

1. Problematic governance structure at newly public companies

This update provides clarity on policy application at newly public companies by creating two distinct policies to address the following:

- Problematic governance provisions; and
- Multiclass capital structures with unequal voting rights.

The change specifically creates a policy to address problematic capital structures at newly public companies and with a framework for addressing acceptable sunset structures. In line with current policy, the update also clarifies and narrows its focus on certain highly problematic governance structures. ISS expects minimal effects of proposed policy on director vote recommendations.

CIMAREX COMMENTS: We are against a policy that punishes directors for having a classified board or supermajority voting provisions. Both such provisions have legitimate shareholder protection benefits to promote the long term interests of all shareholders over the short term interests of activist shareholders. The rationale for this policy proposal does not address these legitimate interests. At the end of the day, directors are subject to fiduciary obligations and will fulfill those obligations. Classified board and supermajority voting provisions give boards the time to exercise these obligations on behalf of all shareholders. We have no concerns with the policies on multiclass capital structures with unequal voting rights.

2. Shareholder proposals to establish an independent board chair

This update largely codifies existing ISS policy application. While ISS uses a holistic approach to evaluate these shareholder proposals, with this change policy now explicitly states factors that will receive substantial weight. Existence of such factors in the shareholder proposal will now generally result in ISS support. ISS will now describe in its Policy FAQ document how it analyzes the scope and rationale of proposals, the company's current board leadership structure, the company's governance structure and practices, company performance, and any overriding factors.

In addition to the five general questions above, ISS is requesting feedback on specific factors that should be taken into account to increase the likelihood of support for an independent board chair proposal.

CIMAREX COMMENTS: We are against the proposed changes in this policy because the changes remove mitigating factors that may be considered and makes a presumption in favor of a recommendation to vote in favor of shareholder proposals to establish an independent chair.

3. Share repurchase program proposals

With this update, ISS codifies its existing approach, particularly with respect to rare cases that warrant an AGAINST recommendation (e.g., greenmail, manipulate incentive compensation metrics, threats to long-term viability). ISS intends for this policy to apply to U.S. Domestic Issuers (DEF 14A filers) listed solely in the U.S., regardless of their country of incorporation.

CIMAREX COMMENTS: We have no concerns with this policy.

In addition to the five general questions above, ISS is requesting feedback on specific factors that should be taken into account when deciding whether to support management share repurchase program proposals.

Thank you.

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