

Corporate Governance Policies

1. Board Composition and Selection of Directors

- A. **Size of the Board.** The Company's Bylaws provide that the Board will be not less than three (3) nor more than seven (7) directors. The Board will periodically review the appropriate size of the Board.
- B. **Majority of Independent Directors.** It is the policy of the Board that at least a majority of the directors will not be current employees of the Company and will otherwise meet appropriate standards of independence. In determining independence, the Board will consider the definition of independence in The NASDAQ Stock Market, Inc. listing standards (Marketplace Rule 4200), as well as other factors that will contribute to effective oversight and decision-making by the Board.
- C. **Chair; Lead Independent Director.** The Board will periodically appoint a Chair. Both independent and management directors, including the CEO, are eligible for appointment as the Chair. The Chair, or if the Chair is not an independent director, one of the independent directors, may be designated by the Board to be the "lead independent director." The lead independent director may periodically help schedule or conduct separate meetings of the independent directors and perform such other duties as may be determined by the Board.
- D. **Selection of Board Nominees.** The Board will be responsible for the selection of candidates to be nominated for election or appointment to the Board. The Nominating and Corporate Governance Committee, in consultation with the Chair and the CEO, will recommend candidates for election to the Board. The Nominating and Corporate Governance Committee will consider suggestions from shareholders concerning possible candidates for nomination to the Board of Directors. Such suggestions shall be submitted to the chair of the Nominating and Corporate Governance Committee.
- E. **Board Membership Criteria.** The Board's policy is to encourage selection of directors who will contribute to the Company's overall corporate goals. Our directors take a critical role in guiding InFocus' strategic direction and oversee the management of the Company. Board candidates are considered based upon various criteria, such as their broad-based business and professional skills and experiences, a global business and social perspective, concern for the long-term interests of the stockholders, and personal integrity and judgment. In addition, directors must have time available to devote to Board activities and to enhance their knowledge of our global industry. We seek to attract and retain highly qualified directors who have sufficient time to attend to their substantial duties and responsibilities to the Company. The Nominating and Corporate Governance Committee may from time to time review the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board.
- F. **Directors Who Change Job Responsibility; Retirement.** The Board does not believe directors who retire or change their principal occupation or business association should necessarily leave the Board, however, there should be an opportunity for the Board, through the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under these circumstances. The Board does not believe that a fixed retirement age for directors is appropriate.

2. Director Responsibilities

- A. Attendance and Preparation.** Board members are expected to prepare for, attend and participate in meetings of the Board and of committees on which they serve. In order to effectively prepare, Board members are expected to review meeting materials in advance of Board and committee meetings.
- B. Self-Evaluation.** In order to determine whether the Board and its committees are performing effectively, the Board will periodically perform a self-evaluation.
- C. Management Succession and Development Planning.** The Board will annually review succession and development plans for senior executive officers. The Board may from time to time ask the Compensation Committee to undertake specific reviews concerning management succession planning
- D. Retention of Independent Advisors.** The Board and each Board committee may at its discretion engage independent advisors and legal counsel.
- E. Director Orientation and Education.** Each new director will be given an orientation with respect to his/her duties as a director. In addition, each new director will be provided with background information concerning the Company and issues that significantly affect its operations.

3. **Director Compensation.**

- A. Compensation Committee and Board Review.** The Compensation Committee will periodically review appropriate compensation policies for the directors serving on the Board and its committees. This review may consider Board compensation practices of other public companies, contributions to Board functions, service as committee chairs, and other appropriate factors. The Board will determine compensation policies for directors after receiving the recommendation of the Compensation Committee.
- B. Stock Ownership.** The Board believes that stock ownership by directors helps to align the interests of the Board and the Company's shareholders. In order to promote director stock ownership, the directors participate in the Company's Stock Incentive Plan and the Company's Officer and Director Stock Ownership Program.

4. **Board Meetings**

- A. Scheduling of Full Board Meetings.** Quarterly regular Board meetings will be scheduled in advance. An additional regular meeting will ordinarily be conducted in December. Special meetings will be called as needed in accordance with the Company's Bylaws.
- B. Agenda and Materials.** The CEO, in consultation with the Chair and, if appointed, the Lead Independent Director, will have primary responsibility for preparing the agenda for each meeting and arranging for it to be sent in advance of the meeting to the directors along with appropriate written information and background materials. Each Board committee, and each individual director, is encouraged to suggest items for inclusion on the agenda.
- C. Executive Sessions.** At each regularly scheduled meeting the Board will conduct an executive session in which only the independent directors shall participate.

- D. **Board Presentations and Access to Information.** The Board encourages the presentation at meetings by managers who can provide additional insight into matters being discussed or who have potential that the CEO believes should be given exposure to the Board. The Company's executive management will afford each Board member access to the Company's employees and the independent auditors. The Board encourages management to arrange presentations at Board meetings by the Company's managers and provide other reports that will enhance the flow of meaningful financial and business information to the Board.

5. Board Committees

- A. **Committees.** The current three committees of the Board are the Audit Committee, the Compensation/Stock Option Plan Administrative Committee, and the Nominating and Corporate Governance Committee. From time to time the Board may establish a new committee or disband a current committee depending upon the circumstances.
- B. **Committee Member Selection.** The Board will designate the members and Chair of each committee in accordance with applicable listing rules and legal requirements. The membership of the Audit, Compensation and Nominating and Corporate Governance Committees shall consist solely of directors who meet applicable independence standards.
- C. **Committee Functions.** The full authority and responsibilities of each committee are fixed by resolution of the full Board and the committee's Board approved charter. The number and content of committee meetings and other matters of committee governance will be determined by each committee in light of the authority delegated by the full Board to the committee, the committee's Board approved charter, and legal, regulatory, accounting or governance principles applicable to that committee's function. The Company will provide each committee with access to employees and other resources to enable committee members to carry out their responsibilities. Each standing Board committee will deliver a report to the Board at each regular quarterly meeting.

6. Management Responsibilities

- A. **Financial Reporting, Legal Compliance and Ethical Conduct.** The Company's executive management has primary responsibility for preparing financial statements which accurately and fairly present the Company's financial results and condition. Executive management shall maintain systems, procedures and a corporate culture that promote compliance with legal and regulatory requirements and the ethical conduct of the Company's business.
- B. **New Developments.** Executive management shall assure that the Board is promptly informed concerning legal and regulatory developments that may materially affect the Company's operations or the responsibilities of the Board.
- C. **Corporate Communications.** Executive management has the primary responsibility to communicate with investors, the press, employees and other constituencies that are involved with the Company, and to set policies for those communications.