



# **ZeroFox Holdings, Inc.**

# **Corporate Governance Guidelines**

*August 3, 2022*



The Board of Directors (the “**Board**”) of ZeroFox Holdings, Inc., a Delaware corporation (the “**Company**”), has adopted the following Corporate Governance Guidelines (the “**Guidelines**”) at the recommendation of the Nominating and Corporate Governance Committee of the Board to assist the Board in the exercise of its responsibilities. These Guidelines should be interpreted in the context of all applicable laws and the Company’s Certificate of Incorporation (the “**Certificate of Incorporation**”), Bylaws (the “**Bylaws**”) and other corporate governance documents, including the Company’s Code of Business Conduct and Ethics. These Guidelines acknowledge the leadership exercised by the Board’s standing committees and their respective chairs and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. The Guidelines are subject to modification from time to time by the Board.

## **1. Board Composition**

### **1.1 Board Leadership Structure**

The Board’s general policy is that the positions of Chairman of the Board and Chief Executive Officer should be held by the same individual to promote unified leadership and direction for the Company with clear accountability and efficient information flow to aid in the Board’s oversight and decision-making responsibilities.

### **1.2 Size of the Board**

The Board currently has eight members (each, a “**Director**”). The Certificate of Incorporation provides that the number of Directors may be increased or decreased from time to time by resolution of the Board acting pursuant to a resolution adopted by a majority of the whole Board. The Nominating and Corporate Governance Committee will periodically review the size of the Board, which



may vary to meet the needs of the Company and the availability of suitable candidates.

### **1.3 Mix of Inside and Independent Directors**

In addition to having a majority of Independent Directors, the Board also believes that it is useful and appropriate to have the Company's Chief Executive Officer serve as a Director.

### **1.4 Lead Independent Director**

The Board may appoint a Lead Independent Director (the "**Lead Independent Director**"). The Chairman of the Board may also serve as the Lead Independent Director, so long as the Chairman is an Independent Director (as defined below). The Lead Independent Director's duties will include: reviewing Board meeting agendas in collaboration with the Chairman of the Board and recommending matters for the Board to consider and information to be provided to the Board; coordinating the activities of the Independent Directors and setting the agenda for and chairing sessions of the Board's Independent Directors; serving as the principal liaison for consultation and communication between the Independent Directors and stockholders, which communication shall, in general, be facilitated through management; serving as principal liaison for employee reports of potential misconduct that by their nature cannot be brought to management; facilitating communications between the Independent Directors and the other members of the Board and management of the Company; and performing such other duties as the Board may from time to time delegate. In performing the duties described above, the Lead Independent Director is expected to consult with the chairs of the appropriate Board committees and solicit their participation in order to avoid diluting the authority or responsibility of such committee chairs.



## **1.5 Board Membership Criteria**

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of individual Board members, as well as the composition of the Board as a whole. The Nominating and Corporate Governance Committee will review all nominees for Director in accordance with its charter and selection criteria and recommend to the Board those nominees whose attributes it believes would be most beneficial to the Company. This assessment will include such issues as experience, integrity, competence, refreshment objectives, sound business judgment and dedication in the context of the needs of the Board. The Nominating and Corporate Governance Committee will also consider the candidate's potential to contribute to the Board's diversity of experience, profession, expertise, skills and background (including race, ethnicity, national origin, gender and sexual orientation).

## **1.6 Election of Board Members**

In accordance with the Certificate of Incorporation, Directors shall be elected for a term of three years to succeed the directors of the class whose terms expire at such annual meeting of stockholders. Each year, at the annual meeting, the Board will nominate a slate of individuals for election as Directors by the stockholders. In accordance with the Certificate of Incorporation and the Bylaws, the Board will also be responsible for filling vacancies on the Board that may occur between annual meetings of stockholders.

## **1.7 Selection of New Director Candidates**

The Nominating and Corporate Governance Committee, with the input of the Chief Executive Officer, is responsible for



recommending to the Board nominees to fill Board vacancies or newly created Board positions, as well as recommending the slate of individuals to be nominated for election at the Company's annual meeting of stockholders. The Nominating and Corporate Governance Committee will consider stockholder recommendations sent to the Chairman of the Board or the Corporate Secretary at the Company's principal executive office. The deadline for submission of stockholder recommendations is 120 calendar days prior to the first anniversary of the date the Company's proxy statement is released to stockholders in connection with the previous year's annual meeting.

## **1.8 Board Refreshment**

Board refreshment over time assists the Board in maintaining an appropriate balance of tenure, diversity, experience, skills and new ideas needed to provide effective oversight in light of the Company's current and future strategic needs. The Company benefits when there is a mix of directors with a history of service with the Company and newer directors who bring a fresh perspective and new ideas. The Board will consider recommendations to refresh the mix of directors that serve on the Board when there are vacancies.

## **2. Director Independence and Qualifications**

### **2.1 Independence**

The Board shall be comprised of a majority of Directors who meet the definition of "**Independent Director**" set forth in the listing rules of the Nasdaq Stock Market (the "**Nasdaq Rules**") and applicable regulations promulgated by the Securities and Exchange Commission (the "**Commission**"), except during any period permitted under the Nasdaq Rules as a result of a vacancy



on the Board or a Director ceasing to be independent due to circumstances beyond the control of the Company.

The Board will review annually the relationships that each Director has with the Company. Following such annual review, only those Directors who are not officers or employees of the Company and who the Board affirmatively determines do not have a relationship that would interfere with the exercise of independent judgment in carrying out such Director's responsibilities will be considered Independent Directors, subject to additional qualifications prescribed under the Nasdaq Rules. The identity of the Independent Directors will be published in the Company's annual proxy statement or, if the Company does not file an annual proxy statement within 120 days after the end of the fiscal year covered by the Company's annual report on Form 10-K filed with the Commission, in the Company's annual report on Form 10-K.

In addition, all of the members of the Nominating and Corporate Governance Committee, Audit Committee and Compensation Committee shall be Independent Directors and shall satisfy any additional qualifications for independence required by law or the applicable committee's charter.



## **2.2 Qualifications**

The Company's Directors should be ethical individuals of proven judgment and competence with professional experience and skills that are complimentary to the needs of the Company. Directors should also have demonstrated the ability to exercise sound business judgment and independence and be willing to devote sufficient time to fulfill their responsibilities to the Company.

## **2.3 Service on Other Boards**

The Board does not believe that its members should be prohibited from serving on the boards of other companies, so long as those commitments do not create material actual or potential conflicts and do not interfere with each Director's ability to fulfill his or her duties as a member of the Company's Board; provided, however, the members of the Audit Committee shall not serve on more than two additional audit committees of other public companies. The Nominating and Corporate Governance Committee will take into account the nature and time involved in an individual's employment or other professional commitments, including service on other boards, in assessing Director nominees and candidates. Directors should advise the Chairman of the Board, the chair of the Nominating and Corporate Governance Committee and the Corporate Secretary in advance of accepting an invitation to serve on the board of another public company.

## **2.4 Term Limits**

The Board does not believe it is in the best interests of the Company to establish term limits at this time. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they may cause the Company to lose the contribution of Directors who have been able to develop, over a



period of time, increasing insight into the Company's business and therefore can provide an increasingly significant contribution to the Board.

## **2.5 Director Retirement Age**

The Company believes that it is inappropriate to have a mandatory retirement age for directors; however, the Board will take into consideration the age of any current Director or prospective member whose age would be 72 or older when elected, re-elected or appointed to the Board and before nominating or appointing such person.

## **3. Director Responsibilities**

### **3.1 Role of the Board**

The business and affairs of the Company will be managed under the direction of the Board, including through one or more of its committees as set forth in the Bylaws, committee charters or future delegations by the Board. Each Director is expected to spend the time and effort necessary to properly discharge his or her responsibilities.

### **3.2 Preparation for and Attendance of Meetings**

Each Director is expected to regularly prepare for, attend and participate in all Board meetings, including all meetings of committees on which the Director serves. Each Director is expected to ensure that other existing and planned future commitments do not materially interfere with his or her service on the Company's Board. A Director who is unable to attend a meeting is expected to notify the Chairman of the Board or the chair of the appropriate committee in advance of such meeting, and, whenever possible, participate in such meeting via teleconference.





### **3.3 Compliance with Code of Business Conduct and Ethics**

All Directors shall at all times exhibit the highest standards of integrity and ethical behavior and adhere to the Company's Code of Business Conduct and Ethics.

### **3.4 Conflicts of Interest**

The Company has adopted a Code of Business Conduct and Ethics, which contains a conflicts of interest policy that governs actual and potential conflicts of interests between the Company and its Directors, employees and contractors. Directors shall comply with each of the policies contained therein. A Director shall promptly notify the chair of the Audit Committee and the Company's General Counsel if any material, actual or potential conflict of interest arises between the Director and the Company that would interfere generally with such Director's service on the Board. If a Director is not able to resolve such a material conflict of interest, the Director, if requested by the Board, shall submit his or her resignation to the Board. If a Director has a personal interest in any matter before the Board, the Director shall promptly disclose the interest to the Board and consider whether to excuse himself or herself from discussion or abstain from voting on the matter. The Audit Committee will consider, and the Board will resolve, any conflicts of interest or code of ethics questions concerning Directors or senior management.

### **3.5 Director Resignation Policy**

A management Director shall offer to resign from the Board upon his or her resignation, removal or retirement as an officer of the Company. A Director who ceases to be independent following a determination that he or she no longer meets the Company's definition of an independent director, must offer to resign from the Board effective as of the date of such change in position or



status. In each of the aforementioned scenarios, the Nominating and Corporate Governance Committee will make a recommendation to the Board, and the Board will determine whether to accept or reject the resignation in light of the changed circumstances.

### **3.6 Director That Changes Job Responsibility**

A Director who retires from his or her present employment or who materially changes his or her other professional positions should notify the Board and Nominating and Corporate Governance Committee. The Board does not believe any Director who retires from his or her present employment, or who materially changes his or her position, should necessarily leave the Board; however, there should be an opportunity for the Board, through the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under these circumstances.

## **4. Board and Committee Meetings**

### **4.1 Regular Meetings**

The Board generally has four regularly scheduled meetings per year, on dates selected by the Chairman of the Board. Directors will be given as much advance notice of these meeting dates as is reasonably practicable.

### **4.2 Special Meetings**

Recognizing that situations arise requiring prompt Board action, Directors should also make themselves available for special meetings and promptly return documents requiring their signature. Directors shall receive prompt notification of special meetings.



### **4.3 Agenda**

The Chairman of the Board, in consultation with the Chief Executive Officer and other Board members, shall set the agenda for meetings of the Board. Similarly, the applicable chair of each Board committee, in consultation with other committee members and, in the discretion of the chair of the Board committee, the Chief Executive Officer, shall set the agenda for committee meetings. Directors and committee members may suggest agenda items and may raise other matters at meetings.

### **4.4 Executive Sessions**

The Independent Directors will meet in executive session at least twice per year, on a regularly-scheduled basis, at which sessions only Independent Directors are present. The Independent Directors will consider such matters as they may deem appropriate at such meetings. Formal deliberations or decisions concerning the business and affairs of the Company will occur only during regular or special meetings of the Board, and not at separate sessions of the Independent Directors, unless the Board specifically delegates the power to make any such decisions to the Independent Directors sitting as an *ad hoc* or standing committee of the Board.

### **4.5 Materials Distributed in Advance**

Information regarding the topics to be considered at a meeting is essential to a Director's understanding of the business and the preparation of a Director for a productive meeting. To the extent feasible, the meeting agenda and any written materials relating to each Board meeting will be distributed to the Directors sufficiently in advance of each meeting to allow for meaningful review of such agenda and materials by the Directors. Sensitive or privileged subject matters may be discussed at the meeting



without written materials being distributed in advance or at the meeting. Directors are expected to have reviewed and be prepared to discuss all materials distributed in advance of any meeting.

#### **4.6 Attendance of Non-Directors**

The Chairman of the Board or the chair of any committee may invite Company management and outside advisors or consultants from time to time into Board and/or committee meetings to (i) provide insight into items being discussed by the Board which involve the member of management, advisor or consultant and (ii) make presentations to the Board on matters which involve the member of management, advisor or consultant. Attendance of non-directors at Board meetings is at the discretion of the Board, except that only Independent Directors shall be present at executive sessions of the Independent Directors.

### **5. Board Committees**

#### **5.1 Standing Committees**

The Board has a Nominating and Corporate Governance Committee, an Audit Committee and a Compensation Committee. Each of the Nominating and Corporate Governance Committee, Audit Committee and Compensation Committee shall be composed of at least such number of Directors as may be required by, and who the Board has determined meet the definition of “Independent Director” under, the Nasdaq Rules and applicable rules and regulations of the Commission. The members of each of the Nominating and Corporate Governance Committee, Audit Committee and Compensation Committee shall be appointed by the Board.



Each committee must have a written charter satisfying the Nasdaq Rules and the rules and regulations of the Commission, as applicable. The responsibilities of each such committee and any additional qualifications for the membership thereof shall be set out in the respective committee charter. A Director may serve on more than one committee for which he or she qualifies. Each committee shall operate in accordance with applicable law, its charter and the applicable rules of the Commission and the Nasdaq Stock Market.

## **5.2 Other Committees**

The Board may also establish such other committees as it deems appropriate and delegate to those committees any authority permitted by applicable law and the Certificate of Incorporation and Bylaws.

## **6. Access to Management and Independent Advisors / Interaction with Press**

### **6.1 Access to Senior Management**

Each Director shall have complete access to the Company's management team. The Company's management team will make itself available to answer questions from the Directors and respond promptly with any appropriate follow up. Board members are encouraged to make arrangements to visit Company facilities and engage in ongoing dialogue with the Company's management team. The Corporate Secretary shall, whenever requested, assist in arranging and facilitating such visits. Directors should exercise judgment to ensure that their contact with management does not distract managers from their jobs or disturb the business operations of the Company. Such contact, if in writing, should be copied to the Chief Executive Officer of the Company.



## **6.2 Access to Independent Advisors**

The Board and any committee of the Board shall have the authority, as it deems appropriate, to retain and replace, as needed, any independent counsel, consultants and other outside experts or advisors as the Board or such committee believes to be desirable or appropriate. The Company shall provide for appropriate funding, as determined by the Board or such committee, for payment of compensation to any such persons employed by the Board or such committee and for ordinary administrative expenses of the Board or any committee that are necessary or appropriate in carrying out its duties. The Board and any committee may also utilize the services of the Company's regular legal counsel or other advisors to the Company.

## **6.3 Interaction with Investors, the Press and Customers**

Management speaks for the Company. Each Director should refer all inquiries from investors, the press or customers to management. Individual Directors may, from time to time at the request of management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board.

The Company provides an opportunity for stockholders and all other interested parties to communicate with members of the Board. Communications with the Independent Directors or the chairs of any of the committees of the Board may occur by regular mail or email. Communications sent by regular mail should be sent to the attention of the Independent Directors, the chair of the Audit Committee, the chair of the Compensation Committee, or the chair of the Nominating and Corporate Governance Committee, as the case may be, in each instance in care of the Secretary at the Company's principal executive office.



Communications by e-mail should be sent to the email address listed in the Company's proxy statement or website. The Secretary shall review each communication received in accordance with this process to determine whether the communication requires immediate action. The Secretary shall forward all appropriate communications received, or a summary of such communications, to the appropriate member(s) of the Board. However, the Company reserves the right to disregard any communication that is determined to be unduly hostile, threatening or illegal, or does not reasonably relate to the Company or its business, or is similarly inappropriate. The Secretary has the authority to disregard any inappropriate communications or to take other appropriate actions with respect to any such inappropriate communications.

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

### **7.1 Director Orientation**

The Nominating and Corporate Governance Committee, in conjunction with the Chief Executive Officer, the Chairman of the Board and the Company's senior management team, is responsible for conducting appropriate orientation programs for new Directors. The orientation programs shall include presentations designed to familiarize new Directors with the Company and its strategic plans, its significant financial, accounting and risk management issues, its Code of Business Conduct and Ethics, its compliance programs and other controls, its senior management team and its internal and independent auditors. The orientation programs shall also address procedures of the Board, Director responsibilities, committee charters and these Guidelines.



## **7.2 Continuing Education**

The Nominating and Corporate Governance Committee, in conjunction with the Chief Executive Officer, the Chairman of the Board and the Company's senior management team, is responsible for conducting, or making available, Director continuing education programs designed to assist Directors in developing and maintaining the skills necessary or appropriate for the performance of their responsibilities. These continuing education programs may include a mix of in-house and third-party presentations, guest speakers, etc. The Company will bear all expenses associated with making appropriate continuing education opportunities available to Board members. In addition, the Company will reimburse each Director for the costs and expenses incurred to attend an outside director education program once every two years; provided that, to the extent possible, such costs and expenses should be equitably shared among any other public company boards that such Director serves on.

## **8. CEO Evaluation and Succession Planning**

### **8.1 Annual Evaluation of CEO**

The Compensation Committee shall establish the performance criteria (including both short-term and long-term goals) to be considered in connection with the Chief Executive Officer's annual performance evaluation. Upon request, the Chief Executive Officer shall make a presentation or furnish a written report to the Compensation Committee indicating his or her progress against such established performance criteria. Thereafter, the Compensation Committee shall meet to review the Chief Executive Officer's performance. The Chief Executive Officer may not be present during deliberations or voting concerning the Chief Executive Officer's compensation. The results of the review





and evaluation shall be communicated to the Chief Executive Officer by the chair of the Compensation Committee.

## **8.2 CEO Succession Planning**

The Board will work on a periodic basis with the Chief Executive Officer to review, maintain and revise, if necessary, the Company's succession plan upon the Chief Executive Officer's retirement and in the event of an unexpected occurrence. There should also be available to the Board, the Chief Executive Officer's recommendations regarding his or her successor should he or she become unexpectedly disabled or otherwise unable to continue to serve.

## **8.3 Management Succession Planning**

The Chief Executive Officer, in conjunction with the Company's senior management team, is responsible for taking all steps necessary to ensure that the Company has a comprehensive succession planning process for management. The Chief Executive Officer will make available to the Board his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for management.

## **8.4 Management Development**

In addition to reviewing the Company's succession planning process for management on an annual basis, Directors are expected to make themselves available to assist in the ongoing professional development of the Company's senior management team. These management development initiatives will be coordinated and facilitated by the Chairman of the Board.



## **9. Director Compensation**

### **9.1 Director Compensation and Benefits**

The Compensation Committee will periodically review Director compensation and benefits, and make recommendations to the Board for its consideration. The Compensation Committee will base its recommendations regarding Director compensation and benefits on a review of comparable companies, alignment with the interests of stockholders and may seek the advice of independent compensation and benefits consultants and other advisors. Directors who are employees of the Company or its subsidiaries will not receive compensation for their services as Directors.

### **9.2 Indemnification of Directors and Officers**

Directors and officers of the Company shall be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, and to receive the benefits of indemnification to the fullest extent permitted by law, the Certificate of Incorporation, the Bylaws and any indemnification agreements entered into between the Company and any such Director or officer.

## **10. Communicating Concerns to the Board**

Anyone having a concern about the Company's conduct, or about the Company's accounting, internal accounting controls or auditing matters, may communicate that concern directly to the Audit Committee. Such communications may be confidential or anonymous, and may be reported via a special website for receiving such complaints or by calling a toll-free telephone number provided by the Company.



## 11. Annual Performance Evaluation of the Board

### 11.1 Annual Self-Evaluation of the Board

Each year, the Board will conduct a self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee shall be responsible for overseeing the evaluation process and presenting an evaluation report to the Board. The Board will discuss the evaluation report to determine what, if any, action could improve Board and/or committee performance.

### 11.2 Annual Evaluation of Corporate Governance Guidelines

The Board recognizes that these Corporate Governance Guidelines must continue to evolve to meet the changing needs of the Company and its stockholders. The Board, with the assistance of the Nominating and Corporate Governance Committee, will review these Corporate Governance Guidelines on an annual basis to determine whether any changes are necessary or desirable.

## 12. Clawback Policy

In the event of a material restatement of the Company's financial results (other than a restatement caused by a change in applicable accounting rules or interpretations), the Compensation Committee shall review the performance-based compensation of the Company's Named Executive Officers for the three years prior to such material restatement. If the Compensation Committee determines that the amount of any performance-based compensation actually paid or awarded to a Named Executive Officer (the "**Awarded Compensation**") would have been lower if it had been calculated based on such restated financial statements (the "**Actual Compensation**") and that such executive officer engaged in actual fraud or willful unlawful



misconduct that materially contributed to the need for the restatement, then the Compensation Committee may direct the Company to recoup the after-tax portion of the difference between the Awarded Compensation and the Actual Compensation.

In determining the after-tax portion of any compensation to be returned, the Compensation Committee shall take into account (a) any taxes paid by the executive on receipt of the compensation that is repaid and (b) its good-faith estimate of the value of any tax deduction available to the executive officer in respect of such repayment.

The Compensation Committee shall interpret and administer this policy in what it reasonably believes to be the best interests of the Company, based on the facts and circumstances deemed relevant by the Compensation Committee. The Compensation Committee shall not seek recovery to the extent it determines (i) that to do so would be unreasonable or (ii) that it would be in the best interests of the Company not to do so. In making such determination, the Compensation Committee shall take into account such considerations as it deems appropriate, including, without limitation, (i) the likelihood of success under governing law versus the cost and effort involved, (ii) whether the assertion of a claim may prejudice the interests of the Company, including in any related proceeding or investigation, (iii) the passage of time since the occurrence of the act in respect of the applicable fraud or willful unlawful misconduct and (iv) any pending legal proceeding relating to the applicable fraud or willful unlawful misconduct.

Before the Compensation Committee determines to seek recovery pursuant to this policy, it shall provide to the applicable executive officer written notice and the opportunity to be heard at a meeting of the Compensation Committee (which may be



in-person or telephonic, as determined by the Compensation Committee). The Named Executive Officer shall have the right to appeal any adverse determination by the Compensation Committee to the Board (excluding any non-Independent Directors), whose determination shall be final and conclusive.

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Approved: August 3, 2022

