

# CONN'S, INC.

## CORPORATE GOVERNANCE GUIDELINES

(Amended and Restated as of December 3, 2013)

### **Role of the Board of Directors**

The Board of Directors (the “*Board*”) of Conn’s, Inc. (the “*Company*”) has adopted, upon the recommendation of the Nominating and Corporate Governance Committee, these amended Corporate Governance Guidelines (the “*Guidelines*”) to assist the Board in the exercise of its responsibilities and to serve the interests of the Company and its stockholders. These Guidelines should be interpreted in the context of all applicable laws, regulations and listing requirements of the Nasdaq Stock Market (“*Nasdaq*”), as well as in the context of the Company’s Certificate of Incorporation (as amended), Amended and Restated Bylaws and other corporate governance documents. These Guidelines acknowledge the leadership exercised by the Board’s standing committees and their chairs and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. The Guidelines are subject to modification from time to time by the Board, as recommended by the Nominating and Corporate Governance Committee, as the Board may deem appropriate in the best interests of the Company and its stockholders or as required by applicable laws and regulations.

### **Size and Composition of the Board**

The Board shall, from time to time, as it deems appropriate, evaluate the size and composition of the Board in light of the relevant provisions of the Company's Certificate of Incorporation (as amended) and the Amended and Restated Bylaws, as well as the operating requirements of the Company, including consideration of appropriate areas of expertise to be represented on the Board. Collectively, the Board should have knowledge and expertise in areas such as the understanding of the retail industry, consumer credit industry, business management, finance, accounting, marketing, operations, strategic planning, and other areas that the Board determines are desirable and helpful to fulfilling its role.

### **Recommendations**

In fulfilling its responsibilities, the Board should periodically review the composition of the Board and evaluate potential candidates for Board membership. The directors should recommend candidates for election to the Board in accordance with the criteria described herein.

### **Selection and Invitations**

The directors' recommendations shall be submitted to the full Board for consideration and approval. Any invitation to join the Board should be extended by the Board through the Chairman of the Board.

### **Candidates Proposed by Stockholders**

The Nominating and Corporate Governance Committee will consider for nomination candidates proposed by stockholders, provided that they are made in accordance with the provisions of Section 2.14 of the Company's Amended and Restated Bylaws, as the same may be amended from time to time, and the relevant rules adopted by the Securities and Exchange Commission.

### **Term Limits**

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they have the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company, its operations, and the retail industry in general, as well as directors who are able to provide an increasing contribution to the Board as a whole.

### **Retirement Policy**

Directors normally will not stand for re-election after reaching age 72. The Board, however, reserves the right to nominate candidates age 72 or older if the Board determines, in conjunction with the Company, it is appropriate to do so.

### **Change in Professional Responsibilities**

In the event a Non-Management director changes his or her employer, significantly changes his or her position with an employer or significantly changes his or her responsibilities as a director, consultant or otherwise, the director shall submit to the Corporate Secretary of the Company a offer letter of resignation, subject to Board acceptance. The Nominating and Corporate Governance Committee will consider the Non-Management director's letter of resignation and will recommend to the Board the action to be taken, if any. The Board shall act promptly with respect to each such letter of resignation and shall promptly notify the director concerned of its decision. Management directors are also expected to tender their resignation from the Board to the Corporate Secretary of the Company at the same time they cease to be an executive officer of the company. At the discretion of the Board, such former officer may be asked to continue as a director.

### **Advance Resignation – Majority Voting**

In accordance with the Company's bylaws, each director shall be elected by the affirmative vote of the holders of a majority of the votes cast at a meeting for the election of directors; provided, however, that the directors shall be elected by a plurality of the votes cast at any meeting for which the number of candidates for election as directors exceeds the number of directors to be elected, with the determination of such to be made by the Secretary of the Company as of the tenth day

preceding the date the Company files its definitive proxy statement for the annual meeting of stockholders (regardless of whether or not thereafter revised or supplemented) with the Securities and Exchange Commission. As a condition to being nominated to continue to serve as a director, an incumbent director nominee will submit an irrevocable letter of resignation which would be effective upon and only in the event that (i) such nominee fails to receive the required vote for election to the Board at the next meeting of the stockholders of the Company at which such nominee faces re-election and (ii) the Board accepts such resignation. As a condition to being nominated, each nominee who is not an incumbent director will agree to submit such an irrevocable letter of resignation upon his or her election as a director. In addition, the Board will fill vacancies (including new directorships created by expansion of the Board) only with candidates who agree to submit such an irrevocable letter of resignation upon appointment as a director.

If an incumbent director nominee does not receive the required vote, the Nominating and Corporate Governance Committee shall promptly consider whether to accept the resignation of such nominee and make a recommendation to the Board concerning the acceptance or rejection of such resignation. The Board will consider the Nominating and Corporate Governance Committee's recommendation in determining whether to accept or reject the resignation and will publicly disclose, on the Company's website or through other broadly disseminated means of communication, its decision and the reasons therefore within 90 days from the date of the certification of the election results by the inspector of election. The Nominating and Corporate Governance Committee and the Board will consider what they understand to be the reason or reasons, or the reason or reasons stated by stockholders, for the nominee's not receiving the required vote, whether the underlying cause or causes are accurate or curable, the overall composition of the Board and the effect acceptance of this or other resignations could have under any applicable rule, regulation or contract (including NASDAQ's listing and governance standards, federal securities laws and the impact of any "change of control" or other provisions in applicable agreements), as well as any other factors that they believe to be relevant. The resignation, if accepted by the Board, will be effective at the time specified by the Board when it determines to accept the resignation, which effective time may be deferred until a replacement director is identified and appointed to the Board.

Any director whose resignation is being considered as described in this section will abstain from participation in both the Nominating and Corporate Governance Committee consideration of the director's resignation, if the director is a member of that committee, and the Board's decision regarding the resignation.

### **Service on other Boards**

No director should serve on more than three other boards of directors of public companies without the approval of the Board.

## **Separation of Board Chairman and Chief Executive Officer**

The Board does not have a fixed policy regarding the separation of the offices of Chairman of the Board and the Chief Executive Officer and believes that it should maintain the flexibility to select the Chairman of the Board and its Board leadership structure, from time to time, based on the criteria that it deems to be in the best interests of the Company and its stockholders.

## **Chairman/Lead Director**

Currently, the Chief Executive Officer is also the Chairman of the Board. Accordingly, a Lead Director shall be elected by and from the independent directors. The Lead Director shall preside at all meetings of the non-management directors and at each executive session of the independent directors. In his absence, the directors participating in the meeting or session shall select one of the members to preside. The Lead Director will serve as a liaison between the Chairman of the Board and the independent directors. The Lead Director will provide input as to the preparation of agendas for board and committee meetings and take on such other responsibilities as may be assigned to him or her by the non-management directors.

## **Committees**

The Board has established the following committees to assist the Board in discharging its responsibilities: (i) audit, (ii) compensation, and (iii) nominating and corporate governance. All members of the audit, compensation and nominating and corporate governance committees shall meet the independence requirements as defined by NASDAQ and the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder. The committee chairs provide summary reports of their meetings to the full board following each meeting of the respective committees.

## **Committee Meetings**

The chairman of each committee, in consultation with the appropriate members of management and staff, will develop the committee's agenda. Each committee member is free to suggest the inclusion of items on the agenda. At any committee meeting, each committee member is free to raise subjects that are not on the agenda for that meeting. Each committee meets in executive session when advisable during the course of a meeting. The chairman of each committee reports to the Board regarding any meeting held since the most recent Board meeting. Any director may attend meetings of any board committee with the concurrence of the committee chairman.

## **Board Access to Management and Independent Advisors**

Directors shall have open access to the Company's management, subject to reasonable time constraints. In addition, members of the Company's executive management routinely attend Board and committee meetings and they and other managers brief the Board and committees on particular

topics, as necessary. The Board encourages executive management to bring managers, other employees and/or independent consultants into Board and/or committee meetings and other scheduled events who can (a) provide additional insight into matters being considered or (b) represent managers with future potential whom executive management believe should be given exposure to members of the Board. The Board and each committee, to the extent set forth in the applicable committee charter, have the right to consult and retain independent legal and other advisors at the expense of the Company.

### **Stock Ownership Guidelines**

The Board believes that meaningful stock ownership in the Company by the directors and officers is appropriate. All directors and officers are expected to own and hold Company stock during their tenure. In this regard, on August 30, 2011, the Compensation Committee adopted minimum stock ownership guidelines for the directors and officers of the Company. On December 3, 2013, the Nominating and Corporate Governance Committee revised the stock ownership guidelines applicable to non-executive directors, such that as of such date, the stock ownership guidelines are as follows: non-executive directors are required to hold shares of Company common stock with a value at least equal to 3 times their annual retainer, the Chief Executive Officer is required to hold 4 times his or her annual base salary and all other named executive officers are required to hold 2 times their annual base salary.

### **External Communications**

The Board believes that Company management should speak for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. However, it is expected that Board members would do this with the knowledge of management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

### **Communication with the Board of Directors**

Stockholders wishing to contact the Board or any committee of the Board may do so by telephone at (936) 281-5890, by U.S. mail to Lead Director c/o Corporate Secretary, Conn's, Inc., 4055 Technology Forest Blvd, Suite 210, The Woodlands, Texas 77381 or by email at [generalcounsel@conns.com](mailto:generalcounsel@conns.com). Our General Counsel reviews all communications directed to the Audit Committee and the Chairman of the Audit Committee is promptly notified of any significant communications relating to accounting, internal accounting controls, auditing matters or other significant communication. Communications addressed to a named director are promptly sent to the director. Communications directed to the non-management directors are promptly sent to the Lead Director. All communications submitted to the Board or any committee of the Board will be compiled by the Corporate Secretary and submitted to the Lead Director on a periodic basis.

### **Board Attendance at Annual Meeting**

It is the policy of the Board that each member of the Board is encouraged to attend the Annual Meeting of Stockholders.

### **Continuing Education**

Each new director will be given an orientation with respect to his or her roles and responsibilities as a director and will be provided copies of these Corporate Governance Guidelines and other Company information and background materials with respect to the Company, its business and issues of particular significance to the Company. Additionally, each new director will meet with other members of the Board and with the Company's executive officers and other senior management in order that the new member can become familiar with the Company's business, operations, strategic plans, financial statements and key policies and practices. This orientation should commence as soon as practicable after the new Board member is elected. In addition, the Company may provide Board members with presentations from Company and/or third-party experts on topics that will assist Board members in carrying out their responsibilities. The Board also may make arrangements for Board members to attend accredited third-party training programs for directors.

### **Board Evaluation**

The Nominating and Corporate Governance Committee will conduct an annual evaluation to determine whether the Board and its committees are functioning effectively. Based on the evaluation, the Nominating and Corporate Governance Committee will recommend to the Board what actions, if any, should be taken to improve the performance of the Board and its committees.

### **Disclosure**

These Corporate Governance Guidelines, together with the charters of the Audit, Compensation and Nominating and Corporate Governance Committees, and the Company's Codes of Business Conduct and Ethics will be posted on the Company's website.

### **Amendments**

Pursuant to its charter, the Nominating and Corporate Governance Committee shall, at least annually, review and assess the adequacy of these guidelines and recommend any proposed changes to the Board for approval. In addition, these Guidelines may be amended or modified at any time, and from time to time, by resolution of the Board.