

PENN VIRGINIA CORPORATION **CORPORATE GOVERNANCE PRINCIPLES**

Penn Virginia Corporation's ("Penn Virginia") business is conducted by Penn Virginia's employees under the direction of the Chief Executive Officer ("CEO") and other members of the management team with the oversight of its Board of Directors (the "Board"). Both the Board and management recognize the importance of conducting Penn Virginia's business in a legal and ethically responsible manner.

The following principles have been approved by the Board and, together with the charters of the Board's Committees, provide the corporate governance framework at Penn Virginia. The Board recognizes that corporate governance is an evolving process and will review and consider the adequacy and effectiveness of these principles on an on-going basis.

1. **Board Responsibilities.** The core responsibility of the Board is to exercise its business judgment in the best interests of Penn Virginia and its shareholders. In addition to this and to its general oversight of management, the Board also has several specific responsibilities, including the following:

a. **Evaluate and Compensate the CEO.** As the leader of the management team, the CEO is accountable to the Board for Penn Virginia's management and performance. The CEO is also accountable to (i) the Board of Directors (the "PVG General Partner Board") of PVG GP, LLC, Penn Virginia's indirect wholly owned subsidiary and the general partner of Penn Virginia GP Holdings, L.P. ("PVG"), a publicly traded limited partnership and indirect majority owned subsidiary of Penn Virginia, for PVG's management and performance and (ii) the Board of Directors (the "PVR General Partner Board") of Penn Virginia Resource GP, LLC, an indirect majority owned subsidiary of Penn Virginia and the general partner of Penn Virginia Resource Partners, L.P. ("PVR"), a publicly traded limited partnership in which Penn Virginia indirectly owns a substantial limited partner interest, for PVR's management and performance. The CEO will meet annually with Penn Virginia's Compensation and Benefits Committee to discuss Penn Virginia's overall performance, including that of PVG and PVR, as well as the CEO's individual performance. The Compensation and Benefits Committee or its Chairperson will also meet with the Compensation and Benefits Committees of the PVR General Partner Board and the PVG General Partner Board, or the Chairpersons of such Committees, to evaluate the CEO's performance as it relates to PVG's and PVR's respective businesses. Based on these evaluations and such other information as it deems appropriate, the Compensation and Benefits Committee will set the annual compensation of the CEO. As part of the Board's oversight function, all non-employee directors are invited to attend and participate in these meetings.

b. **Review and Approve CEO Succession.** The non-employee directors, with the assistance of the Nominating and Governance Committee, will

establish policies regarding succession of the CEO in the event of an emergency or the retirement of the CEO. The independent directors or the Chairperson of the Board will, as appropriate, discuss such policies with the independent directors of the PVG General Partner Board or the PVR General Partner Board or their representatives. To assist the non-employee directors and the Nominating and Governance Committee in setting such policies, the CEO will annually provide the non-employee directors with an assessment of each member of senior management and his or her potential to succeed the CEO. Each year, the Nominating and Governance Committee will make a report to the Board on succession planning and work with the Board and the CEO to evaluate potential successors to the CEO.

c. **Review and Approve Strategic Direction and Significant Corporate Actions.** Each year, senior management will present and discuss with the Board Penn Virginia's long-term business strategy and plans. Annually, the Board will approve a long-term strategic plan for Penn Virginia and, on an on-going basis, will approve all fundamental business and financial strategies and significant corporate actions.

d. **Ethics and Conflicts of Interest.** The Board requires directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to Penn Virginia's Code of Business Conduct and Ethics for employees and directors. Any waiver of such Code for any director or executive officer may be made only by the Board and will be promptly disclosed to shareholders. If an actual or potential conflict of interest arises for a director, the director will promptly so inform the CEO or the Chairperson of the Nominating and Governance Committee. If a significant conflict exists and cannot be resolved, the director will resign. All directors will recuse themselves from any decision affecting their personal, business or professional interests.

e. **Meeting Attendance.** Directors are expected to attend all Board meetings and the meetings of all Committees on which they serve, as well as Penn Virginia's annual meeting of shareholders. It is recognized that, on occasion, timing conflicts will occur, making attendance impossible for a director. However, it is expected that directors will make every reasonable effort to attend all meetings. Attendance at meetings in person is preferred, but it is recognized that occasionally a director will have to participate in a meeting by telephone.

f. **Conduct of Meetings and Review of Board Materials.** Management will distribute an agenda and information regarding agenda items in advance of each regularly scheduled Board and Committee meeting. The agendas will be flexible enough to accommodate last minute developments or additions of items requested by directors. Directors are expected to carefully review the agendas and information in advance of Board or Committee meetings.

2. **Board Composition and Qualifications.**

a. **Independence.** According to New York Stock Exchange listing standards and Securities and Exchange Commission rules and regulations, a director is independent if he or she is a non-management director and has no direct or indirect material relationship with Penn Virginia. The Board will, at all times, consist of a majority of independent directors as determined by the Board.

b. **Size.** The Board, with the assistance of the Nominating and Governance Committee, determines the appropriate Board size, taking into consideration the parameters set forth in Penn Virginia's bylaws, Penn Virginia's strategic goals and objectives and the overall Board composition. The Board should be neither too small to maintain the needed expertise and independence, nor too large to be efficiently functional.

c. **Candidate Selection and/or Membership Criteria.** The Nominating and Governance Committee solicits and reviews the qualifications of both new director candidates and current members of the Board, and determines whether or not to recommend to the Board the nomination of those persons. Directors are nominated to stand for election based on their professional, business and industry experience, their ability to contribute to some aspect of Penn Virginia's business and their willingness to commit the time and effort required of a Penn Virginia director. Directors must possess good judgment, strength of character, a reputation for integrity and personal and professional ethics and an ability to think independently while contributing to a group process. The Board, with the assistance of the Nominating and Governance Committee, continually assesses the skills and areas of expertise needed to maintain a strong and effective Board.

d. **Changes to a Director's Current Position.** If the principal job responsibilities or business associations held by a non-employee director at the time of election (including retirement) change significantly, he should offer to tender his resignation as a director to the Chairperson of the Nominating and Governance Committee. The Board does not believe that such director should necessarily leave the Board; however, the Board should have an opportunity, with the assistance of the Nominating and Governance Committee, to review the continued appropriateness of such director serving as a Penn Virginia Board member.

3. **Board Operations.**

a. **Board Meetings and Meetings of Non-employee Directors.** The Penn Virginia Board typically holds five regularly scheduled meetings per year and holds special meetings when necessary. Penn Virginia's Chief Financial Officer and General Counsel and Corporate Secretary customarily attend Board meetings. At many meetings, other of Penn Virginia's senior executives and key employees report to the Board regarding their respective areas of responsibility. Executive sessions of independent directors only are typically held at some point during each meeting. The Chairman of the

Board, who is an independent director, presides at all Board meetings and executive sessions.

b. **Committee Structure.** Penn Virginia has three Committees: the Audit Committee, the Nominating and Governance Committee and the Compensation and Benefits Committee. Each Committee is composed entirely of independent directors as defined by New York Stock Exchange listing standards and Securities and Exchange Commission rules and regulations. Each Committee acts pursuant to a Board-approved written charter which is published on Penn Virginia's website and will be mailed to shareholders on written request. Each Committee also reports on a regular basis to the Board and conducts an annual self-evaluation. The main responsibilities of each Committee are as follows:

- **Audit Committee:** The Audit Committee is responsible for the appointment, compensation, evaluation and termination of Penn Virginia's independent registered public accountants, and oversees the work, internal quality-control procedures and independence of the independent registered public accountants. The Audit Committee discusses with management and the independent registered public accountants Penn Virginia's annual audited and quarterly unaudited financial statements and recommends to the Board that Penn Virginia's annual financial statements be included in its Annual Report on Form 10-K. The Committee also discusses with management earnings press releases and guidance provided to analysts. The Committee appoints, replaces, dismisses and, after consulting with management, establishes the compensation of Penn Virginia's internal audit manager. The Committee also provides oversight with respect to business risk matters, compliance with ethics policies and Penn Virginia's compliance with legal and regulatory requirements. The Committee prepares a report which is included in Penn Virginia's Proxy Statement. The Audit Committee has established procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, auditing and other matters and the confidential anonymous submission by employees of concerns regarding questionable accounting, auditing and other matters. The Audit Committee expects that its members will include at least one "audit committee financial expert" as defined in Item 407(d)(5) of Regulation S-K. The Audit Committee may obtain advice and assistance from outside legal, accounting or other advisors as it deems necessary to carry out its duties.

- **Nominating and Governance Committee:** The Nominating and Governance Committee (i) seeks, identifies and evaluates individuals who are qualified to become members of the Board, the PVG General Partner Board and the PVR General Partner Board, (ii) recommends to the Board candidates to fill vacancies on the Board or the PVG General Partner Board, as such vacancies occur, (iii) recommends to the PVG General Partner Board candidates to fill vacancies on the PVR General Partner Board, as such vacancies occur, and (iv) recommends to the Board the slate of nominees for election as directors by the shareholders of Penn Virginia at each Annual Meeting of Shareholders. Additionally, the Committee recommends to the Board the individual to serve as Chairperson of the Board. The Committee also consults with the CEO to review and consider recommendations for CEO succession and monitors and

reviews corporate governance issues and emerging trends and recommends to the Board, on an on-going basis, a set of corporate governance principles. The Committee may obtain advice and assistance from outside director search firms as it deems necessary to carry out its duties.

- ***Compensation and Benefits Committee:*** Since certain of Penn Virginia’s executive officers, including the CEO, devote a substantial amount of their professional time to PVR and some amount of their professional time to PVG (the “Shared Executives”), and certain of Penn Virginia’s executive officers devote substantially all of their professional time to PVR (the “PVR Executives”), Penn Virginia’s Compensation and Benefits Committee works with the Compensation and Benefits Committee of the PVR General Partner Board (the “PVR Committee”) and the Compensation and Benefits Committee of the PVG General Partner Board (the “PVG Committee”) to determine compensation for all of these executive officers. With respect to the Shared Executives, the Penn Virginia Compensation and Benefits Committee reviews and approves corporate or partnership performance criteria related to each of Penn Virginia, PVR and PVG, as well as individual performance criteria for the CEO and the other Shared Executives, evaluates the performance of the CEO and the other Shared Executives in light of these criteria and other relevant factors and sets the short-term and long-term compensation for the CEO and the other Shared Executives. As appropriate, the Penn Virginia Compensation and Benefits Committee or its Chairperson discusses with the PVR Committee and the PVG Committee or their Chairpersons the performance criteria for and the performance of Penn Virginia, PVR, PVG and such individuals. The Committee also reviews and assesses the reasonableness of the allocations of professional time devoted to the Company, PVR and PVG by the Shared Executives. With respect to the PVR Executives, the PVR Committee has the primary responsibility to recommend to the Penn Virginia Compensation and Benefits Committee PVR-related and individual performance criteria for the PVR Executives, evaluate the performance of the PVR Executives in light of these criteria and other relevant factors and, based on such evaluation, recommend to the Penn Virginia Compensation and Benefits Committee the short-term and long-term compensation of the PVR Executives. The Penn Virginia Compensation and Benefits Committee or its Chairperson discusses these recommendations with the PVR Committee and the PVG Committee or their Chairpersons and, based on these discussions and recommendations and any other relevant factors, sets the performance criteria and the short-term and long-term compensation of the PVR Executives. With respect to any executive officers who devote substantially all of their professional time to Penn Virginia (the “Company Executives”), the Penn Virginia Compensation and Benefits Committee approves corporate and individual performance criteria for the Company Executives, evaluates the Company Executives in light of these criteria and sets the short-term and long-term compensation for the Company Executives.

The Committee reviews and discusses with management a written discussion and analysis of information necessary to an understanding of Penn Virginia’s executive compensation policies and decisions (the “CD&A”) and recommends to the Board that

the CD&A be included in Penn Virginia's Proxy Statement, and the Committee prepares a report to that effect, which is included in Penn Virginia's Proxy Statement.

The Committee also periodically reviews and makes recommendations or decisions regarding Penn Virginia's incentive compensation and equity-based plans, provides oversight with respect to Penn Virginia's other employee benefit plans and reports its recommendations to the Board. The Committee reviews and makes recommendations to the Board regarding Penn Virginia's director compensation policy. The Committee may obtain advice and assistance from outside compensation consultants and other advisors as it deems necessary to carry out its duties.

c. **Service by Directors on Other Boards and Other Audit Committees.** Penn Virginia does not limit the number of other public company boards on which a non-employee director may serve. However, Penn Virginia does expect each director to devote sufficient time and effort to his duties as a Penn Virginia Board member. Penn Virginia's non-employee directors may not serve on more than two other public company audit committees in addition to Penn Virginia's Audit Committee.

4. **Director Compensation.** The Compensation and Benefits Committee reviews, recommends to the Board and administers the policies that govern director compensation and recommends to the Board the level and type of compensation for directors.

5. **Director Orientation and Continuing Education.** Penn Virginia's new directors are provided certain materials, including periodic reports, governance policies and Penn Virginia's strategic plan to facilitate their becoming knowledgeable with Penn Virginia's businesses and its principles of governance. New directors are also encouraged to visit operations facilities and meet key personnel. Penn Virginia will also make continuing education opportunities available to its directors in areas relevant to its businesses and with respect to corporate governance issues.

6. **Annual Performance Evaluations.** Each year, the Board will conduct a self-evaluation to determine whether it and its committees are functioning effectively as a whole. Penn Virginia's individual committees will also conduct annual self-evaluations the results of which will be reviewed with the Board.

7. **Board Access to Management; Retention of Independent Advisors.** The Board will have complete access to management to become and remain informed about Penn Virginia's businesses and to allow for the Board to fulfill its supervisory and other responsibilities. The Board may also retain such independent advisors as it deems appropriate.

Effective Date of Corporate Governance Principles

These principles were approved by the Board on February 10, 2004 and last revised on February 21, 2007.