

# **THERMADYNE HOLDINGS CORPORATION**

## **AMENDED AND RESTATED CORPORATE GOVERNANCE GUIDELINES**

### **1. BOARD MISSION**

The mission of the Board of Directors (the “Board”) of Thermadyne Holdings Corporation (the “Company”) is to represent the interests of the shareholders. The Board is responsible for actively ensuring the Company has quality management focused on achieving superior business performance.

### **2. DIRECTORS’ RESPONSIBILITIES**

The Board of Directors fulfills its mission (directly or by delegating responsibilities to its committees) by:

- (a) providing advice to the principal executive officer (“PEO”) and principal senior executives;
- (b) selecting, regularly evaluating, fixing the compensation of, and, where appropriate, replacing the PEO;
- (c) overseeing the conduct of the Company’s business and strategic plans to evaluate whether the business is being properly managed;
- (d) reviewing and approving the Company’s financial objectives and major corporate plans and actions;
- (e) reviewing and approving major changes in the appropriate auditing and accounting principles and practices;
- (f) providing oversight of internal and external audit processes and financial reporting;
- (g) providing oversight of risk assessment and protection processes and processes designed to promote legal compliance; and
- (h) performing such other functions as the Board believes appropriate or necessary, or as otherwise prescribed by rules or regulations.

To carry out these responsibilities, the Board must pay careful attention and be properly informed. Board members are expected to prepare for, attend and participate in all Board and applicable committee meetings.

**3. CANDOR AND AVOIDANCE OF CONFLICTS**

Candor and the avoidance of conflicts are hallmarks of the accountability owed to the shareholders. Directors must disclose potential conflicts of interest to the Lead Director prior to any Board decision related to the matter. If the Lead Director (in consultation with legal counsel) determines a conflict exists or the perception of a conflict is likely to be significant, the Director must recuse himself or herself from any discussion or vote related to the matter.

**4. REGULAR EXECUTIVE SESSIONS OF NON-MANAGEMENT DIRECTORS**

The non-management directors of the Board shall regularly meet in executive session and in conjunction with every meeting of the Board of Directors. The meetings shall have such agendas as determined by the Lead Director and such procedures as determined by the non-management directors, but shall have no authority to act on behalf of the Company or the Board on any matters without an express delegation of authority by the Board.

**5. FORMAL EVALUATION OF THE PEO**

The Compensation Committee will evaluate the PEO annually and report its findings and recommendations to the Board. The Chairman of the Compensation Committee (together with the Chairman of the Board if other than the PEO) shall communicate the Board's conclusions to the PEO. The evaluation shall be based on objective and subjective criteria, which criteria may include performance of the business, achievement of business results, accomplishment of long-term strategic objectives, development of management, promotion of the Company's culture, demonstration of leadership, etc. The Compensation Committee will use the evaluation in determining the PEO's compensation.

**6. SUCCESSION PLANNING**

The PEO shall report annually to the Board on succession planning. In addition, the PEO's recommendation for a successor in the event of the resignation, retirement or disability of the PEO shall be available on a continuing basis.

**7. MANAGEMENT DEVELOPMENT**

The PEO shall report annually to the Board on the Company's program for management development. This report should be given to the Board at the same time as the succession planning report noted above.

**8. MAJORITY OF INDEPENDENT DIRECTORS**

The Board shall have a majority of independent directors. Management should encourage senior managers to understand that Board membership is

not necessary or a prerequisite to any higher management position in the Company.

## **9. DEFINITION OF INDEPENDENCE**

The term “independent director” shall mean a director other than (i) an Executive Officer (defined as an officer covered in Rule 16a-1(f) promulgated under the Securities Exchange Act of 1934, as amended) of the Company or any subsidiary, (ii) an employee of the Company or any subsidiary, or (iii) any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board has a responsibility to make an affirmative determination that no such relationships exist. The following persons shall not be considered independent:

- (a) a director who is, or at any time during the past three years was, employed by the Company or its subsidiaries;
- (b) a director who accepted or who has a Family Member who accepted any compensation from the Company or any subsidiary in excess of \$120,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:
  - (i) compensation for Board or Board committee service;
  - (ii) compensation paid to a Family Member (defined as a person’s spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person’s home) who is an employee (other than an Executive Officer) of the Company or any subsidiary; or
  - (iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation;

provided, however, that in addition to the requirements contained in this paragraph (b), audit committee members are also subject to additional, more stringent requirements under Rule 5605(c)(2) of the listing standards of The Nasdaq Stock Market.

- (c) a director who is a Family Member of an individual who is, or at any time during the past three years was, employed by the Company or any subsidiary as an Executive Officer;
- (d) a director who is, or has a Family Member who is, a partner in, or a controlling shareholder or an Executive Officer of, any organization to which the Company or any subsidiary made, or from which the Company or any subsidiary received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient’s consolidated gross revenues for that year, or \$200,000, whichever is more, other than the following:

- (i) payments arising solely from investments in the Company's or any subsidiary's securities; and
  - (ii) payments under non-discretionary charitable contribution matching programs.
- (e) a director of the Company who is, or has a Family Member who is, employed as an Executive Officer of another entity where at any time during the past three years any of the Executive Officers of the Company or any subsidiary serve on the compensation committee of such other entity; or
- (f) a director who is, or has a Family Member who is, a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years.

#### **10. BOARD MEMBERSHIP CRITERIA**

The Board has delegated to the Nominating and Corporate Governance Committee the responsibility for reviewing and recommending nominees for membership on the Board. In discharging this responsibility, the Committee receives input from the Lead Director and Chairman of the Board. It is the belief of the Board that its membership should bring to the Company a range of experience, knowledge and judgment and should represent the interests of all shareholders. In reviewing a candidate, the Committee considers, in addition to independence, such factors as sound judgment, business specialization, technical skills and diversity, as well as the values, ethical standards, age, background and experience of the candidate, within the context of the characteristics and needs of the Board as a whole. The Committee expects a high level of commitment from the Directors and will review a candidate's other commitments to ensure that the candidate has sufficient time to devote to Board duties.

#### **11. ORIENTATION AND CONTINUING EDUCATION**

The Board itself shall be responsible, in fact as well as procedure, for selecting its own members and in recommending them for election by the shareholders. The Board shall delegate the screening process to the Nominating and Governance Committee with direct input from the Lead Director, and the PEO. Invitations to join the Board shall be extended by the Board itself via the Lead Director and the Chairman of the Nominating and Governance Committee. The Board and the Company shall provide a complete orientation process for a new director, which includes background material, meetings with senior management and visits to Company facilities. The Board shall explore continuing education opportunities for its members.

**12. COMMITMENT AND LIMITS ON OTHER ACTIVITIES**

Directors shall limit the number of other boards (excluding non-profits) on which they serve to between 2 and 5, with the lower limit applying to directors who are engaged full-time in another business. Directors shall advise the Lead Director and the Chairman of the Nominating and Governance Committee in advance of accepting an invitation to serve on another board.

**13. TERM AND AGE LIMITS**

As an alternative to term limits, the Nominating and Governance Committee shall formally review each Director's continuation on the Board at the expiration of the Director's term. Upon achieving the age of 72, Directors will not seek re-election.

**14. BOARD COMPENSATION AND STOCK OWNERSHIP**

The Nominating and Governance Committee shall evaluate annually the status of Board compensation in relation to comparable U.S. companies (in terms of size, business sector, etc.) and shall report its findings and recommendations to the Board.

**15. SELECTION OF BOARD MEETING AGENDA ITEMS**

The Lead Director and the PEO shall establish the agenda for each Board meeting. They shall issue a schedule of agenda subjects to be discussed for the ensuing year at the beginning of each year (to the degree these can be foreseen). Each Board member shall be free to suggest the inclusion of item(s) on the agenda.

**16. BOARD MATERIALS AND INFORMATION**

Information and data is important to the Board's understanding of the business shall be distributed in writing to the Board before the Board meets. Management should ensure the material is as brief as possible while still providing the desired information.

**17. BOARD MEETING PRESENTATION**

As a general rule, Board meeting time should be reserved for discussion. Presentations on specific subjects should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions the Board has about the material. However, when the subject matter is too sensitive to put on paper, more presentation time will be required.

**18. ATTENDANCE AT BOARD MEETINGS BY SENIOR MANAGERS**

The Board welcomes regular attendance of senior managers at Board meetings. Should the Chairman and PEO wish to suggest a senior manager attend on a regular basis, such suggestion shall be made to the Board for its concurrence. The Board encourages management to, from time to time, bring managers into Board meetings who: (a) can provide additional insight into the items being discussed, and/or (b) have future potential warranting exposure to the Board.

**19. BOARD ACCESS TO SENIOR MANAGERS AND INDEPENDENT ADVISERS**

Directors shall have complete access to senior management. Directors will use good judgment to ensure that this contact is not distracting to the business operation of the Company and that such contact, if in writing, will be copied to the PEO. Directors shall have access to the Company's independent advisors following consultation with the Chairman of the Board and PEO.

**20. BOARD INTERACTION WITH INVESTORS, PRESS, CUSTOMERS AND SHAREHOLDERS**

Management, and, in particular, the PEO speaks for the Company. Individual Board members may, from time to time at the request of management, meet or otherwise communicate with various constituencies. If comments from the Board are appropriate, however, they should, in most circumstances, come from the Lead Director.

**21. COMMUNICATION WITH THE BOARD**

Stockholders and other constituencies may communicate with the Board or individual members of the Board by transmitting correspondence by mail or facsimile addressed to one or more Directors by name (or to the Chairman of the Board, for a communication addressed to the entire Board) at the following address and fax number: Name of the Director(s), c/o Corporate Secretary, Thermadyne Holdings Corporation, 16052 Swingley Ridge Road, Suite 300, Chesterfield, Missouri 63017, Facsimile No: (636) 728-3010. The Corporate Secretary and the Chairman of the Board will monitor the correspondence and bring any significant issues to the attention of the appropriate members of the Board.

**22. NUMBER, STRUCTURE & INDEPENDENCE OF BOARD COMMITTEES**

The Board currently has three committees: Audit, Compensation, and Nominating and Governance. Membership on such current committees is limited to independent directors. The Board retains discretion to form new committees or disband current committees depending upon the circumstances. Each director, and any other person invited by the committee,

may attend any meeting of the committee, whether or not he or she is a member of that committee.

**23. APPOINTMENT OF MEMBERS TO COMMITTEES**

The Nominating and Governance Committee shall recommend, after consultation with the Lead Director, Chairman of the Board and PEO, and with consideration of the desires of individual Board members, the appointment of Board members to various committees and the appointment of committee chairmen.

**24. APPOINTMENT AND DUTIES OF LEAD DIRECTOR**

If Chairman of the Board is not an Independent Director, as defined herein, then the Nominating and Governance Committee shall recommend, and the Board shall appoint, one of its Independent Directors to serve as a Lead Director. The Lead Director shall be responsible to coordinate and develop the agenda for the executive sessions of the non-management Directors. The Lead Director will also work with the Chairmen of the Board and Committees to develop meeting agendas. The Lead Director will, as necessary, call special meetings of the Board or additional executive sessions. The Lead Director will perform such other duties as described in these guidelines, or as the Board may from time to time delegate to the Lead Director to assist the Board in the fulfillment of its responsibilities. If the Chairman of the Board is Independent and no Lead Director is appointed, then all references in these guidelines to the Lead Director are instead to the Chairman of the Board.

**25. ANNUAL SELF-EVALUATION**

The Board shall conduct an annual self-evaluation of its performance and the performance of its committees. The evaluation shall be based on objective criteria including performance of the business, accomplishment of long-term strategic objectives, development of management, etc.

**26. CORPORATE GOVERNANCE GUIDELINES**

The Nominating and Governance Committee shall review these Guidelines periodically and recommend amendment to the Board as necessary. These Guidelines shall be communicated to the Company's shareholders.

December 7, 2009