



# **International Broadcasting Group, Inc.**

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## **Corporate Governance Guidelines**

The following Corporate Governance Guidelines (the “Guidelines”) have been adopted by the Board of Directors (the “Board”) of **International Broadcasting Group, Inc.** (the “Company”) to assist the Board in the exercise of its responsibilities and to serve the interests of the Company and its stockholders. These Guidelines acknowledge the leadership exercised by the Board and its committees and are intended to serve as a flexible framework within which the Board may conduct its business and are not intended to serve as a set of legally binding obligations. The Guidelines are not intended to interpret any federal or state law, or change the Company’s certificate of incorporation or by-laws.

These Guidelines are subject to modification from time to time by the Board and shall be periodically reviewed by the Company’s Nominating/Corporate Governance Committee, which shall recommend any modifications thereof to the Board.

### **I. Board Composition and Selection**

A. Independence. The Board will have a majority of directors who satisfy the criteria for “independent directors”. The Nominating/Corporate Governance Committee shall annually review each director’s relationship with the Company. Following such review, only those directors who the Board affirmatively determines have no material relationship to the Company will be considered “independent directors”. The basis for any determination by the Board that a relationship between a director and the Company is not material will be published in the Company’s annual statement.

B. Size of the Board. The Board is currently structured to have 8 members divided into three classes with two Class I Board members, three Class II Board members, and three Class III Board members. The Board believes that it should generally have no fewer than 7 directors and no more than 11 directors. This range permits the Board to be most effective without hindering discussion.

C. Selection. The Board has established a Nominating/Corporate Governance Committee with the power to identify and recommend candidates to the entire Board for Board membership. Stockholders may propose nominees for consideration by the Board by submitting names and supporting information to the Nominating/Corporate Governance Committee. The Board will nominate directors for each class whose term of office is expiring for election at each annual meeting of stockholders. The Board is responsible for filling any director vacancies that may occur between annual meetings of stockholders. An invitation to join the Board should be extended by the Board itself, through the Chairman of the Board.

D. Board Membership Qualifications. At least annually, the Nominating/Corporate Governance Committee shall assist the Board in reviewing the background and qualifications of each member of the Board, as well as an assessment of the Board's composition in light of the Board's needs and objectives.

E. No Specific Limitation on Other Board Service. The Board does not believe that its members should be prohibited from serving on boards or committees of other organizations, and the Board has not adopted any specific guidelines limiting such activities. However, the Board will take into account the nature of and time involved in a director's service on other boards in evaluating the suitability of individual directors and making its recommendations to the Company's stockholders. Service on boards and/or committees of other organizations should be consistent with the Company's conflict of interest policies.

F. Term Limits. The Board does not believe it should establish term limits. While term limits may help ensure that new viewpoints are brought to the Board, the Board believes this potential benefit is outweighed by the potential loss of directors who have over a period of time developed insight into the Company and its operations, and who, as a result, make an important contribution to the Board as a whole. The Board believes that the Board can better monitor and control the overall mix of views represented on the Board through ongoing performance evaluation than by adopting term limits.

## **II. Board Meetings and Agenda**

A. Board Meetings. Typically, the Board should have at least four regularly scheduled Board meetings each year. Additional special meeting and telephonic meetings shall be held as necessary.

B. Agenda. The Chairman of the Board, taking into account suggestions from other Board members, will set the agenda for each meeting and will distribute this agenda to each director. Each member is free to suggest the inclusion of agenda items and is also free to raise additional items at any meeting. At least annually, the Board should review the Company's long term business and strategic plan and operating budget.

C. Advance Distribution of Materials. To the extent feasible, information and materials that are relevant to the Board's understanding of agenda items at an upcoming Board meeting should be distributed to all Board members sufficiently in advance of the meeting to permit prior review. The Board understands that certain matters that are disclosed at Board meetings are of an extremely confidential and sensitive nature and that the distribution of materials on these matters before the Board meetings may not be advisable.

### **III. Director Responsibilities**

A. General. The basic responsibility of the directors is to exercise their business judgment in accordance with applicable law and to act in what they reasonably believe is in the best interests of the Company and its stockholders.

B. Functions of the Board. The business of the Company is conducted by its employees and officers under the direction of the Chief Executive Officer and the oversight of the Board and its committees. The Board performs a number of specific functions, including:

- Selecting, evaluating and compensating the Chief Executive Officer and overseeing Chief Executive Officer succession planning;
- Reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions; and
- Reviewing the Company's processes for maintaining the integrity of the Company's financial statements, the Company's compliance with law and the Company's compliance with its public disclosure obligations.

C. Attendance. Directors are expected to attend all Board meetings and all meetings of committees of the Board of which they are a member. They are expected to spend time as may be necessary to properly discharge their responsibilities.

D. Ethics and Conflicts of Interest. The Company expects its directors to acknowledge their adherence to the Company's Code of Business Conduct and Ethics. If any actual or potential conflict of interest involving a director arises or any action affecting or involving a director is proposed that would require a waiver of or deviation from the Company's Code of Business Conduct and Ethics, the director shall promptly inform the Chief Executive Officer and the other non-management directors. All directors shall recuse themselves from any decision affecting their personal interests. The Board shall resolve any conflict of interest question involving the Chief Executive Officer.

E. Board Interaction with Investors, Media and the Public. The Board believes that it is senior management's responsibility to speak for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company; however, it is expected that directors, acting in their capacity as directors, will do so only with the knowledge of senior management and, absent unusual circumstances or as provided in the committee charters, only at the request of senior management.

**IV. Access to Management, Employees and Independent Advisors**

A. Access to Management. The Board shall have complete access to management and other Company employees to ensure that directors can ask questions and gather the information necessary to fulfill their duties. The Board may specify a protocol for making such inquiries. The Board encourages management to invite Company personnel to any Board meeting at which their presence and expertise would be helpful to the Board in considering matters under discussion.

B. Access to Independent Advisers. As necessary or appropriate to fulfill their duties, Board members shall have the power to hire independent legal, financial, accounting and other advisors and consultants.

**V. Director Compensation**

A. Amount and Review. The Company's executive officers shall not receive additional compensation for their service as directors. Compensation for non-employee directors should be competitive with those of corporations of comparable size and the Company's competitors and may take into account service on Board committees and service as committee chairs. The Board believes, however, that the independence of a director may be compromised by compensation or perquisites that are not customary, substantial contributions by the Company to a charitable organization affiliated with a director, or contractual arrangements between the Company and a director or an organization with which a director is affiliated. The amount and form of director compensation shall be determined by the Board or by a duly authorized compensation committee of the Board in accordance with the provisions of its charter. In general, however, the Board believes director compensation should be largely equity based. Changes in director compensation, if any, should come after full discussion by and with unanimous approval of the Board. As a general rule, the adoption of equity-based plans to provide compensation to non-employee directors, as well as material amendments to those plans, will require the approval of the Company's stockholders.

**VI. Committee Matters**

A. Number and Type of Committees. The Board currently has an Audit Committee, a Compensation Committee and a Nominating/Corporate Governance Committee, as required by the Corporate Governance Rules of the NYSE. From time to time, the Board may want to form additional committees or disband a committee depending upon the circumstances. The Board, however, will at all times have an Audit Committee and such other committees as may be required by the rules of the NYSE.

B. Composition of Committees and Committee Chairpersons. The Audit Committee, the Compensation Committee, and the Nominating/Corporate Governance Committee, to the extent required by the rules of the NYSE, will consist solely of independent directors as defined by the NYSE rules. The Board, after considering the desires of individual directors and the recommendation, if any, of the

Nominating/Corporate Governance Committee, is responsible for the appointment of committee members and committee chairpersons according to criteria that it determines to be in the best interest of the Company and its stockholders.

C. Frequency, Length and Agenda of Committee Meetings. The committee chairman, in consultation with committee members, will determine the frequency and length of the meetings of the committee, consistent with the committee's charter, and the agenda for the meetings.

D. Charters. The Audit Committee, the Compensation Committee, and the Nominating/Corporate Governance Committee will have their own charters, which will be approved by the full Board. The charters will, among other things, set forth the purposes and duties of the committees and provide for an annual performance evaluation of the committees.

E. Outside Activities. Each committee shall have the power to hire, at the expense of the Company, independent legal, financial, accounting and other advisors and consultants as necessary or appropriate to fulfill duties.

## **VII. Management Succession**

A. Selection of Chairman and Chief Executive Officer. The Board shall select the Chairman of the Board and the Chief Executive Officer of the Company in the manner that it determines to be in the best interests of the Company and its stockholders. The Board does not have a policy on whether or not the role of Chairman and Chief Executive Officer should be separate or combined, and if separate, whether the Chairman should be selected from the non-employee directors or be an employee.

B. Review of Chief Executive Officer. The Board will conduct an annual review of the performance of the Chief Executive Officer. The evaluation should be based on objective criteria, including performance of the Company's business, accomplishment of long-term strategic objectives, and development of management.

C. Succession Policy. The Board shall periodically conduct a review of succession planning, including criteria and principles for Chief Executive Officer selection. The Chief Executive Officer shall, at the request of the Board, make available his recommendations and evaluations of potential successors, as well as leadership development plans and programs, to the full Board. The Board is responsible for developing succession plans in the event of an emergency or the retirement of the Chief Executive Officer.

## **VIII. Annual Performance Evaluation of the Board**

The Nominating/Corporate Governance Committee shall assist the Board in conducting an annual review of the performance of the Board and each committee of the Board to determine whether they are functioning effectively. The Nominating/Corporate Governance Committee shall assist the Board in establishing evaluation criteria and

implementing the process of such evaluation. The purpose of the review will be to improve the performance of the Board as a unit, not to target the performance of any individual Board member.

#### **IX. Executive Sessions**

To Promote open discussion among non-management directors, non-management directors shall meet without management participation at regularly scheduled executive sessions. These executive sessions shall include such topics as the non-management directors shall determine are appropriate.

#### **X. Reporting of Concerns**

Anyone who has a concern about the Company's conduct or about the Company's accounting or disclosure matters may communicate that concern directly the non-management directors, including the Audit Committee, by writing to the following address:

International Broadcasting Group, Inc.  
Attn: Non-Management Directors  
2015 Bath Avenue  
Brooklyn, NY 1124

OR

via the Company's on-line service, Report-it, through the following steps:

1. Go online to the internet to the following site: <http://www.reportit.net>
2. Click on the right hand side of the screen: "ReportIt Login"
3. Log on: IBG
4. Pass code: Media

All reports submitted via Report-it are anonymous. Once submitted to the Report-it service, a copy of the report will be sent to a non-management member of the Company's Board for review. The status of all outstanding concerns addressed to the Audit Committee will be regularly reported to the directors.

These Corporate Governance Guidelines are available on the company's website at [www.ibg-media.com](http://www.ibg-media.com) and to any stockholder who requests a copy.