

PENN VIRGINIA GP HOLDINGS, L.P.
PVG GP, LLC
CORPORATE GOVERNANCE PRINCIPLES

The business of Penn Virginia GP Holdings, L.P. (“PVG”) is conducted by the employees of Penn Virginia Corporation (“PVA”) or its affiliates. PVA is a public company of which PVG is an indirect majority owned subsidiary and PVG’s general partner, PVG GP, LLC (the “General Partner” and, together with PVG, “Penn Virginia GP”) is an indirect wholly owned subsidiary. PVG’s business is conducted under the direction of the PVG General Partner’s Chief Executive Officer (“CEO”) and other members of the management team with the oversight of its Board of Directors (the “Board” or the “PVG General Partner Board”). Both the Board and management recognize the importance of conducting Penn Virginia GP’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 GP. 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 PVG and the PVG’s unitholders. In addition to this and to its general oversight of management, the Board also has several specific responsibilities, including the following:

a. **Assist in Evaluation and Compensation of the CEO.** As the leader of the management team, the CEO is accountable to the Board for Penn Virginia GP’s management and the performance of PVG. The CEO is also accountable to (i) the Board of Directors of PVA (the “PVA Board”) for PVA’s management and performance and (ii) the Board of Directors (the “PVR General Partner Board”) of Penn Virginia Resource GP, LLC (the “PVR General Partner”), a wholly owned subsidiary of PVG and the general partner of Penn Virginia Resource Partners, L.P. (“PVR”), a publicly traded limited partnership in which PVG owns a significant limited partner interest. The CEO will meet annually with the PVG General Partner’s Compensation and Benefits Committee (the “PVG Committee”) to discuss PVG’s overall performance, the performance of PVR, and the CEO’s individual performance. In addition to its meeting with the CEO, the PVG Committee or its Chairperson will also meet with the Compensation and Benefits Committee of the PVA Board (the “PVA Committee”) or its Chairperson to evaluate the CEO’s performance as it relates to PVG and PVG’s performance and, as appropriate, discuss such evaluation with the Compensation and Benefits Committee of the PVR General Partner Board (the “PVR Committee”) or its Chairperson. In this way, the PVG Committee will assist the PVA Committee when the PVA Committee sets the annual compensation of the CEO. As part of the Board’s

oversight function, all independent directors are invited to attend and participate in these meetings.

b. **Review and Approve CEO Succession.** The independent directors will work with the independent directors of PVA and, as appropriate, the independent directors of the PVR General Partner Board to establish policies regarding succession of the CEO in the event of an emergency or the retirement of the CEO. To assist the independent directors, the CEO will annually provide the independent directors with an assessment of each member of senior management and his or her potential to succeed the CEO.

c. **Review and Approve Strategic Direction and Significant Corporate Actions.** Each year, senior management will present and discuss with the Board the long-term business strategy and plans of PVG and PVR. Annually, the Board will approve a long-term strategic plan for PVG and, on an on-going basis, will approve all fundamental business and financial strategies and significant partnership actions. The Board will discuss such strategic plan, strategies and actions with the PVA Board and the PVR General Partner Board, as appropriate.

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 the PVG General Partner'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 disclosed as required by law. 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 Conflicts Committee. If a significant conflict exists and cannot be resolved, the director will resign. All directors will recuse themselves from any discussion or 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. 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. **Size.** The Board determines the appropriate Board size, taking into consideration the parameters set forth in the PVG General Partner's limited liability company agreement, Penn Virginia GP'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.

b. **Candidate Selection and/or Membership Criteria.** Because of its partnership structure, the PVG General Partner Board is not required to have a majority of independent directors, and, accordingly, a majority of the Board's members are and will be affiliates of PVA or PVR. The PVA Board nominates and elects the members of the Board. The Nominating and Governance Committee of PVA 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 PVA Board the election of those persons. The Board's independent 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 GP's business and their willingness to commit the time and effort required of a PVG General Partner director. All 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 PVA Board and the PVG General Partner Board, with the assistance of the CEO, continually assess the skills and areas of expertise needed to maintain a strong and effective PVG General Partner Board.

c. **Changes to a Director's Current Position.** If the principal job responsibilities or business associations held by an independent 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 Board who will so notify the Chairperson of the PVA Board. The PVA Board does not believe that such director should necessarily leave the PVG General Partner Board; however, the PVA Board should have an opportunity to review the continued appropriateness of such director serving as a PVG General Partner Board member.

3. **Board Operations.**

a. **Board Meetings and Meetings of Independent Directors.** The PVG General Partner Board typically holds five regularly scheduled meetings per year and holds special meetings when necessary. The PVG General Partner's Chief Financial Officer, General Counsel and Corporate Secretary customarily attend Board meetings. At many meetings, other of the PVG General Partner's or the PVR General Partner's executives or 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 Chairperson of the Board presides at all Board meetings, and an independent director presides at all executive sessions.

b. **Committee Structure.** The PVG General Partner has three Committees: the Audit Committee, the Conflicts 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. The Audit Committee and the Compensation and Benefits Committee act pursuant to Board-approved written charters which are published on PVG's website and will be mailed to unitholders 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 PVG'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 the annual and quarterly audited financial statements of PVG and recommends to the Board that PVG'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 also provides oversight with respect to business risk matters, compliance with ethics policies, compliance with legal and regulatory requirements and the performance of Penn Virginia GP's internal audit function. The Committee prepares a report which is included in PVG's Annual Report on Form 10-K. 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 or other matters. The Audit Committee expects that it 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.

- **Conflicts Committee:** The Conflicts Committee reviews transactions between or among PVG and PVA or PVR, or any of their affiliates, and any other transactions involving PVG or its affiliates that the Board believes may involve conflicts of interest. The Conflicts Committee then determines whether such transactions are fair and reasonable to PVG, and whether the PVG General Partner has upheld the fiduciary or other duties it owes to PVG. The Committee may obtain advice and assistance from outside legal, financial or other advisors as it deems necessary to carry out its duties.

- **Compensation and Benefits Committee:** Since all of the PVG General Partner's executive officers, including the CEO, are also executive officers of PVA and the PVR General Partner and devote a significant amount of their professional time to each of PVA and PVR (the "Shared Executives"), the PVG Committee works with the PVA Committee when the PVA Committee determines the compensation of the PVG General Partner's executive officers. After discussions with

the PVG Committee or its Chairperson and the PVR Committee or its Chairperson, the PVA Committee approves partnership performance criteria related to each of PVG and PVR, as well as individual performance criteria for the CEO and the other executive officers of the PVG General Partner, evaluates the performance of the CEO and such other executive officers in light of these criteria and other relevant factors and sets the short-term and long-term compensation for the CEO and such other executive officers. The PVG Committee reviews and assesses the reasonableness of the allocations of professional time devoted to PVG by the Shared Executives.

The PVG Committee reviews and discusses with management a written discussion and analysis of information necessary to an understanding of the PVG General Partner's executive compensation policies and decisions (the "CD&A") and recommends to the PVG General Partner Board that the CD&A be included in PVG's Annual Report on Form 10-K, and the Committee prepares a report to that effect, which is included in PVG's Annual Report on Form 10-K.

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

c. **Service by Directors on Other Boards and Other Audit Committees.** The PVG General Partner does not limit the number of other public company boards on which an independent director may serve. However, the PVG General Partner does expect each director to devote sufficient time and effort to his duties as a PVG General Partner Board member. The PVG General Partner's independent directors may not serve on more than two other public company audit committees in addition to the PVG General Partner'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.** The PVG General Partner's new directors are provided certain materials, including periodic reports, governance policies and Penn Virginia GP's and PVR's strategic plan to facilitate their becoming knowledgeable with Penn Virginia GP's and PVR's businesses as well as Penn Virginia GP's principles of governance. New directors are also encouraged to visit PVR's operations facilities and meet key personnel. The PVG General Partner will also advise directors of continuing education opportunities 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. The PVG General Partner'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 GP's and PVR's businesses and to allow for the Board to fulfill its supervisory and other responsibilities. The Board and any committee thereof may also retain such independent advisors as it deems appropriate to carry out its duties.

Effective Date of Corporate Governance Principles

These principles were approved by the Board on September 6, 2006 and last revised on May 7, 2007.