

**LEAP WIRELESS INTERNATIONAL, INC.**  
**Corporate Governance Guidelines**  
**(as amended through January 26, 2013)**

On January 26, 2013, the Board of Directors (the “**Board**”) of Leap Wireless International, Inc. (the “**Company**”) adopted the following Corporate Governance Guidelines (the “**Guidelines**”) to assist the Board in the exercise of its responsibilities and to serve the interests of the Company and its stockholders. These Guidelines should be interpreted in the context of all applicable laws and the Company’s Certificate of Incorporation, Bylaws and other corporate governance documents. These Guidelines acknowledge the leadership exercised by the Board’s standing committees and their chairs and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. The Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate in the best interests of the Company and its stockholders or as required by applicable laws and regulations.

**The Board**

*Size of the Board*

The Company’s Certificate of Incorporation provides that the number of directors will be fixed exclusively by one or more resolutions adopted by the Board. The Board believes that a minimum of six (6) directors is an appropriate size based on the Company’s present circumstances. The Board and/or Nominating and Corporate Governance Committee will periodically review the size of the Board, and determine the size that is most effective in relation to future operations.

*Independence of the Board*

The Board will be comprised of a majority of directors who qualify as independent directors (the “**Independent Directors**”) under the listing rules of the NASDAQ Stock Market (“**NASDAQ**”). No more than two (2) management executives who are employed by the Company or who were employed by the Company in the previous three years may serve on the Board at the same time, one of which should be the Chief Executive Officer.

The Nominating and Corporate Governance Committee will review annually the relationships that each director has with the Company to determine whether such director qualifies as an Independent Director. Following such annual review, only those directors who the Board affirmatively determines have no relationship with the Company that would interfere with their exercise of independent judgment in carrying out the responsibilities of a director will be considered Independent Directors, subject to additional qualifications prescribed under the NASDAQ listing rules.

### *Separate Sessions for Non-Management Directors and Independent Directors*

The non-management directors will meet in executive session without management directors or management present on a regular basis, but no less than twice per year. The non-management directors will review the Company's implementation of and compliance with the Guidelines and consider such matters as they may deem appropriate at such meetings. Non-management directors are all directors who are not company officers (as that term is defined in Rule 16a-1(f) under the Securities Exchange Act of 1934). In addition, if the non-management directors include directors who are not also Independent Directors, the Independent Directors shall also meet separately on a regular basis – *i.e.*, without directors who are not Independent Directors – at least twice per year in executive session.

### *Director Qualification Standards*

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate characteristics, skills and experience required for the Board as a whole and its individual members. In evaluating the suitability of individual candidates (both new candidates and current Board members), the Nominating and Corporate Governance Committee, in recommending candidates for election, and the Board, in approving (and, in the case of vacancies or newly-created directorships, appointing) such candidates, may take into account many factors, including ability to make independent analytical inquiries, general understanding of marketing, finance and other elements relevant to the success of a publicly-traded company in today's business environment, experience in the Company's industry, understanding of the Company's business, other board service and educational and professional background. Each candidate nominee must also possess fundamental qualities of intelligence, good judgment, and personal and professional integrity, ethics and values. The Board evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas. In determining whether to recommend a director for re-election, the Nominating and Corporate Governance Committee also considers the director's past attendance at meetings and participation in and contributions to the activities of the Board.

### *Selection of New Directors*

Each year, at the annual meeting, the Board will recommend a slate of directors for election by the stockholders to those positions standing for election in such year. In accordance with the Bylaws of the Company, the Board will also be responsible for filling vacancies or newly-created directorships on the Board that may occur between annual meetings of stockholders. The Nominating and Corporate Governance Committee is responsible for identifying, screening and recommending candidates to the entire Board for Board membership.

### *Selection of Chairman of the Board*

The Board will select the Chairman of the Board in accordance with the Company's Bylaws.

### *No Specific Limitation on Other Board Service*

The Board does not believe that its members should be prohibited from serving on boards of other organizations and has not adopted any guidelines limiting such activities. However, the Nominating and Corporate Governance Committee and the Board will take into account the nature of and time involved in a director's service on other boards and/or committees in evaluating the suitability of individual director candidates and current directors and making its recommendations to the Company's stockholders.

Service on other boards and/or committees should be consistent with the Company's conflict of interest policies set forth below.

### *Term Limits*

Because each director is subject to election by stockholders on an annual basis, the Board does not believe it is in the best interests of the Company to establish term limits at this time. Additionally, such term limits may cause the Company to lose the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company's business and therefore can provide an increasingly significant contribution to the Board.

### *Retirement*

It is the general policy of the Company that no director may stand for election to the Board after his or her seventieth (70<sup>th</sup>) birthday. The Board may, however, make exceptions to this standard, based on the recommendation of the Nominating and Corporate Governance Committee, as it deems appropriate in the interests of the Company's stockholders.

### *Director Responsibilities*

The business and affairs of the Company will be managed by or under the direction of the Board, including through one or more of its committees as set forth in the Bylaws and committee charters. Each director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. The Board's responsibilities include:

- (1) overseeing the conduct of the Company's business, to evaluate and monitor whether the business is being properly managed;
- (2) reviewing and, where appropriate, approving the Company's major financial objectives, strategies, plans and actions;
- (3) reviewing and, where appropriate, approving major changes in, and determinations of other major issues respecting, the appropriate auditing and accounting principles and practices to be used in the preparation of the Company's financial statements;
- (4) reviewing and, where appropriate, approving changes in, and determinations under, the Company's Guidelines, Code of Business Conduct and Ethics and other Company policies that may, from time to time, merit consideration by the Board;

- (5) reviewing and, where appropriate, approving actions to be undertaken by the Company that would result in a material change in the financial structure or control of the Company, the acquisition or disposition of businesses and assets material to the Company or the entry of the Company into any major new line of business;
- (6) assessing major risk factors relating to the Company, its regulatory environment and the Company's performance, and reviewing measures to address and mitigate such risks;
- (7) regularly evaluating the performance and approving the compensation of the Chief Executive Officer;
- (8) with the input of the Chief Executive Officer, regularly evaluating the performance of principal senior executives and approving or modifying the recommendations of the Chief Executive Officer when determining the compensation of such executives;
- (9) planning for succession with respect to the position of Chief Executive Officer and monitoring management's succession planning for other key executives; and
- (10) ensuring that the Company's business is conducted with high standards of ethical conduct and in conformity with applicable laws and regulations.

### *Compensation*

The Company's executive officers shall not receive additional compensation for their service as directors. Senior management of the Company will report at least once every two years to the Board regarding the status of the Company's non-management director compensation in relation to other U.S. companies of comparable size and the Company's competitors. Such report will include consideration of both direct and indirect forms of compensation to the Company's non-management directors, including any charitable contributions by the Company to organizations in which a non-management director is involved. Following a review of the report, the Board will establish the compensation to be paid to non-management directors for their service on the Board and its committees.

Director fees and director stock and option awards are the sole form of compensation that members of the Audit Committee may receive from the Company.

### *Stock Ownership*

The Company believes that directors should be stockholders and have a financial stake in the Company. The Board anticipates that each director will develop a meaningful ownership position in the Company over time. With this goal in mind, each non-employee director will receive a portion of his or her annual retainer in the form of equity compensation, which the Board intends will constitute a majority of each non-employee director's annual compensation for service to the Company.

### *Conflicts of Interest*

Directors are expected to avoid any action, position or interest that conflicts with the interests of the Company or gives the appearance of a conflict. If an actual or potential conflict of interest develops, the director should immediately report the matter to the Chairman of the Board. Any significant conflict must be resolved or the director should resign. If a director has a personal interest in a matter before the Board, the director will disclose the interest to the Board and, generally, will excuse himself or herself from discussion on the matter and will not vote on the matter.

#### *Board Orientation and Continuing Education of Board Members*

The Company will provide new directors with a director orientation program to familiarize them with, among other things, the Company's business, strategic plans, significant financial, accounting and management issues, compliance programs, conflicts policies, Code of Business Conduct and Ethics, Guidelines, principal officers, internal auditors and independent auditors.

The Company will make available to directors continuing education programs, with each director participating in such programs as the Board and such director determine to be desirable.

#### *Interaction with Institutional Investors, the Press and Customers*

The Board believes that management speaks for the Company. Each director should refer all inquiries from institutional investors, the press or customers to management. Individual Board members may, from time to time at the request of management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board.

#### *Board Access to Senior Management*

The Board will have complete access to management in order to ensure that directors can ask any questions and receive all information necessary to perform their duties. Directors should exercise judgment to ensure that their contact with management does not distract managers from their jobs or disturb the business operations of the Company. It is the expectation of the Board that the directors will keep the Chief Executive Officer of the Company informed of communications between a director and management, as appropriate.

#### *Board Access to Independent Advisors*

The Board committees may hire independent advisors as set forth in their applicable charters. The Board as a whole shall have access to such advisors and such other independent advisors that the Company retains or that the Board considers necessary to discharge its responsibilities. The Company will provide appropriate funding, as determined by the Board or any committee, to compensate such advisors, as well as to cover the ordinary administrative expenses incurred by the Board and its committees in carrying out their duties.

#### *Annual Self-Evaluation*

Following the end of each fiscal year, the Nominating and Corporate Governance Committee will facilitate an annual assessment by the Board of the Board's performance. The Nominating and Corporate Governance Committee will be responsible for establishing the evaluation criteria and implementing the process for such evaluation, as well as considering other corporate governance principles that may, from time to time, merit consideration by the Board.

The assessment should include a review of any areas in which the Board or management believes the Board can make a better contribution to the governance of the Company, as well as a review of the committee structure and an assessment of the Board's compliance with the principles set forth in these Guidelines. The purpose of the review will be to improve the performance of the Board as a unit, and not to target the performance of any individual Board member. The Nominating and Corporate Governance Committee will utilize the results of the Board evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board.

## **Board Meetings**

### *Frequency of Meetings*

The Board will meet at least four (4) times annually. In addition, special meetings may be called from time to time as determined by the needs of the business. It is the responsibility of the directors to attend meetings.

### *Director Attendance*

A director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. Accordingly, a director is expected to regularly prepare for and attend meetings of the Board and all committees on which the director sits (including separate meetings of non-management directors and the Independent Directors), with the understanding that, on occasion, a director may be unable to attend a meeting. A director who is unable to attend a meeting is expected to notify the Chairman of the Board or the Chairman of the appropriate committee in advance of such meeting.

### *Attendance of Non-Directors*

The Board encourages the Chairman of the Board or of any committee to bring management and outside advisors or consultants from time to time into Board and/or committee meetings to (i) provide insight into or assistance with items being discussed by the Board or any committee, (ii) make presentations to the Board or committee on matters which involve the manager, advisor or consultant, and (iii) bring managers with high potential into contact with the Board or committee. Attendance of non-directors at Board meetings is at the discretion of the Board.

### *Agendas*

The Chairman of the Board shall establish, or shall create a process for establishing, the agenda for each Board meeting with input from management and, as necessary or desired, from the other directors.

### *Advance Receipt of Meeting Materials*

Information regarding the topics to be considered at a meeting is essential to the Board's understanding of the business and the preparation of the directors for a productive meeting. To the extent feasible and appropriate, the meeting agenda and any written materials relating to each Board meeting will be distributed to the directors sufficiently in advance of each meeting to allow for meaningful review of such agenda and materials by the directors. Directors should review the materials distributed in advance of any meeting and should arrive prepared to discuss the issues presented.

### **Committee Matters**

#### *Number, Name, Responsibilities and Independence of Committees*

The Board currently has three standing committees, each composed entirely of Independent Directors. From time to time, the Board may form a new committee, disband a current committee or re-constitute a current committee, depending upon the circumstances. Each committee will perform its duties as assigned by the Board in compliance with the Company's Bylaws and the committee's charter. The current standing committees are:

(1) Audit Committee. The Audit Committee consists of at least three (3) members and reviews the work of the Company's internal accounting and audit processes and independent auditors. The committee has sole authority to appoint and fire the Company's independent auditors and to approve any significant non-audit relationship with the independent auditors.

(2) Compensation Committee. The Compensation Committee consists of at least two (2) members and reviews and approves the Company's compensation philosophy, stays informed as to market levels of compensation, establishes the compensation of the Chief Executive Officer and, after consultation with the Chief Executive Officer, approves or modifies the recommendation of the Chief Executive Officer when determining the compensation of the Company's other executive officers.

(3) Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee consists of at least two (2) members and is responsible for recommending to the Board individuals to be nominated as directors and committee members. This includes evaluation of new candidates as well as evaluation of current directors. This committee is also responsible for developing and recommending to the Board the Guidelines, as well as reviewing and recommending revisions to the Guidelines on a periodic basis. This committee also performs other duties as are described in these Guidelines.

#### *Assignment and Rotation of Committee Members*

Based on the recommendations of the Nominating and Corporate Governance Committee, the Board will appoint committee members and committee chairs according to criteria set forth in the applicable committee charter and such other criteria that the Board determines to be appropriate in light of the responsibilities of each committee. Committee membership and the

position of committee chair will not be rotated on a mandatory basis unless the Board determines that rotation is in the best interests of the Company.

Each member of the Audit Committee must satisfy the independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934 and must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement, as determined by the Board in its business judgment. In addition, at least one member of the Audit Committee must meet the definition of "audit committee financial expert" as determined by the Board in its business judgment in accordance with Item 401(h) of Regulation S-K.

#### *Frequency of Committee Meetings*

The Compensation Committee and the Nominating and Corporate Governance Committee will meet at least two (2) times annually; the Audit Committee will meet at least four (4) times annually. In addition, special meetings may be called by the Chairman of the committee from time to time as determined by the needs of the business. It is the responsibility of the directors to attend the meetings of the committees on which they serve.

#### *Committee Self-Evaluations*

Following the end of each fiscal year, each committee will review its performance and charter and recommend to the Board any changes it deems necessary.

### **Leadership Development**

#### *Annual Review of Chief Executive Officer*

The Compensation Committee shall formally evaluate the Chief Executive Officer and any other employee directors on an annual basis. These evaluations shall be communicated to the respective officers by the Chairman of the Compensation Committee and considered by the Compensation Committee in its deliberations with respect to the compensation of these employees. The evaluations should be based principally upon objective criteria including business performance, accomplishment of strategic objectives, development of management and other matters relevant to the short term and long term success of the Company and the creation of stockholder value.

#### *Succession Planning*

The Nominating and Corporate Governance Committee will work on a periodic basis with the Chief Executive Officer to review, maintain and revise, if necessary, the Company's succession plan upon the Chief Executive Officer's retirement and in the event of an unexpected occurrence. The Chief Executive Officer shall report to the Board, from time to time and as requested, on succession planning for the Chief Executive Officer and senior management positions, including a discussion of assessments, leadership development plans and other relevant factors. There should also be available to the Nominating and Corporate Governance Committee, on a

continuing basis, the Chief Executive Officer's recommendations regarding his or her successor should he or she be unexpectedly disabled.

### *Management Development*

The Board will determine that a satisfactory system is in effect for the education, development and orderly succession of senior and mid-level managers throughout the Company.

### **Availability to Stockholders**

The Guidelines shall be made available on the Company's website at [www.leapwireless.com](http://www.leapwireless.com) and to any Company stockholder upon a request submitted to the Company Secretary.