

# CONSTAR INTERNATIONAL INC.

## CORPORATE GOVERNANCE GUIDELINES

Effective August 18, 2009

### I. Board Mission and Responsibilities

The Company's primary objective is to maximize stockholder value over the long term while adhering to the laws of the jurisdictions within which it operates and observing the highest ethical standards.

The overarching responsibility of the directors is to direct the management of the business and affairs of the Company by exercising their business judgment in good faith and acting in what they reasonably believe to be in the best long-term interests of the Company and its stockholders. Directors are expected to review Board meeting materials in advance and to regularly attend Board meetings. The Board is also responsible for performing certain specific functions, including:

- approving these governance principles;
- selecting, evaluating and approving the compensation of the directors and Chief Executive Officer;
- reviewing, approving and monitoring significant corporate actions, as well as financial, operating and strategic plans;
- monitoring management's performance against approved plans;
- focusing on the consistent creation of stockholder value;
- reviewing assessments of, and measures to address and mitigate, significant risks and issues facing the Company;
- ensuring that processes are in place to protect the integrity of the Company, including its compliance with law and adherence to corporate governance and ethical guidelines; and
- developing policies and practices to monitor its own effectiveness.

### II. Board Composition

Independent directors shall constitute a majority of the Board, and the Audit, Compensation and Benefits, and Nominating and Corporate Governance Committees, shall be entirely comprised of independent directors. A director is independent if the director satisfies the independence standards of the Nasdaq and the SEC. If the Chairman

of the Board is not independent, then a Vice Chairman shall be appointed from the independent directors and, as such, shall chair all meetings of the independent directors.

### **III. Director Qualifications**

The Board as a whole should reflect a range of skills, knowledge and experience in areas of importance to the Company. Directors must be committed to upholding the highest standards of personal and professional integrity and to representing the interests of all stockholders, not particular stockholder constituencies. The assessment of potential new directors will include issues of personal character, business judgment, management and leadership experience, industry knowledge and diversity.

### **IV. Selection and Orientation of New Directors**

The Nominating and Corporate Governance Committee will identify, evaluate and present to the Board potential new directors. The Board, in turn, will evaluate the Committee's proposals and, at its discretion, may recommend their election to stockholders. The Company will provide an orientation program for all new directors, which will include material regarding the Company, the responsibilities of the Board, and meetings with senior management. Directors are encouraged to participate in continuing education programs to better perform their duties.

### **V. Board Committees**

The standing committees shall be Audit, Compensation and Benefits, and Nominating and Corporate Governance. Each such committee shall be composed solely of directors who meet the standards of independence established by Nasdaq and the SEC for service on the respective committee. Each standing committee shall have a written charter and shall periodically assess the adequacy of such charter.

The Board may, from time to time, establish or maintain such additional committees that it determines to be appropriate.

### **VI. Director Access to Management and Independent Advisors**

Directors shall have full access to management and employees of the Company, including the authority to hold meetings without senior management present. Directors are requested to keep the Chief Executive Officer advised of any such contact. The Board and its committees are authorized to consult with such independent advisors as they deem appropriate.

## **VII. Executive Sessions of Independent Directors**

The independent directors of the Company shall meet periodically at regularly scheduled executive sessions without management. The Chairman of the Nominating and Corporate Governance Committee shall preside at such meetings.

## **VIII. Compensation**

The Compensation and Benefits Committee will review and make recommendations to the Board with respect to the compensation of directors. In general, compensation will consist of a combination of equity to align the interests of non-employee directors with the long-term interests of the stockholders and cash to compensate the directors for their service.

The Compensation and Benefits Committee will coordinate an annual evaluation of the Chief Executive Officer and will make recommendations to the Board regarding the compensation of the Chief Executive Officer.

## **IX. Conflict of Interest**

To ensure the absence of any actual or potential conflict of interest, directors will procure the consent of the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee prior to accepting any invitation to serve on another board of directors, or in any other role, for an entity that could be considered to be directly or indirectly competitive with the present or reasonably foreseeable future business of the Company.

It is the responsibility of each director to bring any potential conflict of which he or she is aware to the attention of the full Board, whether the conflict involves himself or herself or another director. The Board believes that any director with an interest in a matter before the Board should recuse himself or herself from the deliberations and voting thereon.

## **X. Retirement**

No director will be nominated for election to the Board at any meeting that takes place after such director's 72<sup>nd</sup> birthday.

## **XI. Annual Performance Evaluation of the Board**

The Board will conduct a self-evaluation at last annually to determine whether it and its committees are functioning effectively. Each director will complete a questionnaire developed by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will oversee such evaluation and report annually to the Board.

## **XII. Ethical Conduct**

Directors, as well as officers and employees, are expected to act ethically and adhere to the policies set forth in the Company's Code of Ethics.