

Aames Investment Corporation
Corporate Governance Guidelines

1. Director Qualification Standards

1.1 A majority of the members of the Board of Directors of Aames Investment Corporation (the “Company”) must qualify as independent directors in accordance with the applicable provisions of the Securities Exchange Act of 1934, and the rules thereunder, and the applicable rules of the New York Stock Exchange.

1.2 Directors must advise the Chairman of the Board and Chairman of the Nominating and 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.

1.3 Directors must 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 Governance Committee. A director should offer to resign if the Nominating and Governance Committee concludes that the director no longer meets the Company’s requirements for service on the Board of Directors.

1.4 No director may serve as a director, officer or employee of a competitor of the Company.

2. Director Responsibilities

2.1 Directors should exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company in a manner consistent with their fiduciary duties. Directors should regularly attend meetings of the Board of Directors 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 meetings.

2.2 The Board of Directors will schedule regular executive sessions where non-management directors (directors who are not company officers but who do not otherwise have to qualify as “independent” directors) meet without management participation. The non-management directors will either select a non-management director to preside at each executive session or will establish a procedure by which the presiding director for each executive session will be selected. The Board of Directors of the Company will establish methods by which interested parties may communicate directly with the presiding director or with the non-management directors as a group. These methods must be disclosed.

2.3 The Board of Directors will at all times maintain an Audit Committee, a Nominating and Governance Committee and a Compensation Committee. These committees 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 and the New York Stock Exchange. 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 Bylaws as the Board sees fit.

2.4 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.

3. Director Access to Management and Independent Auditors

The Company will 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 of Directors and Board committees, to the extent set forth in the applicable committee charter, will have the right to consult with and retain independent legal and other advisors at the Company's expense.

4. Director Compensation

The Board of Directors, 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 of Directors must be aware that questions may be raised when directors' fees and benefits exceed what is customary. Similarly, the Board of Directors must 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 indirect compensation to, a director. The Board of Directors will critically evaluate each of these matters when determining the form and amount of director compensation, and the independence of a director.

5. Director Orientation and Continuing Education

The Board of Directors 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. The Board of Directors will encourage, but not require, directors to periodically pursue or obtain appropriate programs, sessions or materials regarding the responsibilities of directors of publicly traded companies.

6. Management Evaluation and Succession

6.1 The Board of Directors – excluding any members of management of the Company – will conduct an annual review of the performance and compensation of the Chief Executive Officer. In doing so, the Board of Directors will take into account the views and recommendations of the Compensation Committee and the Nominating and Governance Committee, as applicable, and as set forth in their respective charters.

6.2 The Board of Directors will establish and review such formal or informal policies and procedures, consulting with the Nominating and Governance Committee, the Chief Executive Officer and others, as it considers appropriate, regarding the successor to the Chief Executive Officer if there is an emergency or upon retirement.

7. Annual Performance Evaluation of the Board

The Board of Directors will conduct a self-evaluation annually to determine whether it and its committees are functioning effectively. The full Board of Directors will discuss the evaluation report to determine what, if any, action could improve the Board of Directors or its committees' performance. The Board of Directors, with the assistance of the Nominating and Governance Committee, as appropriate, will review these Corporate Governance Guidelines on an annual basis to determine whether any changes are appropriate.

8. Amendment, Modification and Waiver

These Guidelines may be amended, modified or waived by the Board of Directors. The Nominating and Governance Committee may also grant waivers of these Guidelines, subject to the disclosure and other provisions of the Securities and Exchange Act of 1934 and the applicable rules of the New York Stock Exchange.