

Letter to Stakeholders

June 2018 marks my fifth year with Chesapeake. As I reflect on these five years, one word best defines our journey: transformation. We are truly a company transformed — because our shareholders demanded it, because the market challenged us and because it was the right thing to do for our stakeholders.

I came to Chesapeake to build something great with our stellar employees. In working to advance the company, we have experienced significant change that we have tackled with hard work, agility and a commitment to our core values.



The pages that follow serve as a check-in to measure our transformation progress. Our core values demand transparency and accountability, both of which are reflected in this document and through our online [corporate responsibility report](#).

Reviewing our progress allows me to honor the incredible commitment and accomplishments of our employees. I believe that no other team of people had the skills or talent to attack the challenges that we faced in 2013. What impresses me the most is our employees' continued drive for improvement. With each success, we extend our goals further, committing as a team to do better for our stakeholders.

In 2017, we met many financial goals in line with our business strategies. We also had our most outstanding Environment, Health, Safety and Regulatory (EH&SR) performance to date with an industry-leading employee safety record, a Total Recordable Incident Rate (TRIR) of .05. In addition, we prevented more spills — decreasing our reportable spills count by more than 70% since 2013.

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A question I recently posed to our team was, “How do we outperform?” The consensus was that we must step up and do more, and this starts by ensuring our work culture is aligned with our business strategies. For this reason, we launched a culture shaping process to help build employee ownership while improving individual and company performance. As One Chesapeake we are working to enhance collaboration, communication and accountability to maximize company value.

As we move forward with a One Chesapeake mindset, we have a renewed determination to deliver improved financial performance and hold ourselves to the highest ethical standards. These past five years of transformation will now serve as our foundation of excellence. We can do better and will do better, living our core values every day.

A handwritten signature in black ink that reads 'Robert D. Lawler'.

Robert D. Lawler
President, Chief Executive Officer and Director
May 2018