



APPLICANT DATA:

Organization Name: WPX Energy
Person Completing Application: Sherry J. Nelson
Title: Director, Ethics and Compliance
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Please indicate the size of your organization:

What percentage of your total (full-time) workforce is based in Oklahoma?

(as of Jan. 1, 2014)

Indicate the total number of employees working within the United States:

(as of Jan. 1, 2014)

Based on the number of employees in the U. S., indicate your company size category by checking the appropriate box below:

- Large:** For-profit organization with over 500 employees in *total** organization.
- Midsized:** For-profit organization with 51 to 499 employees in *total** organization.
- Small:** For-profit entities with fewer than 50 employees in *total** organization.

Does your organization involve franchising? Yes No

**If “yes”, please disclose the number of franchises in
Oklahoma: United States:**

Name and Location of Parent Organization (if different than above): Not applicable

Is your company publicly regulated? Yes No
(WPX is publicly traded.)

Do you have a formal governance program in place? Yes No

If so, please include a copy of those portions of the program that are non-proprietary in the Supporting Documentation section of your application. Please note that responding “no” to this section does not exclude

your organization from consideration. Typically, governance programs are used by large, publicly-held companies, not smaller businesses.

WPX Energy has a formal governance program and in particular its Ethics and Compliance function has reporting responsibility and oversight through the Audit Committee. The Audit Committee Charter also calls for an annual review of the effectiveness of the WPX ethics and compliance program by the General Counsel. In addition, both the General Counsel and the Director of Ethics and Compliance have direct authority to report and communicate any alleged violations of the Code of Conduct to the Audit Committee.

The current WPX Board is made up of 11 independent directors and one internal director, WPX's CEO.

In addition to the Audit Committee, there are separate committees for the nominating and governance function and the compensation function. (See documents under Applicant Data, tabs A1-A6.)

Corporate Governance Guidelines

1. Code of Business Conduct
2. Code of Ethics for Senior Officers
3. Nominating and Governance Committee Charter
4. Compensation Committee Charter
5. Audit Committee Charter
6. Board of Directors Members

Do you have a conflict of interest policy in place? **Yes** **No**

If so, please include a copy of those portions of the program that are non-proprietary in the Supporting Documentation section of your application. Please note that responding "no" to this section does not exclude your organization from consideration.

WPX has a Conflict of Interest Standard that addresses situations which may pose a potential conflict or a perception of a conflict of interest. The Standard addresses when disclosure should be made, including a written disclosure when there is a related party conflict of interest or a mineral interest ownership conflict of interest. Since the formation of formation of WPX on January 1, 2012, there have been 26 written disclosures in addition to 88 disclosures made by those WPX employees while employees of Williams in 2010 and 2011. The Director of Ethics and Compliance keeps a log of all such disclosures made by employees or contractors. This Director also provides guidance to employees when questions arise. (See documents under **Applicant Data**, tabs B1 and B2).

1. WPX Conflict of Interest Standard
2. Written Disclosure Form

Please describe (in less than 100 words), the financial health of your organization:

For year-ended Dec. 31, 2013, WPX's achievements included a 39-percent increase in Williston Basin oil production, 534 Bcfe of domestic reserves additions, early development of the company's oil discovery in the San Juan Basin's Gallup Sandstone and initial delineation drilling of the Niobrara natural gas discovery in the Piceance Basin.

WPX's 2013 financial results reflect a 14-percent decrease in consolidated gathering, processing and transportation expense and 32-percent growth in oil revenues, offset by previously disclosed non-cash impairment charges of approximately \$1.4 billion that primarily occurred in the fourth quarter. (See document in under **Applicant Data**, tab C1.)

I. Leading with Integrity:

Please limit your response in this section to no more than two 8.5" x 11" pages or fill in the text box below. However, in addition to the response, you may also include additional printed material such as surveys or other examples necessary to support your responses. The additional materials should be included in Section VII – Supporting Documentation. In providing supplemental information and data, please be sure that the materials truly support the response provided and are not redundant. (Videos will not be accepted.)

Leaders create the tone for ethical behavior to flourish in an organization. This section focuses on leadership's actions and how they promote and ensure ethical behavior in all interactions.

- A. How do senior leaders' actions demonstrate their commitment to ethical behavior that goes beyond simple legal compliance? How do they promote an organizational environment that fosters integrity? (The Selection Team will be most interested in examples of systemic processes or tools used by leadership to obtain results. Examples of these might include feedback mechanisms, reward systems tied to performance or ethics audits. (See additional footnotes below) Note that the space below is for a general summary limited to no more than 500 words. However, you may include additional supporting data in Section VII.**

Our Code of Business Conduct sets expectations for ethical behavior beyond legal compliance. It includes a CEO letter that demonstrates leadership's commitment to, and underscores the importance of, ethics in our business, relationships and culture. It sets tone and behavior expectations as ethical behavior is central to maintaining trust with our landowners, interest owners, customers, investors and employees. (See attached document under **Leading with Integrity**, tab A1.)

WPX was spun off from Williams on Jan. 1, 2012. As a newly independent company, we conducted our first employee engagement survey in September 2013. The survey dedicated 11 of 66 questions to measuring integrity. Consistently, employees gave strong, favorable responses (above the national norm when available) indicating:

- WPX leaders model corporate integrity
- Integrity sets WPX apart as an organization
- Integrity is modeled from the executive to individual contributor levels
- Ethical behavior is expected from and delivered by leadership
- Direct supervisors act with integrity and set good examples of ethical behavior
- Leaders talk about the importance of ethics and doing the right thing
- WPX is a socially and environmentally responsible organization
- WPX communicates the values and conduct standards that drive the organization

(See attached documents under **Leading with Integrity**, tabs A2-A3.)

Leaders also show their commitment to integrity through:

- **Establishment of our Business Ethics Resource Center**, which compiles summary reports of all calls and substantiated non-compliance, then works to help educate, coach or make changes as needed to training, policies, etc. The BERCC's third-party, anonymous "Action Line" and online reporting system give employees and external stakeholders channels to report any suspected violations or concerns. (See attached documents under **Leading with Integrity**, tabs A4-A5.)
- **Board composition**, as mentioned, WPX has 11 independent members out of 12. The only internal board member is our CEO. (See attached document under **Leading with Integrity**, tab A6.)
- **Training classes** to build ethical acumen.

(See documents under **Leading with Integrity**, tabs A14-A17.)

- **Our Conflict of Interest Monitoring and Disclosure Process** requires employees and contractors to disclose in writing actual and potential conflicts that pertain to relevant parties and to employees, including land and mineral rights ownership. All employees, including the WPX Board of Directors, are asked to certify annually they are aware and informed of the Conflicts of Interest standard and are not engaged in any activity that may be in conflict with the interests of the company. The process reminds employees to disclose any new activities that may constitute a conflict of interest. (See attached documents under **Leading with Integrity**, tabs A7-10 and A12-13.)
- **Our Performance Management Process** measures right way/right results performance and includes a specific compliance goal. Recognitions programs reinforce behaviors consistent with our Values. (See document under **Leading with Integrity**, tab A12)

Leaders directly shape the policies, processes and culture that make WPX an ethical workplace. They promote a culture of doing what's right. (See attached document under **Leading with Integrity**, tab A11.)

B. What systematic measures or indicators do you use to determine the effectiveness of your management team's efforts to promote ethical behavior? In other words, how do you know the efforts are truly working? (See footnote #4 for additional explanation of anecdotal.) Note that the space below is intended for a general summary limited to no more than 500 words. However, you are encouraged to include additional, related supporting data in Section VII.

WPX makes every effort to ensure its leadership team promotes ethical behavior in all aspects of our business.

- **The Business Ethics Resource Center**, led by the Director of Ethics and Compliance, documents all reports of alleged misconduct and reports to the Board of Directors' Audit Committee. This report reviews types of issues received by the BERC and categorizes them. For instances of alleged employee misconduct, there is an investigative review process, which has a team comprised of representatives of the BERC, Legal and Human Resources and others as necessary. In addition, the BERC reports categories of issues/calls received as referrals, guidance, alleged misconduct, accounting issues or miscellaneous. (See attached document under **Leading with Integrity**, tab B2.)
- **The Employee Engagement Survey**, which has previously been discussed, measures employee perceptions of their supervisor's and senior leader's ethical behavior.
 - As stated in response I. A., highlights show:
 - > Their direct supervisor acts with integrity and sets a good example of ethical business behavior(See attached document under **Leading with Integrity**, tab B1.)
- **New Hire Surveys** poll new employees at one, six and 12 months after they join the company. Surveys include questions around direct supervisory relationships and ethical behavior, co-worker relationships (e.g., level of trust and collaboration) as well as items looking at organizational culture. At six and 12 months, employees are specifically asked for their feedback regarding their personal support of WPX's Values. The New Hire Survey data from 2013 reveal that more than 90% of new hires agree:
 - The employee's supervisor treats employees fairly
 - Their direct supervisor operates with integrity in his/her dealings with the employee and the employee's co-workers
 - Their direct supervisor consistently holds all employees to the same standard of behavior

- **Exit surveys and interviews** measure employee sentiment as they leave the company. Exiting employees fill out a survey and then the HR business partner conducts an exit interview. The process solicits feedback pertaining to the employee's decision to leave; inquiring as to the primary reason and important factors influencing their decision, including trust and integrity – among other factors.

II. Cultivating an Ethical Culture:

Please limit your response in this section to no more than three 8.5" x 11" pages. Note that you may submit supporting materials for your responses as outlined in Section VII. These may include items such as employee surveys that include references to the company's culture, published policies or copies of training programs. (Videos will not be accepted.)

Rules are not sufficient enough to promote good conduct in an organization. Companies must build and continually reinforce a culture that promotes integrity in the workplace.

A. *Definition:* Please provide a definition of ethical behavior as it relates to your organization.

Explain how you arrived at your definition.

At WPX, doing the right thing is how we do business. It's part of who we are. Ethical behavior is defined by our Code of Business Conduct as it establishes each employee's responsibility to conduct our business "the right way," setting forth the behaviors we want every employee to exhibit as we produce natural gas, natural gas liquids and oil.

Through the policies and standards the Code highlights, our Code serves as our ethical compass – the framework that guides our actions at WPX. It defines how we work consistent with Our Values and establishes that each employee has the responsibility to partner with all of our stakeholders to make the right decisions that will contribute to everyone's success.

Employees are proud of the company's ethical culture as proven in comments they gave as part of the 2013 Engagement survey. Their responses reiterate that our behaviors affect our work environment, as well as WPX's reputation in the community as the Code shows us the *right way* to do business. WPX employees are expected to maintain a high degree of integrity, honesty and professional behavior at work, business events and in our encounters with all of the company's stakeholders including clients, fellow employees, the board, shareholders, suppliers, contractors, government regulators and the communities where we operate. (See attached documents under **Cultivating an Ethical Culture**, tabs A1 and A3.)

There is a *right way* to do business, and WPX's Code of Business Conduct reiterates the responsibility each employee has as an ambassador of WPX to act according to Our Values and carry out our duties with integrity. In doing so, each of us steps closer to reaching our highest potential.

B. *Principles & Values:* Please describe the ethical principles and values of your organization.

Our Values

Every company needs words to live by and rally around. These are ours. They reflect the heart of who we are, what we want to achieve and the resolve that we share. At WPX, we're:

Inspired. We're optimistic about our company's potential and the importance of energy in everyday life. That's why we're compelled to seize opportunities, explore new areas and find ways to make our business safer, stronger and more efficient. We won't settle for status quo.

Involved. We want to be difference-makers in our communities and in our industry- people who support worthy causes, openly engage with our stakeholders and are active in the arenas that shape our ability to do business. Reaching out to build relationships and trust is important to us.

Determined. We are driven by our desire to be excellent operators. Safety must be second nature to us- part of our DNA. We will champion a pro-active safety culture and work to continuously improve the structure that helps make it happen. Our personal safety and the public's safety depend on it.

Disciplined. Our financial position is the foundation of our ability to execute our objectives and produce desirable results and returns. We will watch our cash, costs, capital expenses and commodity prices closely-being agile enough to adjust our plans accordingly.

Committed. We're passionate about what we do and how we do it. Our can-do attitude comes from our integrity and work ethic. We embrace the need to work hard, to follow the rules that govern our business and to protect the environment. If we should miss the mark, we'll learn from it.

Connected. We're a part of something here. We want WPX to be a fun place to work, where it feels like family. We believe in each other, and we enjoy working together. We recognize, respect and value the variety of talent, background and experience that each person brings to the table. (WPX provides a copy of Our Values to every employee. (See attached document under Cultivating an Ethical Culture, tab A2.)

C. Selection Process: Describe your organization's employee selection process. In other words, how do you ensure that your organization is recruiting individuals whose values meet high ethical standards?

Through our recruiting, we share the company's values with candidates. One of these includes the commitment to integrity as part of its descriptor as it states, "Our can-do attitude comes from our integrity and work ethic." Culture fit is equally as important as technical fit, so hiring managers work with recruiters to determine relevant behavioral questions to use in interviews to measure their commitment to integrity. The interview process cannot fully vet a candidate's personal integrity, so we place significant value on employee recommendations for candidates who align with our Values, Code and "right way" of doing business. Employee referrals remain our top source for candidates as our own employees promote our culture of integrity to potential employees. Interns often fill entry-level positions, including those for our three-year rotation program. Participants work in different areas to build skills and receive individualized development. All final candidates undergo a comprehensive background and drug screening process through an advanced global technology platform. This serves to confirm that their application information is accurate.

D. Orientation & Training: What is your process for ensuring that the organization's values are embraced by new employees? (Examples may include mentoring or orientation programs. Be sure to cite the measurable impact of these processes, including supplemental data that may be included in Section VII. Supporting Documentation.)

New Hire Orientation offers one-on-one pre-hire discussions to prepare new employees for their first week and to help them feel connected to WPX. A three-hour overview of the company introduces the leadership team, WPX culture, values and expectations. And, as mentioned, this is followed up with a new hire survey at one, six and 12 months after hire, with questions around supervisory relationships, ethical behavior, co-worker relationships (i.e., level of trust and collaboration) and organizational culture. At the six- and 12-month milestones, employees are asked for feedback regarding their personal support of WPX's values. New employees must also take certain foundational ethics/compliance courses and use WPX's online integrity-based courses. Our learning system offers a significant breadth of courses that promote and reinforce the company's Values and commitment to ethics.

E. Monitoring Processes: Describe your key process measures or indicators for enabling and monitoring ethical behavior throughout your organization, including interactions with your workforce, customers, partners, suppliers, and other stakeholders. (Be sure to cite the measurable impact of these processes.)

Employee Engagement Survey. Every two years, WPX intends to issue its Engagement survey, described previously. Pulse surveys may occur more frequently to evaluate improvement in targeted areas. When measuring integrity, employees respond to items targeting their perceptions of their supervisor, senior leadership and a corporate culture of ethical behavior. As stated earlier, employees consistently responded highly favorably – above market norms.

Other HR practices. Multiple measures monitor the working environment to ensure WPX promotes and maintains an ethical environment. The Performance Management process, through its goal setting, multiple feedback sessions, and end-of-year discussion, measures “Right Way/Right Results” performance to hold leaders and individual contributors accountable not only for producing the right results but also for demonstrating ethical behaviors to achieve those results. Recruiter surveys given to hiring managers provide insight into the performance and behavior of the recruiter and staffing coordinator as they worked to fill the hiring manager’s position. New hire surveys given at one, six, and 12 months after an employee joins WPX include questions around direct supervisory relationships and ethical behavior, co-worker relationships and also serve to measure levels of trust and collaboration. Functional groups, along with vendors and contractors, meet periodically throughout the year and discuss WPX’s expectations, including safety, compliance and integrity.

Business Ethics Resource Center. The BEREC reviews all issues addressed to its office and communicates these issues, where there may be a trend, through its “Compliance Xpectations” newsletter – timely issues that leaders discuss and distribute to employees. Face-to-face reports are also made to the Audit Committee as to these issues and any substantiated issues of non-compliance.

F. Breaches: How does your company monitor and respond to breaches of ethical behavior?

WPX maintains an anonymous Action Line with toll-free and online access to a third-party provider and monitors all reports received. The Director of Ethics and Compliance logs all calls received whether for guidance, alleged misconduct, accounting issues or a referral. This information is then submitted to the Audit Committee each quarter along with a summary of any substantiated issues of misconduct. Also, WPX has an internal investigative review team that is comprised of members of Legal, HR and the Ethics and Compliance office. This assures that we have consistent treatment of complaints received as each is reviewed on a case-by-case basis.

G. Rewards & Recognition: How does your organization recognize and/or reward those employees, customers, vendors, partners who have gone “above and beyond” in their demonstration of highly ethical principles?

WPX evaluates employees each year and provides incentives for those who do their work according to the highest ethical standards. Employees have been rewarded for their Right Way/Right Results effort through their annual ratings tied to a monetary reward as part of the company’s Annual Incentive Program. As mentioned, each employee has a compliance goal, so employees are evaluated on their ethical behaviors. Leaders can also give XAwards for “exceptional” work, for “extraordinary” effort or for the “extra” initiative resulting in above and beyond results. The awards follow a nomination process. XAwards can be given any time during the year and are designed to recognize when employees do exemplary work.

In 2014, WPX is launching a new online recognition and rewards program called ENERGYCounts that encourages employees to recognize each other for actions that align with the company’s Values. The program provides opportunities for employees to recognize each other and for leaders to recognize *and reward* employees through a points-based system so employees receive financial rewards in recognition of their “Right Way” behaviors. The online system will be visible across the company, so employees will be publicly recognized and the positive behaviors will be reinforced.

III. Forthright Communications:

Please limit your response in this section to no more than one 8.5” x 11” page. Note that you may submit supplemental printed material necessary to support responses as outlined in Section VII. In doing so, please be sure that the materials truly support the response provided and are not redundant. Videos will not be accepted.

Transparency is a term that has broadened beyond the standard reference to accounting procedures.

A. *Methods:* How does your company demonstrate open/transparent communication occurs throughout the organization?

Timely, open, honest communications – along with consistency in messaging – are critical to being transparent to targeted audiences. As a publicly-traded company, WPX adheres to Generally Acceptable Accounting Practices, all Sarbanes Oxley and Securities and Exchange Commission rules for reporting and publication including Regulation Fair Disclosure to promote transparency with our investors, landowners, and internal/external audiences through our regular quarterly earnings reports, which include the quarterly conference call and webcast open to anyone who wants to join. We share our Code and Values information externally and provide employees with relevant, timely and appropriate information consistent with “Reg FD” requirements. We publish in a timely manner through a variety of channels including email, intranet, town halls meetings with leaders, external media, social media, face-to-face conversations with leaders, staff meetings and other means. As a result, our recent Employee Engagement Survey showed that 62 percent of employees agreed that “senior leadership is open and honest in communication,” which was higher than the market norm. A compliance publication called “Compliance Xpectations” highlights instances of non-ethical behavior so that employees know there are substantiated incidents and that consequences follow. This is the result of employee feedback indicating employees reported violations, but never heard anything about how they were handled – and suspected nothing was done. The Engagement survey result shows employees see the transparency and that this trend has changed. (See attached document under **Forthright Communications**, tab A.)

B. *Effectiveness:* How has the effectiveness of these communiqués been measured? (Please describe results of your findings. Again, you are welcome to include additional data in Section VII. Supporting Documentation.)

We monitor access and use of communications sent out through various channels looking at response rates, open rates, and whether we achieve targeted changes in awareness, attitudes or behaviors. With compliance training communications, we see whether all employees complete their training by the deadline. (We achieved a 100% rate by the deadline.) Broadly, the recent Engagement Survey showed that 83% of employees felt the organization clearly communicates the values and standards of conduct that drive the organization.

With specific regard to the Code of Business Conduct, Corpedia (through its NYSE Governance Services division) graded our Code of Business Conduct after we spun from Williams. This version was basically the same that we had at our parent company, Williams, prior to the spinoff. Our Code received a grade of C+ and fell within the 61st percentile of all Energy and Utilities industry codes reviewed by Corpedia and within the 71st percentile against all codes in Corpedia’s database, which database exceeds 2,500 codes. We saw an opportunity to improve. In late 2013, we submitted our revised Code to Corpedia, with changes to the information, format, tone, style, etc. WPX received an “A” grade for this revised Code. In fact, at the time, Corpedia has graded 239 codes in the Energy and Utilities sector and ranked our Code 9th among all the codes evaluated. WPX went from being in the 71st percentile for all codes evaluated by Corpedia (2,500 codes) in its database to the 2nd percentile. Corpedia also gave special mention to the CEO letter included on page 4 of the Code, saying it was the second best CEO letter they had seen. Corpedia grades on eight key areas and below is the grade WPX received for each area: Public Availability (assuming the same access as our Code has today)- “A”; Tone from the Top- “A”; Readability and Tone- “A”; Non-Retaliation and Reporting-“A+”; Values and Commitments-“A+”; Risk Topics-“A-”; Comprehension Aids (Q&A) “A-”; Presentation and Style-“A+.” As a result of this improvement in usability and understandability, the Code received a “Best of Show” communications award from the International Association of Business Communicators’ Tulsa Chapter in late 2013. (See attached document under **Forthright Communications**, tabs B and C.)

IV. Corporate Social Responsibility:

Please limit your response in this section to no more than two 8.5" x 11" pages. According to the Baldrige criteria, opportunities to support key community efforts are available to organizations of all sizes. The Selection Team will be interested in initiatives that go well beyond regulatory compliance.

- a. ***Strategy:*** Describe your company's strategy with regard to issues of social responsibility or corporate philanthropy. In other words, how does your company identify which community activities to support?

Our community giving strategy is guided by our Values, and by our passionate and engaged executive leadership team. It provides programs, initiatives and encourages employee involvement in their local communities. We want to be "difference makers" in the communities where we live and operate, so our strategic giving focus centers on education, youth services and safety. As a part of the way we do business, we also include an emphasis on environmental sustainability and preservation. This strategy guides our funding and community relationships in education, both at the K-12 and higher education levels, to strengthen communities and to help develop a diverse talent pool of future employees. We also want to see youth reach their full potential, so we support local youth services organizations that provide essential resources to at-risk youth.

In areas where we operate, we fund safety initiatives and first-responder organizations such as local fire, police, hospitals, and emergency providers. We also support innovative and environmentally friendly solutions in water recycling as well as conservation efforts for wildlife and land preservation. This commitment has resulted in multiple awards for our environmental stewardship. WPX management is also committed to sharing its knowledge and experience related to its compliance program. Sherry Nelson, Director of Ethics and Compliance, co-presented at the Annual Oklahoma Accounting Educators Conference in March 2014, on what makes a good compliance program. (See attached documents in Section VII under **Corporate Social Responsibility**, tabs A1 and A3.)

- b. ***Impact:*** What has been your company's direct impact on the community? In other words, please state how your organizations' involvement has made a difference. (Note that your organization may be also be interested in applying for OK Ethics' Community Impact Award. See separate award application and criteria for that opportunity.)

Please provide an overview of:

i. Your company's involvement in the community

In 2013, WPX contributed more than \$2 million benefitting 517 various nonprofit organizations with more than \$1 million to Oklahoma-based organizations. Our United Way campaign raised \$850,000 from employee pledges and the company-match program. We supported environmental preservation through multimillion-dollar investments in infrastructure and technology at our water treatment facilities in Colorado. There, we recycle 100-percent of our produced water and have received awards for eliminating 90,000 truckloads of hauled water per year.

Our investment in Tulsa's Title 1 Hawthorne Elementary provided new books in all classrooms, support staff and basic school needs. We leveraged our relationships with more than 12 local nonprofits to bring experiences like the Tulsa Ballet's instruction in the school for 120 students for two weeks, the Tulsa Community College's Signature Symphony in-school performance and various field trips for all ages.

ii. Benefits to the community

WPX makes a difference in the lives of Hawthorne students through our community partnerships, including:

- The Tulsa Geosciences Center, providing 45 fourth-grade students with a field trip and hands-on instruction on several geosciences topics.

- Fab Lab Tulsa, involving 6th graders in an engineering design challenge that reinforced math and science education and embraced STEM education needs with a hands-on field trip experience.
- Tulsa’s Philbrook Museum of Art, providing a field trip and art project experience for Hawthorne students.
- Parent Child Center of Tulsa’s Kids on the Block puppet show on strangers, divorce, bullying and personal safety.
- Tulsa International Mayfests’s six-week afterschool art program for 5th and 6th graders.
- Tulsa Children’s Museum’s Accessible Discovery program, a guided STEM tour through the museum and follow-up STEM curriculum for all Hawthorne students.
- Tulsa Air & Space Museum, Hawthorne 5th graders visited Tulsa’s Air & Space museum and planetarium.

Multiple organizations have benefited from WPX’s community giving including: Transitional Living Center of OK’s Lindsey House, Youth Services of Tulsa, Girl Scouts of Eastern Oklahoma and Colorado, and Tulsa’s Street School. WPX employees participate on the boards of 38 local organizations. (See document in **Corporate Social Responsibility**, tab A2.)

Our commitment to safety is evident in our support of Occupational Health and Safety Administration’s general health and safety classes in North Dakota to strengthen the working knowledge of potential energy industry professionals.

(Note that, if necessary, you may include a list of organizations in your supplemental information that provides greater detail.)

c. Engagement: To what extent are employees actually engaged in the company’s social responsibility activities? (Please cite percentage of employees participating in these endeavors or provide other quantifiable data.)

WPX takes an active role by investing both time and financial resources to make our communities better places to live. Our Signature Events align with our giving strategy for company-wide volunteer opportunities to build teamwork and benefit the community. These events involve a large number of employees, benefit a strategic nonprofit organization, and may promote wellness. They include:

- **United Way Campaign:** Employees volunteered more than 1,500 hours and held fundraisers that netted more than \$120,000. As a result, WPX received the Tulsa Area United Way Gold award. In 2013, employee contributions along with the company match program raised a total of \$850,000.
- **Employee Matching Gift Program:** In 2013, \$921,050 was provided by the WPX Energy matching gift programs to drive employee engagement. Our programs provide a dollar-for-dollar match up to \$10,000 per employee, per year; while the WPX Political Action Committee Match program matches up to \$5,000 per employee, per year. The matching program also benefits WPX retirees with up to a \$5,000 match per year.
- **Employee Wellbeing and Engagement:** WPX sponsored several events to invest in the local communities and grow employee engagement. These included:
 - **American Heart Association Heart Walk** with \$23,000 raised, 384 miles walked by 101 employees
 - **Route 66 Race Events** with 100 employees participating; 34 volunteers, 689 miles run/walked
 - **Food Bank Support** by assembling more than 4,000 food backpacks for children
 - **WPX Vitality Program** –WPX’s voluntary wellness program

(See attached document under **Corporate Social Responsibility**, tab A4.)

Partnership with Public Schools: In Tulsa, more than 60 WPX employees volunteer an hour each week for the mentoring program, at our partner school Hawthorne Elementary, to meet with their students and assist with behavior and academic progress. In addition, WPX employees volunteer at the school for various events, which totaled 1,500 volunteer hours during the past school year. Also, employees raised more than \$30,000 with a WPX match to provide funding for a new school track at Hawthorne Elementary.

V. Building Trust in Customer Relations

Please limit your response in this section to no more than one 8.5" x 11" page.

Sometimes, customers' interests may conflict with an organization's desired revenue goals. In these situations, it may be tempting to compromise ethical standards.

How does your company monitor the effectiveness of customer relations, specifically as it pertains to handling of customer concerns in a forthright and fair manner? (Examples may be a policy or training program relative to customer satisfaction that includes mention of ethical issues. The Selection Team will be interested in seeing data that measures the effectiveness of these endeavors.)

WPX's most direct "customers" are the "stakeholders" who live, work, raise families, run businesses or own land adjacent to or within the vicinity of where we drill for oil and natural gas. Drilling – in and of itself – is an industrial, visible, 24/7 activity for a certain amount of time, ranging from days to several months. We actively work to mitigate potential issues such as traffic, noise and dust.

We ensure "customer service" in various ways. For example, we place public relations employees directly in the basins where we operate. Our people are on the ground in these areas and are available and accessible to the local community. On one particular drilling project in Parachute, Colo., we placed the names and phone numbers of these individuals on a local billboard.

We helped to create an organization in Western Colorado called "Community Counts," which offers residents in Western Colorado a resource for open and respectful dialogue when they have issues, concerns or questions relating to the natural gas and oil industry. (See attached document under **Building Trust in Customer Relations**, tab A.)

Almost 70 percent of our company's U.S. natural gas reserves and 60 percent of our daily production are in this region. We've also typically deployed anywhere from five to 25 drilling rigs at a time on our acreage here. Given such a robust activity level, we formed Community Counts in coordination with other energy producers. It gives local residents a specific source to ask questions, voice concerns or lodge complaints. Upon receipt, information is provided to the appropriate company for follow-up.

Finally, we publish our Code of Business Conduct and our Values publicly on our external website for all our stakeholders to see. We also publish how to access our toll-free and online third-party "Action Line," so anyone in the communities where we live and operate – our investors and any of our stakeholders can anonymously raise an issue. These issues are reviewed and, where warranted, investigated and addressed if substantiated.

VI. Looking to the Future

Please limit your response in this section to no more than 500 words. Note that this section excludes submission of additional supporting material. (Videos will not be accepted.)

A. What are some of the major ethical issues that you anticipate your employees or organization will likely encounter in the future?

- **Employees' use of social media.** This landscape continues to change globally as individuals and organizations struggle to protect privacy and confidential information. Employees must understand the proper use of same as it pertains to their workplace responsibility.
- **Organizational change.** WPX is going through changes in its workplace leadership from the senior officer ranks. In December 2013, CEO Ralph Hill announced he would step down and since Mr. Hill's announcement, WPX CFO Rod Sailor announced he would leave the company at the end of March 2014. Such significant changes can create uncertainty and distraction within the organization.

B. What proactive approaches are you taking now, or considering taking in the near future, so that your organization is better prepared to effectively handle these types of issues?

Education is the key to employees understanding what the appropriate use of social media is in their jobs and the everyday workplace. WPX has a social media policy and social media is also prominently addressed in the WPX Code of Business Conduct. The Policy and the Code are easily accessible by every employee on WPX's intranet website. In addition, Community Affairs hosted several employee sessions on the use of social media in the workplace.

The internal changes taking place in the WPX management and company are being addressed by management announcing changes and being transparent on such changes. In addition, there are reminders through our awareness posters reinforcing to employees that if they see any issue of non-compliance, they have a duty and there is an expectation to report the same through one of the many reporting channels available.

VII. Supporting Documentation:

In your award binder, please include supporting documentation, such as policies and procedures, surveys, employee feedback, articles or publications that are directly relevant to the statements made in this application. To clarify, the members of the Compass Award Selection Team are interested in substantive examples that relate directly to the achievement of an ethical culture, rather than extraneous marketing material. For that reason, nominees are encouraged to be highly selective in choosing supplemental materials. Also, supporting documentation should be marked to clearly reference the criteria that it is intended to support. *(Videos will not be accepted.)*

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Applicant Data

- A. Governance Program Tab**
 - 1. Nominating and Governance Committee Charter
 - 2. Compensation Committee Charter
 - 3. Audit Committee Charter
 - 4. Corporate Governance Guidelines
 - 5. Code of Business Conduct
 - 6. Board of Directors List (from www.wpxenergy.com)

- B. Conflict of Interest Policy Tab**
 - 1. WPX Conflict of Interest Standard
 - 2. Written Disclosure Form

- C. Financial Health Tab**
 - 1. WPX Energy Reports 2013 Results (Press Release)

I. Leading with Integrity

- A. Demonstrating Ethical Behavior Tab**
 - 1. Code of Business Conduct – CEO Letter
 - 2. Employee Engagement Survey – Integrity Results Page
 - 3. Employee Engagement Survey – Employee Comments
 - 4. Business Ethics Resource Center Action Line Poster
 - 5. EthicsPoint Home Page
 - 6. Board of Directors List (from www.wpxenergy.com)
 - 7. Conflict of Interest Standard
 - 8. Employee Written Disclosure Form
 - 9. Conflict Of Interest Certification Notice Contractors & Consultants
 - 10. Disclosure Form Contractors & Consultants
 - 11. WPX Performance Xcclerator Guide (showing Right Way/Right Results – pg. 6)
 - 12. Sample compliance goal (each employee has a mandatory compliance goal)
 - 13. Employee Code of Business Conduct Certification
 - 14. Foreign Corrupt Practices Act Guide (FCPA)
 - 15. Antitrust Compliance Manual
 - 16. Mandatory Compliance Training
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- B. Ethical Leadership**
 - 1. Engagement Survey Comments
 - 2. Investigating Reports of Non-Compliance

II. Cultivating an Ethical Culture

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 - 2. Our Values

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III. Forthright Communications

- A. Compliance Xpectations
- B. Photo of IABC Award
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IV. Corporate Social Responsibility

- A. Corporate Social Responsibility
 1. Environmental Stories and List of Environmental Awards from External Website
 2. List of WPX Employees on Tulsa Area Non-Profit Boards
 3. Award photo from participation in 2014 Annual Oklahoma Educators Conference
 4. WPX Vitality Program

V. Building Trust in Customer Relations

- A. Community Counts Home page (www.communitycountscolorado.com/)