

# KLDISCOVERY INC.

## CORPORATE GOVERNANCE GUIDELINES

### I. Introduction

The Board of Directors (the “**Board**”) of KLDDiscovery Inc. (the “**Company**”) has developed and adopted a set of corporate governance principles (the “**Guidelines**”) to promote the functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should perform its functions. These Guidelines should be interpreted in the context of all applicable laws and the Company’s certificate of incorporation and bylaws, each as amended, and other corporate governance documents. These Guidelines acknowledge the leadership exercised by the Board’s standing committees and their 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 as the Board may deem appropriate and in the best interests of the Company and its stockholders or as required by applicable laws and regulations.

### II. Board Composition

The composition of the Board should balance the following goals:

- the size of the Board should facilitate substantive discussions of the whole Board in which each director can participate meaningfully;
- the composition of the Board should encompass a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the Company’s business; and
- a majority of the Board shall consist of directors who the Board has determined have no material relationship with the Company and who are otherwise “independent” under the listing requirements of the New York Stock Exchange (the “**NYSE**”).

### III. Selection of Chairman of the Board, Chief Executive Officer and Lead Director

The Board is free to select its Chairman and the Company’s Chief Executive Officer (the “**CEO**”) in the manner it considers in the best interests of the Company at any given point in time. If deemed appropriate, the independent directors of the Board may designate a lead independent director (the “**Lead Director**”) to perform the duties designated by the Board.

### IV. Selection of Directors

*Nominations.* The Board is responsible for selecting the nominees for election to the Company’s Board. The Company’s Nominating and Corporate Governance Committee is responsible for recommending to the Board a slate of directors or one or more nominees to fill vacancies occurring between annual meetings of shareholders.

*Criteria.* The Board should, based on the recommendations of the Nominating and Corporate Governance Committee, select new nominees for the position of independent director considering the following criteria in its goal of identifying members with diverse backgrounds, skills and experience, who have appropriate financial and other expertise relevant to the Company's business:

- Whether the candidate is independent pursuant to the requirements of the New York Stock Exchange.
- Whether the candidate is accomplished in his or her field and has a reputation, both personal and professional, that is consistent with the image and reputation of the Company.
- Whether the candidate has the ability to read and understand basic financial statements. The Nominating and Corporate Governance Committee will also determine whether a candidate satisfies the criteria for being an "audit committee financial expert," as defined by the Securities and Exchange Commission (the "*SEC*").
- Whether the candidate has relevant education, experience and expertise and would be able to provide insights and practical wisdom based upon that education, experience and expertise.
- Whether the candidate has knowledge of the Company and issues affecting the Company.
- Whether the candidate is committed to enhancing shareholder value.
- Whether the candidate fully understands, or has the capacity to fully understand, the legal responsibilities of a director and the governance processes of a public company.
- Whether the candidate is of high moral and ethical character and would be willing to apply sound, objective and independent business judgment, and to assume broad fiduciary responsibility.
- Whether the candidate has, and would be willing to commit, the required hours necessary to discharge the duties of Board membership.
- Whether the candidate has any prohibitive interlocking relationships or conflicts of interest.
- Whether the candidate is able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- Whether the candidate is able to suggest business opportunities to the Company.

*Invitation.* The invitation to join the Board should be extended by the Board itself via the Chairman of the Board, together with an independent director, when deemed appropriate.

*Orientation and Continuing Education.* Management, working with the Board, should provide an orientation process for new directors, including background material on the Company, its business plan and its risk profile and meetings with senior management. The Company encourages its directors to participate in continuing education programs to assist them in performing their Board responsibilities.

*Service on Other Boards:* The Board does not believe that its members should be prohibited from serving on boards of other organizations and has not adopted any guidelines limiting such activities. However, the Nominating and Corporate Governance Committee may take into account the nature of and time involved in a director's service on other boards and/or committees in evaluating the suitability of individual director candidates and current directors. Prior to accepting any position on the board of directors of any organization, whether for-profit or not-for-profit, current directors should notify the Chairman of the Nominating and Corporate Governance Committee. The Chairman of the Nominating and Corporate Governance Committee shall review the proposed board membership to ensure compliance with applicable laws and policies.

Service on other boards and/or committees should be consistent with the Company's conflict of interest policies.

## **V. Election Term**

As each director is periodically subject to election by stockholders, the Board does not believe it is in the best interests of the Company to establish term limits at this time. Additionally, such term limits 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.

## **VI. Directors Who Materially Change Their Current Positions With Their Own Company or Become Aware of Circumstances that May Adversely Reflect upon the Director or the Company**

When a director, including any director who is currently an officer or employee of the Company, materially changes his or her position with his or her employer or becomes aware of circumstances that may adversely reflect upon the director or the Company, such director should offer to resign from the Board. In the case of any director designated by and affiliated with The Carlyle Group, L.P., then The Carlyle Group, L.P. will recommend to the Board whether such resignation should be accepted. In the case of any other director, the Nominating and Corporate Governance Committee will recommend to the Board whether such resignation should be accepted.

## **VII. Retirement of Directors**

The Board does not believe it should establish a mandatory retirement age.

## **VIII. Board Meetings**

The Board currently plans to hold at least four meetings each year, with further meetings to occur (or action to be taken by unanimous consent) at the discretion of the Board. The meetings may consist of committee meetings, where appropriate, and the Board meeting. In addition, special meetings may be called from time to time as determined by the needs of the business. It is the responsibility of the directors to attend meetings.

The agenda of each Board meeting will be prepared by, or at the direction of, the Chairman of the Board. Any director may request that an item be included on the agenda or raise at any Board meeting subjects that were not on the agenda for that meeting. Management will seek to provide all directors with appropriate Board materials in advance of meetings, although the Board recognizes that this will not always be consistent with the timing of transactions and the operations of the business and that in certain cases it may not be possible.

Materials presented to the Board or its committees should be as concise as possible, while still providing the desired information needed for the directors to make an informed judgment.

## **IX. Executive Sessions of Non-Management and Independent Directors**

To ensure free and open discussion and communication among the non-management directors of the Board, the non-management directors will meet in executive sessions periodically, with no members of management present. The Lead Director will preside at the executive sessions if one has been appointed. Non-management directors who are not independent under applicable NYSE listing requirements may participate in these executive sessions, but the independent directors should meet separately in executive session at least once per year. The non-management directors will maintain such records of executive sessions as they deem appropriate, including records to enable the CEO to satisfy applicable certification requirements under applicable law and listing requirements.

## **X. Committees of the Board**

The Company shall have at least the committees required by applicable NYSE listing requirements. Currently, these are the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Each of these three committees should have a written charter satisfying applicable NYSE listing requirements. The Audit Committee must also satisfy the requirements of the SEC's Rule 10A-3.

All directors, whether members of a committee or not, are invited to make suggestions to a committee chair for additions to the agenda of his or her committee or to request that an item from a committee agenda be considered by the Board. Each committee chair will give a periodic report of his or her committee's activities to the Board.

Each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall be composed of directors who are not officers or employees of the Company, who the Board has determined have no material relationship with the Company and who are otherwise "independent" under applicable NYSE listing requirements, and, in the case of the Audit Committee, who satisfy the additional eligibility requirements of

SEC Rule 10A-3, subject in each case to any phase-in exceptions and any exceptions set forth in the applicable NYSE listing requirements. The Audit Committee and the Compensation Committee shall have at least three members subject to any applicable phase-in exceptions. The required qualifications for the members of each committee shall be set out in the respective committees' charters. A director may serve on more than one committee for which he or she qualifies.

## **XI. Management Succession**

The Board shall, when it deems appropriate, review and concur in a succession plan, developed by management, addressing the policies and principles for selecting a successor to the CEO, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors to the CEO.

## **XII. Board Compensation**

The Board should pay directors fairly for work required in a business of the Company's size and scope, and that compensation should align directors' interests with the long-term interests of shareholders. The Compensation Committee will conduct a review periodically of the components and amount of Board compensation in relation to other similarly situated companies and will make recommendations to the Board regarding the cash and equity compensation of directors. Board compensation should be consistent with market practices but should not be set at a level that would call into question the Board's objectivity. The Company's executive officers do not receive additional compensation for their service as directors.

Except as otherwise permitted by the applicable NYSE rules, members of the Audit Committee and the Compensation Committee may not directly or indirectly receive any compensation from the Company other than their directors' compensation, including any compensation for service on committees of the Board and the receipt of equity incentive awards.

The Company provides reasonable directors' and officers' liability insurance for directors and shall indemnify the directors to the fullest extent permitted by law and the Company's certificate of incorporation and bylaws.

## **XIII. Expectations for Directors**

The business and affairs of the Company shall be managed by or under the direction of the Board, including through one or more of its committees, in accordance with Delaware law. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Company so as to further the long-term interests of the Company's stockholders. The Board has developed a number of specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

*1. Commitment and Attendance.* All independent and management directors should make every effort to attend meetings of the Board and meetings of committees of which they are members. Members may attend by telephone to mitigate conflicts. A director who is unable to

attend a meeting of the Board or a committee of the Board is expected to notify the chairman of the Board or the chairman of the appropriate committee in advance of such meeting.

2. *Participation in Meetings.* Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

3. *Contact with Management.* All directors are invited to contact the CEO at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of management. The Board expects that there will be frequent opportunities for directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings. 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.

4. *Contact with Independent Advisors.* The Board committees may hire independent advisors as set forth in their applicable charters. The Board as a whole shall have access to any independent advisor retained by the Company, and the Board may hire any independent advisor it considers necessary to discharge its responsibilities.

5. *Confidentiality.* The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

#### **XIV. Evaluating Board Performance**

The Board, acting through the Nominating and Corporate Governance Committee, should conduct a self-evaluation at least annually to determine whether it is functioning effectively. The Nominating and Corporate Governance Committee should periodically consider the mix of skills and experience that directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively.

Each committee of the Board should conduct a self-evaluation at least annually and report the results to the Board, acting through the Nominating and Corporate Governance Committee. Each committee's evaluation must compare the performance of the committee with the requirements of its written charter, if any.

#### **XV. Reliance on Management and Outside Advice**

In performing its functions, the Board is entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. The Board shall have the authority to retain and approve the fees and retention terms of its outside advisors.