outside of regularly scheduled meetings should be coordinated through the Chairman of the Board or the Corporate Secretary of the Company.

The Board welcomes the regular attendance of senior management of the Company at Board meetings. The Board encourages senior management to, from time to time, invite Company personnel to Board meetings where their presence and expertise would help the Board have a full understanding of matters being considered.

The Board and each committee may retain financial, legal or other independent advisors, at the Company's expense, as the Board or such committee deems necessary and appropriate.

3. **Executive Sessions.** Non-management directors will meet in regular executive sessions without management present. In the event that the non-management directors include directors who are not independent under the listing standards of Nasdaq, then at least one such meeting each year will be attended only by independent directors.
4. **Director Orientation and Education.** All new directors must participate in an orientation program, which should be conducted as soon as reasonably practicable after the meeting at which such new director is elected. The orientation will include presentations by senior management to familiarize new directors with the Company's business and strategic plans, significant financial, accounting and risk management issues, compliance programs, Code of Business Conduct and Ethics, Board procedures, principal officers and internal and independent auditors. The Company will facilitate the participation of directors in relevant continuing

education programs. All directors are invited to participate in the orientation and continuing education programs.

5. **Annual Performance Evaluations.** At least annually, the Board and its committees will evaluate their performance and effectiveness. The Nominating and Corporate Governance Committee will have responsibility for conducting and overseeing the annual self-evaluations for the Board and each of its committees and reporting such results to the Board. The evaluations will be based on such objective and subjective criteria as the Board and committees deem appropriate. The effectiveness and contributions of individual directors are considered each year in connection with the nomination and election of directors.
6. **Succession Planning.** The Board will regularly review leadership development initiatives and short- and long-term succession plans for the CEO and other senior management positions, including in the event of unanticipated vacancies in those offices.

In assessing possible CEO candidates as part of the Board's annual review of succession plans, the independent directors shall identify and periodically update the skills, experience and attributes that they believe are required to be an effective CEO in light of the Company's business strategy, prospects and challenges. The Board will also take into account perspectives provided by the incumbent CEO relating to the performance of internal candidates.

7. **Director Compensation.** The form and amount of director compensation shall be determined by the Compensation Committee in accordance with the policies and principles set forth in its charter and then recommended to the Board for action. In determining compensation, the Compensation Committee will take into consideration the responsibilities of the directors and the fees and other forms of compensation being paid by other corporations comparable to the Company.

Directors who are also employees of the Company or its subsidiaries receive no separate compensation for serving as directors or as members of Board committees.

8. **Stockholder Communications with the Board.** Interested parties may contact an individual director, the Board as a group, or a specified Board committee or group, including the independent directors as a group, by writing to Corporate Secretary, Diamondback Energy, Inc., 500 West Texas Ave. Suite 1200, Midland, Texas 79701. The Corporate Secretary will review all such correspondence and forward to the Board of Directors a summary of all such correspondence and copies of all correspondence that, in the opinion of the Corporate Secretary, relates to the functions of the Board or a committee thereof or that the Corporate Secretary otherwise determines requires their attention.
9. **Board Communications with Third Parties.** The Board believes that management speaks for the Company. Individual Board members may from time

to time, at the request of management or the Chairman of the Board or if required to perform such members' duties as set forth in committee charters, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board.

10. **Confidentiality.** In carrying out the Company's business, directors often learn confidential or proprietary information about the Company, its customers, prospective customers or other third parties. Directors must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized by the Company or otherwise legally mandated. Confidential or proprietary information includes, among other things, any non-public information concerning the Company relating to its businesses, financial performance, results or prospects, and any non-public information provided by a third party (including a customer) with the expectation that the information will be kept confidential and used solely for the business purpose for which it was conveyed.