

# Corporate Governance Guidelines

## Introduction

---

These Corporate Governance Guidelines are established by the Board of Directors of Seneca Biopharma, Inc. to provide a structure within which our directors and management can effectively pursue Seneca Biopharma's objectives for the benefit of its stockholders. The Board intends that these guidelines serve as a flexible framework within which the Board may conduct its business, not as a set of binding legal obligations. These guidelines should be interpreted in the context of all applicable laws, Seneca Biopharma's charter documents and other governing legal documents and company policies.

## Board Structure and Composition

---

1. *Size of the Board.* The authorized number of directors will be determined from time to time by resolution of the Board.
2. *Board Membership Criteria.* The Governance and Nominating Committee will evaluate candidates for membership on the Board, including candidates nominated or recommended by stockholders, in light of criteria established by the Board, and recommend to the Board the slate of nominees for election at the Annual Meeting of Stockholders or nominees for election to fill interim vacancies on the Board.
3. *Director Independence.* A majority of directors on the Board will be independent as required by the NASDAQ Stock Market. The Board also believes that it is often in the best interest of Seneca Biopharma and its stockholders to have non-independent directors, including current and (in some cases) former members of management, serve as directors. The board will determine that the directors designated as independent qualify under NASDAQ rules and have no material relationships to Seneca Biopharma that would interfere with the exercise of independent judgment in carrying out the responsibilities of a member of the Board.
4. *Director Tenure.* Seneca Biopharma's Board is classified into three classes. Directors are nominated for a three-year term. Each director comes up for reelection every three years. The Board does not believe it should establish term limits because directors who have developed increasing insight into Seneca Biopharma and its operations over time provide an increasing contribution to the Board as a whole. To ensure the Board continues to generate new ideas and to operate effectively, the Governance and Nominating Committee shall monitor performance and take steps as necessary regarding continuing director tenure.

## **Principal Duties of the Board of Directors**

---

5. *To Oversee Management and Evaluate Strategy.* The fundamental responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of Seneca Biopharma and its stockholders. It is the duty of the Board to oversee management's performance to ensure that Seneca Biopharma operates in an effective, efficient and ethical manner in order to produce value for Seneca Biopharma's stockholders. The Board also evaluates Seneca Biopharma's overall strategy and monitors Seneca Biopharma's performance against its operating plan and against the performance of its peers.

Additionally, the Board has responsibility for risk oversight, with reviews of certain areas being conducted by the relevant board committees. The Board is responsible for oversight of strategic, financial and execution risks and exposures associated with Seneca Biopharma's business strategy, policy matters, significant litigation and regulatory exposures, and other current matters that may present material risk to Seneca Biopharma's performance and operational plan.

Directors are expected to invest the time and effort necessary to understand Seneca Biopharma's business and strategies and challenges. The basic duties of the directors include attending Board meetings and actively participating in Board discussions. Directors are also expected to make themselves available outside of board meetings for advice and consultation.

6. *To Evaluate Management Performance and Compensation.* At least annually, the Compensation Committee will evaluate the performance of the Chief Executive Officer and the other officers. It will review and approve the compensation plans, policies and arrangements for the Chief Executive Officer and all other executive officers. It will also evaluate the compensation plans, policies and programs for officers and employees to ensure they are appropriate, competitive and properly reflect Seneca Biopharma's objectives and performance.

7. *To Monitor and Manage Potential Conflicts of Interest.* All members of the Board must inform the Audit Committee of the Board of all types of transactions between them (directly or indirectly) and Seneca Biopharma as soon as reasonably practicable even if these transactions are in the ordinary course of business. The Audit Committee of the Board will review and approve all related party transactions for which audit committee approval is required by applicable law or the rules of the NASDAQ Stock Market. The Board will also ensure that there is no abuse of corporate assets or unlawful related party transactions.

8. *To Ensure the Integrity of Financial Information.* The Audit Committee of the Board evaluates the integrity of Seneca Biopharma's accounting and financial reporting systems, including the audit of Seneca Biopharma's annual financial statements by the independent auditors, and that appropriate disclosure controls and procedures and systems of internal control are in place. The Audit Committee reports to the Board on a regular basis and the Board, upon the recommendation of the Audit Committee, takes the actions that are necessary to ensure the integrity of Seneca Biopharma's accounting and financial reporting systems and that such controls are in place.

9. To Monitor the Effectiveness of Board Governance Practices. The Governance and Nominating Committee of the Board will annually review and evaluate the effectiveness of the governance practices under which the Board operates and make changes to these practices as needed.

## **Board Procedures**

---

Directors are expected to prepare for, attend, and contribute meaningfully in all Board and applicable committee meetings in order to discharge their obligations. Consistent with their fiduciary duties, directors are expected to maintain the confidentiality of the deliberations of the Board and its committees.

10. Frequency of Board Meetings. Regular meetings of the Board shall be held at such times and places as determined by the Board. There will be at least four (one each quarter) regularly scheduled meetings of the Board each year but the Board will meet more often if necessary.

11. Attendance at Board Meetings. To facilitate participation at the Board meetings, directors may attend in person or via telephone conference. Materials are distributed in advance of meetings.

12. Other Commitments. Each member of the Board is expected to ensure that other existing and future commitments, including employment responsibilities and service on the boards of other entities, do not materially interfere with the member's service as director.

13. Executive Sessions of Independent Directors. NASDAQ rules require independent Board members to meet on a regularly basis, but at least twice a year, to fulfill their responsibilities, without the presence of non-independent directors and management. Committees of the Board may also meet in executive session as deemed appropriate.

14. Board Access to Management. Members of the Board will have access to Seneca Biopharma's management and employees as needed to fulfill their duties. Furthermore, the Board encourages management to, from time to time, bring managers into meetings of the Board who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with future potential that senior management believes should be given exposure to the Board.

15. Code of Conduct. Seneca Biopharma has adopted a Code of Ethics and Conduct to provide guidelines for the ethical conduct by directors, officers and employees. Additionally, Seneca Biopharma has adopted a Financial Code of Professional Conduct. Both the Code of Ethics and Conduct and the Financial Code of Professional Conduct are posted on Seneca Biopharma's website.

16. Engaging Experts. The Board and each committee of the Board will have the authority to obtain advice, reports or opinions from internal and external counsel and expert advisers and will have the power to hire, at the expense of Seneca Biopharma, legal, financial

and other advisers as they may deem necessary or appropriate, without consulting with, or obtaining approval from, management of Seneca Biopharma in advance.

## **Board Committees**

---

17. *Number and Composition of Committees.* The Board currently has the following standing committees: an Audit Committee, Compensation Committee and a Governance and Nominating Committee. From time to time the Board may form a new committee or disband a current committee depending on the circumstances. Each committee complies with the independence and other requirements established by applicable law and regulations, including SEC and NASDAQ rules.

18. *Committee Appointments.* Members of all standing committees are appointed by the Board. The Board determines the exact number of members and can at any time remove or replace a committee member.

19. *Committee Proceedings.* The Chair of each committee of the Board will, in consultation with appropriate committee members and members of management, and in accordance with the committee's charter, determine the frequency and length of committee meetings and develop the committee's agenda.

## **Director Continuing Education**

---

The Board believes that ongoing education is important for maintaining a current and effective Board. Accordingly, the Board encourages directors to participate in ongoing education, as well as participation in accredited director education programs. The Board will reimburse directors for expenses incurred in connection with these education programs.

## **Board Performance**

---

The Board develops and maintains a process whereby the Board, its committees and its members are subject to annual evaluation and self-assessment. The Governance and Nominating Committee oversees this process.

## **Board Compensation**

---

The Compensation Committee of the Board has the responsibility to review and recommend to the Board compensation programs for non-employee directors.

## **Auditor Rotation**

---

The Audit Committee of the Board will ensure that the lead audit partner and the audit review partner be rotated every five (5) years as is required by SEC rules.

## **Communications with Stockholders**

---

20. *Stockholder Communications to the Board.* Stockholders may contact the Board about bona fide issues or questions about Seneca Biopharma by sending correspondence or an email to:

Seneca Biopharma, Inc.  
Attn: Corporate Secretary  
20271 Goldenrod Lane  
Germantown, Maryland 20876  
Fax: 301-560-6634  
secretary@SenecaBio.com

Each communication should specify the applicable addressee or addressees to be contacted as well as the general topic of the communication. Seneca Biopharma will initially receive and process communications before forwarding them to the addressee. Seneca Biopharma generally will not forward to the directors a communication that it determines to be primarily commercial in nature or related to an improper or irrelevant topic, or that requests general information about the company.

21. *Annual Meeting of Stockholders.* Each director is encouraged to attend the Annual Meeting of Stockholders.

## **Periodic Review of the Corporate Governance Guidelines**

---

These guidelines shall be reviewed periodically by the Governance and Nominating Committee (together with the Compensation Committee, as necessary) and the Board will make appropriate changes based on recommendations from the Committee(s).

*Last updated December 2019*