

## ZAGG Inc Corporate Governance Guidelines

### 1. Introduction

These Corporate Governance guidelines established by the Board of Directors of ZAGG Inc provide a structure within which our directors and management can effectively pursue ZAGG's objectives for the benefit of its stockholders. The Board intends that these guidelines serve as a flexible framework within which the Board may conduct its business, not as a set of binding legal obligations. These guidelines should be interpreted in the context of all applicable laws, ZAGG's articles of incorporation, bylaws and the charters of the committees of the Board and other governing legal documents and company policies.

### 2. Board Structure and Composition

(a) Size of the Board. The authorized number of directors will be determined from time to time by resolution of the Board, provided the Board consists of at least three members.

(b) Board Membership Criteria. The Nominating and Governance Committee will evaluate candidates for membership on the Board, including candidates nominated or recommended by stockholders, in light of criteria established by the Board, and recommend to the Board the slate of nominees for election at the Annual Meeting of Stockholders or nominees for election to fill interim vacancies on the Board. Generally, the Board believes that its members should have broad perspective, experience, knowledge and independence of judgment; the members should represent diverse business backgrounds, each of whom can bring a difference set of experiences and perspectives to the Board. A high degree of interest and involvement are prime requisites for membership.

(c) Director Independence. A majority of directors on the Board will be independent as required by the Nasdaq Stock Market ("Nasdaq"). The Board also believes that it is often in the best interest of ZAGG and its stockholders to have non-independent directors, including current members of management, serve as directors. Each independent Director who experiences a change in circumstances that could affect such Director's independence should deliver a notice of such change to ZAGG's Chief Financial Officer.

(d) Director Tenure. Directors are reelected each year and the Board does not believe it should establish term limits because directors who have developed increasing insight into ZAGG and its operations over time provide an increasing contribution to the Board as a whole. The Nominating and Governance Committee monitors performance and takes steps as necessary regarding continuing director tenure.

(e) Directors Who Change Their Present Job Responsibility. Any Director who experiences a material change in his/her job responsibilities or the position he/she held when he/she came on the Board should deliver a notice of such change in status to the Chairperson of the Board and/or the Lead Independent Director. The Nominating and Governance Committee will then evaluate whether the individual continues to satisfy the Board's membership criteria in light of his/her new occupational status and shall recommend to the Board the action, if any, to be taken with respect to such individual.

### 3. Principal Duties of the Board of Directors

(a) To Oversee Management and Evaluate Strategy. The fundamental responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of ZAGG and its stockholders. It is the duty of the Board to oversee management's performance to ensure that ZAGG operates in an effective, efficient and ethical manner in order to produce value for ZAGG's stockholders. The Board also evaluates ZAGG's overall strategy and monitors ZAGG's performance against its operating plan and against the performance of its peers. Additionally, the Board has responsibility for risk oversight, with reviews of certain areas being conducted by the relevant Board committees.

Directors are expected to invest the time and effort necessary to understand ZAGG's business and financial strategies and challenges. The basic duties of the directors include attending Board meetings and actively participating in Board discussions. Directors are also expected to make themselves available outside of board meetings for advice and consultation.

(b) To Select the Chairperson and Chief Executive Officer. The Board regularly evaluates whether the roles of chairperson and CEO should be separate. The Board believes these issues should be considered as part of the Board's broader oversight and succession planning process.

(c) To Evaluate Management Performance and Compensation. At least annually, the Compensation Committee will evaluate the performance of the CEO and the other officers. It will review and approve the compensation plans, policies and arrangements for executive officers and other officers. It will also evaluate the compensation plans, policies and programs for officers and employees to ensure they are appropriate, competitive and properly reflect ZAGG's objectives and performance.

(d) To Review Management Succession Planning. The Compensation Committee will review at least annually and recommend to the Board plans for the development, retention and replacement of executive officers of ZAGG.

(e) To Manage Potential Conflicts of Interest. All members of the Board must inform the Audit Committee of the Board of all types of transactions between them (directly or indirectly) and ZAGG as soon as reasonably practicable even if these transactions are in the ordinary course of business. The Audit Committee will review and approve all related party transactions for which audit committee approval is required by applicable law or Nasdaq rules.

(f) To Ensure the Integrity of Financial Information. The Audit Committee evaluates the integrity of ZAGG's accounting and financial reporting systems, including the audit of ZAGG's annual financial statements by the independent auditors, and that appropriate disclosure controls and procedures and systems of internal control are in place. The Audit Committee reports to the Board on a regular basis and the Board, upon the recommendation of the Audit Committee, takes the actions that are necessary to ensure the integrity of ZAGG's accounting and financial reporting systems and that such controls are in place.

(g) To Monitor the Effectiveness of Board Governance Practices. The Nominating and Governance Committee will annually review and evaluate the effectiveness of the governance practices under which the Board operates and make recommendations to the Board regarding changes to these practices as needed.

#### **4. Board Procedures**

Directors are expected to prepare for, attend, and contribute meaningfully in all Board and applicable committee meetings. Consistent with their fiduciary duties, directors are expected to maintain the confidentiality of the deliberations of the Board and its committees.

(a) Frequency of Board Meetings. Regular meetings of the Board shall be held at such times and places as determined by the Board. There will be at least four regularly scheduled meetings of the Board each year but the Board will meet more often if necessary.

(b) Attendance at Board Meetings. To facilitate participation at the Board meetings, directors may attend in person, via telephone conference or via video-conference. Materials are distributed in advance of meetings.

(c) Other Commitments. Each member of the Board is expected to ensure that other existing and future commitments, including employment responsibilities and service on the boards of other entities, do not materially interfere with the member's service as a director. The members of the Board cannot have more than five (5) public company board memberships, including membership on the ZAGG Board.

(d) Board Membership Limits of the Chief Executive Officer. The chief executive officer cannot have more than three (3) public company board memberships, including membership on the ZAGG Board.

(e) Executive Sessions of Independent Directors. The independent Board members shall meet in executive session at each regularly scheduled Board meeting, and at other times as necessary. The executive session will be lead by the Chairperson of the Board if one has been elected. If a Chairperson has not been elected, the Board will appoint a Lead Director to conduct the executive sessions and for such other purposes as the Board finds appropriate. Committees of the Board may also meet in executive session as deemed appropriate.

(f) Board Access to Management. Members of the Board will have access to ZAGG's management and employees as needed to fulfill their duties. Directors are encouraged to talk directly with officers and employees of ZAGG. Furthermore, the Board encourages management to, from time to time, bring managers into meetings of the Board who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with future potential that senior management believes should be given exposure to the Board.

(g) Annual Meeting of Stockholders. Each director is encouraged to attend the Annual Meeting of Stockholders.

(h) Code of Ethics. ZAGG has adopted a Code of Business Conduct and Ethics to provide guidelines for the ethical conduct by directors, officers and employees. The Code of Business Conduct and Ethics is posted on ZAGG's website. Directors must abide by the relevant provisions of the Code of Business Conduct and Ethics.

(i) Engaging Experts. The Board and each committee of the Board will have the authority to obtain advice, reports or opinions from internal and external counsel and expert advisers and will have the power to hire, at the expense of ZAGG, legal, financial and other advisers as they may deem necessary or appropriate, without consulting with, or obtaining approval from, management of ZAGG in advance.

(j) Minimum Stock Ownership Requirement. In an effort to more closely align the interests of our directors and senior management with those of our stockholders, each director and named executive officer will be required to own shares of ZAGG common stock equal to the following minimum requirements: (i) each director shall own shares valued at two times the cash component of his or her annual board retainer; (ii) our chief executive officer shall own shares valued at five times his or her annual base salary; and (iii) each other named executive officer shall own shares valued at two times his/her annual base salary. For purposes hereof, equity ownership includes shares over which the named executive officer or director has direct or indirect ownership or control, including restricted stock, but does not include unvested restricted stock units or stock options. Each director and named executive officer has a period of five (5) years from the date they become subject to these stock ownership guidelines to be in compliance with the same. Until such director or named executive officer achieves the minimum stock ownership requirements prescribed by these guidelines, he or she must retain at least seventy-five percent (75%) of the net shares he or she receives under any equity compensation award from the Company. Subject to the right of the Board to grant certain hardship exceptions as described below, once a named executive officer or director has achieved the requisite stock ownership level, he or she must maintain the required ownership amount until such time as he/she is no longer subject to these guidelines. In the event a director or named executive officer violates these guidelines, the Board shall impose a penalty, which may include, (i) that he or she shall be ineligible to receive equity compensation awards from the Company for a period of months or years from the date the Board becomes aware of such violation, (ii) that future incentive cash compensation shall be paid in shares rather than cash, or (iii) another form of penalty or remedy appropriate to the circumstances. The Compensation Committee will review these guidelines periodically, monitor compliance and make recommendations to the Board, as appropriate. The Compensation Committee will also evaluate and make recommendations to the Board regarding whether exceptions should be made for any named executive officer or director who, due to his or her unique financial circumstances, would incur a hardship by complying with these guidelines. In addition to the foregoing requirements, our directors and named executive officers are required to adhere to the restrictions on short-term or speculative transactions and pledging of ZAGG securities set forth in ZAGG's Code of Business Conduct and Ethics with respect any shares of ZAGG common stock subject to these guidelines.

## **5. Board Committees**

(a) Number and Composition of Committees. The Board currently has the following standing committees: an Audit Committee, a Compensation Committee and a

Nominating and Governance Committee. From time to time the Board may form a new committee or disband a current committee depending on the circumstances. Each committee complies with the independence and other requirements established by applicable law and regulations, including United States Securities and Exchange Commission (“SEC”) and NASDAQ rules.

(b) Committee Appointments. Members of all standing committees are appointed by the Board. The Board determines the exact number of members and can at any time remove or replace a Committee member.

(c) Committee Proceedings. The chair of each committee of the Board will, in consultation with appropriate committee members and members of management, and in accordance with the committee’s charter, determine the frequency and length of committee meetings and develop the committee’s agenda.

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

ZAGG provides an orientation program for new directors that includes written materials, oral presentations, and meetings with senior members of management. The orientation program is designed to familiarize new directors with ZAGG’s business and strategy. The Board believes that ongoing education is important for maintaining a current and effective Board. Accordingly, the Board encourages directors to participate in ongoing education, as well as participation in accredited director education programs. The Board will reimburse directors for expenses incurred in connection with these education programs.

## **7. Board Performance**

The Board develops and maintains a process whereby the Board, its committees and its members are subject to annual evaluation and self-assessment. The Nominating and Governance Committee oversees this process.

## **8. Board Compensation**

The Compensation Committee of the Board has the responsibility to review and recommend to the Board compensation programs for non-employee directors.

## **9. Auditor Rotation**

The Audit Committee will ensure that the lead audit partner and the audit review partner be rotated every five (5) years as is required by the rules of the SEC.

## **10. Communications with Stockholders**

Stockholders may contact the Board about bona fide issues or questions about ZAGG by sending an email to:

ZAGG Inc  
Attn: Chief Financial Officer  
Email: [directors@ZAGG.com](mailto:directors@ZAGG.com)

Each communication should specify the applicable addressee or addressees to be contacted as well as the general topic of the communication. ZAGG will initially receive and process communications before forwarding them to the addressee. ZAGG generally will not forward to the directors a communication that it determines to be primarily commercial in nature or related to an improper or irrelevant topic, or that requests general information about the company.

## **11. Periodic Review of the Corporate Governance Guidelines**

These guidelines shall be reviewed periodically by the Nominating and Governance Committee. The Board will make changes when appropriate based on recommendations from the Nominating and Governance Committee.

(Revised November 24, 2014)