



EXECUTIVE STOCK OWNERSHIP GUIDELINES

(Last Amended December 8, 2016)

The Board of Directors of Cimarex Energy Co. (the “Company”) believes that certain executives should own and hold common stock of the Company to further align their interests and actions with the interests of the Company’s shareholders. Therefore, the Board of Directors has adopted the following Executive Stock Ownership Guidelines.

I. Participation

The Company’s Executive Stock Ownership Guidelines apply to the following executives (each a “Covered Executive”):

- Chief Executive Officer; and
- Each executive officer who reports to the Chief Executive Officer.

In the event that a Covered Executive also serves as a member of the Board of Directors, the Covered Executive will be subject to these Executive Stock Ownership Guidelines in lieu of any stock ownership guidelines applicable to members of the Board of Directors.

II. Qualifying Shares for Executive Stock Ownership Guidelines

Stock that counts toward satisfaction of these Executive Stock Ownership Guidelines includes (“Qualifying Shares”):

- Stock purchased on the open market;
- Stock obtained through stock option exercises;
- Unvested restricted stock;
- Unvested restricted stock units;
- Deferred stock units; and
- Stock beneficially owned in a trust, by or for the benefit of a spouse and/or minor children.

Shares of stock that Covered Executives have the right to acquire through the exercise of stock options (whether or not vested) are not included as Qualifying Shares for Executive Stock Ownership Guidelines purposes.

III. Executive Stock Ownership Guidelines

Achievement of Required Market Value

The Company’s Executive Stock Ownership Guidelines require each Covered Executive to achieve ownership of a number of Qualifying Shares with a market value equal to a multiple of the Covered Executive’s base salary (in effect upon the later of December 8, 2016 or the date he



or she first becomes a Covered Executive). The market value of the Qualifying Shares each Covered Executive is required to own or hold (the Covered Executive's "Required Market Value") is as follows:

- Chief Executive Officer: A multiple of six (6) times the executive's base salary.
- Other Covered Executives: A multiple of three (3) times the executive's base salary.

A Covered Executive's Required Market Value will be re-evaluated and recalculated as a result of a change in base salary and, if appropriate, a change in title. Otherwise, once established, a Covered Executive's Required Market Value will not change as a result of any fluctuations in the market price of the Company's common stock or in the event of a stock split, reverse stock split, stock dividend or similar change in the Company's capital structure.

Covered Executives are required to achieve ownership of a number of Qualifying Shares meeting the Required Market Value within three (3) years after the later to occur of the adoption of these Executive Stock Ownership Guidelines or first being designated as a Covered Executive. If a Covered Executive's Required Market Value increases because of a change in title or increase in base salary, a three (3) year period to achieve share ownership meeting any incremental increase in the applicable Required Market Value begins with the date of the title change or base salary increase.

Ownership of Required Share Level

On the trading day the Covered Executive achieves ownership of Qualifying Shares meeting his or her Required Market Value (the Covered Executive's "Achievement Date"), the Covered Executive's Required Market Value will be converted into a number of shares based on the closing market price of a share of common stock on the Achievement Date. The resulting number of shares is referred to as the Covered Executive's "Required Share Level." Once a Covered Executive's Required Share Level is determined, the Covered Executive must maintain ownership of a number of Qualifying Shares meeting the Required Share level for so long as he or she remains a Covered Executive. The Covered Executive's Required Share Level will not increase except in connection with a change in the Covered Executive's Required Market Value as a result of a change in title or change in base salary after determination of the Required Share Level.

In the event of a stock split, reverse stock split, stock dividend or other similar change in the Company's outstanding capital stock, the Compensation Governance Committee will evaluate whether to adjust the Required Share Level for any Covered Executive whose Required Share Level has been established as of the date of the change in capital structure. Otherwise, once established, a Covered Executive's required Share Level will not change as a result of fluctuations in the market price of the Company's common stock.

IV. Compliance

Each Executive's compliance with, or progress towards compliance with, the Guidelines will be reviewed annually by the Compensation and Governance Committee.



V. Consequences of Ownership Shortfall

If the Covered Executive is not in compliance with the Guidelines as of the applicable compliance date, until such requirement is satisfied, such Covered Executive (1) is prohibited from selling or transferring any stock acquired through the vesting of restricted stock or upon the exercise of stock options except for amounts necessary to pay income tax liabilities related to that vesting, and (2) is prohibited from electing to receive the cash value of any performance units upon vesting. In addition, lack of compliance may result in a reduction of future long-term incentive equity grants or a requirement that a portion of future annual cash bonuses be used to purchase the Company's common stock. Notwithstanding the foregoing and subject to the Company's other policies and procedures, at any time, a Covered Executive may immediately sell Company stock (in a cashless exercise or through the sale of already owned stock) for the limited purposes of paying the exercise price of such stock option and any related income tax liability.

VI. Exceptions

There may be instances where these Executive Stock Ownership Guidelines would place a severe hardship on a Covered Executive. In such instances, the Compensation and Governance Committee will make the final decision as to developing an alternative stock ownership guideline for the Covered Executive that reflects both the intention of these Executive Stock Ownership Guidelines and the personal circumstances of the Covered Executive.

* * * * *