ISLA PERTTULA CORPORATION
1 Channel Plaza, Perttula, Texas 77436

# Corporate Governance Guidelines

Adopted by the Board of Directors. Last updated November 2011.

## Role of the Board

The business of Isla Perttula Corporation is managed under the direction of the Board of Directors. The Board selects the senior management team, oversees the conduct of the business, and reviews the Company's strategy, financial objectives and principal risks.

## Composition

The Board consists of nine directors. Holders of Class B Common Stock, voting as a class, elect three directors. The Board has determined that a majority of the directors who are not elected by the Class B holders are independent.

## Lead Independent Director

Because the offices of Chairman and Chief Executive Officer have at times been held by the same person, and because the Chairman is not independent, the independent directors annually designate a Lead Independent Director, who presides at executive sessions.

## Meetings

The Board holds at least five regular meetings each year, one of which is held at Perttula and includes a site visit. Independent directors meet in executive session at each regular meeting.

## Director Qualifications

- Integrity and sound judgment
- Experience in heavy industry, materials, logistics or finance
- Willingness to commit sufficient time
- Familiarity with the communities in which the Company operates

## Share Ownership

Non-employee directors are expected to hold Company shares with a value of not less than five times the annual cash retainer within five years of joining the Board.