

KEYSTONE AUTOMOTIVE INDUSTRIES, INC.
CORPORATE GOVERNANCE PRINCIPLES
EFFECTIVE: March 16, 2007

Corporate Governance Principles

The corporate governance principles set forth in this document (these “Principles”) have been approved by the Board of Directors (the ”**Board**”) of Keystone Automotive Industries, Inc. (the “**Company**”) and, together with the related Charters of the committees of the Board (the “**Committee**” or “**Committees**”) and the Company’s Code of Business Ethics and Conduct (the “COC”), sets forth guidelines under which the Board fulfills its obligation to use its reasonable business judgment to manage the business and affairs of the Company in a manner that: (i) promotes the highest ethical standards and practices, (ii) acts in the best interests of the shareholders, and then to the extent appropriate, its various other constituencies, including the Company’s employees, customers, suppliers, and the countries and communities where the Company conducts its business, (iii) seeks to comply with the various laws, rules and regulations that govern the Company’s businesses, and (iv) provides timely, accurate and transparent financial and non-financial reporting and disclosure in accordance with all applicable laws, rules, and regulations..

Board Structure and Selection

Number of Directors

Under the Company’s Bylaws, the Board can set the number of directors at not less than five and not more than nine, with the exact number being established from time to time to accommodate the availability of qualified candidates. The Board believes that a size of five to nine Directors is appropriate. Annually, the Corporate Governance / Nominating Committee will review and make any appropriate recommendations for changes in Board size to the Board.

Selection and Qualification of Directors

The Corporate Governance / Nominating Committee is responsible for defining the types of skills, backgrounds, and education and experience required for Board members at any time. Factors considered by the Committee and the Board in the selection of new Directors include:

- whether the candidate’s past behavior and reputation indicates a commitment to the ethical standards and character that are consistent with the Board’s culture and these Principles,
- whether the candidate meets the independency criteria set forth in this document,

- the candidate's background and technical expertise in functional areas (i.e. finance, manufacturing, sales and marketing, international business, supply chain management, distribution, etc.),
- the candidate's prior board experience,
- whether the candidate brings specific skills and expertise for service on one or more Committees, and
- whether the candidate can and will make the necessary commitment to properly prepare for, attend and fully participate in Board meetings and applicable Committee meetings.

A candidate for the Board is identified, screened, interviewed and, subjected to background and reference checks. If the evaluation of the candidate is satisfactory to the Corporate Governance / Nominating Committee, the Corporate Governance / Nominating Committee will then recommend the candidate to the Board for approval. If the Board approves the recommendation, the invitation to join the Board should be extended by the Board through its Chairperson and by the Chairperson of the Corporate Governance / Nominating Committee. Subject to the limitations set forth in the Bylaws of the Company, the Board may elect additional Directors to fill vacancies by a two-thirds vote of the directors. A Director elected to fill a vacancy shall serve until the next annual meeting or until his death, disability, resignation or removal, whichever occurs earliest. Directors are elected by the shareholders at each annual meeting for one year terms.

New Director Orientation

The Corporate Governance / Nominating Committee has published a policy outlining the orientation of new Directors. In general, it includes, among other things, a (i) review of current publicly available financial and other information on the Company, the latest Board meeting books, minutes of Board meetings, the current and prior year's budgets and strategic plans, resumes of other Board members and senior corporate officers, the Company's Bylaws, these Principles, all Board Committee Charters, and the Company's Directors and Officers insurance policies, (ii) orientation meetings with appropriate senior corporate officers and Board members, and (iii) site visits to selected Company operations.

Term Limits and Retirement Age

Directors may serve on the Board until the Annual Meeting of the Company next following their 75th birthday.

The Board has not established term limits. The Board values the ever-increasing insight, knowledge and experience a Director develops over a period of time, and therefore believes term limits are not in the best interests of the Company's shareholders. However, the Corporate Governance / Nominating Committee periodically reviews the Board's structure and skill set to ensure diversity of Board skills, and contemporary experience and expertise on the Board

Resignation of Directors

Directors should offer their resignation in the event of any significant change in their personal circumstances that would prohibit or limit their performance on the Board and the applicable Committees, including a change in their principal job responsibilities. The Corporate Governance / Nominating Committee will recommend to the Board whether such resignation should be accepted.

Lead Independent Director

Unless otherwise determined by a majority of the Board, the Chairperson of the Corporate Governance / Nominating Committee shall be the Lead Director; provided, however, that if the Chairperson is an executive officer of the Company, the most-senior Independent Director (defined below) shall be the Lead Director. The Lead Director shall (i) preside at all meetings of the Board where the Chairperson is absent, (ii) serve as a liaison between the Company's Chief Executive Officer ("CEO") and the Independent Directors on sensitive issues, and (iii) call, set the agenda and preside over meetings of the Independent Directors.

Director Independence and Conduct

Management Directors

The CEO will always be a member of the Board of Directors. One other member of senior management may be considered for Board membership as deemed appropriate by the Corporate Governance / Nominating Committee, provided that two management members (including the CEO) shall not be appointed if the resulting Board does not have a majority of Independent Directors.

Unless requested by the Board to remain on the Board for a transitional term not to exceed six months, all executive officers, including the CEO, shall leave the Board when such individual ceases to be an executive officer of the Company.

Independent Directors

A majority of the Board shall be comprised at all times of Independent Directors. The Company must identify which Directors are independent in their annual meeting proxy statement. An “Independent Director” shall be any director that the Board determines meets the independent director requirements set forth in these Principles, which are as follows:

NASDAQ Independent Director Requirements. The Director must meet the definition of “Independent Director” under the NASDAQ listing standards, which definition is set forth below. The detailed requirements of NASDAQ as amended from time to time are incorporated herein by reference as requirements for qualification as an Independent Director of the Company. The relevant NASDAQ standards are summarized below:

Definition: "Independent Director" means a person other than an executive officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company’s Board, would interfere with the exercise of independent judgment in carrying out the responsibilities as a Director. The following persons shall not be considered independent:

- a person who is, or at any time during the past three years was, employed by the Company or by any parent or subsidiary of the Company;
- a person who accepted or who has a family member (defined as a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home) who accepted any compensation from the Company in excess of \$60,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:
 - compensation for Board or Committee service;
 - compensation paid to a family member who is an employee (other than an executive officer) of the Company; or
 - benefits under a tax-qualified retirement plan, or non-discretionary compensation,
- a person, or a family member of such person, who is, or at any time during the past three years was, employed by the Company as an executive officer;
- a person who is, or has a family member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than the following:
 - payments arising solely from investments in the Company's securities; or
 - payments under non-discretionary charitable contribution matching programs.
- a person who is, or has a family member who is, employed as an executive officer of another entity where at any time during the past three years any of the

executive officers of the Company serve on the compensation committee of such other entity; or

- a person who is, or has a family member who is, a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years.

Additional Independent Director and Conduct Requirements. The Board has adopted in these Principles certain standards for Independent Directors and Director conduct that are in addition to those required for listing on NASDAQ. These are as follows:

- **Interlocking Directorates:** No inside Director or executive officer of the Company shall serve as a director of a company where an Independent Director of the Company is an executive officer.
- **Other Regulatory Requirements.** Each Independent Director shall: (1) be a “non-employee director” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended; and (2) be an “outside director” under the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended.
- **Indebtedness:** A Director will not be considered as Independent, if at the time of determination of independence, the Director is a director or an executive officer of any company or other entity that is indebted to the Company, or to which the Company is indebted, and the total amount of such indebtedness to the other as at the end of the latest fiscal year, is more than 5% of the Company’s consolidated assets.
- **Investments / Transactions:** Neither the Company, its executive officers nor their immediate family members, individually or in combination, shall make any investment in a company, partnership or other private entity in which a Director of the Company is a principal.
- **Charitable Organizations:** Directors will not be considered as Independent, if at the time of determination of independence, the Director is a director, officer or trustee of a charitable organization and the Company’s charitable contributions to such charity exceed either 5% of that charities total annual charitable receipts during its last completed fiscal year, or 5% of the total contributions made by the Company.
- **Other Directorships:** Independent Directors are encouraged to limit the number of other boards on which they serve, taking into consideration potential attendance conflicts and the time commitment required to serve effectively on the Company’s Board. Subject to the COC, the CEO and other executive officers, that are not Directors on the Company’s Board, may serve on other boards with the prior written approval of the Board.

- **Standards of Conduct:** The COC applies to all employees and officers, and has certain requirements that apply to Directors. The Corporate Governance / Nominating Committee is responsible for monitoring Board compliance to the COC. Directors shall avoid direct or indirect investments, other directorships, or other relationships which conflict with, or could be perceived as conflicting with, the best interests of the Company. Any such conflict or potential conflict must be disclosed to the Corporate Governance / Nominating Committee, which shall make a determination whether such activity is or may become adverse to the Company's best interests, or is otherwise improper or inappropriate, in which case such Director must cure such conflict, terminate such activity or resign from the Board.
- **Loans to Director and Officers:** The Company shall not make or facilitate any loans, either directly or indirectly, to any Director or executive officer of the Company, other than loans and advances permitted by applicable laws, rules, or regulations, including, without limitation, the NASDAQ rules.
- **Separation of CEO and Chairperson of the Board:** It is the policy of the Board that the CEO of the Company shall not also be the Chairperson of the Board.
- **Use of the Company's Independent Auditors:** The executive officers of the Company shall not utilize the Company's external independent auditors for their personal accounting, tax, estate planning or other matters.
- **Reporting Relationship of the General Counsel:** The Company's General Counsel shall have a dual reporting relationship (i) to the CEO on day to day matters and (ii) to the Board of Directors on matters of Corporate Governance. The Board of Directors and any Committee thereof shall have the right and authority, at any time, to meet, in an executive session, with the General Counsel. Such meetings may be called by either the Chairperson of the Board, Lead Director or any Committee Chairperson, depending on the circumstances.

Board Committees

Committee Structure: The Board has established three standing Board Committees, namely, the Audit Committee, the Compensation Committee, and Corporate Governance / Nominating Committee. The Board periodically reviews its Committee structure, and may establish additional Committees as it deems appropriate. Consideration may be given to rotating Committee assignments periodically, but such rotation shall not be mandated or carried out on a regular basis as the accumulation of expertise over time on a Committee is valuable to the Company.

Committee Members: The Chairperson and members of these Committees are appointed annually by the Board upon the recommendation of the Corporate Governance / Nominating Committee. The three existing standing Committees are comprised only of Independent Directors.

Committee Charters: Each Committee has adopted a Committee Charter outlining the Committee’s responsibilities and authorities. The full charters are reviewed annually, are approved by the Board, and are published on the Company’s web-site. The following descriptions are to provide additional detail regarding each standing Committee’s responsibilities, and are not intended to expand the, power or authority of a Committee beyond that authorized by its charter:

- **Audit Committee:** The Audit Committee must be comprised of at least three members of the Board. In addition to being Independent Directors, members of the Audit Committee must meet the additional requirements for independency under Section 301 of the Sarbanes-Oxley Act (“SOX”), and one member of the Audit Committee must qualify as a “financial expert” under Section 407 of SOX.

The Audit Committee is responsible for: (i) engaging and overseeing the Company’s independent auditors and their compensation, including approving , in advance of the annual audit, the scope of all audit and permissible non-audit services, (ii) reviewing with management and the outside auditors the annual audited and quarterly financial statements to ascertain that: (a) the financial statements present fairly, in all material respects, the financial position of the Company, and (b) the financial statements are timely prepared, (iii) overseeing the Company’s internal audit process, (iv) monitoring the Company’s internal controls and its implementation and annual compliance with Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), (v) monitoring compliance with legal and regulatory requirements for financial reporting, (vi) reviewing and monitoring the quality and effectiveness of the financial management of the Company, (vii) approving (with advice from legal, accounting and other appropriate advisers) the Audit Committee’s Report for inclusion in the Company’s annual proxy statement to shareholders, (viii) establishing and overseeing the Company’s confidential “hot-Line” through which any employee can report any perceived or actual improprieties or questionable practices or treatment of personnel directly to the Company’s General Counsel and the Chairperson of the Audit Committee, (ix) overseeing the Company’s risk management process, (x) and (xi) overseeing the Company’s disclosure controls and procedures.

- **Compensation Committee:** The Compensation Committee shall be comprised of at least two Independent Directors of the Board.

The Compensation Committee is responsible for: (i) identifying, interviewing, screening and recommending CEO candidates, (ii) establishing and reviewing the salaries and other executive compensation, including perquisites, of the executive officers of the Company and all executive employment and severance agreements, (iii) reviewing and approving the Company’s corporate goals and objectives relevant to the performance and evaluation of the CEO and other executive officers, (iv) approving the annual incentive plan awards, (v) establishing and reviewing the Company’s long-term equity based incentive programs and recommending awards to the Board, (vi) approving (with advice from legal, compensation, accounting and other appropriate advisers) the Compensation Committee’s Report for inclusion in the

Company's annual proxy statement to shareholders, (vii) reviewing and assessing the structure and quality of personnel and the effectiveness of the executive management team (viii) overseeing succession planning for the CEO and his direct reports, and (ix) overseeing all executive officer incentive, retirement, and other benefit programs and all material Company-wide incentive, retirement and other benefit programs for non-executive employees.

- **Corporate Governance / Nominating Committee:** The Corporate Governance / Nominating Committee must be comprised of at least two Independent Directors.

The Corporate Governance / Nominating Committee is responsible for: (i) overseeing the Company's compliance with proper corporate governance, including compliance with all laws, rules and regulations of applicable regulatory authorities, (ii) annually recommending to the full Board the slate of Directors to be nominated for election by the shareholders, (iii) annually recommending to the full Board the slate of the members of all Committees (iv) identifying, interviewing, screening and recommending director candidates to fill vacant or additional Board seats, (v) managing the Board's and each Committee's self-assessment process and reporting the results to the Board together with recommendations for improvements, (vi) periodically reviewing appropriate skills and characteristics for new Board members, (vii) overseeing any crisis response, (viii) annually reviewing and recommending to the Board the structure and amount of compensation for Directors and Committee members, (ix) annually reviewing and overseeing the Company's indemnification of Directors and Officers and the purchase of appropriate Directors and Officers liability insurance, (x) reviewing potential and actual conflicts of interest and related party transactions, and (xi) overseeing all other matters of Corporate Governance.

Committee Meetings: The Chairperson of each Committee, after consultation with the other Committee members, and, where appropriate, with members of management, will establish the Committee agendas, and determine the frequency and timing of Committee meetings. It is the responsibility of the respective Committee Chairpersons to distribute in advance all appropriate reports, documents and other information required to allow Committee members to make informed judgments and decisions on the issues on the agenda. Periodically, each Committee will hold executive sessions of the Committee (i.e. without the attendance of any member of management). The Secretary of the Company will keep written Committee minutes; provided, however, that if the Secretary is not present, the Chairperson of the Committee shall take the minutes. The Chairperson of the Committee will regularly report the activities and actions taken by the Committee to the Board. Committee meetings are generally open to any member of the Board who wishes to attend, unless otherwise stipulated by the Committee's Chairperson.

Resources: Each Committee has the authority to engage outside advisors and counsel and has direct access to appropriate Company personnel and other Company resources.

Role and Responsibilities of the Board

The Board is elected annually by the Company's shareholders to provide oversight of and guidance and counseling to, and corporate governance over, the Company's management, and to ensure that the long-term interests of the shareholders are being served. The Board has adopted standing resolutions delegating to management the day-to-day operations of the Company. Except as provided in such resolutions, and to further clarify the responsibilities of the Board, the Board has reserved the following strategic responsibilities for itself, or to the extent delegated to one or more Committees, such Committee:

- **Legal:**
 - Establishing, reviewing, and amending the Company's Bylaws
 - Approving the registration and listing of the Company's securities and the appointment of transfer agents and registrars
 - Overseeing and monitoring material litigation
- **Shareholder Matters:**
 - Establishing the date, time and location of all shareholder meetings
 - Approving the Annual Report and Proxy Statement to shareholders
 - Submitting to shareholders any action that requires shareholder approval
 - Declaring any cash and stock dividends and stock splits
- **Board Structure and Function:**
 - Recruiting Board candidates and nominating them to the shareholders for election
 - Defining overall Board and Committee structure and appointing the Committee Chairpersons and members
 - Determining the compensation of Directors and Committee members.
 - Overseeing the indemnification of Directors and the purchase of Director and Officers liability insurance
- **Financial and Treasury:**
 - Incurring any new short term or long-term debt or issuing any new equity securities

- Purchasing stock of the Company in the open market or in private transactions for its treasury
- Authorizing the Company's major political contributions and major charitable contributions
- **Personnel and Compensation:**
 - Selecting, appointing, evaluating, and compensating the CEO
 - Appointing, evaluating, and compensating the Company's other employees that have a salary in excess of \$175,000
 - Planning for the succession of the CEO and monitoring management's succession planning for other executive officers
 - Adopting or amending any employee retirement, health care or other benefit plans that may result in a material increase in cost to the Company for such plan, or which may materially alter the structure, scope, benefit levels or coverage of the plan
- **General Corporate Oversight:**

Reviewing and, where applicable, approving the Company's annual operating plan and budget, and the Company's strategic plan

 - Reviewing and monitoring the Company's performance against its operating and strategic plans
 - Overseeing management's assessment of the major risks facing the Company and reviewing and, where appropriate, approving actions to eliminate or mitigate them
 - Reviewing and approving material transactions and agreements.

Role and Responsibilities of Management

Subject to the reserved responsibilities and authorities enumerated above, the Board of Directors has delegated to management the responsibility and necessary authority to manage and conduct the day-to-day operation of the businesses of the Company. In addition to such general authority, the Board has adopted standing resolutions for CEO Grants of Authority / Approval Requirements that grant the CEO specific authorities, and specify levels of approval required for various Company matters. The Board may amend such resolutions as conditions and circumstances change.

Functioning of the Board and its Committees

Number of Meetings

The Board schedules five regular meetings per year and special meetings (often telephonic) as circumstances dictate. One regularly scheduled meeting is an extended (2–3 day) meeting to review, critique and approve the annual business plan and budget. Another regularly scheduled meeting is primarily devoted to reviewing, critiquing and approving the Company’s strategic plan.

Agendas

The Chairperson of the Board, after consultation with other Board members and the CEO, establishes and publishes the agenda for Board meetings.

Board Materials

Written materials that are necessary or desirable to the Board’s briefing and understanding of issues on the meeting agenda are distributed to Board members in advance to allow adequate time for Board members to study materials thoroughly prior to the meeting. Additional supplemental materials and materials on sensitive issues are also handed out during Board meetings.

Attendance of Non-Directors at Board Meetings

The Board encourages management to schedule presentations at Board meetings by managers to offer a more in depth insight into items being discussed at Board meetings and to give the Board exposure to key managers.

Executive Sessions of the Board

At each regularly scheduled Board meeting, the non-management Directors shall meet in executive session. Such sessions are chaired by the Chairperson of the Board. In addition, periodically, as needed, the Lead Director will call an executive session of the Independent Directors.

Access to Management and Company Resources

The Board members have complete access to Company officers and other managers to discuss the business in general or specific issues. Directors are also encouraged to visit any Company facilities during their travels.

Directors have the authority to engage independent legal, financial or other advisors as they deem appropriate. The fees and related expenses for such advisors shall be paid by the Company.

Board and Committee Conduct and Performance

Attendance and Availability

Directors are expected to: (i) attend all Board meetings, the annual meeting of shareholders and all Committee meetings on which they serve or are invited to by the Committee Chairperson, (ii) to spend whatever time is necessary to review Board materials and otherwise prepare for Board meetings, (iii) actively participate in, and contribute to, all Board and Committee meetings, and (iv) to make themselves reasonably available to management and the other Directors for conference calls and consultations between scheduled Board meetings.

The Company must disclose in its annual proxy statement whether each Director attended at least 75% of all Board meetings and 75% of all Committee meetings of which that Director is a member. Therefore, Directors are encouraged to attend all Board meetings and meetings of Committees of which they are a member, but at a minimum, should attend at least the required 75% of all Board meetings and all applicable Committee meetings. A Director may not attend more than one regularly scheduled meeting per year by telephone or teleconferencing without the permission of the Chairperson of the Corporate Governance / Nominating Committee

Continuing Education

The Company strongly encourages Board members to participate in Company paid continuing education which will enable the Director to stay current on Board “best practices” and recent developments affecting Board responsibilities and performance. Committee members are encouraged to participate in specialized continuing education related to their Committee.

Annual Board and Committee Self-assessments

The Board and each Committee shall conduct an annual self-assessment of its performance and effectiveness. The Corporate Governance / Nominating Committee is responsible for establishing the self-assessment criteria and overseeing the self-assessment process. Each Board member and Committee member provides his or her candid assessment of the effectiveness of the Board and its Committees, based on questionnaires and/or other materials provided by the Corporate Governance / Nominating Committee. The purpose of the self-assessment process is to provide continuous improvement in the Board’s overall performance and effectiveness and not to target individual Board members. The Corporate Governance / Nominating Committee shall be responsible for following up on recommendations that result from the self-assessment process.

Board Sanctions

Directors who fall below attendance thresholds for two years shall be subject to a review by the Corporate Governance / Nominating Committee for continued membership on the Board.

Directors may be asked to resign by a majority of the other Board of Directors: (i) for habitual non-attendance and/or nonperformance or unsatisfactory performance in general, (ii) in the event such Director commits a felony, crime of moral turpitude, or other act which the majority of the other Directors believes will adversely affect the Company's reputation, (iii) in the event the Director develops a significant conflict of interest which cannot be cured within a reasonable period of time, (iv) a material breach of any other duty or responsibility (i.e. duty of confidentiality) or (v) any other reason that the majority of the Board believes is in the best interests of the Company.

Communication of Meetings without Management.

The Board or a Committee may call a meeting without management present from time to time. To ensure that the Company's records remain accurate, the Chairperson of the Board or the Chairperson of the respective Committee is responsible for notifying the Company's Secretary of Board or Committee meetings, as applicable, that occurred without management present. At a minimum, the information should identify for each meeting: (i) the time date, and location of the meeting, (ii) who was present (directors, officers, third parties, etc...), (iii) who drafted minutes for the meeting, and (iv) what resolutions or other actions were taken. A copy of the minutes shall be forwarded to the Secretary upon completion for incorporation into the minute books.

Board Compensation

Annually, the Corporate Governance / Nominating Committee reviews the compensation to be paid to the Board and Committee members and recommends any changes in the compensation amount and/or structure. In establishing compensation for Director and Committee members, the Committee considers: (i) compensation packages of competitors and other companies of similar size and business, (ii) aligning the Board's interest with the long-term interests of shareholders by paying part of the Board's compensation in equity awards, (iii) the extent of the time commitment expected of Directors, (iv) the appropriate compensation differentiation for serving as Chairperson of the Board or the Chairperson of Committees, and (v) the ability of shareholders to understand the compensation package (i.e. simplicity and transparency).

Non-Committee Board members who attend a Committee meeting do not receive any compensation for Committee attendance unless he or she has been specifically requested to attend and participate in such Committee meeting by its Chairperson, in which case such non-committee Board member(s) shall receive the same "per meeting" fee paid to the non-Chairperson Committee members who attended the meeting.

The Chairpersons of the respective Committees are responsible for notifying the Company's financial management of Committee meetings and attendance thereof for purposes of Directors compensation.

Unless approved by the Corporate Governance and Nominating Committee or a majority of the Independent Directors, Directors who are full time employees of the Company do not receive any independent compensation for their service on the Board.

Directors who serve on the Audit Committee shall not directly or indirectly provide, or receive compensation for providing accounting, consulting, legal, investment banking or other advisory services to the Company, other than normal Board and Committee fees. Other non-employee Directors shall not directly or indirectly provide, or receive compensation for providing accounting, consulting, legal investment banking or other advisory services to the Company, other than normal Board and Committee fees without the prior written approval of the Corporate Governance / Nominating Committee.

In addition, Directors are entitled to reimbursement for all out-of-pocket expenses incurred by them in preparing for and attending Board, Committee and other meetings in the performance of duties for the Company.

Other Related Matters

Director Indemnification and Insurance

As a condition to their agreeing to serve in their respective capacities, the Company's Directors and Officer are entitled to: (i) indemnification by the Company against liability arising from their holding office and/or serving on the Company's Board and Committees thereof to the fullest extent provided by law, the Company's Articles of Incorporation, the Company's Bylaws and any indemnification agreements executed between a Director or Officer and the Company, (ii) exculpation as provided by law, the Company's Articles of Incorporation, and the Company's Bylaws, and (iii) Company paid Directors and Officers liability insurance as is appropriate in the circumstances. The Corporate Governance / Nominating Committee is responsible for overseeing the Company's indemnification of Directors and Officers and approving the Company's program for Directors and Officers insurance.

Review, Amendments and Waivers

The Board, on the recommendation of the Corporate Governance / Nominating Committee, may amend these Corporate Governance Principles, or grant waivers in exceptional circumstances, provided that no modification or waiver is a violation of any applicable law, rule or regulation, and provided that such modification or waiver is disclosed to, and approved by, the Board. Annually, the Corporate Governance / Nominating Committee will review these Corporate Governance Principles and recommend any amendments, additions or deletions thereto to the Board.