

## ▶ Corporate Governance Guidelines

### ▶ Board Responsibilities

1. Basic Responsibilities of Board Members. The fundamental responsibility of members of the Company's Board of Directors is to promote the best interests of the Company and its stockholders by overseeing the management of the Company's business and affairs. In doing so, Board members have two basic legal obligations to the Company and its stockholders: (a) the duty of care, which generally requires that Board members exercise appropriate diligence in making decisions and in overseeing management of the Company, and (b) the duty of loyalty, which generally requires that Board members make decisions based on the best interests of the Company and its stockholders and without regard to any personal interest.
2. Conflicts of Interest and Corporate Opportunities. If a Board member develops an actual or potential conflict of interest with the Company, he or she should report the conflict immediately to the Chairman of the Board and the Chairman of the Nominations & Governance Committee. A significant conflict must be resolved, or the Board member should resign. With respect to any matter under discussion by the Board, directors must disclose to the Board any actual or potential conflicts of interest they have and, if appropriate, refrain from voting on a matter in which they may have a conflict or a material financial interest. Transactions involving related parties will be reviewed and approved by the Audit Committee or another appropriate committee of directors; provided that no director who has an interest in the matter or transaction shall participate in such review or approval. If a Board member becomes aware of a corporate opportunity that could benefit the Company, he or she must first present the opportunity to the Board of Directors for consideration and not attempt to personally profit from the opportunity unless the Company declines to pursue it.
3. Delegation to Committees. The Board of Directors may exercise its authority through Board committees in accordance with the Company's bylaws.
4. Board Confidentiality. Each Board member is required pursuant to his or her fiduciary duties to protect and hold confidential all non-public information obtained in the role of a Board member. Therefore, the Board has adopted the confidentiality policy set forth on Appendix A hereto to assist the Board members in fulfilling this aspect of their fiduciary duties.

## ▶ Board Composition

1. Chairman of the Board, Chief Executive Officer and President. The Board selects the Company's Chairman of the Board, Chief Executive Officer and President in the manner that it determines to be in the best interests of the Company.
2. Size and Classification of Board. The Board currently consists of eleven members, divided into three classes (as nearly equal in number as possible) having staggered terms of three years each. The Nominations & Governance Committee periodically reviews the size of the Board and recommends any changes it determines to be appropriate given the needs of the Company. Under the Company's Bylaws, the number of members on the Board may be increased or decreased by resolution of the Board.
3. Selection of New Director Candidates. The Board of Directors has a duty to the Company's stockholders to identify qualified candidates to serve as Board members. The Board is responsible for recommending director candidates for election by the stockholders and for electing directors to fill vacancies or newly created directorships. The Board has delegated the screening and evaluation process for director candidates to the Nominations & Governance Committee, which will identify, evaluate and recruit highly qualified director candidates and recommend them to the Board.
4. Board Membership Criteria. The Nominations & Governance Committee is responsible for assessing the appropriate balance of experience, skills and characteristics required of the Board, and carrying out adequate due diligence with respect to prospective Board members.

Nominees for director shall be selected on the basis of diversity, depth and breadth of experience, integrity, ability to make independent analytical inquiries, understanding of the Company's business environment, the willingness of the candidate to devote adequate time to Board duties, the interplay of the candidate's experience and skills with those of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any Committees of the Board. In addition to the foregoing, the Nominations & Governance Committee may also take into account gender and race when recommending director nominees to the Board of Directors, with the objective of achieving a Board with diverse business, personal and educational backgrounds.

A director seeking to serve on another Board, whether of a private or public company, should notify the Chair of the Nominations & Governance Committee in advance of accepting such service and should defer final acceptance of such a position until advised by the Chair of the Nominations & Governance Committee or the Company's legal counsel that such service does not present legal or other serious problems for the Company.

Ordinarily, directors should not serve on more than four other boards of public companies in addition to the Company's Board. Current positions in excess of these limits may be

maintained unless the Board of Directors determines that doing so would impair the director's service on the Company's Board. In the event that a director wishes to join the Board of another public company in excess of the limit above, the Board, in its sole discretion, shall determine whether service on the additional board of directors is likely to interfere with the performance of the director's duties to the Company, taking into account the individual, the nature of his or her other activities and such other factors or considerations as the Board deems relevant.

5. Majority of Independent Directors. The Board of Directors will have a majority of members who meet the applicable independence requirements of the NASDAQ Stock Market, Inc. and any other applicable law, rule or regulation. The Board will affirmatively determine on an annual basis, and the Company will disclose as required, as to each Board member whether he or she is independent. The Board will make each such independence determination following the receipt of the recommendation and findings of the Nominations & Governance Committee.

6. Term Limits and Mandatory Retirement. The Board does not believe that arbitrary term limits or retirement ages are appropriate. The absence of term limits and mandatory retirement allows the Company to retain Board members who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

7. Mandatory Offer of Resignation. The Company expects that (a) Board members who are also officers of the Company to submit to the Board of Directors a letter of resignation as a director upon any termination of employment as an officer of the Company, and (b) Board members who are not officers of the Company to submit a letter of resignation to the Board of Directors upon any change in that Board member's principal business or other activity in which the Board member was engaged at the time of his or her election or in the case of Board members serving at the time of an initial public offering the time of the initial public offering. In each case, the Nominations & Governance Committee will review whether the termination of employment or new principal business or other activity is consistent with the criteria for Board membership and will recommend a course of action to the Board of Directors.

## ▶ Board Committees

1. Types and Responsibilities of Committees. The Board of Directors will at all times have an Audit Committee, a Compensation Committee, and a Nominations & Governance Committee. Each committee will have a charter that sets forth the purpose and responsibilities of the committee.

2. Assignment of Committee Members. The Board of Directors, upon the recommendation of the Nominations & Governance Committee, will appoint committee members. In making its recommendation to the Board, the Nominations & Governance Committee will consider several

factors, such as (a) each Board member's desires, tenure and subject-matter expertise, (b) the need for both continuity and fresh ideas and perspectives, and (c) applicable Securities and Exchange Commission, Internal Revenue Service, NASDAQ and other regulatory requirements.

3. Independence and Qualification. Each member of the Audit Committee, Compensation Committee and Nominations & Governance Committee will meet the applicable independence and qualification requirements of NASDAQ, the Securities Exchange Act of 1934, and any other applicable law, rule or regulation.

4. Limit on Number of Outside Audit Committee Memberships. Given the significant time demands and responsibilities of serving on a public company audit committee, no member of the Audit Committee may serve on more than three other public company audit committees, without the approval of the Board.

5. Committee Meeting Frequency, Length and Agendas. The Chairman of each Board committee, in consultation with the committee members and appropriate members of management, will (a) determine the frequency and length of committee meetings and (b) develop the agenda for each committee meeting.

## ▶ Board Compensation

The Board of Directors, upon the recommendation of the Compensation Committee, will establish the form and amount of compensation paid to non-management Board members. Board members who are also employees of the Company receive no additional compensation for serving on the Board of Directors. In making its recommendation to the Board, the Compensation Committee will consider that Board members' independence may be jeopardized if Board compensation exceeds appropriate levels, if the Company makes substantial charitable contributions to organizations with which a Board member is affiliated, or if the Company enters into material consulting arrangements with (or provides other indirect forms of compensation to) a Board member or an organization with which a Board member is affiliated.

## ▶ Management Review

1. Formal Evaluation of Executive Management. The Board, led by the Chairman of the Board (or Lead Independent Director if the Chairman of the Board and Chief Executive Officer are the same person) shall conduct an annual performance review of the Chief Executive Officer against applicable corporate goals and objectives.

2. Succession Planning and Management Development. Subject to approval by the Board or a committee thereof, the Chief Executive Officer shall prepare and distribute to the Board an annual summary on succession planning for key senior officers. This summary should provide at a minimum, a short-term succession plan to be in effect in the case of unexpected loss of key senior officers until the Board has an opportunity to consider the situation and take

action. In the event of retirement of the Chief Executive Officer, the Board or a committee thereof composed of independent directors, shall nominate and evaluate potential successors.

## ► Other Practices

1. Orientation of New Directors; Continuing Education. New Board members will be expected to go through an orientation process that will include providing the new Board members with comprehensive information about the Company's business and financial performance, as well as the policies, procedures and responsibilities of the Board and its committees. New Board members also will meet with senior management and will have the opportunity to visit Company facilities. Board members are encouraged to attend seminars, conferences, and other continuing education programs designed especially for directors of public companies, including, specifically, accredited director education programs, which may be attended at the Corporation's expense during service on the Board, as applicable.

2. Annual Performance Evaluations. The Nominations & Governance Committee will establish appropriate performance criteria and processes for, and implement and oversee, an annual performance evaluation of each committee of the Board, and the Board of Directors as a whole. The Nominations & Governance Committee will report the results of these evaluations to the Board of Directors and identify opportunities to improve the effectiveness of the Board and its Committees

3. Ownership of Stock. It is the policy of the Board that ownership by Directors of the Company's stock is desirable to align the interests of the Directors with those of shareholders of the Company. The Nominations & Governance Committee will oversee the establishment of standards for such ownership from time to time. These guidelines may be waived for the CEO or the independent directors, at the discretion of the Nominating & Governance Committee, if compliance would create hardship or prevent the CEO or an independent director from complying with a court order. At this time, the Board has determined that the following guidelines are appropriate to align the interests of the Directors with those of shareholders:

a. Each independent director of the Company shall achieve, within 5 years from the date of adoption of this policy (or 5 years from the date on which such director first became a director, whichever is later), an equity ownership level in the Company with a value of five (5) times the base annual retainer for directors of the Company; and

b. The Chief Executive Officer of the Company shall achieve, within 5 years from the date of adoption of this policy (or 5 years from the date such CEO first became CEO, whichever is later), an equity ownership level in the Company with a value of five (5) times the CEO's current annual base salary.

c. For purposes of these guidelines, actual shares owned and vested RSUs shall be counted toward calculation of the required ownership level, but neither unvested RSUs nor options (vested or unvested) shall be counted in such calculations.

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APPENDIX A

**Board Confidentiality Policy**

Pursuant to their fiduciary duties of loyalty and care, Board members are required to protect and hold confidential all non-public information obtained in the course of their directorship position absent the express or implied permission of the Board of Directors to disclose such information. Accordingly, it is the policy (the "Policy") of the Board of Directors of the Company that:

1. no Board member shall use Confidential Information for his or her own personal benefit or to benefit persons or entities outside the Company; and
2. no Board member shall disclose Confidential Information to any person or entity outside the Company, including principals or employees of any entity which employs the Board member or with whom the Board member is affiliated, either during or after his or her service as a Board member of the Company, except with the prior permission of the Company's General Counsel or the Chairman of the Board or as may be otherwise required by law.

For purposes of this Policy, "Confidential Information" shall constitute all non-public information (whether or not material to the Company) entrusted to or obtained by a Board member by reason of his or her position as a Board member of the Company. It includes, but is not limited to, non-public information that might be of use to competitors or harmful to the Company, its customers or suppliers or other stakeholders if disclosed, such as:

- non-public information about the Company's financial condition, projections, forecasts, prospects or plans, and the impact or potential impact of events or circumstances, including significant cybersecurity breaches or incidents, on such matters;
- non-public information regarding the Company's marketing and sales programs, research and development, new product launches or initiatives, or leadership succession plans for the Company's senior officers;
- non-public information relating to possible business transactions such as mergers, acquisitions, divestitures or joint ventures, or possible capital transactions, including share issuances, credit facilities, share repurchases, dividends or stock splits;
- non-public information concerning other companies with whom the Company may conduct business, including information about the Company's customers, suppliers, joint venture partners, or other companies with which the Company is under an obligation of confidentiality; and
- non-public information about meetings, presentations and discussions relating to issues, deliberations and decisions between and among employees, officers and Board members and their advisors, including the identity, circumstances and fact of retention of any such advisors.

By approving this Policy, each Board member agrees that all current and future Board members will be bound by the terms of this Policy and that any Board member who willfully violates this Policy will immediately tender his or her resignation to the Board.

The provisions contained in this Policy shall be in addition to the obligations imposed upon each Board member pursuant to the Company's Code of Business Conduct and Ethics and Insider Trading Policy.

Should you have any questions regarding this Policy or any Board member's confidentiality obligations, please contact the Company's General Counsel.