

**JACK IN THE BOX INC.**  
**CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES**

**INDEX**

**A. The Role of the Board of Directors**

1.	Direct the Affairs of the Company for the Benefit of Stockholders	Page 1
2.	Long-Range Strategy Development	Page 1
3.	Review of Financial Goals and Performance	Page 1
4.	Ethical Business Environment	Page 1
5.	Protection of Company Assets	Page 2
6.	Oversight of Risk	Page 2
7.	CEO Performance Evaluation	Page 2
8.	Succession Planning	Page 3
9.	Compensation of Executive Officers	Page 3

**B. Board Structure**

1.	Director Qualifications	Page 3
2.	Majority of Independent Directors	Page 4
3.	Limitation on Other Board Service	Page 5
4.	Term Limits	Page 5
5.	Retirement Age	Page 5
6.	Director Responsibilities	Page 6
7.	Size of the Board	Page 6
8.	Director Resignation Policy	Page 6
9.	Identifying and Evaluating Candidates for Nomination as Director	Page 7
10.	Stockholder Director Recommendations	Page 7
11.	Director Orientation and Continuing Education	Page 8
12.	Evaluations of the Board, Individual Directors and Board Committees	Page 8
13.	Director Compensation and Share Ownership	Page 9

**C. Meetings of the Board of Directors**

1.	Selection of Chairman of the Board	Page 10
2.	Lead Director	Page 10
3.	Director Attendance	Page 10
4.	Frequency of Meetings	Page 11
5.	Executive Sessions of the Outside Directors	Page 11
6.	Access to Management and Independent Advisors	Page 11
7.	Attendance of Non-Directors at Meetings	Page 11
8.	Agendas and Presentations	Page 12
9.	Information Flow	Page 12
10.	Review of Corporate Governance Principles and Practices	Page 12

**JACK IN THE BOX INC.**  
**CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES**

**INDEX (Continued)**

**D. Committees of the Board**

1.	Number and Types of Committees	Page 12
2.	Assignment and Rotation of Committee Members	Page 13
3.	Frequency of Committee Meetings	Page 13
4.	Charters	Page 13
5.	Committee Agendas	Page 13
6.	Committee Reports	Page 13

**E. Other Corporate Governance Issues**

1.	Rights Plans	Page 14
2.	Communications with the Public	Page 14
3.	Stockholder Communications with the Board	Page 14
4.	Prohibition on Personal Loans	Page 14
5.	Compliance with Insider Trading Policy	Page 14

**JACK IN THE BOX INC.  
CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES**

**Amended and Restated August 3, 2023**

General: The Board of Directors (the "Board") of Jack in the Box Inc. (the "Company") has the responsibility to organize its functions and conduct its business in the manner it deems most effective and efficient, consistent with its duties of good faith, due care and loyalty. In that regard, the Board has adopted a set of flexible principles to guide its governance practices. These principles, set forth below, will be regularly re-evaluated by the Board in light of changing circumstances in order to continue serving the best interests of the Company and its stockholders. Accordingly, this summary of current corporate governance principles and practices is not a fixed policy or resolution by the Board, but merely a statement of current guidelines that are subject to continuing assessment and change.

**A. THE ROLE OF THE BOARD OF DIRECTORS**

1. Direct the Affairs of the Company for the Benefit of Stockholders

The Board believes that the primary responsibility of directors is to oversee the affairs of the Company for the ultimate benefit of the Company and its stockholders.

The Board agrees that day-to-day management of the Company is the responsibility of management and that the role of the Board, including through one or more of its committees, is to oversee management's performance of that function. The Board oversees the exercise of corporate powers and the Company's business affairs to ensure that they are managed to meet the Company's stated goals and objectives.

2. Long-Range Strategy Development

The Board believes that long-range strategic issues should be discussed as a matter of course at regular Board meetings. In seeking to drive long-term value, the Board should consider the role of sustainability in corporate strategies, including the Company's business practices relating to reducing environmental/climate impact, promoting social/labor/human capital and enhancing good governance/stakeholder communications.

3. Review of Financial Goals and Performance

The Board reviews the annual operating plan and specific goals before the start of the fiscal year and reviews financial performance quarterly (actual and in comparison to plan). The Board believes it is important to establish and evaluate longer-term objectives and not to overemphasize short-term performance.

4. Ethical Business Environment

The Board believes that the long-term success of the Company is dependent upon the maintenance of an ethical business environment that focuses on adherence to both the letter and the spirit of regulatory and legal mandates.

Jack in the Box Inc.  
Corporate Governance Principles & Practices  
August 3, 2023

Board and committee agendas and materials are established with legal and regulatory requirements in mind. An effective Business Ethics Program has been established at the Company pursuant to the recommendations of the Federal Sentencing Guidelines for Organizations. Directors, officers and employees are expected to adhere to the Company's Code of Conduct, which is posted on the Company's website. Any waivers of the Code of Conduct for directors or executive officers may be made only by the Board and must be promptly publicly disclosed.

5. Protection of Company Assets

The Board will oversee management's efforts to protect the Company's assets, including through the maintenance of appropriate accounting controls, financial reporting controls, physical or technological security, and other controls.

6. Oversight of Risk

The Board oversees the Company's enterprise risk assessment process and has delegated oversight of specific risk topics to committees of the Board as described in the Committee Charters. The role of the Board and its Committees in the Company's risk oversight process includes receiving regular reports from members of management on areas of material risk to the Company, including operational, technological, cybersecurity, financial, legal, regulatory, human capital, and environmental, social and governance ("ESG") risk. The Board or relevant Committee, receives these reports from the appropriate "risk owner" within the organization to enable it to understand the Company's risk identification, risk management and risk mitigation strategies. The Board encourages management to promote a corporate culture that incorporates risk management into the Company's day-to-day business operations.

7. CEO Performance Evaluation

The Board believes that CEO performance should be evaluated annually and as a regular part of any CEO compensation decision. During executive session, the Compensation Committee will evaluate CEO performance in the course of approving CEO compensation (including salary, annual and long-term incentives). The Committee will review the results of its evaluation and the amount and terms of the CEO's compensation with the full Board. The Compensation Committee will also review and approve annual and long-term performance goals for the CEO, evaluate CEO performance against such goals, and review such goals and achievement levels with the full Board. In all cases when the Compensation Committee discusses CEO compensation, goals and performance with the full Board, the CEO, and where appropriate, other employees, will excuse themselves from the meeting. The Lead Director (and/or non-executive Chairman of the Board) reviews comments of the Board with the CEO following each Board meeting, as appropriate; and meets annually with the CEO to discuss his or her performance against the prior year's goals and recommendations regarding future goals.

The Board believes that evaluation of the CEO should be based on both qualitative and quantitative factors, including but not limited to performance of the business, possession of high quality business and professional skills and the highest personal and professional ethics, integrity and values, commitment to representing the best interests of the Company and its stakeholders, an inquisitive and objective perspective, and mature judgment.

8. Succession Planning

The Board will review executive succession planning regularly. This review will include having the CEO review with the Board the roles and responsibilities of officers, executives and key

Jack in the Box Inc.

## Corporate Governance Principles & Practices

August 3, 2023

management, and the ability of their likely successors to fulfill those roles. The Board will ask the Compensation Committee to assist as needed as a working group to make recommendations regarding succession planning. Additionally, the outside directors will consider executive succession issues when meeting in executive session.

### 9. Compensation of Executive Officers

The Board has delegated authority to oversee compensation and benefits plans and the compensation of Executive Officers to the Compensation Committee.

## B. BOARD STRUCTURE

### 1. Director Qualifications

Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the best interests of our stockholders. They must also have an inquisitive and objective perspective and mature judgment as well as a commitment of service to the Company and the Board. Directors should have business experience and skills in core areas such as operations, management, marketing, accounting and finance, leadership, governance, human capital, cybersecurity, ESG, and strategic planning.

The Nominating and Governance Committee is responsible for reviewing with the Board on an annual basis the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This assessment looks at skills, experience and background, all in the context of an assessment of the perceived needs of the Board at that point in time.

Currently the following factors are considered in reviewing possible candidates for nomination as director:

- the appropriate size of the Company's Board of Directors and its Committees;
- the perceived needs of the Board for particular skills, background and business experience;
- the skills, background, reputation, and experience of nominees, and whether those qualities add to a diversity of experiences, backgrounds, viewpoints and perspectives on the Board and includes individuals from underrepresented communities;
- leadership, character and integrity;
- nominees' independence from management and from potential conflicts of interest with the Company;
- nominees' experience with accounting rules and practices;
- nominees' experience with executive compensation;
- applicable regulatory and listing requirements, including independence requirements and legal considerations;
- nominees' interpersonal and communications skills and the benefits of a constructive working relationship among directors; and
- the desire to balance the considerable benefit of continuity with the periodic injection of the fresh perspective provided by new members.

Director candidates must have sufficient time available, in the judgment of the Nominating and Governance Committee, to perform all Board and committee responsibilities. Board members are expected to prepare for, attend, and participate in all Board and applicable Committee meetings.

Jack in the Box Inc.  
Corporate Governance Principles & Practices  
August 3, 2023

Other than the foregoing, there are no stated minimum criteria for director nominees, although the Nominating and Governance Committee may also consider such other factors as it may deem, from time to time, are in the best interests of the Company and its stockholders. The Nominating and Governance Committee believes that it is preferable that at least one member of the Board should meet the criteria for an “audit committee financial expert” as defined by SEC rules, in addition to meeting the financial sophistication requirements of the Nasdaq listing rules.

- a. Change of Position. If a director’s principal occupation, employer or business association changes, or if other similarly material changes in a director’s circumstances occur, the director shall notify the Corporate Secretary’s office and shall offer to resign from the Board. The Board does not believe that a director who retires or changes professional positions that he or she held when he or she came on the Board should necessarily leave the Board. The Board, through the Nominating and Governance Committee, should nonetheless have an opportunity to review whether continued Board membership is appropriate under the circumstances.
- b. CEO on Board. The Board anticipates that the Company’s Chief Executive Officer will be nominated annually to serve on the Board. If the Chief Executive Officer is also a member of the Board of Directors when he or she resigns or retires, he or she shall tender his or her resignation from the Board to the Nominating and Governance Committee at that time. Whether the individual continues to serve on the Board is a matter for discussion at that time with the Board.

2. Majority of Independent Directors

Under applicable listing requirements, at least a majority of the members of the Board must meet the definition of “independent director.” The Board believes that no more than two directors should be employees of the Company. The Board will have a majority of directors who qualify as independent under the listing standards of the Nasdaq Stock Market (“NASDAQ”) and the additional standards adopted by the Board as follows:

- a. A director shall not be independent if he or she is a director, executive officer, partner or owner of 5% or greater interest in a company that either purchases from or makes sales to our Company that total more than one percent of the consolidated gross revenues of such company for that fiscal year.
- b. A director shall not be independent if he or she is a director, executive officer, partner or owner of 5% or greater interest in a company from which our Company

borrow an amount equal to or greater than one percent of the consolidated assets of either our Company or such other company.

- c. A director shall not be independent if he or she is a trustee, director or executive officer of a charitable organization that has received in that fiscal year, discretionary donations from our Company that total more than one percent of the organization's latest publicly available national annual charitable receipts.

The Nominating and Governance Committee and the Board shall annually review the relationships that each director has with the Company to insure compliance with NASDAQ listing standards and requirements otherwise imposed by law or regulation. Only those directors who the Board affirmatively determines have no material relationship with the Company (directly or as a partner, stockholder or officer of an organization that has a relationship with the Company) will be considered independent.

In addition to the independence standards applicable to directors generally, the members of the Board committees may be subject to additional requirements to qualify for service on those committees as set forth in the respective committee charters.

### 3. Limitation on Other Board Service

In order to promote effective service to the Board, no non-employee director should simultaneously serve on the boards of directors of more than three other public companies, unless the Board determines that such director will have sufficient time to adequately fulfill his or her duties to the Company. However, if a director is currently serving as, or is later appointed as, an executive officer of the Company or another public company (other than on an interim basis), that director shall not serve on the board of directors of more than two public companies (including the Company, if applicable, or the company of which they are serving as an executive officer). The Nominating and Governance Committee may consider individual circumstances, pros and cons, in the application of these limitations, as well as whether a reasonable grace period should be allowed for an individual to obtain the necessary compliance. A director should not accept an offer to serve as a director on the board of another public company without first informing and obtaining the approval of the Nominating and Governance Committee.

### 4. Term Limits

The Board does not believe it should establish term limits. While term limits could help insure that there are fresh ideas and viewpoints available to the Board, they can also disadvantage the Company by forcing out directors whose tenure and experience continue to add value to the workings of the Board. As an alternative to term limits, (a) the Nominating and Governance Committee will review each director's continuation on the Board annually; and (b) any director who has served more than 12 years on the Board shall submit his or her voluntary offer to resign to the Committee, which will undertake a thorough review of the director's continued effectiveness and appropriateness for service. Following such review, the Committee will recommend to the full Board that it either accept or reject the offer of resignation. In the latter event, the long-tenured director may continue to serve on the Board and must re-submit his or resignation offer every three years for subsequent review.

### 5. Retirement Age

No person may be elected, re-elected or appointed as a director after such person has

6. Director Responsibilities

The basic responsibility of the directors is to fulfill their fiduciary duties to the Company and its stockholders. They will exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders. The Company will purchase reasonable directors' and officers' liability insurance on behalf of the directors and will indemnify them to the fullest extent permitted by law and the Company's charter, bylaws and any indemnification agreements.

In making decisions, the directors should give primary consideration to the Company's economic objectives. However, the directors should also focus their attention on whether the Company conducts its affairs with due appreciation for the Company's reputation and public expectations, taking into consideration law, public policy and ethical standards. Furthermore, pursuit of the Company's economic objectives will often include consideration of the effect of corporate policies and operations on the Company's employees, the public and the environment. Stakeholder considerations are best understood not as independent corporate objectives but rather as factors that may be taken into account in pursuing the best long-term interests of the Company and its stockholders.

7. Size of the Board

The Board believes that it should not be too large, but understands that the size of the Board will fluctuate from time to time depending on circumstances. The Nominating and Governance Committee regularly assesses the needs of the Board for various skills, background and business experience in determining if the Board size is appropriate and whether to seek additional candidates.

8. Director Resignation Policy

A Director who fails to receive a majority of votes in an election where the number of nominees does not exceed the number of Directors to be elected (an "Uncontested Election") shall tender his or her resignation. Any such resignation shall be effective upon Board acceptance of such resignation, as provided below.

The Board will nominate for election or re-election as a Director only candidates who agree to tender such resignations. The Board will fill Director vacancies only with candidates who agree to tender such resignations.

If an incumbent Director in an Uncontested Election fails to receive the required vote for re-election in accordance with the Corporation's Bylaws, the Nominating and Governance Committee will take action to determine whether to accept or reject the Director's resignation or whether other action is appropriate, and will make a recommendation to the Board. Within ninety (90) days following the date of the certification of election results, the Board will act upon the Nominating and Governance Committee's recommendation and will publicly disclose its decision and the rationale for such decision.



Any Director whose resignation is the subject of such evaluation will not participate in the Nominating and Governance Committee's or the Board's considerations regarding his or her resignation.

9. Identifying and Evaluating Candidates for Nomination as Director

The Board believes that directors should be nominated for Board approval by the Nominating and Governance Committee of the Board, which consists entirely of outside directors.

The Nominating and Governance Committee annually evaluates the current members of the Board of Directors who are willing to continue to serve against the director qualifications as set forth above in determining whether to recommend these directors for election.

Candidates for nomination as director may be sought through retention of a third-party search professional but also may come to the attention of the Nominating and Governance Committee from time to time through incumbent directors, management, stockholders or third parties. These candidates may be considered at meetings of the Nominating and Governance Committee at any point during the year. Such candidates are evaluated against the criteria set forth above. If the Nominating and Governance Committee believes at any time that the Board requires additional candidates for nomination, the committee may also poll directors and management for suggestions or conduct research to identify possible candidates.

The Nominating and Governance Committee will be consistent in its evaluation of incumbent directors, as well as candidates for director nominee submitted by directors, management, validly nominated by stockholders, or otherwise recruited as nominees, using the criteria stated in this policy, and will select nominees that in the Committee's judgment best suit the needs of the Board at that time, and as described in the Committee's Charter.

10. Stockholder Director Recommendations

The Nominating and Governance Committee will review a reasonable number of candidates for director recommended by individual stockholders who satisfy the notice, information and consent provisions set forth in the Company's Bylaws. In order to be evaluated in connection with the Nominating and Governance Committee's established procedures for evaluating potential director nominees, any recommendation for director nominee submitted by a stockholder must comply with the procedures and requirements set forth in the Company's Bylaws, be sent in writing to the Corporate Secretary 120 days prior to the anniversary of the date proxy statements were mailed to stockholders in connection with the prior year's annual meeting of stockholders, and must contain the following information:

- The candidate's name, age, contact information and present principal occupation or employment;
- A description of the candidate's qualifications, skills, background, and his/her business experience during, at a minimum, the last five years, including his/her principal occupation and employment and the name and principal business of any corporation or other organization in which the candidate was employed or served as a director;
- All directors and director nominees must submit a completed form of directors' and officers' questionnaire as part of the nominating process. The evaluation process may

also include interviews and additional background and reference checks for non-incumbent nominees, at the discretion of the Nominating and Governance Committee; and

- All additional information set forth in the Company's Bylaws.

11. Director Orientation and Continuing Education

Informed decision making is a key requirement for corporate directors. Therefore, the Company requires director orientation and continuing education to accelerate the effectiveness of new directors and enhance the overall effectiveness of existing directors while respecting the directors' time.

a. New Director Orientation

New directors will be given orientation about the Company and the franchise restaurant industry. This orientation will also familiarize the new director with key corporate policies, personnel and facilities. The new director will be given key background documents, followed up by two days at the Company's San Diego Corporate Restaurant Center where he or she will meet senior staff, obtain a high-level knowledge of the business, and tour office, research and restaurant facilities.

b. Continuing Director Education

The complexity of today's business environment and constantly evolving corporate governance mandates make a director's job increasingly challenging. To maximize director effectiveness, the Board has adopted a program of continuing education, consisting of: (i) periodic presentations by experts at regular Board meetings of "best practices," (ii) educational print and online publications regularly provided to each director regarding current topics of interest, and (iii) attendance at an appropriate comprehensive outside educational seminar for Board members approximately every four years. In addition, the Board and the Company encourage each director to participate in educational programs pertinent to service on the Board. The Company will provide a list of programs recommended by the Nominating and Governance Committee and Corporate Secretary's Office, and will pay directors' reasonable expenses for attendance at such approved programs.

12. Evaluations of the Board, Individual Directors and Board Committees

a. Individual Director Evaluation

Annually, directors will be asked to use the Nominating & Governance Committee's recommended format to evaluate each member's contribution to the Board of Directors and its committees, including forms tailored to evaluate the Chairman of the Board and the CEO if serving on the Board. Directors will also evaluate each other's service and will recommend whether or not other members of the Board should be nominated for re-election, which will be reviewed by the

Nominating and Governance Committee. The Non-Executive Chairman of the Board or Lead Director, or his or her designee, will then discuss each director's evaluation with the individual director. For directors whose evaluation suggests a need, the Nominating and Governance Committee, working with the individual director, will develop a remedial plan. The progress toward achieving the remedial plan will be weighed by the Committee in determining, at the November meeting, whether or not to recommend re-nomination of the director. Depending on the substance of the reviews, a director may be asked to leave the Board, or not to stand for re-election.

b. Board Evaluation

The Nominating and Governance Committee will collect comments from directors regarding the performance of the Board including its structure, committees, composition, agenda, processes and schedule to consider whether it is functioning well. That assessment will be discussed with the full Board on a regular basis.

c. Committee Evaluations

The Nominating and Governance Committee will recommend a process for each Board Committee to conduct an annual self-evaluation. The Nominating and Governance Committee will review the results of each Committee's evaluation and the structure of the Board Committees in connection with its review of the Board.

13. Director Compensation and Share Ownership

a. Director Compensation

The Board believes that the level of director compensation generally should be competitive with that paid to directors of other comparable corporations. Comparable corporations are determined to be those in the Company's peer group used for executive compensation programs. The Compensation Committee is responsible for periodically reviewing and approving the compensation of Directors in connection with service on the Board or any Committee thereof and reviewing such compensation with the full Board. The Committee may use outside experts periodically to aid its review.

b. Director Share Ownership and Holding Requirements

The Board believes all directors should have a meaningful personal financial stake in the corporation to align their interests with those of our stockholders. Each non-employee director is expected to hold stock with a defined total value of at least three times the annual Board service cash retainer within a reasonable period after joining the Board. Grants of restricted stock units (RSUs) require that each director hold at least 50% of the shares resulting from all RSU grants until the director's separation of service from the Company.

**C. MEETINGS OF THE BOARD OF DIRECTORS**

1. Selection of Chairman of the Board

The Board is responsible for electing its Chairman of the Board. The Chairman of the Board may be an officer/director or an outside director and, at the option of the Board, may or may not be the same individual as the CEO. The Board believes it should be free to make these determinations depending on what it believes is best for the Company in light of all the circumstances. In addition, the Board will consider the Company's other governance practices, including the independence of its Board, the independence of the members serving on its Audit, Compensation and Nominating and Governance Committees, and the appointment of a Lead Director, in determining the Board's independent oversight of management.

The Chairman of the Board sets the agenda for, and presides over, board meetings. If the Chairman is not the CEO (and is an independent director), he or she also presides over independent sessions and coordinates the work of the committees of the Board, providing independent oversight and streamlining the CEO's duties.

2. Non-Executive Chairman of the Board or Lead Director

The Non-Executive Chairman of the Board, or, in the event that the CEO is serving as the Chairman of the Board, a Lead Director, appointed annually by the independent directors, shall perform the following functions.

- a. Set the agenda for the executive sessions of the Board.
- b. Serve on the Executive Committee (if such standing committee exists).
- c. Preside at the executive session of the independent directors held following each scheduled board meeting.
- d. Act as a key communication channel between the Board and the CEO.
- e. Lead the Board in determining the format and adequacy of information the directors receive, and provide the Chairman with input on the preparation of agendas for Board meetings and the schedule of meetings in order to assure sufficient time for discussion of all agenda items.
- f. Call meetings of independent directors.
- g. If requested by major stockholders, ensure that he or she is available for consultation and direct communication.

The position of the Non-Executive Chairman of the Board or Lead director shall be compensated at a fee to be determined by the Compensation Committee.

3. Director Attendance

Absent unusual circumstances, each director is expected to attend all Board meetings and all meetings of the committee(s) of which the director is a member, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

The Company will make every effort to schedule its annual meeting of stockholders at a time and date to maximize attendance by directors, taking into account the directors' schedules. All directors shall make every effort to attend the Company's Annual Meeting of Stockholders. The Company will reimburse all reasonable out-of-pocket traveling expenses incurred by directors attending the Annual Meeting.

4. Frequency of Meetings

The Board believes that the number of scheduled Board meetings should generally be five annually (including four in-person meetings), and that special meetings should be called as necessary. While the Board recognizes that directors discharge their duties in a variety of ways, including personal meetings and telephone contact with management and others regarding the business and affairs of the Company, the Board feels it is the responsibility of individual directors to make themselves available to attend scheduled and special Board and committee meetings on a consistent basis.

5. Executive Sessions of the Outside Directors

It is the policy of the Board for outside directors to have the opportunity to meet in executive session after each Board meeting. If there is not an independent Chair, the Lead Director will serve as the Chair for these meetings. Topics at executive sessions include CEO compensation and performance (no inside directors are present), management succession (the CEO is generally present), management's proposed strategic plan, and other topics determined by the Board and the CEO (the CEO may or may not be present during these discussion, at the option of the Board). Following each executive session, the results of deliberations and any recommendations should be communicated, as appropriate, to the CEO by the Lead Director.

6. Access to Management and Independent Advisors

Board members have complete access to management. It is assumed that Board members will use judgment to ensure that contact is not distracting to the business operation of the Company and that such contact, if in writing, be copied to the CEO and the Chairman.

The Board and the Audit, Compensation and Nominating and Governance Committees, consistent with their respective charters, have the authority to retain such outside counsel, experts and other advisors as they determine appropriate to assist them in the full performance of their functions.

7. Attendance of Non-Directors at Meetings

The Board believes that the Chairman or CEO should have discretion to invite the members of management they deem appropriate to attend the Board meetings, subject to the Board's right to request that such attendance be limited or discontinued.

The Board believes it is important for directors to have exposure to the Company's Management, and believes that management attendance and participation in Board meetings is helpful.

8. Agendas and Presentations

The Board believes the CEO, in consultation with the Chairman of the Board and the Lead Director, should establish the agenda for each Board meeting. Board members are encouraged to suggest the inclusion of particular items on the agenda and the CEO is expected to ask directors for their suggestions or opinions on possible agenda items.

As with the agenda, the Board believes that the CEO should determine the form of each presentation to the Board and the person to make such presentation. It is the policy of the Board that the CFO will give a presentation on the financial results of the Company and related issues at each Board meeting.

9. Information Flow

The Board should receive information important to understanding presentations, discussions and issues covered at each meeting, in writing and sufficiently in advance of the meeting to permit appropriate review. The focus of materials should be on analysis rather than data, to encourage robust discussion.

The Non-Executive Chairman of the Board or Lead Director periodically reviews the information flow to Board members to ensure that directors receive the right kind and amount of information from management in sufficient time to prepare for meetings. The Corporate Secretary is directed to coordinate the information flow to the directors and to periodically discuss director satisfaction with Board materials with the directors, individually or as a group.

10. Review of Corporate Governance Principles and Practices

The Board believes it is appropriate to periodically review the effectiveness of its corporate governance principles and practices. The Nominating and Governance Committee generally will assume this responsibility and report to the Board the results of its analysis and any recommendations following each such review. The Board does not feel it is necessary to specify a particular time frame for this type of review, but would ordinarily expect the Nominating and Governance Committee to conduct such review at least annually. All directors are free to make suggestions to improve the Board's practices at any time and are encouraged to do so.

**D. COMMITTEES OF THE BOARD**

1. Number and Types of Committees

The Board believes that committees should be created and disbanded depending on the particular interests of the Board, issues facing the Company, and legal requirements, but the Board will have at all times an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. All members of these committees will be independent directors as defined by NASDAQ listing rules. In addition, the charters of the Audit and Compensation Committees may set forth additional criteria, including any additional requirements under the rules and regulations of

NASDAQ and the Securities and Exchange Commission, for directors to serve as members on such Committees.

In addition to these three permanent committees, there is one current “standing” Board committee (that is, committee expected to operate over an extended period): the Finance Committee. The Nominating and Governance Committee assesses the optimum number and structure of Board Committees from time to time as part of its review of overall Board effectiveness.

2. Assignment and Rotation of Committee Members

The Nominating and Governance Committee will recommend committee assignments to, and seek approval of, such recommendations from the full Board. Such assignments will be made in compliance with any applicable securities law and Internal Revenue Code qualifications.

The Nominating and Governance Committee shall consider rotation of the Chair of each Committee on a regular basis, and shall recommend rotation as appropriate.

3. Frequency of Committee Meetings

The Chairman will generally recommend committee meeting schedules for all standing committees, but it is the responsibility of committee chairmen, in consultation with committee members, to determine the frequency and length of committee meetings. Each committee will meet at least annually except for the Audit Committee, which will meet at least quarterly.

4. Charters

The Board will adopt an appropriate Charter for each Committee. The Charters will set forth purposes and responsibilities of the committees, address committee membership and procedures for committee member appointment and removal. The Charters will also provide that each committee will annually evaluate its performance. The Board will consider amendments to committee charters either on its own initiative or when recommended by the committee.

5. Committee Agendas

Committee chairmen, in consultation with the Chairman and committee members and with the assistance of the Committee’s management liaison and Corporate Secretary’s office, will determine committee agendas.

6. Committee Reports

Reports of committee meetings are provided orally by the Committee chairs to the full Board at each Board meeting. Committee chairmen and committee members are offered the opportunity to comment on committee activities at each Board meeting.

**E. OTHER CORPORATE GOVERNANCE ISSUES**

1. Rights Plans

The Board believes that rights plans, or “poison pills,” as they are sometimes called, may prove effective in increasing stockholder value in certain circumstances.

2. Communications with the Public

The CEO is responsible for establishing effective communications with the Company’s stockholders, customers, associates, communities, suppliers, creditors, governments and corporate partners. It is the policy of the Company that management speaks for the Company, and the Chairman of the Board speaks for the Board. This policy does not preclude outside directors from meeting with stockholders, but management should be aware of any such meetings before they occur.

3. Stockholder Communications with the Board

Stockholders wishing to communicate with the Board of Directors, any Committee of the Board, any individual director or group of directors, should be directed to provide their communications to the Office of the Corporate Secretary. Comments or questions regarding accounting, internal controls or auditing matters should be referred to members of the Audit Committee. Comments or questions regarding the nominating of directors and other corporate governance matters should be referred to members of the Nominating and Governance Committee. For all other matters, the Corporate Secretary will, depending on the subject matter, (i) forward the communication to the director or directors to whom it is addressed, (ii) forward the communication to the appropriate management personnel, (iii) attempt to handle the inquiry directly, for example where it is a request for information about the Company, or (iv) not forward the communication if it is primarily commercial in nature or it relates to a frivolous or inappropriate topic.

4. Prohibition on Personal Loans

The Company does not extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any Board member or executive officer.

5. Compliance with Insider Trading Policy

Directors are expected to comply with the Company’s Employee/Insider Trading Policy, including the Additional Restrictions for Corporate Officers and Section 16 Insiders contained in Appendix A of the policy.