

# IRIDEX BOARD GOVERNANCE GUIDELINES

(Adopted on March 10, 2020)

## THE DUTIES AND COMPOSITION OF OUR BOARD OF DIRECTORS

The Board of Directors (the “Board”) of Iridex Corporation (the “Company”) has adopted the following Board Governance Guidelines (the “Guidelines”) to assist the Board in the exercise of its responsibilities and to serve the interests of the Company and its stockholders in a manner that is consistent with the Board’s fiduciary duties.

### **1. Responsibilities**

The Board, which is elected by the stockholders of the Company, is the ultimate decision-making body of the Company, except with respect to those matters reserved to the stockholders or those matters specifically reserved to Committees in their respective charters.

The Board’s detailed responsibilities include:

- A. Selecting and evaluating the performance of the Chief Executive Officer (“CEO”) and other members of the senior management team, which are charged with the conduct of the Company’s business;
- B. Reviewing and, where appropriate, approving the Company’s major financial objectives, strategic and operating plans, and actions;
- C. Overseeing the conduct of the Company’s business and assessing the Company’s business risks and enterprise risk management to evaluate whether the business is being properly managed, and reviewing at least annually the Company’s risk management policies; and
- D. Overseeing the processes for maintaining the integrity of the Company with respect to its financial statements and other public disclosures, and compliance with laws and ethics; and
- E. Monitoring the Company’s corporate responsibility and sustainability programs, including oversight over environmental, social and governance (“ESG”) matters. The Company is strongly committed to operating responsibly, and the Board will periodically review responsibility and sustainability matters as well as evaluate the progress of the Company’s ESG strategy, programs and policies.

Having selected the senior management team, the Board acts as an advisor and counselor to senior management and ultimately monitors its performance.

### **2. Succession Planning**

The Board also plans for succession to the position of CEO as well as certain other senior management positions. To assist the Board, the CEO annually or as requested from time to time by the Board provides the Board with an assessment of senior managers and their potential to succeed him or her. The CEO also provides the Board with an assessment of persons considered potential successors to certain senior management positions. The Board will also develop plans for interim succession of such senior managers in the event the need for a successor arises unexpectedly. The Board may delegate all or any portion of the activities described in this paragraph to the Nominating & Governance Committee, but final approval of any such activities is reserved for the Board.

### **3 Board Leadership**

The directors of the Board (the “Directors”) who are independent will annually elect a Chairperson of the Board (“Chairperson”), who may or may not be the CEO of the Company. If the individual elected as Chairperson is the CEO or is otherwise not independent, the independent Directors shall also elect a Lead Independent Director. The Chairperson or Lead Independent Director, if any, shall perform such duties and exercise such powers as from time to time shall be prescribed in the Company’s Bylaws or by the Board; provided that the Chairperson or Lead Independent Director, if any, shall preside over executive sessions of the Company’s independent Directors. In addition, the Chairperson or Lead Independent Director, if any, shall facilitate information flow and communication among the Directors and perform such other duties as may be specified by the Board. The Chairperson or Lead Independent Director, if any, will meet on a regular basis with the CEO to review and discuss the Company’s business and issues that may be appropriate for the Board to oversee.

### **4 Director Independence**

It is the policy of the Company that the Board consists of a majority of independent Directors meeting the independence requirements of The Nasdaq Stock Market listing standards.

In making these determinations, the Board will broadly consider all relevant facts and circumstances, including information provided by the Directors and the Company with regard to each Director’s business and personal activities as they may relate to the Company and the Company’s management. The Board shall make an annual determination of which members of the Board are independent in accordance with such standards and report its conclusions in the proxy statement for the Company’s annual meeting of stockholders.

### **5 Board Size**

The number of Directors that constitutes the Board will be fixed from time to time by a resolution adopted by the Board in conformity with the Company’s Certificate of Incorporation and Bylaws. The Nominating & Governance Committee considers and makes recommendations to the Board concerning the appropriate size and needs of the Board. The Nominating & Governance Committee considers candidates to fill new positions created by expansion and vacancies that occur by resignation, by retirement or for any other reason.

### **6 Selection Criteria**

Candidates are selected for, among other things, their integrity, independence, and diversity of experience, leadership and their ability to exercise sound judgment. Scientific expertise, financial literacy, prior government service and experience at policy-making levels involving issues affecting business, government, education, technology, as well as areas relevant to the Company’s global business operations and strategy, are among the most significant criteria. Final approval of a candidate is determined by the full Board. Our objective in selecting qualified candidates is intended for the Company to have a Board that brings an appropriate variety of perspectives and skills derived from relevant business and professional experience.

The Nominating & Governance Committee and the Board evaluate each Director in the context of the membership of the Board as a group, with the objective of having a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of background and experience in the various areas. Each Director should be an individual of high character and integrity. In determining whether to recommend a Director for re-election, the Nominating & Governance Committee also considers the Director’s past attendance at meetings, participation in and contributions to the activities of the Board and the Company and other qualifications and characteristics set forth in the charter of the Nominating & Governance Committee. Each Director must ensure that other existing and anticipated future commitments do not materially interfere with the Director’s service as a Director.

The priorities and emphasis of the Nominating & Governance Committee and of the Board with regard to these factors change from time to time to take into account changes in the Company's business and other trends, as well as the portfolio of skills and experience of current and prospective Board members. The Nominating & Governance Committee and the Board shall review and assess the continued relevance of and emphasis on these factors and in connection with candidate searches to determine if they are effective in helping to satisfy the Board's goal of creating and sustaining a Board that can appropriately support and oversee the Company's activities.

## **7. *Selection of New Directors***

Each Director will stand for election for a one-year term. Each year, at the Company's Annual Meeting of Stockholders, the Board will nominate a slate of Directors for election by the stockholders. In accordance with the Bylaws, the Board will also be responsible for filling vacancies or newly-created directorships on the Board that may occur between Annual Meetings of Stockholders. The Nominating & Governance Committee is responsible for identifying and screening candidates for Board membership and recommending candidates to the entire Board for Board membership. After the Nominating & Governance Committee makes its recommendations, the Board will have final authority on determining the selection of those Director candidates for nomination to the Board.

## **8. *Director Service on Other Public Boards***

Ordinarily, Directors should not serve on more than four other boards of public companies in addition to the Company's Board, and CEO Directors not more than two. The Company's CEO should not serve on more than one other board of a public company in addition to the Company's Board. Current positions in excess of these limits may be maintained unless the Board determines that doing so would impair the Director's service on the Company's Board.

## **9. *Director Compensation***

The Compensation Committee annually reviews the compensation of Directors.

## **10. *Board and Committee Self-Assessments***

The Board, and each Committee, shall conduct an annual self-assessment of their performance.

## **11. *Term Limits***

Term limits may result in the loss of long-serving Directors who over time have developed unique and valuable insights into the Company's business and therefore can provide a significant contribution to the Board. The Board does not endorse arbitrary term limits on Directors' service, nor does it believe in automatic annual re-nomination. The Board self-assessment process is an important determinant for continuing service.

## **12. *Conflicts of Interest***

Directors are expected to avoid any action, position or interest that conflicts with the interests of the Company or gives the appearance of a conflict. If an actual or potential conflict of interest develops, the Director will report all facts regarding the matter to the chairperson of the Nominating & Governance Committee or if such Director is the chairperson of the Nominating & Governance Committee, then to the other members of the Nominating & Governance Committee (or, if the conflict of interest constitutes a "related person transaction," to the chairperson of the Audit Committee, or if such Director is the chairperson of the Audit Committee, then to the other members of the Audit Committee). Any material conflict must be resolved or the Director should resign. If a Director has a personal interest in a matter before the Board, the Director must disclose the interest to the Board and excuse himself or herself from discussion of the matter and abstain from voting on the matter.

### ***13. Committees***

It is the general policy of the Company that the Board as a whole considers all major decisions. As a consequence, the Committee structure of the Board is limited to those Committees considered to be basic to, or required or appropriate for, the operation of the Company. Currently these Committees are the Audit Committee, Compensation Committee, and Nominating & Governance Committee. The Nominating & Governance Committee recommends the members and chairpersons of these Committees to the Board.

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

The Directors and the Company are committed to ensuring that all Directors receive orientation and continuing education.

### ***15. Communication with Stakeholders***

The CEO is responsible for establishing effective communications with the Company's stakeholder groups (i.e., stockholders, customers, Company associates, communities, suppliers, creditors, governments and corporate partners) and third parties. It is the policy of the Company that management speaks for the Company. This policy does not preclude non-employee Directors, including the Chairperson or Lead Independent Director, if any, from meeting with stockholders, but it is suggested that in most circumstances any such meetings be held with management present. Individual Directors will only speak with the media about the Company if authorized by the Board and in accordance with the policies of the Company.

The proceedings and deliberations of the Board and its Committees are confidential. Each Director shall maintain the confidentiality of information received and encountered in connection with his or her service as a Director and shall not use such information for his or her own personal benefit. Confidential information includes, but is not limited to, information regarding the strategy, business, finances and operations of the Company (or any of the Company's suppliers, customers or other constituents), minutes, reports and materials of the Board and its Committees, and other documents identified as confidential by the Company. Directors shall not directly or indirectly disclose any such information to any person or entity outside of the Company, including stockholders and other stakeholders, either during or after his or her service as a Director, absent prior written authorization of the Board.

### ***16. Annual Meeting Attendance***

While not a formal requirement, all Board members are expected to attend our Annual Meeting of Stockholders.

## **BOARD FUNCTIONS**

### ***17. Agenda***

The CEO, with approval from the Chairperson or Lead Independent Director, if any, shall set the agenda for Board meetings with the understanding that the Board is responsible for providing suggestions for agenda items that are aligned with the advisory and monitoring, as well as the decision-making, functions of the Board. Agenda items that fall within the scope of responsibilities of a Board Committee are reviewed with the chairperson of that Committee. Any member of the Board may request that an item be included on the agenda. The Board's annual agenda will include review of the Company's long-term strategies and the principal issues, risks and opportunities that the Company expects to face in the future.

## ***18. Board Materials***

Board materials related to agenda items are provided to Board members sufficiently in advance of Board meetings to allow the Directors to prepare for discussion of the items at the meeting and so that Board meeting time may be conserved, and discussion time focused on questions that the Board has about the material. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting. Board materials will also include minutes of recent Board and Committee meetings, along with data and analysis of the Company's recent financial performance.

## ***19. Board and Committee Meetings***

The Board will meet on a periodic basis, in person or by teleconference, at such times and places as the Board determines. In addition, special meetings may be called from time to time. Directors are expected to attend each meeting (and, in no event, fewer than 75% of the meetings), to invest the time and effort necessary to understand the Company's business and financial strategies and challenges. The basic duties of the Directors include being prepared for and 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. A Director who is unable to attend a Board or Committee meeting should notify the Chairperson of the Board or the Lead Independent Director or the Committee chairperson, as applicable, and the CEO in advance of the meeting.

Board members are expected to rigorously prepare for, attend and participate in all Board and applicable Committee meetings. The Board encourages invitations to management and outside advisors or consultants from time to time to participate in Board and/or Committee meetings to (i) make presentations and provide insight into items being discussed by the Board that involve the invitee and (ii) bring managers with high potential into contact with the Board. Attendance of any non-directors at Board meetings is at the discretion of the Board. Generally, presentations of matters to be considered by the Board are made by the manager responsible for that area of the Company's operations. The Secretary of the Company, or an individual appointed to act as secretary of the meeting, will record minutes of Board and Committee meetings, subject to review and approval by the Board or the respective Committee.

## ***20. Director Access to Management and Independent Advisors***

Board members have free access to members of management and employees of the Company and, as necessary and appropriate, Board members may consult with independent legal, financial, accounting and other advisors to assist in their duties to the Company and its stockholders.

## ***21. Executive Sessions***

Executive sessions or meetings of independent Directors without management present are to be held regularly. The non-executive Chairperson or Lead Independent Director if the Chairperson and CEO positions are combined, will facilitate and preside over executive sessions of the Board.

## **COMMITTEE FUNCTIONS**

### ***22. Independence***

The Audit, Compensation, and Nominating & Governance Committees consist only of independent Directors.

### ***23. Assignment and Rotation of Committee Members***

Based on the recommendation of the Nominating & Governance Committee, the Board appoints Committee members and Committee chairpersons in accordance with applicable laws, rules and regulations and according to criteria set forth in the applicable Committee charter and other criteria that the Board determines to be relevant to the responsibilities of each Committee. Committee membership and the position of Committee chairperson will not be rotated on a mandatory or regular basis unless the Board determines that rotation is in the best interest of the Company.

### ***24. Meeting Conduct***

The chairperson of the Committee determines the frequency, length and agenda of meetings of each of the Committees. Sufficient time to consider the agenda items shall be provided. Materials related to agenda items shall be provided to the Committee members sufficiently in advance of the meeting where necessary to allow the members to prepare for discussion of the items at the meeting.

### ***25. Scope of Responsibilities***

The Board determines the responsibilities of each of the Committees from time to time, which will be set forth in the charter of each Committee and communicated to our stockholders.

### ***26. Committee Charters***

Each Committee will periodically review its charter and recommend to the Board any changes it deems necessary.

## **AMENDMENT OF BOARD GOVERNANCE GUIDELINES**

### ***27. Amendment***

The Board reserves the right to amend these Guidelines at any time, for any reason, subject to applicable laws, rules and regulations.