

BROWNSTONE ENERGY CORPORATION

Corporate Governance Guidelines

1. BOARD MEMBERSHIP CRITERIA

The Board of Directors (the “Board”) seeks members who combine a broad and relevant spectrum of experience and expertise with a reputation for integrity. Directors should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated and be selected based upon contributions they can make to the Board and management and their ability to represent the interests of shareholders. The Board will also take into account diversity of a candidate’s perspectives, background and other demographics.

2. SELECTION OF NEW DIRECTORS

Based on Board Membership Criteria set forth above, the Governance Committee identifies and recommends director candidates to the full Board. During this process, the Governance Committee may consider director candidates proposed by shareholders or management and will evaluate such candidates in the same manner as other candidates.

3. BOARD, COMMITTEE & INDIVIDUAL DIRECTOR PERFORMANCE

The Governance Committee has the responsibility to oversee the assessment of overall Board performance. The performance of the full Board, the Governance Committee, Audit, Compensation and Risk Oversight Committees as well as the individual directors shall be reviewed each year. This review includes an assessment of the qualifications and contributions of incumbent directors as well as a review of the composition of the Board and its Committees in terms of knowledge, diversity, experience, skills, size and any other factors deemed to be important. Comments regarding individual directors that arise during these reviews will be directed for their consideration to the Chairman of the Board.

4. RETIREMENT POLICY & TERM LIMITS

Board refreshment over time is critical to ensuring that the Board as a whole maintains an appropriate balance of tenure, diversity, skills and experience needed to provide effective oversight in light of the Company’s current and future strategic needs. The Company benefits when there is a mix of experienced directors with a deep understanding of the Company and newer directors who bring a fresh perspective and new ideas. The Board conducts a robust annual evaluation of each director and therefore, the Board does not believe that mandatory term limits or a set retirement age for directors are necessary.

5. CHANGE IN DIRECTOR’S RESPONSIBILITIES

The Board expects a director who changes his or her present professional responsibilities to so advise, and to offer to tender his or her resignation to the Chairman of the Board. The Chairman and the remaining Board, together should evaluate the facts and circumstances whether to accept the director’s resignation.

6. POSITIONS OF CHAIRMAN & CHIEF EXECUTIVE OFFICER

The Company's Bylaws provide that the office of the Chairman and the office of the Chief Executive Officer may be, but need not be, held by the same person.

7. BOARD COMMITTEES: INDEPENDENT AUDIT, COMPENSATION AND LEADERSHIP DEVELOPMENT, NOMINATING AND GOVERNANCE, AND RISK OVERSIGHT COMMITTEES

The Board may elect in the future to maintain Audit, Compensation and Leadership Development, Nominating and Governance, and Risk Oversight Committees, which shall consist of directors qualified to serve on the Committees pursuant to the requirements of the ***New York Stock Exchange*** who are recommended for committee service by the Nominating and Governance Committee. The Board also may maintain additional committees to facilitate discharging its responsibilities. Before establishing any additional committee, the Board shall consider whether the membership of the committee should be limited solely to independent directors.

8. FREQUENCY AND LENGTH OF BOARD COMMITTEE MEETINGS

The Chairman should regularly consult with the Board to obtain their insights and to optimize the Committee performance. The Board, in consultation with the Chief Executive Officer, Chief Financial Officer and General Counsel, should establish the frequency and length of Committee meetings.

9. DEVELOPMENT OF COMMITTEE AGENDA

The Committee chairs, working with the Chairman, should establish Committee agendas for the year. All standing Committees should meet regularly during the year and receive reports from Company personnel on developments affecting the Committee's work.

10. SELECTION OF AGENDA ITEMS AND MEETING SCHEDULE FOR BOARD MEETINGS

The Chairman, in consultation with the members of the Board, should establish the agendas and schedules for Board meetings. The Chairman shall also review and approve Board meeting agendas for in-person and virtual board meetings.

11. DISTRIBUTION OF MATERIALS FOR BOARD MEETINGS

The Board believes it is crucial for members to have materials on topics to be discussed sufficiently in advance of the meeting date and for Board members to be kept abreast of developments between Board meetings. The Company regularly informs Board members of Company and competitive developments and currently distributes, generally one week in advance, written materials for use at Board meetings.

12. ATTENDANCE OF NON-DIRECTORS AT BOARD MEETINGS

The Board believes that attendance of key executive officers augments the meeting process. The Company's Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel, Chief Risk Officer and Chief Human Resources Officer regularly attend all scheduled Board meetings. The Chairman encourages these persons to respond to questions posed by Board members relating to their areas of expertise. Such persons do not attend any Board or any committee thereof, unless requested.

The Board also believes that the Chief Executive Officer and other members of senior management can assist the Board with its deliberations and provide critical insights and analysis, particularly when the Board considers presentations on the business plan for the upcoming year and on medium and long-term strategic issues. Attendances of such officers allows the most knowledgeable and accountable executives to communicate directly with the Board. It also provides the Board direct access to individuals critical to the Company's management succession planning.

13. BOARD ACCESS TO SENIOR MANAGEMENT

Board members have complete and open access to senior members of management. The Chairman invites key employees to attend Board meetings at which the Chairman believes they can meaningfully contribute to Board discussion.

14. BOARD COMPENSATION & DIRECTOR SHARE OWNERSHIP

The Governance Committee recommends director compensation to the full Board. In discharging this duty, the Committee shall be guided by three (3) goals:

- a. Compensation should fairly pay directors for work required in a company of Brownstone Energy's size and scope so that it supports the Company's ability to attract, retain and motivate qualified directors;
- b. Compensation should align directors' interests with the long-term interests of shareholders; and
- c. The structure of the compensation should be easy for shareholders to understand.

The Board believes that total compensation should include a significant equity component because it believes that this more closely aligns the long-term interests of directors with those of shareholders and provides a continuing incentive for directors to foster the Company's success. Directors who are employees of the Company or any of its subsidiaries **do not** receive compensation for their service as Directors.

When non-employee directors are first elected to the Board, and when they are reelected, they receive restricted stock units. This incentive helps align non-employee directors' interests with shareholders' interests. The Governance Committee has approved share ownership guidelines which provide that Directors shall hold Company common stock equal to 7X the annual cash retainer with a seven-year attainment window. Common stock to be counted towards the share ownership target includes actual shares owned beneficially by a director in "street" accounts or otherwise, unvested restricted stock units and deferred restricted stock units.

15. SIZE OF THE BOARD

While the Board need not adhere to a fixed number of directors, the number of directors shall be as permitted by the Company's Bylaws. The Board may review from time to time the appropriate size of the Board and any recommendations concerning changes to the size of the Board, taking into consideration the overall responsibilities of the Board and its Committees, the number of Committees and the workload of the Directors.

16. DEFINITION OF "INDEPENDENT" DIRECTOR

The Board has established the following guidelines to assist it in determining whether or not directors qualify as "independent" pursuant to the guidelines and requirements set forth in the New York Stock Exchange's Corporate Governance Rules. In the following guidelines, "immediate family member" means a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares such person's home. In each case, the Board will broadly consider all relevant facts and circumstances and shall apply the following standards (in accordance with the guidance and subject to the exceptions, provided by the New York Stock Exchange in its Commentary to its Corporate Governance Rules:

1. Employment and commercial relationships affecting independence.

A. Current Relationships

A director will not be independent if: (i) the director is a current partner or current employee of Brownstone Energy's internal or external auditor; (ii) an immediate family member of the director is a current partner of Brownstone Energy's internal or external auditor; (iii) an immediate family member of the director (a) is a current employee of Brownstone Energy's internal or external auditor and (b) personally works on Brownstone Energy's audit; or (iv) the director is a current employee, or an immediate family member of the director is a current executive officer, of an entity that has made payments to, or received payments from, Brownstone Energy for property or services in an amount which, in any of the last three (3) fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

B. Relationships within Preceding Three Years

A director will not be independent if, within the preceding three years: (i) the director is or was an employee of Brownstone Energy; (ii) an immediate family member of the director is or was an executive officer of Brownstone Energy; (iii) the director or an immediate family member of the director (a) was a partner or employee of Brownstone Energy's internal or external auditor and (b) personally worked on Brownstone Energy's audit within that time; (iv) the director or an immediate family member of the director received more than \$120,000 in direct compensation in any twelve-month period from Brownstone Energy, other than (1) 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) and (2) compensation received by an immediate family member for service as an employee of Brownstone Energy (other than an executive officer); or (v) a present Brownstone Energy executive officer is or was on the compensation committee of the board of directors of a company that at the same time employed the Brownstone Energy director or an immediate family member of the director as an executive officer.

2. Relationships not deemed material for purposes of director independence.

In addition to the provisions of Section 1 above, each of which must be fully satisfied with respect to each independent director, the Board must affirmatively determine that the director has no material relationship with Brownstone Energy. To assist the Board in this determination, and as permitted by the New York Stock Exchange's Corporate Governance Rules, the Board has adopted the following categorical standards of relationships that are not considered material for purposes of determining a director's independence. Any determination of independence for a director that does not meet these categorical standards will be based upon all relevant facts and circumstances and the Board shall disclose the basis for such determination in the Company's proxy statement.

A. *Equity Ownership*

A relationship arising solely from a director's ownership of an equity or limited partnership interest in a party that engages in a transaction with Brownstone Energy, so long as such director's ownership interest is less than 10% of the total equity or partnership interests in that other party.

B. *Other Directorships*

A relationship arising solely from a director's position as (i) director or advisory director (or similar position) of another company or for-profit corporation or organization or (ii) director or trustee (or similar position) of a tax exempt organization.

C. *Ordinary Course Business*

A relationship arising solely from banking or electronic payments transactions, including but not limited to consumer lending, securitization and deposit taking, or from other transactions for products or services, between Brownstone Energy and a company of which a director is an executive officer, employee or owner of 10% or more of the equity of that company, if such transactions are made in the ordinary course of business and on terms and conditions and under circumstances that are substantially similar to those prevailing at the time for comparable transactions, products or services for or with unaffiliated third parties and if such transactions do not violate the standards in Section 1 above.

D. *Indebtedness*

A relationship arising solely from a director's status as an executive officer, employee or owner of 10% or more of the equity of a company to which Brownstone Energy is indebted at the end of Brownstone Energy's

preceding fiscal year, so long as the aggregate amount of the indebtedness of Brownstone Energy to such company is not in excess of 5% of Brownstone Energy's total consolidated assets at the end of Brownstone Energy's preceding fiscal year.

E. Charitable Contributions

A relationship arising solely from a director's status as an executive officer of a tax exempt organization, and the discretionary charitable contributions by Brownstone Energy in the preceding three years (directly or through any foundation or similar organization established by Brownstone Energy) to the organization do not exceed, in any single year, the greater of \$1,000,000 or 2% of the organization's consolidated gross revenues during the organization's preceding fiscal year (automatic matching of employee charitable contributions are not included in Brownstone Energy's contributions for this purpose).

F. Products and Services

A relationship arising solely from a director utilizing products or services (e.g. solar energy distribution) of Brownstone Energy in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable products or services provided to unaffiliated third parties.

G. Professional, Social and Religious Organizations and Educational Institutions

A relationship arising solely from a director's membership in the same professional, social, fraternal or religious association or organization, or attendance at the same educational institution, as an executive officer.

H. Family Members

Any relationship or transaction between an immediate family member of a director and Brownstone Energy shall not be deemed a material relationship or transaction that would cause the director not to be independent if the standards in this Section 2 would permit the relationship or transaction to occur between the director and Brownstone Energy.

17. MANAGEMENT DEVELOPMENT & SUCCESSION PLANNING

The Board oversees plans for management development and succession. Senior Company executives serving on the Executive Committee should evaluate, nominate and compile a succession plan for their areas of responsibility that should be reviewed with the Chief Executive Officer. The Chief Executive Officer should provide input on each succession plan and discuss the plans with the Compensation and Leadership Development Committee. The Chief Executive Officer reviews with the Compensation and Leadership Development Committee succession planning for his successor at least annually. The Compensation and Leadership Development Committee periodically reviews with the Board succession plans for the Chief Executive Officer and the areas of responsibility for senior executives serving on the Executive Committee.

Succession planning should include policies and principles for Chief Executive Officer selection and performance review, as well as policies regarding succession in the event of an emergency or the retirement of the Chief Executive Officer.

18. BOARD COMMUNICATION POLICY

The Board believes that under ordinary circumstances, management speaks for the Company and the Chairman speaks for the Board. At the request of management, the relevant Board members may meet with or communicate with various constituencies that are involved with the Company including, without limitation, shareholders on issues where Board-level involvement is appropriate. Directors should coordinate such communications or meetings with the Chairman, Chief Executive Officer (if separate), and General Counsel.

19. CUMULATIVE VOTING

The Board strongly supports the “one share/one vote” concept and opposes cumulative voting. It opposes the ability of a single investor or group of investors to band together to achieve a goal, such as the election of a director, which is not supported by a majority of the Company’s shareholders.

20. REPRICING OF STOCK OPTIONS

The Board opposes repricing of incentive-based options by a reduction in the option’s exercise price. The Board favors equitable adjustment of an option’s exercise price in connection with a reclassification of the Company’s stock; a change in the Company’s capitalization; a stock split; a restructuring, merger, or combination of the Company; or other similar events in connection with which it is customary to adjust the exercise price of an option and/or the number and kind of shares subject thereto.

21. CONSULTING AGREEMENTS WITH DIRECTORS

The Board believes that the Company should not enter into paid consulting arrangements with non-employee directors.

22. SERVICE ON MULTIPLE BOARDS

Directors are expected to devote sufficient time to carry out their duties and responsibilities effectively. Accordingly, in advance of accepting an invitation to serve on another public company board, Directors shall notify the Chairman of the Board and the General Counsel, who will notify and consult with the Committee. The Committee shall consider the nature of and time involved in a Director’s service on the other public company boards in evaluation whether any additional participation may impair the Director’s ability to objectively serve on the Company’s Board. Generally, no Director shall serve on more than three additional public company boards (i.e. in addition to the Company’s Board); provided, however that if a Director was serving on more than three additional public boards prior to May 15, 2020, such Director must reduce the number of additional public company boards he/she serves on by May 15, 2021. A director who is the CEO of a publicly-traded company may serve on the public company boards of up to three publicly-traded companies (including the Company and, if different, the

company at which he or she serves as CEO). For purposes of this section, the phrase “public company board” shall be deemed to exclude subsidiary companies, private companies, and non-profit organizations. If a director sits on several mutual fund boards within the same fund family, it will count as one public company board.

23. ORIENTATION FOR NEW DIRECTORS AND CONTINUING EDUCATION FOR DIRECTORS

The General Counsel and Chief Financial Officer shall be responsible for providing an orientation program for new directors. Orientation shall include personal briefing by senior management on the Company’s strategic plans, its financial statements and its key policies and practices. The General Counsel and Chief Financial Officer shall make available to continuing directors the opportunity to attend educational sessions on subjects that would assist them in discharging their duties. The Company will reimburse directors for reasonable costs incurred attending these sessions.

24. DIRECTOR ACCESS TO INDEPENDENT ADVISORS

The Board and its Committees shall have the right at any time to retain independent outside financial, legal or other advisors and the Company shall provide appropriate funding.

25. DIRECTOR RESPONSIBILITIES

Directors are expected to exercise their business judgment to act in good faith, on an informed basis and in what they reasonably believe to be the best interest of the Company and its shareholders. A Director should deal in confidence on all matters involving the Company until the Company has made a general public disclosure concerning the matter. Directors are expected to attend the meetings (in-person or virtual) of the Board and the committees on which they serve and to review in advance materials distributed before the meeting.

The Board believes that director attendance at shareholder meetings is appropriate and can assist directors in carrying out their duties. When directors attend shareholder meetings, they are able to hear directly shareholder concerns regarding the Company. Each director will attend annual shareholder meetings unless he or she is unable to attend a meeting due to extenuating circumstances.

26. REVIEW OF RESIGNATIONS TENDERED BY CERTAIN INCUMBENT DIRECTORS

The Board expects that an incumbent director who tenders his or her resignation pursuant to the Company’s Bylaws shall not participate in any proceedings by the Board or any committee thereof regarding whether to accept or reject such director’s resignation, or whether to take other action with respect to such director.

The Board may amend the Policies from time to time