



# Corporate Governance Guidelines

As Adopted: April 1, 2014

Effective: *IPO Closing Date*

TriVascular Technologies, Inc. (with its subsidiaries, "**TriVascular**") is committed to promoting high standards of ethical business conduct and compliance with applicable laws, rules and regulations. TriVascular's Board of Directors (the "**Board**") has adopted these Corporate Governance Guidelines, which in conjunction with the Certificate of Incorporation, Bylaws and the charters of the Board's committees, form the framework for TriVascular's corporate governance. The Board intends that these guidelines serve as a flexible framework within which the Board may conduct its business, and not as a set of binding legal obligations.

## 1. Role of Directors

The business and affairs of TriVascular are managed by or under the direction of the Board. A director is expected to spend the time and effort necessary to properly discharge such director's responsibilities. Accordingly, a director is expected to regularly attend meetings of the Board and committees on which such director sits, and to review prior to meetings materials distributed in advance for such meetings. A director who is unable to attend a meeting (which it is understood will occur on occasion) is expected to notify the Corporate Secretary of TriVascular, who then notifies the Chairperson of the Board or the chairperson of the appropriate committee in advance of such meeting.

The Board is expected to monitor the performance of TriVascular (in relation to its business objectives, strategies, financial targets and competitors). The Board also appoints TriVascular's executive officers, acts as the management team's advisor and monitors its performance. The Board regularly reviews TriVascular's long-term strategic business plans with the management of TriVascular and other pertinent issues affecting the business of TriVascular. The Board assesses risks facing TriVascular and management's approach to addressing such risks. The Board is also responsible for oversight of TriVascular's program to prevent and detect violations of law, and TriVascular policies and procedures. The Board reviews and, if appropriate, approves significant transactions. The Board also develops standards to be utilized by management in determining the types of transactions that should be submitted to the Board for review and approval or notification.

## 2. Board Independence

The Board is comprised of a majority of directors who, in the business judgment of the Board, qualify as independent directors (the "**Independent Directors**") under applicable laws, rules and regulations, and listing standards of the NASDAQ Stock Market (the "**NASDAQ**"), as such laws, rules, regulations and listing standards may be amended from time to time, and these Corporate Governance Guidelines. No director shall qualify as independent unless the Board affirmatively determines that the director qualifies as an Independent Director under applicable laws, rules and regulations, and NASDAQ listing standards. The Board may adopt and disclose categorical standards to assist in determining director independence. Although the majority of directors must be independent, directors who do not meet the independence standards also make valuable contributions to the Board and to TriVascular by reason of their experience, knowledge and familiarity with TriVascular.

### **3. Board Size and Classification**

TriVascular's Bylaws provide that the Board shall have such number of directors as are set by resolution of the Board. The Board presently has **7** members. The Board periodically reviews the size of the Board, which may be increased or decreased as determined to be appropriate by the Board.

The directors are divided, with respect to the time for which they severally hold office, into three classes designated as Class I, Class II and Class III, respectively. No one class shall have more than one director more than any other class. Each director of each Class currently serves a three year term. The Board believes as a matter of policy that the classified board structure provides continuity of Board composition and direction and preservation of skills that enhance stockholder value.

### **4. Meetings**

There are at least four regularly scheduled meetings of the Board each year. At least one regularly scheduled meeting of the Board shall be held quarterly, plus special meetings as required by the needs of TriVascular. Directors are expected to attend Board and applicable committee meetings.

Meetings of the Board are presided over by the Chairperson of the Board, or in such person's absence, by a chairperson chosen at the meeting. The conduct of meetings of the Board is governed as follows:

**a. Agenda Items.** The Chairperson of the Board establishes the agenda for each Board meeting and distributes it in advance to the Board. Each Board member is free to suggest the inclusion of items on the agenda, request the presence of or a report by any member of TriVascular's management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

**b. Board Materials.** Advance distribution of materials conserves Board meeting time and allows discussion time to be focused on questions that members of the Board have about the material. Accordingly, there will be distributed or otherwise made available in advance of each meeting of the Board appropriate written materials relating to substantive agenda items. Each director is expected to review the materials prior to the Board meeting. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance of the meeting.

### **5. Selection of the Chairperson of the Board**

The Board does not require the separation of the offices of the Chairperson of the Board and the Chief Executive Officer. The Board is free to choose its Chairperson in any way that it considers in the best interests of TriVascular. The Committee periodically considers the Board's leadership structure and makes such recommendations to the Board with respect thereto as the Committee deems appropriate.

### **6. Selection of Directors**

The Board is responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders. Stockholders may recommend director nominees for consideration by the Nominating and Governance Committee (the "**Committee**") by writing to the Corporate Secretary specifying the nominee's name and the qualifications for Board membership. The Committee is responsible for identifying, evaluating and recommending candidates to the Board for Board membership. The Committee may use outside consultants to assist in identifying candidates. When formulating its Board membership recommendations, the Committee also considers advice and recommendations from stockholders, management and others as it deems appropriate. In addition, stockholders may nominate directors for election at TriVascular's annual meeting of stockholders by following the provisions set forth in TriVascular's Bylaws. The invitation to join the Board shall be extended by the Board via the Board Chairperson or the chairperson of the Committee.

## **7. Board Membership Criteria**

The Committee reviews with the Board, at least annually, the appropriateness of the current make-up of the Board and the appropriate skills and characteristics required of Board members. Factors considered by the Board in its review include independence, integrity, skills, financial and other expertise, breadth of experience, soundness of judgment, diversity of viewpoints and experience, knowledge about TriVascular's business or the health care industry and willingness and ability to devote adequate time and effort to Board responsibilities, in the context of the existing composition, other areas that are expected to contribute to the Board's overall effectiveness and needs of the Board and its committees.

The Committee is responsible for determining periodically, and recommending to the Board, desired qualifications, expertise and characteristics of individuals for membership on the Board and its committees. The Committee is also responsible for identifying, considering and recommending qualified candidates to fill new positions or vacancies on the Board, including candidates properly submitted by stockholders, consistent with criteria approved by the Board, with the goal of developing an experienced and highly qualified Board.

## **8. Voting for Directors**

Directors are elected by a plurality of votes standard; provided, however, that any nominee for director who receives a greater number of votes "against" his or her election than votes "for" such election shall promptly tender his or her resignation to the Committee following certification of the stockholder vote. The Committee shall promptly consider the resignation offer and make a recommendation to the Board. The Board will act on the Committee's recommendation within 30 days following certification of the stockholder vote.

## **9. Other Public Company Directorships**

The Committee, in making its recommendations for Board membership, will consider the number of other public company boards and other boards (or comparable governing bodies) on which a prospective nominee is a member. Except as otherwise approved by the Board, no director should serve on more than four public company boards, including the Board. Directors are also expected to limit the number of other boards, including non-profits, on which they serve in order to devote adequate time and effort to their Board responsibilities. Additionally, the Committee will make recommendations to the Board as to whether any member of the Audit Committee should be permitted to serve on the audit committees of more than three other public companies, taking into account TriVascular's needs at such time and the qualifications and demands upon the time of such person. The Board shall thereupon determine whether such service impairs such member's ability to effectively serve on the Audit Committee. Any director who proposes to join the board of another company, public or private, should give notice of this intention to the Committee.

## **10. Directors Who Change Their Present Job Responsibility**

Each director will inform the Chairperson of the Board and the chairperson of the Committee upon a change in position or responsibility in his or her principal occupation. The Committee will review the circumstances to determine whether continued Board membership for the individual is appropriate, including the extent to which the circumstances may affect the individual's effectiveness as a director. Following such review, the Committee will recommend to the Board whether to continue the director's Board membership, or request the director's resignation.

When the Chief Executive Officer or any other employee director resigns from such position, he or she will offer to resign from the Board at the same time. Whether or not the individual continues to serve on the Board is a matter for Board discussion.

## **11. Retirement Age**

The Board does not have a mandatory retirement age for directors.

## **12. Director Tenure**

There is currently no limitation on the number of terms a director may serve. While term limits could promote a diversity of viewpoints available to the Board, they have the disadvantage of causing the loss of the contribution of directors who have developed, over a period of time, deep insight into TriVascular and its business and operations. However, in connection with evaluating recommendations for nomination for re-election, the Committee considers director tenure.

## **13. Number and Composition of Board Committees**

The Board currently has the following standing committees: Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee. The purpose and responsibilities of each of these committees, including the frequency of committee meetings, are outlined in each committee's charter as adopted by the Board and such committee, which charter is subject to periodic review by the Board and such committee. Each committee is chaired by an Independent Director who determines the agenda, frequency and length of committee meetings and who has unlimited access to management, TriVascular information and independent advisors. Each of the committees is composed of Independent Directors satisfying applicable legal, regulatory and stock exchange requirements necessary for an assignment to any such committee.

After consultation with the Committee, the Board may, from time to time, form a new committee, re-allocate responsibilities of one committee to another committee or disband a current committee depending on circumstances. In addition, the Board may determine to form ad hoc committees from time to time, and determine the composition and areas of competence of such committees.

## **14. Executive Sessions of Independent Directors**

The Independent Directors meet in executive session without TriVascular's management on a regularly scheduled basis, but no less than three times a year. Any Independent Director can request that an additional executive session be scheduled.

## **15. Director Compensation**

Non-employee directors are eligible to receive compensation consisting of a combination of cash and/or equity for services on the Board or its committees. Employee directors are not paid additional compensation for their services as directors. The Compensation Committee reviews the form and amount of cash-based and equity-based compensation to be paid or awarded to non-employee directors for service on the Board or its committees and provides a recommendation to the Board, for determination by the Board, as to such compensation based upon, among other things, the Compensation Committee's consideration of the responsibilities and time commitment of TriVascular's directors, as well as competitive information. The Compensation Committee periodically reviews the level and form of, and, if it deems appropriate, recommends to the Board changes in, director compensation. Such review also includes a review of both direct and indirect forms of compensation to TriVascular's directors, including any charitable contributions by TriVascular to organizations affiliated with a director.

## **16. Director and Senior Executive Stock Ownership**

The Committee periodically assesses the appropriateness of stock ownership guidelines for directors and senior executives. TriVascular does not presently have stock ownership guidelines but may have such guidelines in the future.

## **17. Board Access to Officers and Employees**

The Board has complete access to contact and meet with any TriVascular employee. Notwithstanding this, Board members use their judgment to be sure that contact with management is not distracting to the operation of TriVascular and coordinate such contact, to the extent reasonably practicable, with the Chief Executive Officer or the Corporate Secretary.

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

Directors are invited and encouraged to attend TriVascular's annual stockholder meeting.

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

TriVascular provides an orientation for new directors that includes background material, meetings with senior management and visits to TriVascular's facilities. The orientation is designed to familiarize new directors with TriVascular's businesses, strategies and challenges and to assist new directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities. Directors are also encouraged to participate in continuing educational programs in order to maintain the necessary level of expertise to perform their responsibilities.

## **20. Evaluation of Board Performance**

The Board and each of its committees conduct a self-evaluation annually. The committees assess their performance relative to their respective charters and best practices. The Committee oversees an annual self-assessment of the Board's performance, and the composition and performance of each committee of the Board. The Committee may from time to time conduct and oversee an assessment of each individual director's performance.

The Committee utilizes the results of this self-evaluation process to determine if the Board and its committees are functioning effectively, to assess and determine the characteristics, expertise, qualifications and skills required of prospective candidates for election to the Board, and to make recommendations to the Board regarding assignments of Board members to various committees. The full Board then discusses the evaluation results to determine what action, if any, would improve Board and committee performance and whether any changes to these Corporate Governance Guidelines would be appropriate.

## **21. Executive Officer Performance Review**

The Compensation Committee conducts an evaluation of all executive officers, including the Chief Executive Officer, which shall include the review and approval of corporate goals and objectives, annually in connection with the determination of the base salary, incentive compensation and equity-based grants of these officers. As part of this evaluation, the Compensation Committee obtains feedback from all directors and for the Chief Executive Officer's direct reports, from the Chief Executive Officer. The Compensation Committee then presents the results of its review to the Board.

## **22. Succession Planning**

The Committee will review, as appropriate, with the Board Chairperson the succession plan for each of TriVascular's executive officers, including the Chief Executive Officer. As part of this process, the Committee, in consultation with the Chief Executive Officer, will assess the requirements of TriVascular and management, and the abilities of potential successors. The Committee periodically will report its findings and recommendations to the Board.

The Board is responsible for identifying potential candidates for, and selecting, TriVascular's Chief Executive Officer. In identifying potential candidates for, and selecting, TriVascular's Chief Executive Officer, the Board considers, among other things, a candidate's experience, understanding of TriVascular's business environment, leadership qualities, knowledge, skills, expertise, integrity, and reputation in the business community.

## **23. Authority to Retain Advisors**

The Board and each of its committees have the authority, at TriVascular's expense, to retain and terminate independent advisors as the Board and any such committee deems appropriate.

## **24. Communications with Stakeholders**

The Chief Executive Officer is responsible for establishing effective communications with TriVascular's stakeholder groups (i.e., stockholders, customers, employees, suppliers, media, government and corporate partners). All communications with stakeholder groups are authorized by the Chief Executive Officer or its delegates.

## **25. Amendments**

The Board periodically reviews these Corporate Governance Guidelines and reserves the right to amend, modify or waive them from time to time as the Board deems appropriate, or pursuant to the recommendations of the Committee, provided that any such amendment, modification or waiver may not be a violation of any applicable law, rule or regulation and provided further, that any such amendment, modification or waiver is appropriately disclosed.