

## **EMERGENT CAPITAL, INC.**

### **CORPORATE GOVERNANCE GUIDELINES**

The following Corporate Governance Guidelines (the “Guidelines”) have been adopted by the Board of Directors (the “Board”) of Emergent Capital, Inc. (“Company”) to assist the Board in the exercise of its responsibilities under the Sarbanes-Oxley Act of 2002 (the “Act”) and the New York Stock Exchange (“NYSE”) Rules for Listed Companies.

These Guidelines reflect the Company’s commitment to monitor the effectiveness of policy and decision-making both at the Board and Management level, and to enhance shareholder value over the long term. These Guidelines are supplemental to the Articles of Incorporation and Bylaws of the Company. These Guidelines are subject to periodic review by the Corporate Governance & Nominating Committee (the “Governance Committee”) of the Board.

#### **BOARD COMPOSITION**

##### **1 Election of Chair of the Board and Lead Director**

A. If the offices of the CEO and the Chair of the Board are not separate, the non-management Directors on the Board (i.e. those who are not officers of the Company) shall select a Director to serve as the “Lead Director” of the Board and to chair the Governance Committee. The Lead Director must be an Independent Director as defined in Section 8 of these Guidelines. The person serving as Lead Director should not serve more than two successive one-year terms, and the position should rotate, unless otherwise approved by a majority of the Independent Directors.

B. The Lead Director's duties shall include:

- preside at all meetings of the Board where the Chair is not present;
- preside at all executive sessions of the Independent Directors;
- call meetings of the Independent Directors, as needed;
- meet regularly with the CEO;
- serve as a liaison between the CEO and the Independent Directors;
- develop the agendas for meetings of the Independent Directors;
- approve Board meeting agendas and schedules;
- review information sent to the Board; and
- meet with shareholders as appropriate.

C. If the offices of the CEO and the Chair are separate then the Chair shall assume the duties specified in B above.

2. **Size of the Board**

The Board shall establish the number of Directors to serve on the Board upon recommendation of the Governance Committee.

3. **Selection of Candidates to be Nominated for Election as Directors**

The Governance Committee is responsible for nominating candidates for election to the Board at the Company's annual meeting of shareholders and for nominating to the Board candidates to fill vacancies on the Board that may occur between annual meetings of shareholders. When formulating its nominations, the Governance Committee may consider advice and recommendations offered by Management, other Board members, shareholders of the Company, and/or outside advisors.

The Governance Committee will take into consideration a Director's membership on the boards of directors of other publicly-traded companies and employment in order to ensure that an individual's service on such other boards does not impair the Director's ability to devote sufficient time and commitment to serve effectively as a Director. These guidelines shall prohibit the CEO from serving on the boards of directors of more than three publicly-traded companies (other than the Company).

4. **Board Membership Criteria**

Nominees for Director shall be selected on the basis of their character, expertise, sound judgment, ability to make independent analytical inquiries, business experiences, understanding of the Company's business environment, ability to make time commitments to the Company, demonstrated teamwork, and ability to bring unique and diverse perspectives and understandings to the Board. To that end, the Governance Committee shall (i) instruct the corporate secretary to obtain from any eligible Director nominee that is being considered in good faith by the Board, such relevant information that the Director nominee wishes to provide in consideration of his or her nomination, (ii) solicit a report on each such Director nominee and (iii) instruct the corporate secretary to facilitate a meeting of such nominee with the Governance Committee, in each case, as the Governance Committee deems appropriate.

Board members are expected to conscientiously prepare for, attend, and participate in Board and applicable Committee meetings. Each Board member is expected to ensure that existing and planned future commitments do not materially interfere with the member's service as a Director of the Company. The Governance Committee shall be responsible for determining whether any Director is

not adequately discharging his or her responsibilities as a Director.

A Director who changes his or her occupation or position should inform the Governance Committee so it may evaluate whether such Director remains fit to serve on the Board as a Director.

**5. Share Ownership**

The Board believes that all Directors should own stock in the Company. Directors are expected to own stock in the Company in accordance with the Director Share Ownership guidelines established from time to time by the Board.

**6. Voting**

Any nominee for director in an uncontested election as to whom a majority of the shares of the Company that are outstanding and entitled to vote in such election are designated to be “withheld” from or are voted “against” his or her election shall tender his or her resignation for consideration by the Corporate Governance & Nominating Committee. The Governance Committee shall evaluate the best interests of the Company and its shareholders and shall recommend to the Board the action to be taken with respect to such tendered resignation.

**7. Director Orientation and Continuing Education**

The Governance Committee shall arrange for an orientation program for all newly elected Directors and, in conjunction with the CEO, determine the content of such orientation. In addition, all Directors shall periodically participate in briefing sessions on topical subjects to assist the Directors in discharging their duties. All Directors are instructed to attend at least six hours of director education sessions each year. The Company shall pay for such continuing education sessions and shall reimburse the Directors for the reasonable and necessary costs of attending such sessions.

**8. Director Independence**

An “Independent” Director of the Company shall be one who meets the qualification requirements for being an independent Director under the standards of the NYSE. Independent Directors shall constitute a majority of the Board. If the Board size is increased beyond seven members, Independent Directors shall constitute three-fourths of the members of the Board. In addition, a majority of the Board shall also be required to meet the following standards (the “Independence Standards”):

A. The Director is not, and has not been within the last five calendar years, an

employee of the Company and an immediate family member of the Director is not, and has not been within the last five years, an Exchange Act Executive Officer (as specified in Rule 16a-1(f) under the Securities Exchange Act of 1934) of the Company;

B. The Director has not received, during the current calendar year or in any of the three immediately preceding calendar years, personal remuneration in excess of \$120,000 per year (other than remuneration provided to the Director in his or her capacity as a member of the Company's Board or any Committee thereof) as payment for services the Director provides to the Company, which services are provided in addition to the services the Director provides in his or her capacity as a Director;

C. The Director is not a partner, member or officer of, or employed in a similar position with, any entity that provides accounting, consulting, legal, investment banking or financial advisory services to the Company for which such entity receives payments from the Company in excess of \$120,000 per year; provided that this provision does not apply to a Director who is a limited partner or non-managing member of, or is employed in a similar position with, such entity and has no active role in providing such services to the Company;

D. Neither the Director nor any immediate family member is currently a party to one or more personal services contract(s) with the Company or any Exchange Act Executive Officer that provides in the aggregate for payments to the Director or any immediate family member in excess of \$120,000 per year;

E. Neither the Director nor any immediate family member serves as an executive officer of any tax-exempt entity that has received the greater of 1% of such tax-exempt entity's consolidated gross revenues or \$120,000 per year from the Company in any of the three immediately preceding fiscal years;

F. During the current calendar year or any of the three immediately preceding calendar years, the Director has not had any business relationship with the Company for which the Company has been required to make disclosure under Item 404(a) of Regulation S-K of the Securities and Exchange Commission;

G. Neither the Director nor any immediate family member is employed as an Exchange Act Executive Officer of another public company on whose board of directors any of the Company's current Exchange Act Executive Officers serve;

provided, however, that, if a Director does not satisfy any of the above criteria due to such Director's investment, whether direct or indirect, in securities issued by the Company whose terms are approved by a committee of the Board consisting solely of Directors who are independent for purposes of such determination, such Director may still be deemed to meet the Independence Standards if the Board otherwise determines that such Director is, notwithstanding such investment, independent of the Company's management.

All members of the Governance Committee shall be Independent Directors. A majority of Directors sitting on each of the Governance Committee and the Compensation Committee shall qualify under the Independence Standards.

**9. Board Compensation**

The Compensation Committee shall review and recommend to the full Board the form and amounts of compensation and benefits for non-employee Directors. A Director who is also an employee of the Company shall not receive additional compensation for service as a Director.

**10. Evaluation of Board**

The Board shall periodically conduct a self-evaluation of the Board as a whole, and each Committee shall conduct self-evaluations of the work of the Committee, all under the supervision of the Governance Committee.

**11. Board Interaction with Senior Management**

The Board shall have access to Management of the Company. Board members shall, however, include or copy the CEO in making contact with Management (unless such contact involves assessment of performance of the CEO), and use sound business judgment to ensure such contact does not interfere with the day to day work of the Company's Management. The Board encourages the CEO, from time to time, to invite employees into Board or Committee meetings.

**12. Access to Independent Advisors**

The Board and its Committees may retain independent outside financial, compensation, legal or other advisors to provide advice and counsel in discharge of its duties.

**13. Board Interaction with Investors and Press**

The Board believes that Management, not the Directors, should speak for the Company. Unless otherwise agreed to or requested by the CEO, each Director shall refer all inquiries from investors and the press to the CEO or designated members of senior Management and shall not comment for attribution or background without first discussing such matter with the CEO.

**BOARD MEETINGS**

**14. Frequency of Meetings**

There shall be at least four (4) regularly scheduled meetings of the Board each year (to be held approximately quarterly) and special meetings from time to time as required.

**15. Selection of Agenda items for Board Meetings**

The CEO, in consultation with the Chair of the Governance Committee shall annually prepare a “Board of Directors Master Agenda.” This Master Agenda shall set forth items to be considered by the Board at each of its specified meetings during the year. Each meeting agenda shall include an opportunity for each Committee chair to report to the Board on the work of his or her Committee. At least one Board meeting each year should include the presentation of long-range strategic plans by the Company's senior Management team. Board members may suggest in advance of any meeting additional subjects that are not on the agenda for that meeting, at least thirty (30) days prior to the meeting. Notwithstanding the foregoing, if at least three directors request an item to be added to the agenda for a given meeting, such item will be added to the agenda and considered at the meeting.

Information and data are important to the Board's understanding of the business and essential to prepare Board members for productive meetings. Presentation materials relevant to each meeting will be distributed in writing, or electronically, to the Board in advance of each meeting unless doing so would compromise the confidentiality of any sensitive matter.

**16. Executive Sessions of Directors**

The Outside Directors (those who are not “officers” of the Company, as such term is defined by NYSE listing standards) shall meet in an executive session at each regularly scheduled Board meeting. The Chair or Lead Director shall preside at executive sessions, or, in his or her absence, another Independent Director selected by the outside directors shall preside.

**17. Contacting the Outside Directors**

The Company shall maintain and publicly disclose a method for interested parties to communicate directly with the Outside Directors as a group, with the Lead Director, with any Committee or Committee Chair, individually or as a group.

**COMMITTEE MATTERS**

**18. Board Committees**

The Company shall have the following standing Committees: Audit, Compensation, and Corporate Governance & Nominating. The duties for each of these Committees shall be outlined in each such Committee's charter and/or by further resolution of the Board. Committee membership shall conform to the requirements of the NYSE.

**19. Assignment and Rotation of Committee Members and Chairs**

The Governance Committee shall be responsible for making recommendations to the Board with respect to the assignment of Board members to various Committees and the appointment of Committee Chairs. The Governance Committee shall review periodically Committee assignments and consider the rotation of Chairs and members of Committees.

**20. Review of Charters by Committees**

Each Board Committee shall review periodically its charter and recommend to the Board any changes it deems necessary. In addition to its charter, the Governance Committee will periodically review these Corporate Governance Guidelines. On an annual basis, the Chair of each Board Committee will report to the Board whether such Committee has performed all items required to be performed by the Committee's charter and, to the extent that the Committee has not been able to perform any such item, the Chair will inform the Board why the Committee did not do so.

**LEADERSHIP DEVELOPMENT**

**21. Evaluation of Chief Executive Officer**

The Board shall conduct an annual evaluation of the CEO following each fiscal year, using the following process:

- The CEO recommends objectives to the Governance Committee for the following year, which are then discussed with the entire Board and adopted by the Board and the CEO.
- After each year-end, the Board shall evaluate the performance of the CEO in meeting the goals and objectives for that year.
- If the CEO is also the Chair of the Board, after each year-end, the Board shall consider whether it is appropriate that the CEO and Chair of the Board be the same individual and, if it determines that it is no longer appropriate, will take the necessary steps to have different individuals appointed to each of these positions.
- This evaluation shall be communicated to the CEO at an executive session of the Board.
- The Compensation Committee shall take this evaluation into consideration in its determination of the CEO's compensation.
- The Compensation Committee shall report to the full Board of Directors all forms of compensation paid (or payable in the future) to the CEO and the next four most highly compensated executives of the Company.

**22. Succession Planning**

The Board shall evaluate periodically the executive Management to ensure that plans are in place for orderly succession of senior Management, and also shall periodically review plans for the education, development, and orderly succession of senior and midlevel managers throughout the Company.

**CONFLICTS OF INTEREST**

**23. Interest Matters**

If a Director, directly or indirectly, has a financial or personal interest in a contract or transaction to which the Company is to be a party, or is contemplating entering into a transaction that involves use of corporate assets or competition against the Company, the Director shall be considered to be “interested” in the matter. The Director shall contact the Chair of the Governance Committee to disclose such proposed relationship. The Director’s involvement or interest will be reviewed by the Governance Committee, and the Committee shall then make a recommendation to the Board.