

**CORPORATE GOVERNANCE GUIDELINES**  
**FOR**  
**ARC DOCUMENT SOLUTIONS, INC.**

**Purpose**

The Board of Directors (the "Board") of ARC Document Solutions, Inc. (the "Corporation"), acting on the recommendation of its Nominating and Corporate Governance Committee, has adopted the following corporate governance principles (the "Guidelines") in order to establish the framework for the corporate governance of the Corporation. The Board will review and, if appropriate, revise these Guidelines from time to time as it deems necessary and appropriate.

**Director Responsibilities**

1. Each director on the Board ("Director") and the Board as a whole are responsible for overseeing the success of the Corporation and acting in the best interests of the Corporation and its shareholders.
2. In carrying out his or her Director responsibilities, each Director is required to act: (1) in good faith; (2) with care an ordinary prudent person in a like position would exercise under similar circumstances; and (3) in a manner he or she believes to be in the best interests of the Corporation.
3. The Board is responsible for selecting a well-qualified Chief Executive Officer ("CEO") of high integrity and other senior management of the Corporation.
4. The Board shall interact with and generally oversee the CEO and management and provide advice and counsel to the Corporation's CEO and senior management.
5. The Board is responsible for adopting and overseeing compliance with the Corporation's Code of Conduct and for promptly disclosing to the shareholders any waivers of the Code of Conduct, which will be approved for Directors or executive officers by the Board.
6. The Board will hold regularly scheduled meetings of the entire Board and the non-management Directors shall hold regularly scheduled executive sessions without management. The Nominating and Corporate Governance Committee shall select from among the independent Directors a lead Director to chair the executive sessions of the non-management Directors.
7. Regular attendance at Board meetings is mandatory. Meeting materials should be reviewed in advance. Directors are expected to devote the time and effort necessary to fulfill his or her Director responsibilities.

## **Director Qualification Standards**

1. The Nominating and Corporate Governance Committee is responsible for identifying individuals qualified to become Directors and recommending to the Board the Director nominees for the next annual meeting of stockholders.
2. In connection with the selection and nomination process, the Nominating and Corporate Governance Committee shall take into consideration such factors as it deems appropriate, including judgment, diversity of experience, business acumen, skills, the ability of the candidate to devote sufficient time and attention to the affairs of the Corporation, and personal character of the candidate, as well as its assessment of the present or anticipated needs of the Board.
3. Independent Directors must comprise a majority of the Board. To be considered “independent,” a Director must meet the requirements under the New York Stock Exchange’s independence standards, as amended from time to time.
4. In addition to satisfying all of the New York Stock Exchange’s independence criteria, all members of the Audit Committee must also meet the following requirements:
  - (a) Director’s fees are the only compensation that members of the Audit Committee may receive from the Corporation or any of its consolidated subsidiaries. Audit Committee members may not receive, directly or indirectly, any consulting, advisory or other compensatory fees from the Corporation or any of its consolidated subsidiaries (other than in his or her capacity as a member of the Audit Committee, the Board, or any other committee of the Board).
  - (b) No member of the Audit Committee may be an “affiliated person” of the Corporation, or any of its consolidated subsidiaries, as such term is defined by the Securities and Exchange Commission.
5. The number of boards on which a Director may sit may be reviewed on a case-by-case basis by the Nominating and Corporate Governance Committee.
6. A Director shall offer, in writing, to resign if there is any significant change in his or her personal circumstances, including a fundamental change in his or her job responsibilities. The Chairman of the Nominating and Corporate Governance Committee may recommend, to the entire Board, acceptance or rejection of such an offer to resign after consultation with the members of the Nominating and Corporate Governance Committee and the Chairman of the Board.

## **Selection of New Directors**

Directors are elected annually by the stockholders at the Annual Meeting. The Board of Directors proposes a slate of nominees for consideration each year. Between Annual Meetings, the Board may elect Directors to serve until the next Annual Meeting. The Board Nominating

and Corporate Governance Committee identifies, investigates and recommends prospective Directors to the Board with the goal of creating a balance of knowledge, experience and diversity.

### **Board Size**

The By-Laws provide that the number of Directors is determined by the Board. The Board's size is assessed at least annually by the Nominating and Corporate Governance Committee and changes are recommended to the Board when appropriate. If any nominee is unable to serve as a Director, the Board may reduce the number of Directors or choose a substitute.

### **Term of Office**

Directors serve for a one-year term and until their successors are elected.

### **Board Committees**

The Board shall at all times have a Nominating and Corporate Governance Committee, an Audit Committee and a Compensation Committee, each comprised solely of "independent" Directors, as defined by applicable rules or listing standards. The Board shall evaluate and determine if and under what circumstances it is appropriate to form new Committees. The Nominating and Corporate Governance Committee, the Audit Committee and the Compensation Committee will each have its own charter which will set forth the responsibilities of the Committee.

### **Business Conduct and Ethics Code**

The Board expects all Directors, as well as officers and employees, to display the highest standard of ethics. The Board also expects Directors, officers and employees to acknowledge their adherence to the Corporation's Code of Conduct (the "Code"). The Corporation has and will continue to maintain the Code.

### **Director Compensation**

The Compensation Committee of the Board shall review and report to the Board with respect to Director compensation and benefits as required under the Compensation Committee Charter. The Compensation Committee's review shall include, among other things, a comparison of the Corporation's Director compensation practices against the market practices of other similarly situated companies. Directors who are members of the Audit Committee may receive no compensation from the Corporation other than the fees they receive for serving as Directors.

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

The Board is expected to be highly interactive with senior management and, accordingly, Directors shall have regular access to members of senior management. It is not unusual for Directors to discuss corporate issues or matters directly with members of senior management.

Directors are authorized to consult with independent financial, legal or other advisors, as is necessary and appropriate, without consulting management.

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

The Board shall implement and maintain an orientation program for newly elected Directors. The Directors are required to continue educating themselves on subjects that would assist them in discharging their duties.

### **Chief Executive Officer Evaluation and Management Succession Planning**

The Compensation Committee is responsible for annually evaluating the Chief Executive Officer's performance with respect to a number of financial and non-financial goals that are established at the beginning of each fiscal year. Based on this review and appropriate factors, including the Corporation's performance and relative stockholder returns, the elements and value of compensation provided to chief executive officers at comparable companies and the elements and value of compensation previously provided to the CEO, the Compensation Committee shall determine and approve the appropriate elements and levels of the CEO's compensation.

The Board is responsible for planning for succession to the position of Chief Executive Officer. The Compensation Committee is responsible for making recommendations to the Board about succession planning. The Compensation Committee also recommends to the Board succession plans in the event of an emergency or the retirement of the CEO.

The CEO shall provide an annual report to the Board assessing senior management and their potential to succeed him or her, and such report shall be reviewed by the Compensation Committee. The report shall also contain the CEO's recommendation as to his or her successor.

### **Annual Performance Evaluation of the Board**

The Board and its Committees will conduct a self-evaluation at least annually to determine whether it and its Committees are functioning effectively. The Board also will review the Nominating and Corporate Governance Committee's periodic recommendations concerning the performance and effectiveness of the Board and its Committees.

### **Periodic Review of Guidelines**

These Guidelines are subject to periodic review and update by the Nominating and Corporate Governance Committee and the Board.

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