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China Netcom Group CORP (Hong Kong) LTD
Form 6-K
April 04, 2006

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of April, 2006

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

(If "Yes" is marked, indicate below the file number assigned to registrant in connection with Rule 12g3-2(b): 82-_____.)

N/A

China Netcom Group Corporation (Hong Kong) Limited
Building C, No. 156, Fuxingmennei Avenue
Xicheng District
Beijing, 100031 PRC

This Form 6-K consists of:

The notice of annual general meeting of China Netcom Group Corporation (Hong Kong) Limited (the "Registrant"), made by the Registrant in English on April 3, 2006.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the under-signed, thereunto duly authorized.

CHINA NETCOM GROUP CORPORATION (HONG KONG) LIMITED

By /s/ Miao Jianhua

By /s/ Mok Kam Wan

Name: Miao Jianhua and Mok Kam Wan

Title: Joint Company Secretaries

Date: April 3, 2006

[GRAPHIC OMITTED]

CHINA NETCOM GROUP CORPORATION (HONG KONG) LIMITED
(Incorporated in Hong Kong with limited liability under the
Companies Ordinance)
(Stock Code: 906)

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of China Netcom Group Corporation (Hong Kong) Limited will be held on 16 May 2006 at 11:00 a.m. in The Ballroom, Island Shangri-la, Hong Kong for the following purposes:

As Ordinary Business:

1. To receive and consider the financial statements for the year ended 31 December 2005 and the Reports of the Directors and the Auditors.
2. To declare a final dividend for the year ended 31 December 2005.
3. To elect Directors.
4. To re-appoint Auditors and authorise the Directors to fix their

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remuneration.

And as Special Business, to consider and, if thought fit, to pass the following as ordinary resolutions:

ORDINARY RESOLUTIONS

5. "THAT:
- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to purchase shares of US\$0.04 each in the capital of the Company including any form of depositary receipt representing the right to receive such shares ("Shares") be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of Shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange on which securities of the Company may be listed and which is recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited pursuant to the approval in paragraph (a) above shall not exceed or represent more than 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly;
 - (c) for the purpose of this Resolution "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
 - (3) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting."
6. "THAT a general mandate be and is hereby unconditionally given to the Directors to exercise full powers of the Company to allot, issue and deal with additional shares in the Company (including the making and granting of offers, agreements and options which might require shares to be allotted, whether during the continuance of such mandate or thereafter) provided that, otherwise than pursuant to (i) a rights issue where shares are offered to shareholders on a fixed record date in proportion to their then holdings of shares; (ii) the exercise of options granted under any share option scheme adopted by the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend in accordance with the Articles of Association of the Company, the aggregate nominal amount of the shares allotted shall not exceed the aggregate of:
- (a) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, plus
 - (b) (if the Directors are so authorised by a separate ordinary

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resolution of the shareholders of the Company) the nominal amount of the share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution).

Such mandate shall expire at the earlier of:

- (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
 - (3) the date of any revocation or variation of the mandate given under this Resolution by ordinary resolution of the shareholders of the Company at a general meeting."
7. "THAT the Directors be and they are hereby authorised to exercise the powers of the Company referred to in the resolution set out in item 6 in the notice of this meeting in respect of the share capital of the Company referred to in paragraph (b) of such resolution."

By order of the Board
Miao Jianhua
Mok Kam Wan
Joint Company Secretaries

Hong Kong, 3 April 2006

Notes:

1. Any member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Company's registered office at Room 6701, The Center, 99 Queen's Road Central, Hong Kong at least 48 hours before the time for holding the above Meeting. Completion and return of a form of proxy will not preclude a member from attending and voting in person if he is subsequently able to be present.
3. The Board of Directors has recommended a final dividend for the year ended 31 December 2005 of HK\$0.466 per share and, if such dividend is declared by the members passing Resolution 2, it is expected to be paid on or about 6 June 2006 to those shareholders whose names appear on the Company's register of members on 16 May 2006.
4. The register of members of the Company will be closed from 11 May 2006 to 16 May 2006 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's registrar, Computershare Hong Kong Investor Services Limited, Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4 p.m. on 10 May 2006.
5. Concerning Resolution 5 above, the Directors wish to state that they will

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exercise the powers conferred thereby to repurchase shares of the Company in circumstances which they deem appropriate for the benefit of the shareholders. The Explanatory Statement containing the information necessary to enable the shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be set out in a separate letter from the Company to be enclosed with the 2005 Annual Report.

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Zhang Chunjiang, Dr. Tian Suning, Mr. Zhang Xiaotie, Mr. Miao Jianhua and Mr. Jiang Weiping as executive directors, Ms. Li Liming, Mr Jose Maria Alvarez-Pallete and Mr. Yan Yixun as non-executive directors and Mr. John Lawson Thornton, Mr. Victor Cha Mou Zing, Dr. Qian Yingyi, Mr. Hou Ziqiang, and Mr. Timpson Chung Shui Ming as independent non-executive directors.

yle="margin:0pt;line-height:100%;font-family:Times New Roman;overflow: hidden;font-size:0pt;"> 1,464,752

Jerry A. Weant

2016

\$

250,000

\$

250,000

(d)

\$

330,000

(e)

\$

36,740

\$

866,740

Vice President of Land

2015

\$

250,000

\$

225,000

\$

300,000

(f)

36,661

811,661

2014

\$

250,000

\$

200,000

\$

164,000

(g)

34,167

648,167

Mitzi P. Conn

2016

\$

198,370

(c)

\$

250,000

(d)

\$

471,400

(e)

\$

28,811

\$

948,581

Vice President and CAO

2015

\$

190,000

\$

225,000

\$

300,000

(f)

30,194

745,194

2014

\$

180,385

\$

200,000

\$

164,000

(g)

28,026

572,411

- (a) During August 2016, Mr. Newberry was promoted to COO, which increased his salary to \$400,000.
- (b) During August 2016, Mr. Gatto was promoted to President, which increased his salary to \$400,000.
- (c) During August 2016, Mrs. Conn was promoted to Vice President and CAO, which increased her salary to \$225,000.
- (d) Cash bonus awarded in March 2017 in recognition of 2016 performance.
- (e) Represents the grant date fair value of the restricted stock units and TSR phantom shares granted to the NEOs on May 13, 2016 computed in accordance with FASB ASC Topic 718. The assumptions utilized in the calculation of these amounts are set forth in footnotes 8 and 9 to our consolidated financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC on February 27, 2017.
- (f) Represents the grant date fair value of the restricted stock units and TSR phantom shares granted to the NEOs on May 15, 2015 computed in accordance with FASB ASC Topic 718. The assumptions utilized in the calculation of these amounts are set forth in footnotes 8 and 9 to our consolidated financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on March 5, 2016.
- (g) Represents the grant date fair value of the restricted stock units and TSR phantom shares granted to the NEOs on May 14, 2014 computed in accordance with FASB ASC Topic 718. The assumptions utilized in the calculation of these amounts are set forth in footnotes 7 and 8 to our consolidated financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2014 filed with the SEC on March 5, 2015.
- (h) See the Table of All Other Compensation and related footnotes below for reconciliation of Other.

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Table of All Other Compensation

Name	Year	Company Contributed					Total
		Company Contributed to 401(k)	Cash	Company Common Stock to 401(k) (a)	Company Provided Auto (b)	Company Paid Other (c)	
Fred L. Callon	2016	\$ 19,875		\$ 6,625	\$ 12,444	\$ 14,689	\$ 53,633
	2015	19,875		6,625	12,158	14,689	53,347
	2014	19,500		6,500	12,574	14,689	53,263
Gary A. Newberry	2016	\$ 19,875		\$ 6,625	\$ 14,113	\$ -	\$ 40,613
	2015	19,875		6,625	14,022	-	40,522
	2014	19,500		6,500	14,524	-	40,524
Joseph C. Gatto, Jr.	2016	\$ 19,875		\$ 6,625	\$ 9,448	\$ -	\$ 35,948
	2015	19,875		6,625	8,781	-	35,281
	2014	19,500		6,500	7,983	-	33,983
Jerry A. Weant	2016	\$ 18,750		\$ 6,250	\$ 11,740	\$ -	\$ 36,740
	2015	18,750		6,250	11,661	-	36,661
	2014	18,750		6,250	9,167	-	34,167
Mitzi P. Conn	2016	\$ 15,159		\$ 5,053	\$ 8,599	\$ -	\$ 28,811
	2015	14,250		4,750	11,194	-	30,194
	2014	13,529		4,510	9,987	-	28,026

- (a) Subject to IRS limits, Company contributions to each person's 401(k) account consist of a basic contribution equal to five percent (5%) of eligible annual base salary (funded one-half in cash and one-half in equivalent-valued common stock) plus a matching amount (limited to five percent (5%) of eligible annual base salary if such employee individually contributed at least eight percent (8%) of their eligible annual base salary). The number of shares contributed is determined on a monthly basis by dividing one-half of the total basic cash contribution by the closing market price on the last trading day of the month.
- (b) Represents annual depreciation based on a three-year life, plus insurance, fuel, maintenance and repairs, pursuant to IRS Reg §1.61-21, Taxation of Fringe Benefits.
- (c) Represents premiums paid by us on a personal life insurance policy for which Mr. Callon is the sole beneficiary.

Grants of Plan-Based Awards During 2016

The following table presents grants of equity awards during the fiscal year ending December 31, 2016:

Name	Grant Date	Estimated Future Payouts Under			Other Awards (Shares or Units)	Grant Date Fair Value (e)
		Threshold	Target	Maximum		
Fred L. Callon	05/13/2016	-	-	-	67,631 (b)	\$ 747,999
	05/13/2016	-	-	-	11,935 (c)	132,001
	05/13/2016	-	119,350	238,700	-	1,320,011
Gary A. Newberry	05/13/2016	-	-	-	36,890 (b)	\$ 408,003
	05/13/2016	-	-	-	6,510 (c)	72,001
	05/13/2016	-	65,100	130,200	-	720,006
	08/24/2016	-	-	-	50,000 (d)	707,000
Joseph C. Gatto, Jr.	05/13/2016	-	-	-	36,890 (b)	\$ 408,003
	05/13/2016	-	-	-	6,510 (c)	72,001
	05/13/2016	-	65,100	130,200	-	720,006
	08/24/2016	-	-	-	50,000 (d)	707,000
Jerry A. Weant	05/13/2016	-	-	-	10,145 (b)	\$ 112,204
	05/13/2016	-	-	-	1,790 (c)	19,797
	05/13/2016	-	17,902	35,804	-	197,996
Mitzi P. Conn	05/13/2016	-	-	-	10,145 (b)	\$ 112,204
	05/13/2016	-	-	-	1,790 (c)	19,797
	05/13/2016	-	17,902	35,804	-	197,996
	08/24/2016	-	-	-	10,000 (d)	141,400

(a) Amounts represent TSR phantom shares payable in 50% cash and 50% common stock on the vesting date, which will be adjusted between 0% and 200% based on our TSR compared with the TSR of the peer companies. The adjusted performance-based phantom shares will vest on December 31, 2018.

(b) Amounts represent restricted stock units vesting on May 13, 2019 and will be settled in common stock.

(c) Amounts represent phantom shares vesting on May 13, 2019 and will be settled in cash based on the closing NYSE market price of the Company's Common Stock on the vesting date.

(d) Amounts represent restricted stock units vesting on August 24, 2019 and will be settled in common stock.

(e) This column shows the grant date fair value of the awards granted to the NEOs on the date indicated computed in accordance with FASB ASC Topic 718. The assumptions utilized in the calculation of these amounts are set forth in footnotes 8 and 9 to our consolidated financial statements included in the Annual Report on Form 10-K for the

year ended December 31, 2016, filed with the SEC on February 27, 2017. The value ultimately realized by the executive upon the actual vesting of the awards may be more or less than the grant date fair value.

Stock-Based Incentive Compensation Plans

The 2011 Plan was approved by stockholders on May 12, 2011 and amended on May 14, 2015. Awards available under the 2011 Plan include grants of stock options, stock appreciation rights or units, restricted stock, restricted stock units, phantom stock or performance shares or units. As of March 17, 2017, 2,270,448 shares remain unissued within the 2011 Plan.

Outstanding Equity Awards at Fiscal Year-End

The following table contains information concerning all unexercised and unvested stock awards that were held as of December 31, 2016 for the NEOs:

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Name	Option Awards			Stock Awards		Equity Incentive Plan Awards		
	Number of Securities Underlying Exercisable Options	Option Exercise Price	Option Expiration Date	Unvested Shares or Units of Stock	Market Value of Unvested Shares or Units of Stock (g)	Number of Unearned Shares, Units or Rights	Market of Payout	Value of Unearned Shares, Units or Rights (g)
Fred L. Callon	-	-	-	56,052 (c)	\$ 861,519	9,892 (h)		\$ 152,040
	-	-	-	68,000 (d)	1,045,160	12,000 (i)		184,440
	-	-	-	67,631 (e)	1,039,488	11,935 (j)		183,441
	60,000 (a)	-	-	-	-	-		922,200
	60,000 (a)	-	-	-	922,200	-		-
	59,675 (b)	-	-	-	-	-		917,205
	59,675 (b)	-	-	-	917,205	-		-
Gary A. Newberry	-	-	-	20,482 (c)	\$ 314,808	3,614 (h)		\$ 55,547
	-	-	-	24,848 (d)	381,914	4,385 (i)		67,397
	-	-	-	36,890 (e)	566,999	6,510 (j)		100,059
	-	-	-	50,000 (f)	768,500	-		-
	21,924 (a)	-	-	-	-	-		336,972
	21,924 (a)	-	-	-	336,972	-		-
	32,550 (b)	-	-	-	-	-		500,294
	32,550 (b)	-	-	-	500,294	-		-
Joseph C. Gatto, Jr.	-	-	-	20,482 (c)	\$ 314,808	3,614 (h)		\$ 55,547
	-	-	-	24,848 (d)	381,914	4,385 (i)		67,397
	-	-	-	36,890 (e)	566,999	6,510 (j)		100,059
	-	-	-	50,000 (f)	768,500	-		-
	21,924 (a)	-	-	-	-	-		336,972
	21,924 (a)	-	-	-	336,972	-		-
	32,550 (b)	-	-	-	-	-		500,294
	32,550 (b)	-	-	-	500,294	-		-
Jerry A. Weant	-	-	-	5,598 (c)	\$ 86,041	988 (h)		\$ 15,186
	-	-	-	12,424 (d)	190,957	2,192 (i)		33,691
	-	-	-	10,145 (e)	155,929	1,790 (j)		27,512
	10,962 (a)	-	-	-	-	-		168,486
	10,962 (a)	-	-	-	168,486	-		-
	8,951 (b)	-	-	-	-	-		137,577
	8,951 (b)	-	-	-	137,577	-		-
Mitzi P. Conn	-	-	-	5,598 (c)	\$ 86,041	988 (h)		\$ 15,186
	-	-	-	12,424 (d)	190,957	2,192 (i)		33,691
	-	-	-	10,145 (e)	155,929	1,790 (j)		27,512

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-	-	-	10,000 (f)	153,700	-	-
10,962 (a)	-	-	-	-	-	168,486
10,962 (a)	-	-	-	168,486	-	-
8,951 (b)	-	-	-	-	-	137,577
8,951 (b)	-	-	-	137,577	-	-

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- (a) Amounts represent performance-based phantom shares settleable in 50% cash and 50% common stock on the vesting date and which will be adjusted between 0% and 200% based on our TSR compared to our specified peer companies. The adjusted performance-based phantom shares will vest on December 31, 2017.
- (b) Amount represents performance-based phantom shares settleable in 50% cash and 50% common stock on the vesting date and which will be adjusted between 0% and 200% based on our TSR compared to our specified peer companies. The adjusted performance-based phantom shares will vest on December 31, 2018.
- (c) Represents restricted stock units awarded May 14, 2014 and are settleable in stock on the May 14, 2017 vesting date.
- (d) Represents restricted stock units awarded May 15, 2015 and are settleable in stock on the May 15, 2018 vesting date.
- (e) Represents restricted stock units awarded May 13, 2016 and are settleable in stock on the May 13, 2019 vesting date.
- (f) Amounts calculated using the closing price of \$15.37 per share of our common stock on the NYSE on the last trading day of 2016.
- (g) Represents restricted stock units awarded August 24, 2016 and are settleable in stock on the August 24, 2019 vesting date.
- (h) Represents phantom stock shares awarded May 14, 2014 and are settleable in cash on the May 14, 2017 vesting date.
- (i) Represents phantom stock shares awarded May 15, 2015 and are settleable in cash on the May 15, 2018 vesting date.
- (j) Represents phantom stock shares awarded May 13, 2016 and are settleable in cash on the May 13, 2019 vesting date.

Option Exercises and Stock Vested

The following table provides information about the value realized by the NEOs on option exercises, vesting of restricted stock units, phantom shares, and TSR phantom share award payouts during 2016:

Name	Exercise		Vesting		Value Realized \$ (f)
	Number of Shares Acquired (a)	Value Realized \$	Number of Shares Acquired	Value	
Fred L. Callon	—	\$ 3,040,678 (b)	160,378 (d)		\$ 1,733,686
	—	308,350 (c)			
Gary A. Newberry	—	\$ 1,111,097 (b)	40,095 (d)		\$ 433,427
	—	77,082 (c)			
Joseph C. Gatto, Jr.	—	\$ 1,111,097 (b)	40,095 (d)		\$ 433,427
	—	77,082 (c)	.		
Jerry A. Weant	—	\$ 303,711 (b)	33,333 (e)		\$ 388,663
Mitzi P. Conn	—	\$ 303,711 (b)	16,038 (d)		\$ 173,371
	—	30,833 (c)			

- (a) There were no options exercised by any NEO in 2016.
- (b) Includes the value of the vesting of performance-based phantom shares on December 31, 2016 that were settled in cash. The value realized reflects the taxable value to the NEO as of the date of the vesting of performance-based phantom share awards.
- (c) Represents restricted stock units awarded May 15, 2013 that were settled in cash on the May 15, 2016 vesting date.
- (d) Represents restricted stock awarded May 15, 2013 that were settled in stock on the May 15, 2016 vesting date.
- (e) Represents 100,000 restricted stock units awarded September 16, 2013 that were settled in stock. Units vested one-third on each subsequent July 1st anniversary date following the award date.
- (f) Represents the aggregate dollar amount realized on the date of the vesting of the restricted stock based on the market price of a share of Company common stock on the NYSE on the vesting date.

Employment Agreements, Termination of Employment and Change in Control Arrangements

Employment Agreements. We do not have employment agreements with any of our executive officers.

Severance Compensation Agreements. We entered into Severance Compensation Agreements (“SCA”) with each of our NEOs. The SCA will terminate, except to the extent that any obligation of Callon thereunder remains unpaid as of such time, upon the earliest of (i) December 31, 2017, provided, however, that, on each anniversary date thereafter, the expiration date shall automatically be extended for one additional year unless, immediately prior to such anniversary date, either party shall have given written notice that it does not wish to extend this SCA, but in no event shall the expiration date be earlier than the second anniversary of the effective date of a change of control; (ii) the termination of the NEOs employment with Callon based on death, disability (as defined in the SCA), or cause (as defined in the SCA); and (iii) the voluntary resignation of the NEOs for any reason other than good reason (as defined in the SCA).

Pursuant to the SCA, if the executive incurs a “separation from service” from Callon (as such term is defined in final Treasury Regulations issued under Code Section 409A and other authoritative guidance issued thereunder)

without cause by Callon or for good reason by him within two years following a change of control of Callon (or in certain cases, prior to a change of control), then the executive is entitled to a single lump-sum cash payment (payable on the date that is six months following the triggering event) in an amount equal to three times the sum (with respect to Mr. Callon) of (i) the annual base salary in effect immediately prior to the change of control or, if higher, in effect immediately prior to the separation from service, and (ii) the greater of the average bonus earned with respect to the three most recently completed full fiscal years or the target bonus for the fiscal year in which the change of control occurs, based on a forecast that has been approved by the Board of the results for the fiscal year in which the change of control occurs. For the other NEOs, the salary and bonus multiple is two times. In addition, we must maintain at our expense until thirty-six months after a separation from service all life, disability, medical, dental, accident, and health insurance coverage for Mr. Callon. For the other NEOs, the continued benefit period is twenty-four months. If the executive's employment is terminated because of his death or disability, we are only required to make such payments if the termination occurred within six months after a change of control. "Good reason" is generally defined in the SCA as a change in the executive's compensation, benefits, position, responsibilities, or location. A change of control is generally defined in the SCA as (i) any person or group of persons acting in concert shall have become the beneficial owner of more than 50% of our outstanding common stock; (ii) our stockholders shall cause a change in the majority of the members of the Board within a twelve-month period; or (iii) we or our stockholders shall enter into an agreement to dispose of all or substantially all of our assets or outstanding capital stock.

The SCAs also provide that, upon a change of control, all stock options shall automatically become fully exercisable and all performance shares, restricted stock, stock appreciation rights and other similar rights held by the executive shall become fully vested, provided, however, that such acceleration of vesting shall not occur if it would be an impermissible acceleration under Section 409A of the Code. If we cannot provide for acceleration of vesting as a result of provisions in existence prior to a change of control, any plan or agreement, or Section 409A, we must provide in lieu thereof a lump-sum cash payment equal to the total value of the outstanding and unvested stock rights as of the date of separation from service.

The SCAs incorporate a provision to provide for the possible impact of the federal excise tax on excess parachute payments. The so-called "golden parachute" tax rules subject "excess parachute payments" to a dual penalty: the imposition of a 20 percent excise tax upon the recipient and non-deductibility of such payments by the paying corporation. While the excise tax is seemingly evenhanded, the excise tax can discriminate against long-serving employees in favor of new hires, against individuals who do not exercise stock options in favor of those who do and against those who elect to defer compensation in favor of those who do not. For these reasons, we believe that the "net-best" provision included in the SCA is appropriate. If any payment is subject to any excise tax under Section 4999 of the Internal Revenue Code of 1986, as amended, the payment will be reduced so that no portion of the payment is subject to such excise tax if the net benefit payable would be at least as much as it would have been if no reduction was made.

Potential Payments Upon Termination or Change-in-Control

The following table shows the estimated gross taxable compensation payable upon termination following a change in control or upon death, disability or retirement. No amounts would be payable upon termination for other causes. The information assumes, in each case, that the officer's termination was effective as of December 31, 2016. In presenting this disclosure, we describe amounts earned through December 31, 2016 and, in those cases where the actual amounts to be paid out can only be determined at the time of such executive's separation from us, the estimates are of the amounts which would be paid out to the executives upon their termination.

Name / Reason for Termination	Base Salary (c)	Cash Bonus (c)	Accelerated Stock Award Vesting (d)	Continued	
				Employee Benefits (e)	Total
Fred L. Callon - CIC (a)	\$ 1,575,000	\$ 2,506,250	\$ 7,144,898	\$ 93,276 (f)	\$ 11,319,424
Death, Disability or Retirement (b)	—	—	7,144,898	—	7,144,898
Gary A. Newberry - CIC (a)	\$ 800,000	\$ 1,153,333	\$ 3,929,755	\$ 32,806	\$ 5,915,894
Death, Disability or Retirement (b)	—	—	3,929,755	—	3,929,755
Joseph C. Gatto, Jr. - CIC (a)	\$ 800,000	\$ 1,153,333	\$ 3,929,755	\$ 48,912	\$ 5,932,000
Death, Disability or Retirement (b)	—	—	3,929,755	—	3,929,755
Jerry A. Weant - CIC (a)	\$ 500,000	\$ 450,000	\$ 1,121,441	\$ 32,806	\$ 2,104,247
Death, Disability or Retirement (b)	—	—	1,121,441	—	1,121,441
Mitzi P. Conn - CIC (a)	\$ 450,000	\$ 450,000	\$ 1,275,141	\$ 48,912	\$ 2,224,053
Death, Disability or Retirement (b)	—	—	1,275,141	—	1,275,141

- (a) We entered into a Severance Compensation Agreement with each of the NEOs listed in the table above. See "Employment Agreements, Termination of Employment and Change in Control ("CIC") Arrangements."
- (b) "Disability" is generally defined as the employee's inability to carry out the normal and usual duties of his employment on a full-time basis for an entire period of six continuous months together with the reasonable likelihood, as determined by the Board after consultation of a qualified physician, he will be unable to carry out his normal and usual duties of employment. "Retirement" is generally defined as the employee's attainment of an age which the Board determines to be consistent with normal retirement age.
- (c) In accordance with Mr. Callon's Severance Compensation Agreement, the computation uses a three-year multiple with respect to the severance amount relating to salary and target bonus, while a two-year multiple is used for the other NEOs. See "Employment Agreements, Termination of Employment and Change in Control Arrangements."
- (d) The amounts are computed based on unvested stock awards at December 31, 2016 using the closing price of \$15.37 per share of our common stock on the NYSE on the last trading day of 2016.
- (e) Benefits consist of thirty-six months of employer provided family medical and dental insurance, life insurance, dependent life insurance, accidental death coverage and disability coverage for Mr. Callon and twenty-four months for the other NEOs in the table.
- (f)

Mr. Callon's amount includes an additional allotment for each of the three years representing premiums paid on a life insurance policy for which we have no beneficial interest.

Director Compensation

The compensation of our non-employee Directors is reviewed annually by the Compensation Committee and is approved by the Board. We use a combination of cash and stock-based incentive compensation to attract and retain qualified candidates to serve on our Board. In determining Director compensation, we consider the significant amount of time the Directors spend fulfilling their duties, as well as the competitive market for skilled directors. In 2016, the Compensation Committee directly engaged Meridian to conduct an analysis of director compensation. Specifically, Meridian evaluated competitive market data, utilizing peer and general industry data for comparison. After consideration of the recommendations and competitive market data provided by Meridian, the Compensation Committee recommended an increase beginning in 2016 of \$30,000 in total annual compensation, resulting in a \$20,000 increase in cash compensation from \$40,000 to \$60,000 and a \$10,000 increase in equity award value from \$125,000 to \$135,000.

Accordingly, in 2016, each non-employee Director received compensation consisting of an annual retainer of \$60,000 per year, with an additional \$20,000 per year for the chairman of the Audit Committee, an additional \$15,000 per year to the chairman of the Compensation Committee, an additional \$10,000 per year to the chairman of the Nominating and Corporate Governance Committee, and an additional \$10,000 to the chairman of the Strategic Planning and Reserves Committee. Each non-employee Director is reimbursed for reasonable out-of-pocket costs incurred to attend Board meetings. In addition to cash compensation, we also grant to our non-employee directors restricted common shares under our stock-based compensation plan. These grants are to compensate our directors and to provide them with incentives to remain as a director by offering them a long-term stake in our potential future value. During 2016, the Compensation Committee awarded restricted stock units with equivalent value equal to \$135,000 each to Messrs. Flury, McVay, Wallace, Nocchiero, Bob, Trimble and Finch. The restricted stock units will vest ratably over three years or the Compensation Committee may determine in its sole discretion that the restricted stock units shall vest on a “qualified separation from service.” Members of our Board who are also officers or employees of us do not receive compensation for their services as Directors. The table below indicates the total compensation earned and paid during 2016 for each non-employee Director:

Non-Employee Director Compensation for 2016

Name	Fees Earned or Paid in Cash (a)	Stock Awards (f)	Option Awards	All Other Compensation	Total
Matthew R. Bob	\$ 60,000	\$ 135,000	\$ —	\$ —	\$ 195,000
Michael L. Finch	\$ 60,000	\$ 135,000	\$ —	\$ —	\$ 195,000
L. Richard Flury	\$ 75,000 (b)	\$ 135,000 (g)	\$ —	\$ —	\$ 210,000
Larry D. McVay	\$ 70,000 (c)	\$ 135,000	\$ —	\$ —	\$ 205,000
Anthony J. Nocchiero	\$ 70,000 (d)	\$ 135,000	\$ —	\$ —	\$ 205,000
James M. Trimble	\$ 60,000	\$ 135,000	\$ —	\$ —	\$ 195,000
John C. Wallace	\$ 80,000 (e)	\$ 135,000 (g)	\$ —	\$ —	\$ 215,000

- (a) Does not include reimbursement of expenses associated with attending the Board meetings.
- (b) Represents annual retainer of \$60,000 and an additional \$15,000 for acting as chairman of the Compensation Committee. Mr. Flury elected to have his annual retainer deferred pursuant to the terms of a Deferred Compensation Plan for non-employee Directors, under which participants may elect to convert the cash fees to phantom shares and defer the receipt of the proceeds in cash until separation of service as a Director.
- (c) Represents annual retainer of \$60,000 and an additional \$10,000 for acting as chairman of the Strategic Planning and Reserves Committee.
- (d) Represents annual retainer of \$60,000 and an additional \$10,000 for acting as chairman of the Nominating and Corporate Governance Committee.
- (e) Represents annual retainer of \$60,000 and an additional \$20,000 per year for acting as chairman of the Audit Committee.
- (f) Amounts calculated utilizing the provisions of FASB ASC Topic 718. See notes 7 and 8 of the consolidated financial statements in our Annual Report for the year ended December 31, 2016 regarding assumptions

underlying valuation of equity awards.

- (g) Represents a Director who elected to have his restricted stock award deferred pursuant to the terms of a Deferred Compensation Plan for non-employee Directors, under which participants may elect to defer the receipt of the proceeds in cash until separation of service as a Director.

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STOCKHOLDERS' PROPOSALS AND DIRECTOR NOMINATIONS

FOR THE 2018 ANNUAL MEETING

Stockholders who desire to present proposals at the 2018 Annual Meeting of Stockholders and to have such proposals included in our proxy materials, must submit their proposals to us at our principal executive offices not later than December 3, 2017. If the date of the 2018 Annual Meeting of Stockholders is changed by more than 30 days from the date of the 2017 Annual Meeting of Stockholders, the deadline for submitting proposals is a reasonable time before we begin to print and mail our proxy materials for our 2018 Annual Meeting of Stockholders.

If the date of the 2018 Annual Meeting of Stockholders is advanced or delayed by more than 30 calendar days from the date of the 2017 Annual Meeting of Stockholders, we shall, in a timely manner, inform our stockholders of such change, by including a notice, under Item 5, in our earliest possible quarterly report on Form 10-Q. The notice will include the new deadline for submitting proposals to be included in our Proxy Statement and the new date for determining whether we may exercise discretionary voting authority because we have not received timely notice of a matter.

In order to avoid controversy as to the date on which we receive any such proposal, we suggest that stockholders submit their proposals by certified mail, return receipt requested, or other means that permit them to prove the date of delivery. We reserve the right to reject, rule out of order or take other appropriate action with respect to any proposal that does not comply with the requirements described above or other applicable requirements.

Our Certificate of Incorporation requires that any person intending to nominate a person to serve as a Director of Callon must provide written notice to us of the intent to nominate at least 120 days prior to the scheduled date of the 2018 annual meeting.

ANNUAL MEETING INFORMATION

INFORMATION CONCERNING SOLICITATION AND VOTING

We are providing you this Proxy Statement in connection with the solicitation of proxies by our Board of Directors to be voted at the 2017 Annual Meeting of stockholders of Callon Petroleum Company. The Annual Meeting will be held on Thursday, May 11, 2017 at 9:00 a.m. CDT in the Grand Ballroom of the Natchez Grand Hotel, 111 Broadway Street, Natchez, Mississippi 39120. This Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. Please read it carefully.

The Board will primarily solicit proxies by mail, and we will bear all costs incurred in the solicitation of proxies, including the preparation, printing and mailing of these proxy materials. In addition to solicitation by mail, our Directors, officers and employees may solicit proxies personally or by telephone, email, facsimile or other means, without additional compensation. We may also make arrangements with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of the common stock held by such persons, and we may reimburse those brokerage houses and other custodians, nominees and fiduciaries for reasonable expenses incurred in connection therewith. In addition, to assist us with our solicitation efforts, we have retained the services of Morrow Sodali LLC for a fee of approximately \$7,500, plus out-of-pocket expenses.

INFORMATION ABOUT VOTING AND THE MEETING

Who may vote

You may vote if you are the record holder of our common stock as of the close of business on March 17, 2017, the "Record Date." On that date, 201,054,884 shares of our common stock were outstanding and are entitled to vote at the Annual Meeting. Each share of common stock is entitled to one vote on each matter considered at this meeting.

Attending the Meeting

If you meet the above criteria to vote at our Annual Meeting, you may attend the Annual Meeting. If you wish to attend the Annual Meeting in person, you must present valid, government-issued picture identification. If your shares are held in the name of a bank, broker or other nominee and you plan to attend the Annual Meeting, in order to be admitted you must present proof of your beneficial ownership of the common stock, such as a bank or brokerage account statement, indicating that you owned shares of our common stock at the close of business on the Record Date.

For safety and security reasons, no cameras, recording equipment, cellular telephones, electronic devices, large bags, briefcases or packages will be permitted in the Annual Meeting. No banners, signs, firearms or weapons will be allowed in the meeting room. We reserve the right to inspect all items entering the meeting room.

Proposals

Qualifying stockholders will vote on the following four proposals at the meeting:

- 1) The election of Directors;
- 2) Advisory approval of our executive compensation;
- 3) Advisory approval of the frequency of our future advisory votes on executive compensation; and
- 4) The ratification of the appointment of Grant Thornton LLP.

Notice and Access

The Company is furnishing proxy materials to its stockholders through the Internet as permitted under the rules of the Securities and Exchange Commission (the "SEC"). Under these rules, the Company's stockholders will receive a Notice Regarding the Availability of Proxy Materials instead of a paper copy of the Notice of 2017 Annual Meeting of Stockholders and Proxy Statement, our proxy card, and our Annual Report on Form 10-K, often referred to as "notice and access." We believe this process gives us the opportunity to serve you more efficiently by making the proxy materials available quickly online and reducing costs associated with printing and distributing our proxy materials. This Notice includes instructions on how to access the proxy materials over the Internet or to request

a paper copy of proxy materials, including a proxy card or voting instruction form. In addition and as described in the Notice, stockholders may request to receive future proxy materials in printed form by mail or electronically by email. A stockholder's election to receive proxy materials by mail or email will remain in effect until terminated by the stockholder.

Our Board has made these proxy materials available to you on the Internet on or about March 29, 2017 at <https://www.iproxydirect.com/CPE>, which is the cookies-free website described in the Notice. Accordingly, we are sending the Notice to our stockholders of record and beneficial owners of our stock, and filing the Notice with the SEC, on or about March 29, 2017. Please note that the Notice identifies the items on which stockholders will vote at the meeting, but stockholders cannot vote by marking the Notice and returning it. The Notice provides instructions on how to vote via the Internet, by telephone or by requesting and returning a paper proxy card, or by submitting a ballot in person at the meeting.

In addition to the proxy materials being available for review at <https://www.iproxydirect.com/CPE>, the site contains instructions on how to access the proxy materials on a website or to request free of charge printed materials, including a copy of our Form 10-K for the year ended December 31, 2016 as filed with the SEC. On an ongoing basis, stockholders may contact our Corporate Secretary at our principal offices in Natchez, Mississippi to request proxy materials by mail or by e-mail.

Casting your vote

There are three methods for registered stockholders to vote by proxy without attending the Annual Meeting:

- 1) By Internet. You can vote online via the Internet by going to the website address for Internet voting provided on your Notice or proxy card. You will need to use the control and request ID appearing on your proxy card to vote via the Internet. You can use the Internet to transmit your voting instructions up until 11:59 p.m. CDT on May 10, 2017. If you vote via the Internet, you do NOT need to vote by telephone or return a proxy card. Internet voting is available 24 hours a day.
- 2) By Telephone. You can also vote by telephone by calling the toll-free telephone number provided on your proxy card. You will need to use the control and request ID appearing on your proxy card to vote by telephone. You may transmit your voting instructions from any touch-tone telephone up until 11:59 p.m. CDT on May 10, 2017. Voting by telephone is available 24 hours a day.
- 3) By Mail. If you received a printed copy of the proxy card, you can vote by marking, dating and signing it, and returning it in the reply envelope provided. Please promptly mail your proxy card to ensure that we receive it prior to the closing of the polls at the Annual Meeting.

If you get more than one Notice and/or Proxy Statement then it means that your shares are likely registered in more than one account. Please provide voting instructions for all Notices, proxy and voting instruction cards you receive. If you send us a signed proxy card without marking your voting selections, your shares will be voted on each proposal as recommended by our Board, and in the discretion of the proxy holders as to any other matters that may properly come

before the meeting or any postponement or adjournment of the meeting. The Board is not presently aware of any other proposals or any other business to be considered at the Annual Meeting.

Difference Between a “Stockholder of Record” and a “Street Name” Holder

If your shares are registered directly in your name, you are considered the stockholder of record with respect to those shares. If your shares are held in a stock brokerage account or by a bank, trust or other nominee, then the broker, bank, trust or other nominee is considered to be the stockholder of record with respect to those shares. However, you are still considered to be the beneficial owner of those shares, and your shares are said to be held in “street name.” Street name holders generally cannot submit a proxy or vote their shares directly and must instead instruct the broker, bank, trust or other nominee how to vote their shares. You will receive instructions from your broker, bank or other nominee that you must follow in order for your broker, bank or other nominee to vote your shares per your instructions. Many brokerage firms and banks have a process for their beneficial holders to provide instructions via the Internet or over the telephone. If Internet or telephone voting is unavailable from your broker, bank or other nominee, please complete and return the enclosed voting instruction card in the addressed, postage paid envelope provided.

In the event you do not provide instructions on how to vote shares held in street name, your broker may have authority to vote your shares. Under the rules that govern brokers who are voting with respect to shares that are held in street name, brokers have the discretion to vote such shares on routine matters, but they are not permitted to vote (a “broker non-vote”) on non-routine or non-discretionary items absent instructions from the beneficial

owner. With respect to the Annual Meeting, brokers are prohibited from exercising discretionary authority in the election of Directors and the non-binding advisory proposal on executive compensation, but such brokers may exercise discretionary authority with respect to the ratification of the appointment of our independent registered public accounting firm. Your vote is especially important. Therefore, please promptly instruct your broker regarding how to vote your shares on these matters.

If you hold shares through a broker, bank or other nominee and wish to be able to vote in person at the meeting, you must obtain a legal proxy from your broker, bank or other nominee and present it to the inspector of election with your ballot at the meeting. If you need assistance in obtaining a legal proxy, please call Morrow Sodali LLC toll-free at (877) 787-9239. Submitting your proxy by mail will not affect your right to vote in person if you decide to attend the Annual Meeting.

Revoking a proxy

You may revoke or change a previously delivered proxy at any time before the meeting by delivering another proxy with a later date, by voting again via the Internet or by telephone, or by delivering written notice of revocation of your proxy to our Corporate Secretary at our principal offices in Natchez, Mississippi before the beginning of the meeting. You may also revoke your proxy by attending the meeting and voting in person, although attendance at the meeting will not necessarily revoke a valid proxy that was previously delivered. If you hold shares through a broker, bank or other nominee, you must contact that nominee to revoke any prior voting instructions. You also may revoke any prior voting instructions by voting in person at the meeting if you obtain a legal proxy as described above.

Recommendation of the Board

The Board unanimously recommends you vote “FOR” each of the proposals. A proxy that is properly completed and submitted will be voted at the Annual Meeting in accordance with the instructions on the proxy. If you properly complete and submit a proxy, but do not indicate any contrary voting instructions, your shares will be voted as follows:

- “FOR” the election of each of the nominees named in this Proxy Statement to our Board of Directors;
- “FOR” the approval, on an advisory basis, of our executive compensation;
- “FOR” “One Year” as the frequency of our future advisory votes on the compensation of our executive officers; and
- “FOR” the ratification of the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017

Counting the Vote

We have appointed Issuer Direct to serve as the inspector of election and to tabulate and certify the vote.

Quorum

A quorum is the number of shares that must be present to hold the meeting. The quorum requirement for the meeting is a majority of the outstanding shares as of the Record Date, present in person or represented by proxy. We will count your shares for purposes of determining if there is a quorum if either you are present and vote in person at the meeting or have voted on the Internet, by telephone or by properly submitting a proxy card or voting instruction card by mail. Abstentions and broker non-votes also count toward the quorum.

Required Vote

Proposal 1. Election of Directors

The nominees for election as directors will be elected by a plurality of all votes cast, subject to the Company's majority voting policy. Because the number of director nominees equals the number of directors to be elected at this Annual Meeting, to be elected, each director must receive a majority of the votes cast. A majority of the votes cast means that the number of shares voted "for" a director must exceed the number of shares voted "against" that director. Abstentions and broker non-votes will not be included in determining the number of votes cast in the election of directors and will not have any effect on the outcome. This majority voting standard is discussed further under "Proposal 1 – Election of Directors – Majority Vote Standard".

Proposal 2. Advisory Vote to Approve Named Executive Officer Compensation

The advisory vote on our executive compensation is non-binding, so no specific vote is required. Abstentions will have the same effect as a vote against this proposal, and broker non-votes will not be counted as shares present and entitled to vote, and, accordingly, will not affect the outcome of the vote on this proposal. While the law requires this advisory vote, the vote will neither be binding on us or our Board, nor will it create or imply any change in the fiduciary duties of, or impose any additional fiduciary duty on, us or our Board. However, the views of our stockholders are important to us, and our Compensation Committee will take into account the outcome of the vote when considering future executive compensation decisions. We urge you to read the section entitled “Compensation Discussion and Analysis”, which discusses in detail how our executive compensation program implements our compensation philosophy.

Proposal 3. Advisory Vote to Approve Frequency of Future Advisory Votes on Named Executive Officer Compensation

The advisory vote on the frequency of future advisory votes on the compensation of our executive officers receiving the greatest number of votes cast (i.e., one year, two years or three years) will be deemed by us as the frequency that has been selected by our stockholders. Abstentions and broker non-votes are not treated as votes cast, and therefore will have no effect on the advisory vote. Because your vote is advisory, it will not be binding on the Board or the Company. However, the Board and the Executive Compensation Committee will consider the outcome of the vote in determining how often to hold future advisory votes on executive compensation.

Proposal 4. Ratification of the Appointment of the Independent Registered Public Accounting Firm

Ratification of the appointment of Grant Thornton LLP as our independent registered public accounting firm for the 2017 fiscal year requires the affirmative vote of a majority of the shares of common stock entitled to vote and present in person or by proxy at the Annual Meeting. Abstentions and broker non-votes will have the same effect as a vote against this proposal.

Voting Results

We will announce the preliminary voting results at the Annual Meeting and will publish the final voting results in a current report on Form 8-K to be filed with the SEC within four business days of the meeting.

HOUSEHOLDING INFORMATION

The SEC permits companies and intermediaries (such as brokers and banks) to satisfy delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement and annual report to those stockholders. This process, which is commonly referred to as “householding,” is intended to reduce the volume of duplicate information stockholders receive and reduce expenses for companies. Both we and some of our intermediaries may be householding our proxy materials and annual report. Once you have received notice from your broker or another intermediary that they will be householding materials sent to your address, householding will continue until you are notified otherwise or until you revoke your consent. Should you wish to receive separate copies of our Annual Report and Proxy Statement in the future, we will promptly deliver a separate copy of each of these documents to you if you send a written request to us at our address appearing on the cover of this proxy statement, to the attention of the Corporate Secretary. If you hold your shares through an intermediary that is householding and you want to receive separate copies of our Annual Report and Proxy Statement in the future, you should contact your bank, broker or other nominee record holder.

FINANCIAL STATEMENTS AND OTHER AVAILABLE DOCUMENTS

Financial statements for our most recent fiscal year are contained in the 2016 Annual Report to Stockholders and our Report on Form 10-K for the fiscal year ended December 31, 2016 filed with the SEC on February 27, 2017. Our Annual Report, our Annual Report on Form 10-K, Corporate Governance Guidelines, Code of Business Conduct and Ethics, and Charters of Board Committees may be accessed by stockholders on our website at www.callon.com or printed copies are available upon written request to the B.F. Weatherly, Corporate Secretary at our principal executive office in Natchez, Mississippi.

OTHER BUSINESS

The Board is not aware of any matter to be acted upon at the 2017 Annual Meeting other than those described above. If other business properly comes before the 2017 Annual Meeting, the persons named on the proxy will vote the proxy in accordance with what they consider to be in the best interests of us and our stockholders. Please sign, date, and return your proxy promptly to avoid unnecessary expense. All stockholders are urged, regardless of the number of shares owned, to participate in the 2017 Annual Meeting by voting their shares.

By Order of the Board of Directors

March 29, 2017 Fred L. Callon
Natchez, Mississippi Chairman and CEO

CALLON PETROLEUM COMPANY

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

annual meeting OF STOCKHOLDERS – MAY 11, 2017 at 9:00 AM CDT

CONTROL ID:

REQUEST ID:

The undersigned hereby appoints Fred L. Callon and B.F. Weatherly and each of them, as proxies of the undersigned, each with full power to act without the other and with full power of substitution and re-substitution, to vote all the shares of Common Stock of Callon Petroleum Company that the undersigned is entitled to vote at the Annual Meeting of Stockholders to be held on May 11, 2017 in the Grand Ballroom of the Natchez Grand Hotel, 111 Broadway Street, Natchez, Mississippi 39120, and at any adjournments or postponements thereof, with all the powers the undersigned would have if personally present as follows:

IF NO DIRECTION AS TO THE MANNER OF VOTING THIS PROXY IS MADE, THIS PROXY WILL BE VOTED “FOR” PROPOSALS 1, 2 AND 4,

AND FOR “ONE YEAR” ON PROPOSAL 3 AS INDICATED ON THE REVERSE SIDE HEREOF.

You are encouraged to specify your choice by marking the appropriate box (SEE REVERSE SIDE), but you need not mark any box if you wish to vote in favor.

(CONTINUED AND TO BE SIGNED ON REVERSE SIDE.)

VOTING INSTRUCTIONS

If you vote by phone, fax or internet, please DO NOT mail your proxy card.

MAIL: Please mark, sign, date, and return this Proxy Card promptly using the enclosed envelope.

FAX: Complete the reverse portion of this Proxy Card and Fax to 202-521-3464.

INTERNET: <https://www.iproxydirect.com/CPE>

PHONE: 1-866-752-VOTE(8683)

ANNUAL MEETING OF THE STOCKHOLDERS OF
CALLON PETROLEUM COMPANY

PLEASE COMPLETE, DATE, SIGN AND
RETURN PROMPTLY IN THE ENCLOSED
ENVELOPE.
PLEASE MARK YOUR VOTE IN BLUE OR
BLACK INK AS SHOWN HERE:

PROXY SOLICITED ON BEHALF OF THE BOARD OF
DIRECTORS

<p>Proposal 1</p> <p>Election of Directors: Anthony J. Nocchiero (Class II Director, three-year term) Matthew Regis Bob (Class II Director, three-year term) James M. Trimble (Class II Director, three-year term)</p>	<p>FOR ALL</p>	<p>WITHHOLD ALL</p>	<p>FOR ALL EXCEPT</p>	<p>Control ID: REQUEST ID:</p>
<p>Proposal 2</p> <p>The approval, by non-binding advisory vote, of the compensation of our named executive officers.</p>	<p>FOR</p>	<p>AGAINST</p>	<p>ABSTAIN</p>	
<p>Proposal 3</p> <p>Advisory vote on the frequency of future advisory votes on the compensation of our executive officers.</p>	<p>ONE YEAR</p>	<p>TWO YEARS</p>	<p>THREE YEARS</p>	<p>ABSTAIN</p>
<p>Proposal 4</p> <p>The ratification of the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017.</p>	<p>FOR</p>	<p>AGAINST</p>	<p>ABSTAIN</p>	
<p>Proposal 5</p> <p>The transaction of such other business as may properly come before the Annual Meeting or any adjournment(s) thereof.</p>				

The Board recommends you vote "FOR" on proposals 1, 2 and 4 and "ONE YEAR" on proposal 3.

MARK "X" HERE IF YOU PLAN TO
ATTEND THE MEETING:
MARK HERE FOR ADDRESS
CHANGE New Address (if
applicable):

In the event that you return a signed proxy card on which no directions are specified, your shares will be voted as recommended by the Company's Board on the proposal, and in

the discretion of the proxy holders as to any other matters that may properly come before the meeting or any adjournments or postponements of the meeting. The Board is not presently aware of any other proposals or any other business to be considered at the Annual Meeting.

IMPORTANT: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

Dated: _____,
2017

(Print Name of Stockholder and/or Joint
Tenant)

(Signature of Stockholder)

(Second Signature if held jointly)

Callon Petroleum Company CONTROL
ID:
REQUEST
ID:

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

for the Annual Meeting of Stockholders

DATE: Thursday, May 11, 2017
TIME: 9:00 am central daylight time
LOCATION: Grand Ballroom of the Natchez Grand Hotel,
111 Broadway Street, Natchez, Mississippi
39120

HOW TO REQUEST PAPER COPIES OF OUR MATERIALS

PHONE: INTERNET:
FAX: <https://www.iproxydirect.com/CPE>
Call and EMAIL:
to follow
send this card to the proxy@iproxydirect.com
from 202-521-3464 the Include your Control ID in your email.
1-866-752-8683 on-screen
instructions.

This communication represents a notice to access a more complete set of proxy materials available to you on the Internet. We encourage you to access and review all of the important information contained in the proxy materials before voting. The proxy statement is available at: <https://www.iproxydirect.com/CPE>

If you want to receive a paper copy of the proxy materials you must request one. There is no charge to you for requesting a copy. To facilitate timely delivery please make the request, as instructed above, before April 28, 2017.

you may enter your voting instructions at <https://www.iproxydirect.com/CPE> until 11:59 pm eastern time May 10, 2017.

The purposes of this meeting are as follows:

1. to elect three Class II directors to serve on our board of directors for three years;
2. advisory vote to approve named executive officer compensation;
3. advisory vote on the future of frequency advisory votes on the compensation of our executive officers;
4. ratification of the appointment of Grant Thornton, LLP as the company's independent registered public accounting firm for 2017; and
5. to transact such other business as may properly come before the annual meeting or any adjournment thereof.

Pursuant to Securities and Exchange Commission rules, you are receiving this Notice that the proxy materials for the Annual Meeting are available on the Internet. Follow the instructions above to view the materials and vote or request printed copies.

The board of directors has fixed the close of business on March 17, 2017 as the record date for the determination of stockholders entitled to receive notice of the Annual Meeting and to vote the shares of our common stock, par value \$.001 per share, they held on that date at the meeting or any postponement or adjournment of the meeting.

The Board of Directors recommends that you vote 'for' proposals 1, 2 and 4 and 'one year' on proposal 3 above.

Please note - This is not a Proxy Card - you cannot vote by returning this card

CALLON PETROLEUM COMPANY FIRST-CLASS MAIL

SHAREHOLDER SERVICES US POSTAGE

500 Perimeter Park Drive Suite D PAID

Morrisville NC 27560 CARY NC

PERMIT # 869

Time Sensitive shareholder information enclosed

IMPORTANT SHAREHOLDER INFORMATION

your vote is important

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