

Corporate Governance

Premiere Global Services: Corporate Governance Guidelines

I. THE ROLE OF THE BOARD AND MANAGEMENT

The Board believes that the Company's long-term success is dependent upon the maintenance of an ethical business environment that focuses on adherence to both the letter and spirit of the regulatory and legal mandates, as well as the Company's Code of Conduct and Ethics. The Board expects management to conduct operations in an ethical manner consistent with applicable laws, rules and regulations and the Company's Code of Conduct and Ethics.

The Board is elected by the Company's shareholders and represents the shareholders' interest in perpetuating and increasing the value of the business enterprise. The Board believes that the primary responsibility of Directors is to oversee the affairs of the Company for the benefit of the Company and its shareholders. The Board recognizes and agrees that day-to-day management of the Company is the responsibility of the Company's executive officers and that the role of the Board is to oversee management's performance of that function. The responsibility of each Director is to exercise his or her business judgment and to act in what he or she reasonably believes to be in the best interests of the Company and its shareholders.

The Company's management, under the oversight of the Board and its Audit Committee, has the responsibility to prepare financial statements that fairly present the Company's consolidated financial position, results of operations and cash flows. The Board shall approve operating and strategic plans for each fiscal year and review financial performance periodically, including both actual performance for the period reviewed and performance relative to the Company's overall strategic plan. The Audit Committee has the responsibility to engage an independent accounting firm, which will audit the financial statements prepared by management and issue an opinion on those statements based on Generally Accepted Accounting Principles. The Board, the Audit Committee and management shall establish and adhere to policies designed to prevent actions by the Company or its employees that might compromise the independence of the independent auditors.

II. BOARD FUNCTIONS

The Board, directly and through its appropriate committees, shall:

- Review and approve strategic plans
- Review Company financial and strategic performance

- Oversee and evaluate management's systems for internal control, financial reporting and public disclosure;
- Establish corporate governance standards;
- Select, evaluate and compensate the Company's Chief Executive Officer;
- Oversee and evaluate senior management performance and compensation;
- Plan for effective succession of the Chief Executive Officer and senior management;
- Set a tone for a climate of corporate trust and confidence;
- Set standards for Director qualification;
- Set standards for Director orientation and continuing education; and
- Undertake an annual performance evaluation of the Board.

III. SELECTION OF THE BOARD

A. Board Membership Criteria

The Nominating and Governance Committee will annually review the appropriate experience, skills and qualifications expected of Board members in the context of the current membership of the Board. This assessment should include, among other relevant factors, in the context of the perceived needs of the Board at that time, issues of experience, reputation, judgment, diversity and skills. In selecting candidates for nomination as Directors, the Nominating and Governance Committee will consider such criteria as it may deem appropriate, which may include current or recent experience as a senior executive officer, business expertise currently desired on the Board (with specific attention to the requirements for membership on the Audit Committee), industry experience and general ability to enhance the overall composition of the Board.

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serving on the Board for an extended period of time. The number of other public company boards on which a Director may serve shall be subject to a case-by-case review by the Nominating and Governance Committee to determine whether each Director will be reasonably likely to devote sufficient time to perform his or her duties as a Director of the Company. A Director should advise the Chairman of the Board and the Chairman of the Nominating and Governance Committee before accepting an invitation to serve as a director of another public company. The Nominating and Governance Committee will review whether such board membership may unduly affect the ability of the Director to fulfill the Director's duties to the Company.

B. Selection of New Directors

The Board should be responsible for selecting its own nominees and recommending them for election by the shareholders. The Board delegates the screening process necessary to identify qualified candidates to the Nominating and Governance Committee, including consultation with the Chairman of the Board and the Chief Executive Officer.

The Nominating and Governance Committee, in consultation with the Chairman of the Board, shall periodically examine the composition of the Board and determine whether the Board would better serve its purposes with the addition of one or more Directors. If the Nominating and Governance Committee determines that adding a new Director is advisable, the Committee shall initiate a search for a suitable candidate, which may include working with other Directors, management and a search firm retained to assist in the search, each as the Nominating and Governance Committee deems necessary or appropriate. The Nominating and Governance Committee shall consider all appropriate candidates proposed by management and the Directors. The Nominating and Governance Committee shall determine the process to consider nominations for directors received from the Company's shareholders. Information regarding potential candidates shall be presented to the Nominating and Governance Committee, which shall evaluate the candidates based on the needs of the Board at that time, the criteria listed in these Guidelines and the criteria established from time to time by the Nominating and Governance Committee. The Nominating and Governance Committee shall then meet to consider the selected candidate(s), and submit the approved candidate(s) to the full Board for approval and recommendation to the shareholders.

IV. BOARD COMPOSITION

A. Size of the Board

The Company's Articles of Incorporation, as amended, provides that the number of directors which shall constitute the whole Board of Directors shall be fixed from time to time by resolution of the Board. The Board shall determine, after considering the recommendations of the Nominating and Governance Committee, the number of members of the Board appropriate to provide that all of the necessary or desirable core competencies are possessed by the Board as a whole.

B. Director Independence

The Company shall have at all times a majority of independent directors, as required by the New York Stock Exchange ("NYSE"). At least once per year, the Board will review each relationship that exists with a Director and his or her related interests for the purpose of determining whether the Director is independent under the NYSE's rules. This information shall be initially reviewed by the Nominating and Governance Committee and, in the case of members of that committee, also by the full Board.

The Board has established guidelines to assist it in determining director independence (the "Independence Guidelines"), which conform to or are more exacting than the independence requirements in the NYSE rules:

- A Director will not be independent if the Director is, or has been within the last three years, employed by the Company, or an immediate family member is, or has been within the last three years, an executive officer of the Company.

- A Director will not be independent if the Director has received during any twelve-month period within the last three years, any direct compensation from the Company in excess of \$100,000, other than Director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).
- A Director will not be independent if an immediate family member has received during any twelve-month period within the last three years more than \$100,000 in direct compensation from the Company.
- A Director will not be independent if: (a) the Director or an immediate family member is a current partner of a firm that is the Company's internal or external auditor; (b) the Director is a current employee of such a firm; (c) an immediate family member is a current employee of such a firm and participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (d) the Director or an immediate family member was within the last three years (but is no longer) a partner or employee of such firm and personally worked on the Company's audit within that time.
- A Director will not be independent if the Director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's current executive officers serves or served on that company's compensation committee.
- A Director will not be independent if the Director is a current employee or executive officer, or an immediate family member is a current executive officer, of a company that has made payments to, or received payment from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or two percent of such other company's consolidated gross revenues.
- A Director will not be independent if, at the time of the independence determination, the Director is an employee or executive officer, or an immediate family member is an executive officer, of another company which is indebted to the Company, or to which the Company is indebted, and the total amount of either company's indebtedness to the other at the end of the last completed fiscal year is more than one percent of the other company's total consolidated assets.
- A Director will not be independent if the director serves as an officer, director or trustee of a charitable, tax exempt organization, and, within the preceding three years, the Company's discretionary charitable contributions to that organization in any single fiscal year are greater than \$1 million or two percent of that organization's total annual charitable receipts; provided, however, that the Company's automatic matching of employee charitable contributions will not be included in the amount of the Company's contributions for this purpose.

In addition to applying the Independence Guidelines, the Board shall consider all relevant facts and circumstances when making a determination of independence, including commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships. The Board shall consider the issue not merely from the standpoint of a Director, but also from that of persons or organizations with which the Director has a significant affiliation. An independent director should be free of any relationship with

the Company or its management that is reasonably likely to impair the Director's ability to make independent judgments. If the Board determines that a Director who satisfies the NYSE rules is independent even though he or she does not satisfy all of the Company's Independence Guidelines, this determination will be disclosed and explained in the next proxy statement.

C. Service on Other Boards of Directors

Prior to accepting an invitation to serve on another public company's board of directors, Directors should advise the Chairman of the Board and the Chairman of the Nominating and Governance Committee. In deciding whether to serve on another public company board, the Board believes that Directors should consider his or her time commitments, the potential affects on his or her attendance of Board meetings, and participation and effectiveness on all boards where he or she serves.

D. Term Limits

The Board has determined not to establish formal term limits. However, the Nominating and Governance Committee, in conjunction with the Chief Executive Officer, will formally review each Director's continuation on the Board shortly before the end of such Director's then current term. This review shall be conducted in connection with the Nominating and Governance Committee's annual evaluation of governance and Board effectiveness, consideration of nominations to the Board at the annual shareholders' meeting at which such Director's term shall expire, and the Board's annual self-evaluation.

V. BOARD MEETINGS

A. Selection of Agenda Items for Board Meetings

The Chairman of the Board and the Chief Executive Officer will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each Director may raise, at any Board meeting, subjects that are not on the agenda for that meeting.

B. Attendance at Board Meetings and Review of Board Materials

Each Director is expected to attend all meetings of the Board and committees on which the Director serves, and should attend the Company's Annual Meeting of Shareholders. In advance of each Board meeting, a proposed agenda and, to the extent feasible or appropriate, information and data that is important to an understanding of the business to be discussed, will be distributed. Each Director is requested to review these materials prior to the Board meeting.

C. Executive Sessions of Non-Management Directors

The independent Directors shall appoint an independent director to act as the Presiding Independent Director, who shall preside over executive sessions of non-management directors. The outside Directors shall meet at regularly scheduled executive sessions, which shall be on the same day as regular Board meetings and, at least annually, to discuss management succession and other issues. Any independent Director may call an executive session of independent Directors at any time upon not less than five days prior notice, duly given, which notice shall include the purposes, location and time of the meeting.

D. Board Interaction with Institutional Investors and Other Shareholders.

The Board believes that management speaks for the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman.

Shareholders and other interested parties who wish to communicate with the Board, a Board committee, the Presiding Independent Director, non-management directors as a group, or other individual directors as a group may do so by sending written communications to the applicable party or parties: c/o Corporate Secretary, Premiere Global Services, Inc., The Terminus Building, 3280 Peachtree Rd. NW, Suite 1000, Atlanta, Georgia 30305-2422. All communications will be compiled by the Corporate Secretary and forwarded to the Board or the appropriate Directors prior to or at the next regularly scheduled meeting of the Board of Directors.

VI. BOARD COMMITTEES

A. Number, Structure and Independence of Committees

The Company shall have an Audit Committee, a Compensation Committee, and a Nominating and Governance Committee. All members of the Audit Committee, the Compensation Committee and the Nominating and Governance committee shall be “independent,” as such term is defined by the NYSE and the applicable rules of the Securities and Exchange Commission (“SEC”). The Board may appoint an Executive Committee or such other committees as it deems appropriate from time to time.

B. Assignment of Committee Members

The Nominating and Governance Committee shall, after consultation with the Chief Executive Officer and with consideration of the desires of individual Board members, recommend to the full Board the assignment of Board members to committees.

C. Committee Meetings

Committee Chairmen, in consultation with committee members, will determine the frequency and length of committee meetings. Each committee shall meet as set forth in each Committee’s charter, and otherwise as frequently as required to carry out its

responsibilities. Committee Chairmen, in consultation with the appropriate members of senior management and staff, will develop the agenda for each committee meeting.

VII. DIRECTOR OBLIGATIONS

A. Ethics and Conflicts of Interest

Directors, as well as officers and employees, must act ethically at all times and should acknowledge their adherence to the policies described in the Company's Code of Conduct and Ethics and in these Guidelines. If an actual or potential conflict of interest exists for a Director, the Director should promptly inform the Chief Executive Officer, and if the conflict of interest involves the Chief Executive Officer, the Director should inform the Chairman of the Nominating and Governance Committee. If a significant conflict exists and cannot be resolved, the Director should submit his or her resignation to the Board. All Directors shall recuse themselves from any discussion or decision affecting their personal or professional interests.

B. Reliance on Others; Liability Insurance

In discharging their obligations and responsibilities, the Company's Directors are entitled to rely, in good faith, on the honesty and integrity of their fellow Directors, the Company's management, independent auditors and outside advisors. Further, to promote the ability of each Director to act in accordance with the Director's reasonable, good faith business judgment without undue concern for the substantial risk of personal liability faced by public company directors, the Company shall seek to purchase and maintain at all times directors' and officers' liability insurance in amounts deemed reasonably appropriate.

C. Directors Who Change Their Present Job Responsibility

Directors who change the occupation they held when initially elected shall immediately notify the Chairman of the Board and the Chairman of the Nomination and Governance Committee of such change. The Board does not believe that in every instance Directors who retire or change from the position they held when they became Board members should necessarily leave the Board. There should, however, be an opportunity for the Board, through the Nominating and Governance Committee, to review the continued appropriateness of Board membership under the changed circumstances. If requested by the Chairman of the Board, such Director whose occupation has so changed should submit a letter of resignation to the Board.

VIII. DIRECTOR ORIENTATION AND EDUCATION

The Company will establish, or identify and provide access to, appropriate orientation programs, sessions or materials for newly elected Directors. The program or materials will include information to acquaint new Directors with the Company, including its strategy, long-range plans, financial statements, properties and operations, Corporate

Governance Guidelines, and the Code of Conduct and Ethics. As part of the orientation, new Directors will be introduced to the Company's senior management, its internal auditors and its independent auditors. From time to time, Directors will receive information and updates on legal and regulatory changes that affect the Company and the Directors.

IX. DIRECTOR COMPENSATION

The form and amount of Director compensation will be determined by the Compensation Committee in accordance with policies and principles set forth in its charter. Changes in Director compensation recommended by the Compensation Committee will be considered by the Board, which may approve or deny such changes, in whole or in part. The Board believes that the level of Director compensation generally should be competitive with that paid to directors of other corporations of similar size and complexity, and the time and effort required by the Company of its Directors. The Company's management shall annually review and report to the Compensation Committee the status of the Company's Board compensation in relation to other comparable companies. The Compensation Committee understands that the independence of Directors may be jeopardized if Director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions 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 or an organization with which the Director is affiliated.

X. BOARD ACCESS TO SENIOR MANAGEMENT AND ADVISORS

Board members have unrestricted access to the Company's senior management. Furthermore, the Board encourages senior management, from time to time, to bring to Board meetings officers and managers who: (a) can provide additional insight to matters before the Board because of such person's involvement in the areas being discussed, or (b) are officers and managers with potential for future advancement that senior management believes should be given exposure to the Board. As necessary and appropriate, Board members shall also have access to outside legal, accounting and other professional advisors to assist them in carrying out their duties and responsibilities as Directors.

XI. ANNUAL PERFORMANCE EVALUATIONS

The Board shall conduct an annual evaluation of itself and its committees to determine whether it and its committees are functioning effectively, individually and as a whole. The Nominating and Governance Committee shall receive and review comments from each Director and members of senior management and report to the Board with an assessment of the Board's performance. This assessment should review the Board's contribution as a whole and the areas in which the Board and/or management believes a better contribution is possible. Similar annual reviews and assessments will be undertaken by each of the Board's committees.

XII. LEADERSHIP DEVELOPMENT

A. Formal Evaluation of the Chief Executive Officer

Each year, the Nominating and Governance Committee shall evaluate the performance of the Chief Executive Officer. In evaluating the Chief Executive Officer, the committee shall take into consideration the Chief Executive Officer's performance in both qualitative and quantitative areas, such as: leadership and vision, integrity, keeping the Board informed on matters affecting the Company and its affiliated subsidiaries, the performance of the business, including the achievement of financial objectives and goals.

The Compensation Committee shall set the compensation of the Chief Executive Officer. The evaluation will be communicated to the Chief Executive Officer by the Chairman of the Compensation Committee and considered by the Compensation Committee in the course of its deliberations when establishing the compensation of the Chief Executive Officer for the ensuing year.

B. Succession Planning

The Chief Executive Officer will periodically provide to the Nominating and Governance Committee a report regarding succession planning for the position of Chief Executive Officer. The Chief Executive Officer will also communicate a recommendation for his or her successor as a result of an unexpected event to the Chairman of the Nominating and Governance Committee. This recommendation should be updated by the Chief Executive Officer periodically.

The Board has the responsibility to fill the positions of Chairman and Chief Executive Officer as it deems best for the Company and its shareholders from time to time.

XIII. PERIODIC REVIEW OF CORPORATE GOVERNANCE GUIDELINES

These Corporate Governance Guidelines shall be reviewed by the Nominating and Governance Committee on a periodic basis, but not less than annually. Any recommended changes shall be submitted to the Board for consideration.

XIV. DISCLOSURE OF CORPORATE GOVERNANCE GUIDELINES

The Company shall maintain, and update promptly, its investor relations Internet website to include these Corporate Governance Guidelines, and its Audit, Compensation, and Nominating and Governance Committee Charters, and disclose in its annual proxy statement that this information is available on the Company's website, and is available in print to any Company shareholder that requests it.