

## Guidelines On:

# CORPORATE GOVERNANCE



### OVERVIEW

- The primary role of the Board of Directors of the Company is to enhance long-term stockholder value by (i) selecting and maintaining a succession plan for the position of Chief Executive Officer, (ii) establishing and reviewing the strategies and goals of the Company, and (iii) overseeing the business and affairs of the Company in light of emerging risks and opportunities.
- It is the responsibility of management (i) to operate the day-to-day business affairs of the Company in an effective and ethical manner in conformity with the strategies and goals approved by the Board, and (ii) to identify and manage the principal risks and opportunities which could impact the Company in the course of carrying out its business.
- It is the responsibility of management, with the oversight of the Board and its Audit and Finance Committee, to produce financial statements that fairly present the financial condition and results of operations of the Company in accordance with applicable accounting standards, and to make timely disclosures to investors as required by law.

### STATEMENT OF GUIDELINES

#### *Composition and Operation of the Board of Directors*

- The majority of the members of the Board of Directors shall be comprised of directors who are “Independent” as defined and required by applicable law and/or stock exchange listing standards.
- The Board shall decide whether the positions of Lead Director, Chairman and Chief Executive Officer should be established and maintained as separate positions or held by the same person in light of all relevant and changing circumstances.
- The Board of Directors shall participate in an extended session of meetings prior to the beginning of each year that shall be dedicated to the review of the Company’s strategies, goals and financial objectives for that year.
- The Nominating and Governance Committee shall consider and make recommendations to the Board concerning the appropriate size and needs of the Board. The number of directors should not exceed a number that can function efficiently.

- Non-employee Directors shall be provided with exposure to operating management and major customers of the Company on a regular basis throughout the year. Non-employee Directors may elect to contact any employee, customer, advisor or supplier of the Company.
- All Related Person Transactions shall be presented by a Director or management to the Audit Committee for its review. All material information regarding the proposed transaction and the Related Person shall be brought to the attention of the Audit Committee prior to the time that the Committee takes action on the transaction. The Audit Committee shall either approve, ratify or reject the transaction or refer the transaction to the full Board of Directors or other appropriate Committee, in its discretion. All Related Person Transactions shall be disclosed to the full Board of Directors
- When a director's principal occupation or business affiliation changes, or other circumstances arise, which may raise questions about the director's continuing qualifications to serve as a director, then the director shall tender his/her resignation, or the Nominating and Governance Committee shall ask for such tender. The Nominating and Governance Committee shall consider the tendered resignation and recommend to the Board the action to be taken.

#### *Committee Composition and Operation*

- The Audit and Finance Committee, the Compensation Committee and the Nominating and Governance Committee of the Board of Directors shall be comprised entirely of Independent Directors.
- Each committee of the Board of Directors shall have a charter that outlines the duties and responsibilities of the committee, and a calendar that identifies the months during the year in which these duties and responsibilities would, typically, be addressed. The charters and calendars shall be updated and adopted by each committee and the Board on an annual basis or more frequently if the circumstances require. The chairman of each committee shall develop the agenda for each meeting with the support of the Chief Executive Officer and other members of senior management. Other directors are encouraged to suggest the inclusion of items on the agenda and are free to raise subjects at a committee meeting that are not on the agenda for that meeting.
- The Board retains general oversight of the major risks facing the Company and has delegated risk management responsibilities to its committees as follows: the Compensation Committee oversees risks related to compensation; the Nominating and Governance Committee oversees risks related to corporate governance; and the Audit and Finance Committee oversees risk relating to the financial statements and financial reporting process as well as the Company's overall risk assessment and risk management policies.

#### *Compensation*

- The compensation of Non-employee Directors shall consist of a combination of cash and equity in the accordance with the Directors'

Compensation Program as amended by the Board or the Compensation Committee from time to time.

- Non-employee Directors shall receive no compensation for any activity on behalf of the Company other than for serving on the Board and its committees in accordance with the Company's established fee and expense reimbursement policies for Non-employee Directors.