



## **Corporate Governance Guidelines**

### **Governing Principles**

The following Guidelines have been approved by the Board of Directors (the "Board") and, together with the charters of the Board committees, provide the framework for the governance of Coleman Cable, Inc. (the "Company"). The Guidelines are intended to serve as a flexible framework within which the board may conduct its business and should be interpreted in the context of all applicable laws and the Company's certificate of incorporation and by-laws.

### **Director Qualification Standards**

A majority of the members of the Board must qualify as independent directors in accordance with the applicable provisions of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the rules promulgated thereunder and the applicable rules of the NASDAQ Stock Market ("NASDAQ").

Directors are expected to advise the Chairman of the Board (or Co-Chairmen, if applicable) and the Chairman of the Nominating and Corporate Governance Committee promptly upon accepting any other public company directorship or any assignment to the audit committee or compensation committee of the board of directors of any public company of which such director is a member.

Directors are expected to report changes in their business or professional affiliations or responsibilities, including retirement, to the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee. A director should offer to resign if the Nominating and Corporate Governance Committee concludes that the director no longer meets the Company's requirements for service on the Board.

The Chief Executive Officer and any other officer of the Company who is a director shall offer to resign from the Board when such individual ceases to be the Chief Executive Officer or other officer of the Company.

### **Extending an Invitation to a New Potential Director to Join the Board**

The invitation to join the Board should be extended by the Board itself, through the Chairman of the Nominating and Corporate Governance Committee, the Chairman of the Board and the Chief Executive Officer.

## **Director Responsibilities**

Directors should exercise their business judgment to act in what they reasonably believe to be the best interests of the Company in a manner consistent with their fiduciary duties. Directors should regularly attend meetings of the Board and of all Board committees upon which they serve. To prepare for meetings, directors should review the materials that are sent to directors in advance of those meetings.

Information and data that is important to the Board's understanding of the business to be discussed at meetings will be distributed in advance of meetings to the extent practicable, except when such material is too sensitive to be put in writing.

Directors shall preserve the confidentiality of confidential material given or presented to the Board. The Board considers the observance of the directors' duty of confidentiality to be of critical importance to the Company and to effective corporate governance. Accordingly, the unauthorized disclosure of confidential information may result, depending on the circumstances, in sanctions, including removal from the Board.

Any director may suggest agenda items for the Board or a committee of the Board and may raise at meetings other matters that they consider worthy of discussion.

Directors must disclose to other directors any potential conflicts of interest they may have with respect to any matter under discussion and, if appropriate, refrain from voting on a matter in which they may have a conflict.

The Board will schedule regular executive sessions where independent directors meet without management participation. Significant matters discussed will be communicated to management as determined appropriate by the members attending the meeting.

The Board shall at all times maintain an Audit Committee, a Nominating and Corporate Governance Committee and a Compensation Committee which must operate in accordance with applicable law, their respective charters as adopted and amended from time to time by the Board, and the applicable rules of the Securities and Exchange Commission (the "SEC") and NASDAQ. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by applicable law and the Company's Amended and Restated Bylaws as the Board sees fit.

## **Director Access to Management and Independent Advisors**

The Company shall provide each director with complete access to the management of the Company, subject to reasonable advance notice to the Company and reasonable efforts to avoid disruption to the Company's management, business and operations. The Board and Board committees, to the extent set forth in the applicable committee charter or as required by the applicable rules of the SEC or NASDAQ, have the right to consult and retain independent legal and other advisors at the expense of the Company.

## **Director Compensation**

The Board or an authorized committee thereof will determine and review the form and amount of director compensation, including cash, equity-based awards and other director compensation. In

connection with such director compensation, the Board will be aware that questions may be raised when directors' fees and benefits exceed what is customary. Similarly, the Board will be aware that the independence of directors could be questioned if substantial charitable contributions are made to organizations with which a director is affiliated or if the Company enters into consulting contracts with, or provides other direct or indirect compensation to, a director. Under no circumstances is an independent director, or any non-employee family member of an independent director, to receive any payments in excess of \$60,000 (including political contributions) other than for Board service. Members of the Audit Committee may not receive, directly or indirectly, any payment from the Company other than for Board service.

The Company believes that the compensation paid to directors should be competitive and should encourage ownership of the Company's stock by directors. The Nominating and Corporate Governance Committee shall review all forms of direct or indirect compensation paid to directors and any substantial charitable contributions to organizations with which a director is affiliated in order to determine whether any changes need to be made to director compensation. Changes in Board compensation, if any, should come at the suggestion of the Nominating and Corporate Governance Committee, but with full discussion and concurrence by the Board.

### **Director Orientation and Continuing Education**

The Board or the Company will establish, or identify and provide access to, appropriate orientation programs, sessions or materials for newly elected directors of the Company for their benefit either prior to or within a reasonable period of time after their nomination or election as a director and on a continuing basis.

### **Amendment, Modification and Waiver**

These Guidelines may be amended, modified or waived by the Board and waivers of these Guidelines may also be granted by the Nominating and Corporate Governance Committee, subject to the disclosure and other provisions of the Exchange Act, the rules promulgated thereunder and the applicable rules of NASDAQ.

### **Directors' Service on Other Boards**

Directors should consider any obligations to other boards of directors, taking into account attendance, participation and effectiveness, when considering proposed service on the Board, and should consider obligations to the Company before accepting invitations to serve on other boards. Directors should also advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another board.

### **Independence**

The Board believes that as a matter of policy, there should be a majority of independent directors on the Board. However, the Board is willing to have members of management, in addition to the Chief Executive Officer, as directors. The Board will annually review all commercial and charitable relationships of nominees and directors (and as to commercial relationships, their immediate family members) to assess the independence of each director. This annual review responsibility shall be

delegated to the Nominating and Corporate Governance Committee. The Committee shall report its findings to the Board and then the Board will act upon that information in determining directors' independence. Also, the Board will consider this information in nominating individuals for election by the shareholders and in making committee appointments.

### **Lead Director and Executive Sessions of Non-Management Directors**

If the Chairman is not independent, as determined by the independent directors pursuant to Section I above, the independent directors may designate a lead director (the "Lead Director") by majority vote of the independent directors. The Lead Director will preside at all meetings of the Board at which the Chairman is not present, including Executive Sessions of Non-Management directors. The Lead Director should serve as a liaison between the Chairman and the independent directors as required. The Lead Director has the authority to call meetings of the independent directors or Executive Sessions of Non-Management directors. The independent directors may delegate additional duties to the Lead Director as appropriate.

### **Board's Interaction with Institutional Investors, Press, Customers and Other External Audiences**

The Board believes that only senior management should speak for the Company. Accordingly, all inquiries from the press, shareholders, securities analysts and other members of the financial community should be referred to the President and Chief Executive Officer or the Chief Financial Officer. Solely the President and Chief Executive Officer or the Chief Financial Officer may respond to such inquiries and communicate with these groups. However, this prohibition does not apply to directors (except as to press communications), so long as they are not communicating material, non-public information.