

# GALENFEHA, INC.

## PRINCIPLES OF CORPORATE GOVERNANCE

Adopted by the Board of Directors on March 7, 2024

The Board of Directors of Galenfeha, Inc. (the “Company”) has adopted the corporate governance principles set forth below (the “Principles”) as a framework for the governance of the Company. The Nominating/Corporate Governance Committee reviews the Principles annually and recommends changes to the Board of Directors as appropriate.

### 1. ROLE AND COMPOSITION OF THE BOARD OF DIRECTORS

#### *Role of the Board*

The Board of Directors, which is elected by the Company’s stockholders, oversees the management of the Company and its business. The Board selects executive officers, which are responsible for operating the Company’s business, and monitors the performance of the executive officers. Consistent with the oversight function of the Board, the Board’s core responsibilities include:

- Assessing the performance of the Chief Executive Officer (the “CEO”) and other executive officers and setting their compensation;
- Planning for CEO succession and overseeing the development of executive officers;
- Reviewing the Company’s strategies and monitoring their implementation and results;
- Overseeing the integrity of the Company’s financial statements and the Company’s financial reporting process;
- Overseeing the Company’s processes for assessing and managing risk;
- Overseeing legal and regulatory compliance;
- Nominating the Company’s director candidates and appointing committee members; and
- Providing advice and counsel to management regarding significant issues facing the Company and reviewing and approving significant corporate actions.

#### *Composition and Membership Criteria*

A substantial majority of the Board is made up of independent directors. An “independent” director is a director who meets the OTC Market definition of independence, as determined by the Board. The Board makes an affirmative determination regarding the independence of each director annually, based upon the recommendation of the Nominating/Corporate Governance Committee.

The Nominating/Corporate Governance Committee considers and makes recommendations to the Board regarding the size, structure, composition and functioning of the Board. In addition, the Nominating/Corporate Governance Committee is responsible for establishing processes and procedures for the selection and nomination of directors, and for developing and recommending Board membership criteria to the Board for approval and periodically reviewing these criteria. The Committee considers these criteria in the context of the perceived needs of the Board as whole and seeks to achieve a diversity of occupational and personal backgrounds on the Board.

The Nominating/Corporate Governance Committee reviews the qualifications of director candidates and incumbent directors in light of criteria approved by the Board and recommends the Company's candidates to the Board for election by the Company's stockholders at the annual meeting. The Committee also considers director candidates recommended by Company stockholders in accordance with the procedures set forth in the proxy statement.

#### ***Change in Principal Occupation***

When a director's principal occupation or business association changes substantially during the director's tenure on the Board, the director must tender his or her resignation for consideration by the Nominating/Corporate Governance Committee. The Committee recommends to the Board the action, if any, to be taken with respect to the offer to resign.

#### ***Service on Other Boards and Audit Committee***

Directors are encouraged to limit the number of other boards on which they serve so as not to interfere with their service as a director of the Company. Ordinarily, directors may not serve on the boards of more than six other public companies in addition to the Company's Board. Directors who are serving as chief executives of public companies may not serve on the boards of more than two other companies in addition to the Company's Board. Service on the boards of subsidiary companies with no publicly traded stock, non-profit organizations and non-public for-profit organizations is not included in this calculation. Moreover, if a director sits on several mutual fund boards within the same fund family, it will count as one board for purposes of this calculation.

In addition, directors should advise the chairperson of the Nominating/Corporate Governance Committee in advance of accepting an invitation to serve on the board of another for-profit organization.

Members of the Audit Committee may not serve on the audit committees of more than two other public companies.

### ***Majority Voting; Director Resignation Policy***

The Company has adopted majority voting in the uncontested election of directors and plurality voting in contested elections. In uncontested elections, directors are elected by a majority of the votes cast, which means that the number of shares voted “for” a director must exceed the number of shares voted “against” that director. Any director who is not elected by a majority of the votes cast is expected to tender his or her resignation to the Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee will recommend to the Board whether to accept or reject the resignation offer, or whether other action should be taken. In determining whether to recommend that the Board accept any resignation offer, the Nominating/Corporate Governance Committee may consider all factors that the Committee’s members believe are relevant.

The Board will act on the Nominating/Corporate Governance Committee’s recommendation within 90 days following certification of the election results. In deciding whether to accept the resignation offer, the Board will consider the factors considered by the Nominating/Corporate Governance Committee and any additional information and factors that the Board believes to be relevant. If the Board accepts a director’s resignation offer pursuant to this process, the Nominating/Corporate Governance Committee will recommend to the Board and the Board will thereafter determine whether to fill the vacancy or reduce the size of the Board. Any director who tenders his or her resignation pursuant to this provision will not participate in the proceedings of either the Nominating/Corporate Governance Committee or the Board with respect to his or her own resignation offer.

## **2. FUNCTIONING OF THE BOARD**

### ***Agendas***

The Chairman of the Board establishes the agenda for each Board meeting. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chairperson of that committee. Directors are encouraged to suggest the inclusion of items on the agenda. Directors are also free to raise subjects at a Board meeting that are not on the agenda for that meeting.

### ***Distribution and Review of Board Materials***

Board materials related to agenda items are provided to directors sufficiently in advance of Board meetings to allow directors to review and prepare for discussion of the items at the meeting. In some cases, due to timing or the sensitive nature of an issue, materials are presented only at the Board meeting.

### ***Meetings***

The Board holds regularly scheduled meetings throughout the year and holds additional meetings as necessary to carry out its responsibilities. Directors are expected to attend Board meetings and meetings of the Board committees on which they serve.

### ***Executive Sessions***

The independent directors meet in executive session without management present at every regular Board meeting.

### ***Strategic Planning***

The Board reviews the Company's long-term strategic plan at least annually and monitors implementation of the strategic plan throughout the year.

### ***Confidentiality***

Directors must protect and hold confidential all non-public information that comes to them, from whatever source, in their capacity as a director of the Company, unless disclosure is authorized or required by law. Proceedings and deliberations of the Board and its committees are confidential.

### ***Attendance at Annual Meeting of Stockholders***

Directors are expected to attend the annual meeting of stockholders absent unusual circumstances.

## **3. STRUCTURE AND FUNCTIONING OF COMMITTEES**

### ***Number, Structure and Independence of Committees***

The Board has three standing committees: Audit, Nominating/Corporate Governance and Compensation.

The Audit, Nominating/Corporate Governance and Compensation Committees consist solely of independent directors. In addition, directors who serve on the Audit Committee and the Compensation Committee must meet additional, heightened independence criteria applicable to directors serving on these committees under OTC Market listing standards.

The Board may also establish and maintain other committees from time to time as it deems necessary and appropriate.

### ***Assignment of Committee Members***

The Nominating/Corporate Governance Committee considers and makes recommendations to the Board regarding committee size, structure, composition and functioning. Committee members and chairpersons are recommended to the Board by the Nominating/Corporate Governance Committee and appointed by the full Board.

### ***Responsibilities***

Each standing committee operates under a written charter that sets forth the purposes and responsibilities of the committee as well as qualifications for committee membership. Each standing committee assesses the adequacy of its charter annually and recommends changes to the Board as appropriate. All committees report regularly to the full Board with respect to their activities.

## ***Meetings and Agendas***

The chairperson of each committee determines the frequency, length and agenda of the committee's meetings. Materials related to agenda items are provided to committee members sufficiently in advance of meetings where necessary to allow the members to review and prepare for discussion of the items at the meeting.

### **4. DIRECTOR ACCESS TO MANAGEMENT, EMPLOYEES AND ADVISERS**

At the invitation of the Board, members of senior management may attend Board meetings or portions of meetings for the purpose of presenting matters to the Board and participating in discussions. Directors also have full and free access to other members of management and to employees of the Company.

The Board has the authority to retain such outside counsel, experts and other advisers as it determines appropriate to assist it in the performance of its functions. Each of the Audit, Nominating/Corporate Governance and Compensation Committees has similar authority to retain outside advisers as it determines appropriate to assist it in the performance of its functions.

### **5. DIRECTOR COMPENSATION**

The Nominating/Corporate Governance Committee periodically reviews the compensation of directors. Director compensation is set by the Board based upon the recommendation of the Committee. Compensation consists of a combination of cash and equity. A substantial portion of director compensation is equity-based to assist in aligning directors' interests with the long-term interests of stockholders. Management directors do not receive compensation for service on the Board.

### **6. STOCK OWNERSHIP GUIDELINES**

In order to align the interests of directors and executive officers with the long-term interests of the Company's stockholders, the Board has adopted stock ownership guidelines.

### **7. SUCCESSION PLANNING**

The Nominating/Corporate Governance Committee is responsible for oversight of succession planning for certain executive officers' positions. At least annually, the Nominating/Corporate Governance Committee reviews with the Board succession planning and management development, including recommendations and evaluations of potential successors to fill the CEO and other executive officer positions. The succession planning process includes consideration of both ordinary course succession, in the event of planned promotions and retirements, and planning for situations where the CEO or another executive officer unexpectedly become unable to perform the duties of their positions.

### **8. FORMAL EVALUATION OF THE CEO**

The Compensation Committee is responsible for setting annual and long-term performance goals for the CEO, evaluating the CEO's performance against those goals, and recommending the CEO's compensation to the independent directors for approval. Both the goals and the evaluation are submitted for consideration by the independent directors meeting in executive

session. The results of the evaluation are shared with the CEO and used by the Compensation Committee in considering the CEO's compensation, which is approved by the independent directors meeting in executive session.

#### **9. DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

The Company has an orientation process for Board members that is designed to familiarize new directors with various aspects of the Company's business, including the Company's strategy, operations, finances, risk management processes, compliance program and governance practices. The Board encourages directors to participate in education programs to assist them in performing their responsibilities as directors.

#### **10. BOARD AND COMMITTEE PERFORMANCE EVALUATIONS**

The Board conducts an annual self-evaluation to assess its performance. The Audit, Nominating/Corporate Governance and Compensation Committees conduct annual self-evaluations to assess their performance. In addition, the Nominating/Corporate Governance Committee is responsible for conducting an annual evaluation of the performance of each director.

The Nominating/Corporate Governance Committee is responsible for developing, administering and overseeing processes for conducting evaluations.