



# **Corporate Governance Committee Charter**

**November 2020**

This Charter of the Corporate Governance Committee (“Committee”) was adopted by the Board of Directors (the “Board”) of Heritage Global Inc. (the “Corporation”) on Nov. 5, 2020.

This Charter of the Committee is intended to serve as guidelines and as a component of the flexible framework within which the Board, assisted by its committees, oversees the affairs of the Corporation. While it should be interpreted in the context of all applicable laws, regulations, and listing requirements, as well as in the context of the Corporation’s articles of incorporation and bylaws, it is not intended to establish by its own force any legally binding obligations. The Committee shall discharge its responsibilities in accordance with its business judgment.

## I. PURPOSE

The Committee is a standing committee whose purpose is to assist in shaping the corporate governance of the Corporation, and exercise general oversight with respect to the nominations to, and the governance of, the Board and any related matters required by the federal securities laws. The Committee shall assist the Board by:

1. taking a leadership role in shaping the Corporation’s corporate governance policies and practices;
2. reviewing the Corporation’s Code of Conduct (“Code of Conduct”);
3. recommending the slate of director nominees for election to the Board at the annual meeting of shareholders;
4. identifying and recommending candidates to fill vacancies occurring between annual shareholder meetings; and
5. overseeing management’s development and succession planning.

The Committee shall perform such other duties as assigned by the Board.

## II. COMMITTEE MEMBERSHIP

The Committee shall be comprised of at least one member. The members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion with or without cause. The Board shall designate one member of the Committee as its chairperson. Each member of the Committee shall meet the independence and other member qualification requirements of the Nasdaq Stock Market and all legal requirements.

## III. COMMITTEE STRUCTURE AND OPERATIONS

The Committee shall meet as often as the Committee or its chair deems necessary to perform the Committee’s responsibilities. The Committee may meet by telephone or video conference and may take action by written consent. All meetings of the Committee shall be governed by the same rules regarding notice, quorum and voting requirements as are applicable to the full Board. Written minutes shall be kept for all meetings of the Committee and shall be duly filed in the Corporation records. The Committee may delegate authority to one or more members when appropriate, provided that decisions made pursuant to such delegated authority shall be presented to the full Committee at its next scheduled meeting.

The Committee will have the authority, to the extent it deems necessary or appropriate, to retain a search firm to be used to identify director candidates. The Committee shall have sole authority to retain and terminate any such firm, including sole authority to approve the firm's fees and other retention terms. The Committee shall also have authority to the extent it deems necessary or appropriate, to retain other advisors. The Corporation will provide for appropriate funding, as determined by the Committee, for payment of compensation to any search firm or other advisors retained by the Committee.

#### IV. COMMITTEE AUTHORITY AND RESPONSIBILITY

The Committee's duties and responsibilities shall include the following:

##### *Corporate Governance*

1. Periodically review and make recommendations to the Board with respect to the adequacy of the Code of Conduct.
2. Periodically review with the Corporation's counsel and make recommendations to the Board with respect to: (1) new legislation, regulations and other developments relating to corporate governance, and (2) the compliance process relating to executive officer and director compliance with the Code of Conduct.

##### *Board Nominees*

3. Identify individuals qualified to become members of the Board, consistent with criteria approved by the Board, such as:
  - i. independence and no conflict of interest that would violate any applicable laws or regulations or interfere with performance as a director;
  - ii. character and integrity;
  - iii. financial literacy, and whether the individual would qualify as an "audit committee financial expert";
  - iv. level of education and business experience;
  - v. contribution to the diversity of the Board as a whole (the Committee views diversity broadly to include diversity of experience, skills and viewpoint as well as other diversity concepts such as race and gender);
  - vi. ability to work professionally and effectively with other Board members and management;
  - vii. sufficient time to devote to Board matters, including consistent attendance of Board and committee meetings and advance review of materials; and
  - viii. a commitment to represent the long-term interests of the Corporation's shareholders.

4. Select, or recommend that the Board select, candidates for election to the Board at the annual meeting of shareholders.
5. Select, or recommend to the Board, candidates to be appointed by the Board to fill vacancies on the Board as necessary.
6. Review candidates recommended by shareholders if the suggestion is made in accordance with the Corporation's articles of incorporation, bylaws and applicable law.

#### *Board Committees*

7. Periodically review the composition of each Board committee and present recommendations for committee memberships to the Board, as appropriate.
8. Periodically review the Board's committee structure, and recommend to the Board changes after consultation with the respective committee chairs.

#### *Management Development and Succession Planning*

9. Oversee the succession planning of the Chief Executive Officer and senior executive officers.

#### *Board Composition, Operations and Compensation*

10. Make recommendations to the Board concerning the size, structure, composition and functioning of the Board.
11. Oversee the evaluation of the Board, its committees and management.
12. Annually review and make recommendations to the Board with respect to the compensation and benefits of directors (for service on the full Board and Board committees), including with respect to awards under any incentive compensation plans or equity-based compensation plans and the adoption of any such plans applicable only to directors.

#### *Committee Matters*

13. Make regular reports to the Board and propose any necessary action to the Board.
14. Review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

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