



**CONNECTIONS MADE**  
**IMPACT DELIVERED**

# CORPORATE GOVERNANCE PRINCIPLES

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The Board of Directors of Harte-Hanks, Inc. (the “**Board**”) hereby adopts the Corporate Governance Principles set forth below. The Board, with the support of management, believes that these principles are in the best interests of the Company and its stakeholders, including stockholders, employees, customers and suppliers. The Board believes it is in the best interests of the Company for the Board to consist of a majority of independent directors. The Board is responsible for ensuring that the Company has in place capable management focused on representing these interests and achieving superior business performance.

## I. BOARD OF DIRECTORS.

1. The Board is elected for three-year rotating terms by the stockholders and is the ultimate decision-making body of the Company, except with respect to those matters reserved to stockholders. The Board believes it is in the best interests of the Company for the Board to consist of a majority of directors who (i) are not current employees of the Company; (ii) the Board has determined have no material relationship with the Company; and (iii) are otherwise “independent” under the rules of the New York Stock Exchange, Inc. (“**NYSE**”) and the Securities and Exchange Commission (the “**SEC**”). All major strategic decisions are considered by the Board as a whole.
2. The Board elects the Chief Executive Officer (“**CEO**”) and other corporate officers, acts as an advisor to and resource for management, and monitors management’s performance.
3. The Board, with the assistance of the Compensation Committee, plans for the succession of the CEO. The succession plan shall address the policies and principles for selecting a successor to the CEO, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, skills and planned career paths for possible successors to the CEO. As it deems necessary, the Board or the Compensation Committee is also involved in the succession process for certain other management positions. Consistent with the Compensation Committee’s charter and the instructions of the full Board, the CEO shall periodically provide to the Compensation Committee or the Board an assessment of management, including professional growth and development plans for key managers. The Board also:
  - a. oversees the conduct of the Company’s business and strategic plans to evaluate whether the business is being properly managed;
  - b. reviews and approves the Company’s financial objectives and major corporate plans and actions; and
  - c. through the Audit Committee, reviews and approves major changes in the appropriate auditing and accounting principles and practices, and provides oversight of internal and external audit processes and financial reporting.
4. A Nominating and Corporate Governance Committee consisting of independent directors shall make recommendations to the Board concerning the independence of outside directors. No director qualifies as independent unless the Board affirmatively determines that he or she has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). Material relationships may include, among others, commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships. The Company must disclose any determination that a relationship is not material in its annual proxy statement. The Board considers a director independent if he or she meets the independence requirements under the rules of the NYSE and the SEC and is otherwise deemed independent by the Board in its business judgment.
5. Under the Company’s By-laws, the Board has the authority to determine the appropriate number of directors to be elected so as to enable it to function effectively and efficiently. The Nominating and Corporate Governance Committee makes recommendations to the Board concerning the appropriate size of the Board, as well as the selection criteria for candidates. Each candidate is selected based on the individual’s background, experience, expertise, financial acumen, diversity and other relevant criteria, including the number of other board assignments. The overall composition of the Board will also be considered so that the Board encompasses a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the Company’s business. Final action on a candidate to be elected by the stockholders is

determined by the full Board after considering the recommendations of the Nominating and Corporate Governance Committee. Candidates appointed by the Board to fill a vacancy shall be determined by the Board after considering any recommendations from the Nominating and Corporate Governance Committee.

6. A Director shall inform the Board whenever there is a substantial change in the Director's principal occupational affiliation, and shall immediately inform the Board of any potential conflict of interest. The Governance Committee will recommend to the Board the action, if any, to be taken with respect to the change or the potential conflict of interest.
7. The Board has established a retirement age of 72 for its directors. The Board may in its discretion nominate for election a person who has attained age 72 if it deems that under the circumstances it is in the Company's best interest.
8. Unless waived by the Governance Committee on a case-by-case basis, each director shall limit the number of other boards of directors (excluding non-profits) on which he or she serves to (i) two plus the board of his or her employer for directors who are engaged full time in another business and (ii) three for other directors. Directors shall 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 of directors.
9. Each member of the Board has access to all members of management and, as necessary, independent advisors to the Company. The cost of such advisors shall be paid by the Company.
10. The Company has an orientation process for new directors, which includes background materials and meetings with members of management. The Company also encourages all of its Directors to take advantage of educational programs to improve their effectiveness.
11. The CEO shall establish and maintain effective communications with the Company's stakeholder groups. Any inquiries received by a director respecting acquisitions, business combinations, equity investments and other matters relating to the Company and its business activities, shall be directed to the CEO.
12. The Nominating and Corporate Governance Committee shall periodically consider the mix of skills and experience that directors bring to the Board to assess whether the Board has the necessary personnel to perform its oversight function effectively.
13. The Board shall annually conduct a self-evaluation to determine whether it and its committees are functioning effectively.
14. The non-management members of the Board shall hold regular executive sessions in connection with regular Board meetings to consider other issues that they may determine from time to time without the presence of any other member of management. The Chairman of the Board, if not a member of management, will chair each such session and shall report any material issues to the full Board. If the Chairman of the Board is a member of management, then the chairman of any executive session shall be, in order of precedence:
  - a. the Lead Director, or, if one has not been appointed or is otherwise unavailable,
  - b. the Chairman of the Nominating and Corporate Governance Committee, or if no Chairman has been appointed for the Nominating and Corporate Governance Committee or such Chairman is unavailable,
  - c. the Chairman of the Audit Committee.

If the non-management directors include directors who are not "independent" under applicable NYSE and SEC rules, then the independent directors shall hold an executive session at least once a year. The Chairman of the Board, if an independent director, will chair each such session and shall report any material issues to the full Board. If the Chairman of the Board is not an independent director, the chairman of the executive sessions will follow the precedence set forth above.

## II. DIRECTOR COMPENSATION.

In determining the appropriate amount and form of compensation, the Compensation Committee will evaluate, in accordance with its Charter, current trends and surveys, as well as the amount of time devoted to Board and

committee meetings. Outside directors and non-management members of the Board shall receive no compensation from the Company other than for their service as Board members and for expenses incurred in connection with attendance at meetings or other Board activities.

Share ownership by each director is encouraged. To this end, each director is expected to own, at a date no later than three years after election to the Board, shares of common stock valued at not less than three times that Director's annual cash compensation to which the director is entitled for Board service.

### **III. RESPONSIBILITIES, EXPECTATIONS AND PROCEDURES.**

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with Delaware law and applicable federal law, rules and regulations. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Company and its stockholders.

1. The Chairman of the Board and the CEO jointly set the agenda for each Board meeting. Agenda items that fall within the scope and responsibilities of Board committees are reviewed with the chairs of the committees. Any Board member may request that an item be added to the agenda.
2. Board materials are provided to Board members sufficiently in advance of meetings to allow Directors to prepare for discussion of items at the meeting. Board members should review board materials before the meetings, and attend regularly scheduled Board meetings in person, if possible, and attend by telephone conference call if attendance in person is not practicable. Failure to prepare for or to attend Board meetings will be considered by the Board and the Nominating and Corporate Governance Committee in connection with the determination to re-elect a director and in connection with committee appointments.
3. Certain members of management attend portions of Board and committee meetings in order to participate in relevant discussions.
4. Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves.
5. In their roles as directors, all directors owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interest of the Company take precedence over any interests possessed by a director. The Company has adopted a Business Conduct Policy, including a compliance program to enforce the Policy. Certain portions of the Policy deal with activities of directors, particularly with respect to transactions in the securities of the Company, potential conflicts of interest, the taking of corporate opportunities for personal use, and competing with the Company. Directors should be familiar with the Policy's provisions in these areas and should consult with the Company's counsel in the event of any issues.
6. The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

### **IV. BOARD COMMITTEES.**

1. The Board has established three standing committees: Audit, Compensation, and Nominating and Corporate Governance. The Nominating and Corporate Governance Committee recommends to the full Board the members and chairs for each of these committees. These committees shall be composed of independent directors only. The membership of all committees, to the extent practicable and deemed appropriate by the Board, shall be rotated from time to time.
2. The frequency, length and agenda of meetings for each committee are determined by the chairs of the committees, consistent with their charters. As in the case of the full Board, materials are provided in advance of

meetings to allow members to prepare for discussion of items at the meeting.

3. The scope and responsibilities of each committee are detailed in the committee charters, which are approved by the full Board. Each committee annually reviews its charter and reports to the full Board any recommended changes.

#### **V. PERIODIC REVIEW.**

The Nominating and Corporate Governance Committee and the Board will review these Principles annually.