

# **MACQUARIE INFRASTRUCTURE CORPORATION**

## **CORPORATE GOVERNANCE GUIDELINES**

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Policy Owner: MIC General Counsel

Policy Approver: MIC Board of Directors

**Macquarie Infrastructure Corporation**  
**Corporate Governance Guidelines**

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**CORPORATE GOVERNANCE GUIDELINES**

The board of directors (the “**Board**” or the “**Board of Directors**”) of Macquarie Infrastructure Corporation (the “**Company**”) has adopted these guidelines (these “**Guidelines**”) to reflect its commitment to good corporate governance, and to comply with New York Stock Exchange (the “**NYSE**”) and other legal requirements. In furtherance of these goals the Board has also adopted a Code of Business Conduct and written charters for each of its Nominating and Governance Committee, Compensation Committee and Audit Committee. The Nominating and Governance Committee will periodically review these guidelines and propose modifications to the Board for consideration as appropriate.

**I. Director Responsibilities**

*A. Basic Responsibilities*

The business affairs of the Company are managed under the direction of the Board. The Board’s responsibilities are active and not passive and include the responsibility to regularly evaluate the strategic direction of the Company, its management policies and the effectiveness with which management implements its policies. The Board may exercise that authority through delegation to committees of the Board and through the delegation of authority to the Company’s management, all in accordance with applicable law, the Certificate of Incorporation of the Company (the “**Certificate of Incorporation**”) and the Bylaws of the Company (the “**Bylaws**”).

The basic responsibility of each of the members of the Board is to act in good faith and with due care so as to exercise their business judgment on an informed basis in what they honestly believe to be in the best interests of the Company and its shareholders. In discharging that obligation, members of the Board should inform themselves of all relevant information reasonably available to them.

Each member of the Board of the Company shall:

- dedicate sufficient time, energy and attention to ensure the diligent performance of his/her duties;
- comply with the duties and responsibilities set forth in the Certificate of Incorporation, the Bylaws and these Guidelines;
- comply with all duties of care, loyalty and confidentiality applicable to directors of publicly traded Delaware corporations;
- adhere to the Company’s Code of Business Conduct, including, but not limited to, the policies on conflicts of interest expressed therein; and
- use reasonable efforts to attend and participate in regularly scheduled and other meetings of the Board and any committee on which such member sits.

## *B. Risk Oversight*

The Board and its committees shall regularly review material enterprise, strategic, operational, legal and compliance risks with senior management of the Company and Macquarie Infrastructure Management (USA) Inc. (the “**Manager**”). The Board is responsible for endorsing the Company’s risk management framework, including key policies and procedures and approval of any changes to the framework or any key risk policies and procedures, monitoring compliance with the risk management framework and delegating authority to management, where appropriate. The Board may delegate risk oversight responsibility to the appropriate committees.

It is the responsibility of senior management of the Company to ensure that the Board and its committees are kept well-informed of these changing risks on a timely basis, including by providing risk and compliance reports from management and compliance personnel directly responsible for the identification, evaluation and monitoring of risks in the Company’s business. The Board and/or relevant committee shall be provided, at scheduled meetings of the Board and/or relevant committee, information on various risk oversight matters including, without limitation, the following: any proposed changes to the risk management framework; key policies and procedures or reporting arrangements for the Board and/or committee’s approval; reports on exposures, non-compliance with key policies and general effectiveness of risk management systems, as appropriate; and results of independent reviews or audits of the control environment.

## *C. Board, Committee and Annual Shareholder Meetings*

All directors are expected to make every reasonable effort to attend all meetings of the Board and meetings of the committees of which they are members. Members are encouraged to attend Board meetings and meetings of committees of which they are members in person but may also attend such meetings by telephone or video conference. Directors are expected to prepare for and use reasonable efforts to participate in Board meetings and meetings of committees on which they serve. The Board and each committee will meet as frequently as necessary to properly discharge its respective responsibilities. In addition, directors are expected to use reasonable efforts to attend and participate in annual meetings of shareholders.

The Chairperson of the Board (the “**Chairperson**”) will prepare the agenda for each Board meeting, subject to consultation with the Lead Independent Director. All directors are encouraged to discuss with the Chairperson, Lead Independent Director (as defined below) or corporate secretary any additional items they believe should be considered for the agenda. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chairperson of that committee. For regularly scheduled meetings of the Board, an agenda should ordinarily be distributed within a reasonable time prior to the date of the meeting. Additionally, any other information and data that are important to the Board’s understanding of the business to be conducted at a Board or committee meeting should, to the extent practical, be distributed in writing to the directors sufficiently in advance of the meeting to permit meaningful review. Directors are expected to review in detail the provided materials in advance of each meeting. It is acknowledged that, in some situations, exigent circumstances or the need to protect confidential and proprietary information may make it impracticable to provide

information in advance of a meeting, in which case adequate time shall be provided at such meeting for review and discussion of information not provided in advance.

It is the objective of the Board to have at least six regularly scheduled meetings each year. Additional unscheduled meetings of the Board may be called by the Chief Executive Officer, the Chairperson or a majority of the other members of the Board, upon the giving of the notice required under the Bylaws.

Members of the Board must recuse themselves from any discussion or decision that affects their personal, business or professional interest. The non-interested members of the Board shall consider and resolve any issues involving conflicts of interest of members of the Board.

#### *D. Meetings of Non-Management Directors*

The non-management directors will meet without management directors at regularly scheduled executive sessions at least quarterly and at such other times as they deem appropriate. To the extent that any non-management directors are not independent directors, as discussed below, the independent directors of the Company will meet in regularly scheduled executive session at least once annually.

The Lead Independent Director (as defined below), or alternatively the chairperson of the Audit Committee, the chairperson of the Nominating and Governance Committee or the chairperson of the Compensation Committee, will preside at executive sessions of non-management directors as determined by the non-management directors based upon the subject matter to be discussed.

In order to facilitate the ability of interested parties to communicate with and make their concerns known to the non-management directors on a confidential basis, the Audit Committee will establish an electronic mailing address and a physical mailing address to which such communications may be sent. The address for such communications will be published in the Company's annual proxy statement and on the Company's website.

#### *E. Board Interaction with Institutional Investors, Research Analysts and the Media.*

As a general rule, management will speak on behalf of the Company. Comments and other statements from the entire Board, if appropriate, will generally be made by the Chairperson or the Lead Independent Director, as appropriate, and the Chief Executive Officer. Generally, each director will refer all inquiries from third parties to management. Individual Board members may, from time to time, meet or otherwise communicate with shareholders or other constituencies of the Company, at the request of the Board or management.

#### *F. Communications with Shareholders*

In addition to providing a means for communicating with non-management directors, the Company will establish an electronic mailing address and a physical mailing address to which shareholders may communicate their views regarding the Company to the entire Board, the Chairperson, Lead Independent Director or any other individual member of the Board or any Board committee. The Company will publish the addresses for such communications in its annual proxy statement and on its website. The Company's process for collecting and

organizing shareholder communications to the Board shall be approved by a majority of independent directors.

The General Counsel of the Company reviews all such correspondence and regularly forwards to the Board all such correspondence and copies of all correspondence that, in the opinion of the General Counsel, deals with the functions of the Board or committees thereof or that the General Counsel otherwise determines requires their attention. Directors may at any time request copies of correspondence received by the Company that is addressed to members of the Board.

Concerns relating to accounting, internal controls or auditing matters are brought to the attention of the Company's Chief Financial Officer and internal audit function and handled in accordance with procedures established by the Audit Committee with respect to such matters.

#### *G. Stock Ownership Requirements*

**Requirements.** Each independent director of the Company is expected to own shares of the Company's stock based on his/her annual compensation during the time that he/she is a member of the Board of the Company, as the case may be. The requirements for stock ownership set forth below are designed to further align the interests of the independent directors with those of the Company's shareholders.

Each independent director is required to hold shares of common stock of the Company ("**MIC stock**") equal to a value of at least four times the cash portion of the director's annual Board and committee retainers, plus cash compensation for attendance at committee meetings, based on the greater of (a) the value of the shares using the previous December's volume weighted average price of MIC stock on the NYSE, and (b) the fair market value of the shares on the date such shares were acquired. Each independent director must be in compliance with these stock ownership requirements within five years of his or her election or appointment to the Board, and must remain in compliance until retirement or termination.

**Counting Shares Owned.** MIC stock that counts towards satisfaction of the foregoing stock ownership requirements include:

- MIC stock purchased in the open market;
- MIC stock owned indirectly, if the director has an economic interest in the MIC stock (i.e., MIC stock that would be reportable by the director in his/her filings made pursuant to Section 16(a) of the Securities Exchange Act of 1934, as amended);
- MIC stock owned by the director or his/her immediate family members residing in the same household;
- MIC stock held in trust for the benefit of the director or his/her family;
- Director stock units awarded under Company equity plans and other unvested restricted stock units held by directors; and

- MIC stock held by directors in benefit plans, such as 401(k) plans.

For the avoidance of doubt, MIC stock underlying unexercised stock options, whether or not vested, or unexercised stock appreciation rights will not be included in determining ownership levels.

**Exceptions.** These stock ownership requirements may be waived at the discretion of the Company's Nominating and Governance Committee in exceptional circumstances if compliance would create severe hardship due to unique financial circumstances or would prevent a director from complying with a court order or legal requirement.

**Administration and Enforcement.** The Nominating and Governance Committee will be responsible for administration and enforcement of these stock ownership requirements and will assess compliance therewith on a periodic basis, at the time determined by the Nominating and Governance Committee. The Board may, in consultation with the Nominating and Governance Committee, amend the terms of these stock ownership requirements from time to time to reflect legal and business developments warranting a change.

## II. Composition and Selection of the Board

### A. *Size and Composition of the Board*

The current size of the Board is nine, which the Board believes is appropriate. The Board, with recommendations from the Nominating and Governance Committee, will assess its size from time to time to determine whether its size continues to be appropriate. In accordance with the Bylaws, the size shall in no circumstances be less than four directors or more than twelve directors.

### B. *Director Independence*

A majority of the Board shall be composed of directors meeting the independence requirements of the New York Stock Exchange (the "NYSE"). The Board shall make an affirmative determination at least annually as to the independence of each director, including an affirmative determination, as to each independent director, that no material relationships exist which in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board will broadly consider all relevant facts and circumstances, including information provided by the directors and the Company with regard to each director's business and personal activities as they may relate to the Company and the Company's management. In addition, the Board will have a sufficient number of independent directors to meet the requirements of applicable law, including legal requirements applicable to the Manager for so long as the Third Amended and Restated Management Services Agreement by and among the Company, the Manager and MIC Ohana Corporation (as it may be amended from time to time, the "**Management Services Agreement**") is in effect and any independence requirements of the Management Services Agreement. The Nominating and Governance Committee will monitor the Board's compliance with applicable director independence requirements. Additionally, each independent director must notify the General Counsel of the Company and the chairperson of the Nominating and Governance Committee as soon as reasonably practicable in the event that the director's

personal circumstances change in a manner that may affect the Board's evaluation of such director's independence, such as due to a potential or actual conflict of interest.

A director who at the time of his or her appointment was independent under the NYSE rules and later ceases to be independent shall resign to the extent required for the Company or the Manager to comply with applicable laws, rules and regulations. The Board need not accept such offer of resignation; however, the submission of such offer of resignation provides the opportunity for the Board to review the appropriateness of the continuation of such individual's membership on the Board. In some cases, it may be appropriate for such member to be replaced as a member of one or more of the committees on which he or she serves but be retained as a member of the Board.

### *C. Criteria for Board Service*

The Nominating and Governance Committee of the Company is responsible for screening and recommending for nomination candidates to the Board, other than the director elected by the Manager under the Management Services Agreement. The Nominating and Governance Committee will apply the same standards in its consideration of all candidates for director, including candidates nominated or recommended by shareholders.

The Nominating and Governance Committee will recommend candidates for election as director based on the qualifications and criteria set forth below, as well as any other criteria and qualifications set forth in the Nominating and Governance Committee's charter. The Nominating and Governance Committee shall also take into consideration the requirements relating to director independence under the NYSE and other applicable rules.

- **Financial Literacy.** Such person should know how to read and understand fundamental financial statements and understand the use of financial ratios and information in evaluating the financial performance of the Company.
- **Leadership Experience.** Such person should possess significant leadership experience, such as experience in business, finance/accounting, law, education or government, and shall possess qualities reflecting a proven record of accomplishment and ability to work with others.
- **Commitment to the Company's Values.** Such person shall be committed to promoting the financial success of the Company and preserving and enhancing the Company's reputation as a leader in the infrastructure sector, and shall be in agreement with the values of the Company as embodied in its Code of Business Conduct.
- **Absence of Conflicting Commitments.** Such person should not have commitments that would conflict with the time commitments of a director of the Company. In determining whether to recommend a member of the Board for reelection, the Nominating and Governance Committee should consider the member's past attendance at meetings of the Board and committees on which the person serves, as determined against the attendance policies outlined in these Guidelines, and the member's participation in, and contributions to, the activities of the Board.

- **Complimentary Attributes.** The members of the Board should represent an appropriate diversity of experience, expertise, skills, specialized knowledge and other qualifications and attributes that provide for a variety of viewpoints. As such, a person proposed as a candidate for election or appointment to the Board shall have skills and talents which would be a desirable addition to the Board and any committees thereof and that shall complement the skills and talents of the existing directors, taking into account the Company's needs and such factors as the individual's experience, perspective, skills, and knowledge of the industry in which the Company operates.
- **Reputation and Integrity.** Such person shall be of high repute and integrity and not have been convicted in a criminal proceeding or be named a subject of a pending criminal proceeding (excluding traffic violations and other minor offenses). Such person shall not have been found in a civil proceeding to have violated any federal or state securities or commodities law, and shall not be subject to any court or regulatory order or decree limiting his/her business activity, including in connection with the purchase or sale of any security or commodity.
- **Other Factors.** Such person shall have other characteristics considered appropriate for membership on the Board, as determined by the Nominating and Governance Committee or the Board, including an understanding of marketing and finance, sound business judgment, accountability for decisions and educational background.

Potential candidates for Board positions will be identified through a variety of means, including the use of search firms, recommendations of Board members, including the Chairperson (whose recommendation the Nominating and Governance Committee will solicit), recommendations of Company officers, including the Chief Executive Officer (whose recommendation the Nominating and Governance Committee will solicit) and shareholder recommendations received as provided below.

#### *D. Shareholder Nomination of Directors*

Nominations of individuals for election to the Board, other than the director appointed by the Manager, may be made at an annual or special meeting of shareholders of the Company at which directors are to be elected, pursuant to the Company's notice of meeting, by any shareholder who is entitled to vote at such meeting and complies with the notice procedures set forth in Section 2.8 of the Bylaws.

In accordance with Section 2.8 of the Bylaws, for a shareholder to bring a nomination for director before either an annual or special meeting, the shareholder must (A) be a shareholder of record on both (1) the date of delivery of such nomination or the date of giving of the notice of nomination and (2) the record date relating to the annual or special meeting, as applicable, and (B) have given notice of the nomination in proper written form to the Company's Secretary at its principal executive office at 125 West 55<sup>th</sup> Street, New York, New York 10019, in accordance with the timing and other requirements applicable to bringing nominations for directors before annual and special meetings set forth in Section 2.8 of the Bylaws.

As set forth in the Bylaws, to be timely, a shareholder notice must be delivered to the Company's Secretary at the principal executive offices of the Company (1) in the case of



director nominations for annual meetings, not less than one hundred and twenty (120) days nor more than one hundred and fifty (150) days prior to the first anniversary of the preceding year's annual meeting and, (2) in the case of director nominations for special meetings, not earlier than the one hundred and twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. The Company shall publish annually in its proxy statement the deadline for director nominations from shareholders at the following annual shareholders meeting to enable the Nominating and Governance Committee to consider the candidates in connection with each annual meeting.

The shareholder's nomination submission must meet all requirements set forth in Section 2.8 of the Bylaws, including the furnishing of information regarding the shareholder, the proposed nominee and other persons, as applicable, as specified in the Bylaws. The Company may require any proposed nominee to furnish any additional information that the Company reasonably requires to enable the Nominating and Governance Committee to determine the eligibility of the proposed nominee to serve as a director. Proposed nominees are evaluated based on the standards, guidelines and criteria discussed above as well as other factors contained in the Nominating and Governance Committee's charter, other of the Company's policies and guidelines and the current needs of the Board.

As to any other business that the shareholder proposes to bring before the annual or special meeting, the shareholder must also comply with the requirements of Section 2.8 of the Bylaws.

#### *E. Shareholder Recommendations*

The policy of the Nominating and Governance Committee is to consider director candidates recommended by shareholders under the same standards used to consider candidates recommended by the Board or formally nominated by shareholders. Shareholders wishing to make recommendations with respect to director candidates should submit to the chairperson of the Nominating and Governance Committee, in care of the Company's Secretary at, 125 West 55<sup>th</sup> Street, New York, New York 10019, the following information: (a) the candidate's name, age, business address and residence address; (b) the candidate's principal occupation or employment; (c) the class and number of shares of MIC stock owned of record and beneficially owned by the candidate; (d) a description of all arrangements or understandings between the shareholder and the candidate; and (e) any other information the shareholder deems relevant with respect to the recommendation. The Company may require the shareholder recommending a director candidate to furnish any additional information that the Company reasonably requires to enable the Nominating and Governance Committee to determine the eligibility of such candidate to serve as a director.

This section of the Guidelines provides information to shareholders who wish to recommend candidates for director for consideration by the Nominating and Governance Committee. Shareholders who wish to nominate persons for election to the Board must instead follow the procedures set forth in the Company's Bylaws and elsewhere in these Guidelines.

#### *F. Vacancies or Newly Created Positions*

Vacancies on the Board and newly created positions on the Board may be filled in accordance with the procedures set forth in the Certificate of Incorporation and the Bylaws. Should the Board fill such vacancies or newly created positions, subject to the applicable provisions of the Certificate of Incorporation and the Bylaws, the Board shall select from among the candidates identified and recommended by the Nominating and Governance Committee.

#### *G. Membership on Other Boards*

Directors must inform, and seek the approval of, the Nominating and Governance Committee in advance of accepting an invitation to serve on another public company board or any committee thereof. In considering whether to grant such approval, the Nominating and Governance Committee shall examine the proposed relationship for potential conflicts of interest.

No director may sit on the board of, or beneficially own more than a 5% equity interest in (other than through mutual funds or similar non-discretionary, undirected arrangements), any competitor of the Company in its principal lines of business. Additionally, the Board acknowledges that significant time is required to be a fully participating and effective member of the Board, and as such, believes that:

- No member of the Board who is an executive officer of a public company should hold more than three (3) directorships of public companies (including the company for which the director is an executive officer);
- No member of the Board should hold more than four (4) directorships of public companies other than the Company;
- No member of the Audit Committee should serve on the audit committee of more than three (3) public companies (including the Company's audit committee).

#### *H. Changes in Current Job Responsibility*

Other than the director elected solely by the Manager, should any member of the Board of Directors experience a significant change in the principal occupation that he/she held upon initial election to the Board of Directors, such member should submit to the Board of Directors written notification of such change and an offer of resignation from the Board of Directors and each of the committees on which such member serves. The Board of Directors need not accept such offer of resignation; however, the submission of such offer of resignation provides the opportunity for the Nominating and Governance Committee to review and the Board to determine, based on such review, the appropriateness of the continuation of such individual's membership on the Board of Directors and/or committees on which he/she serves.

#### *I. Retirement Policy*

The Board recognizes the importance of balancing the benefits of continuity with the objectives of fresh perspectives and experience. Therefore, the Board will not nominate for re-election any non-management or non-Manager-elected director if the director will have completed 15 years of service as a member of the Board on or prior to the date of the election as to which the

nomination relates. Upon the recommendation of the Nominating and Governance Committee, the Board may waive this requirement as to any director if it deems such waiver to be in the best interests of the Company.

*J. Chairperson of the Board/Lead Independent Director*

So long as the Chairperson is elected solely by the Manager, and in any event when the Chairperson is not otherwise independent, the Board shall select a Lead Independent Director from among the members of the Board who are determined by the Board to be independent under NYSE rules and who must have served a minimum of one year as a director (the “**Lead Independent Director**”). If the Lead Independent Director is not present at any meeting of the Board, a majority of the independent members of the Board present shall select a member of the Board who is independent under NYSE rules to act as Lead Independent Director for the purpose and duration of such meeting.

The duties of the Chairperson should include, but are not limited, to the following:

- setting the agenda for meetings of the Board (subject to consultation with the Lead Independent Director), along with input from other members of the Board, and presiding over meetings of the Board at which the Chairperson is present;
- coordinating the work of the committees of the Board;
- coordinating communications among the members of the Board;
- performing duties set forth elsewhere in these Guidelines, the Certificate of Incorporation and the Bylaws; and
- performing such other duties as the Board may from time to time delegate to assist the Board in the fulfillment of its duties.

The duties of the Lead Independent Director should include, but are not limited to, the following:

- presiding at all executive sessions of the non-management directors and executive sessions of independent directors (unless the non-management directors determine that, based on the subject matter of the meeting, the chairperson of the Audit Committee, the chairperson of the Nominating and Governance Committee or the chairperson of the Compensation Committee, should preside over such meeting), or when the Chairperson is not present;
- determining the frequency and timing of executive sessions of non-management directors and discussing with the Chairperson and the Chief Executive Officer relevant matters arising from those sessions, as appropriate;
- consulting with the Chairperson and Chief Executive Officer and committee chairs regarding the agendas and schedules of the meetings of the Board and committees;

- approving meeting schedules to ensure that there is sufficient time for discussion of all agenda items;
- serving as liaison between the Chairperson and the independent directors;
- having the authority to call meetings of the independent directors;
- serving as liaison for stockholders who request direct communication with the Board;
- performing duties set forth elsewhere in these Guidelines, the Certificate of Incorporation and the Bylaws; and
- performing such other duties as the Board may from time to time delegate to assist the Board in the fulfillment of its duties.

In the event the Lead Independent Director ceases to be independent under NYSE rules, the Board shall select another Lead Independent Director from among the members of the Board that are determined at that time by the Board to be independent under NYSE rules.

The Board shall review its leadership structure on a periodic basis to determine that the structure is appropriate for the Company.

### **III. Board Committees**

#### *A. Composition and Responsibilities*

The Board will have at all times an Audit Committee, a Compensation Committee, a Nominating and Governance Committee and any other committees the Board deems appropriate. All of the members of the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee will be independent directors under the criteria for independence required by law and the NYSE. At least one member of the Audit Committee shall meet the applicable definition of a financial expert under both the U.S. federal securities laws and the requirements of the NYSE and all members of the Audit Committee shall be financially literate in accordance with the requirements of the NYSE. The members of the Compensation Committee, the Nominating and Governance Committee, and the Audit Committee will be appointed by the Board upon recommendation of the Nominating and Governance Committee based on each committee's member qualification standards outlined in the relevant committee's charter. Consideration should be given to the desires, skills and characteristics of individual directors. The Board will appoint the chairperson of each committee annually upon the recommendation of the Nominating and Governance Committee. In accordance with the Bylaws, the Board may establish new committees as the Board deems appropriate having the powers and authority as determined by the Board.

#### *B. Charters*

The Board will adopt charters setting forth the purposes, goals and responsibilities of each of the Audit Committee, Compensation Committee, Nominating and Governance Committee and any other committees the Board deems appropriate, as well as qualifications for committee

membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board.

#### **IV. Director Access to Officers, Employees and Independent Advisors**

##### *A. Access to Management and Employees*

The Board and the committees of the Board shall have full and unrestricted access to officers and employees of the Company. Any meeting or contacts which the Board, any member of the Board or any committee desires to initiate may be arranged through the General Counsel or Chief Executive Officer or directly by the Board, member(s) of the Board or relevant committee, as applicable. Any such contact should not be disruptive to the operations of the Company.

##### *B. Access to Independent Advisors*

The Board and each committee may hire independent legal, financial or other advisors as it deems necessary in the performance of its duties, without consulting or obtaining the approval of any members of the Company's management. The Board must assess the qualifications of, and the processes employed by, those upon whom it relies. The Company will provide sufficient funding to the Board and to each committee, as determined by the Board and each of its committees, to exercise their respective functions and provide compensation for the services of advisors and, in the case of the Audit Committee, independent auditors.

##### *C. Internal Reporting*

The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters and shall review reports regarding alleged violations of the Code of Business Conduct or other company policies.

Management of the Company is encouraged to initiate direct contact with the chairperson of the Audit Committee if they believe that there is a matter that should be brought to the attention of the Board.

#### **V. Director Orientation and Continuing Education**

All new directors should be provided with these Guidelines and are required to participate in the Company's orientation initiatives as soon as practicable after appointment by the Board or the annual meeting at which new directors are elected. The initiatives will include presentations by senior management and outside advisors as appropriate to familiarize new directors with the business, strategic plans, significant financial, accounting and risk management issues and compliance programs of the Company as well as their fiduciary duties, governance requirements and responsibilities as directors. All other directors are also invited to attend any orientation initiatives.

Directors are strongly encouraged to keep current on issues confronting directors and will be reimbursed for out-of-pocket expenses incurred in attending continuing education courses for directors.

The Nominating and Governance Committee and management of the Company as well as appropriate outside advisors will periodically report to the Board on any significant developments in the law and practice of corporate governance and other matters relating to the duties and responsibilities of directors in general and to assist directors in maintaining skills and knowledge necessary or appropriate for the performance of their responsibilities.

## **VI. Director Compensation**

In accordance with its charter, the Compensation Committee shall review and oversee the total compensation for the Company's directors, other than the Manager's elected director and any other directors that are employees of the Manager or its affiliates; provided that, in accordance with its charter, the Compensation Committee shall review and provide input on Chief Executive Officer and Chief Financial Officer compensation.

## **VII. Manager Evaluation and Succession Policies**

The Compensation Committee will review the performance of the Manager under the Management Services Agreement, review and approve the calculations of fees and components thereof payable under the Management Services Agreement to the Manager and evaluate and make recommendations to the Board regarding director compensation and provide input to the Manager with respect to Chief Executive Officer and Chief Financial Officer performance and compensation.

The Board shall periodically discuss succession planning with the Manager, and shall develop and maintain appropriate succession plans for a vacancy in senior management.

## **VIII. Annual Performance Self-Evaluation**

The Board and each committee shall conduct an annual performance self-evaluation. The Nominating and Governance Committee shall establish criteria and processes for the annual performance self-evaluations. Following completion, the performance self-evaluations shall be discussed with the Board. The performance self-evaluations will focus on the contribution to the Company by the Board and each committee, and will specifically address areas for potential improvement in Board and committee processes or that would enhance the Board and committee contributions to the Company.

## **IX. Director Insurance, Indemnification and Exculpation**

The Company purchases, and the directors will be entitled to have the Company purchase, reasonable directors' and officers' liability insurance on behalf of the directors to the extent reasonably available. In addition, the directors will receive the benefits of indemnification provided by the Certificate of Incorporation and Bylaws and any indemnification agreements, as well as the provisions regarding absence of personal liability contained in the Certificate of Incorporation and Bylaws.