

# REX American Resources Corporation

## Corporate Governance Guidelines

### 1. Director Qualification Standards

*Size of Board.* The size of the Board of Directors shall generally be seven directors. The Nominating/Corporate Governance Committee may make recommendations to the Board concerning the composition of the Board, including its size and qualifications for membership. The Board will consider increasing the size of the Board to accommodate the availability of outstanding candidates, or to reduce the size or maintain a vacancy if it cannot identify available candidates meeting the Board's qualification standards.

*Independence.* A majority of the members of the Board of Directors must qualify as independent directors in accordance with applicable law and the listing standards of the New York Stock Exchange. No director will qualify as "independent" unless the Board affirmatively determines that the director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). The basis for a Board determination that a relationship is not material shall be disclosed in the Company's annual proxy statement.

In addition, a director is not independent if:

- The director is, or has been within the last three years, an employee of the Company, or an immediate family member is, or has been within the last three years, an executive officer of the Company.
- The director has received, or an immediate family member has received, during any 12-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director or committee fees and pension or other forms of deferred compensation for prior service (not contingent in any way on continued service).
- The director is a current partner or employee of the Company's internal or external auditor; an immediate family member is a current partner of such a firm, or is a current employee of such a firm and personally works on the Company's audit; or the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time.
- The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.
- The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in any of the last three fiscal years which exceeds the greater of \$1 million or 2% of the other company's consolidated gross revenues.

An “immediate family member” includes a director’s current 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 the director’s home.

*Compensation Committee Independence.* In affirmatively determining the independence of any director who will serve on the Compensation Committee, the Board shall consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director’s ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director and (ii) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

*Board Membership Criteria.* The Board seeks individuals who possess the background, skills and expertise to make a significant contribution to the Board, the Company and shareholders. In seeking candidates, the Board may consider the following attributes: (i) experience, (ii) skills, (iii) judgment, (iv) accountability and integrity, (v) financial literacy, (vi) time, (vii) industry knowledge, (viii) networking/contacts, (ix) leadership and (x) independence from management.

*Evaluation and Selection of Nominees.* The Nominating/Corporate Governance Committee shall assist in identifying, interviewing, recruiting and evaluating candidates for the Board, including individuals recommended by shareholders. In connection with the evaluation and selection process, the Nominating/Corporate Governance Committee shall review the desired experience, mix of skills and other qualities to assure appropriate Board composition, taking into account the current Board members and the specific needs of the Company and the Board. The Company is committed to a policy of inclusiveness. In performing its responsibilities for identifying, screening and recommending candidates to the Board, the Committee should (i) insure that candidates with a diversity of ethnicity and gender are included in each pool of candidates from which Board nominees are chosen and (ii) seek diverse candidates by including in the candidate pool (among others) individuals from non-executive corporate positions and non-traditional environments. The Nominating/Corporate Governance Committee may solicit advice from the Chief Executive Officer and other members of the Board. After the Nominating/Corporate Governance Committee completes its evaluation and selection process, the Committee shall provide the Board with the names of its recommended nominees. The Board is responsible for reviewing the Nominating/Corporate Governance Committee’s recommendations and selecting the appropriate slate of nominees to present to the shareholders for election.

*Change in Job Responsibilities.* Directors are expected to report changes in their primary job, business or professional affiliations or responsibilities to the Board. A director shall offer to resign if the Board considers that the change will impair the director’s ability to effectively serve on the Board.

Directors are expected to advise the Board promptly upon accepting any other public company directorship or assignment to the audit committee or compensation committee of any public company.

*Terms.* The Board has not established term limits for directors and does not believe term limits are appropriate.

*Retirement.* The Board has not established a mandatory retirement age for directors.

*Resignation Based on Election Results.* In any non-contested election of directors, any incumbent director nominee who receives a greater number of votes cast “against” the nominee’s election than votes “for” the nominee’s election shall immediately tender his or her resignation as a director. Within 90 days following certification of the election results, the Board of Directors will decide, after taking into account the recommendation of the Nominating/Corporate Governance Committee and excluding the nominee in question, whether to accept the resignation. The Board shall promptly disclose its decision on a Form 8-K filed with the Securities and Exchange Commission.

## **2. Director Responsibilities**

*Board Responsibilities.* The Board of Directors is responsible for oversight of strategy, operation of the business, and management performance and succession so as to enhance long-term shareholder value. Directors should exercise their business judgment to act in what they reasonably believe to be the best interests of the Company in a manner consistent with their fiduciary duties. Directors are expected to regularly attend meetings of the Board of Directors and all Board committees on which they serve. Directors should review the materials that are sent in advance of meetings and seek any additional information they feel is needed.

*Meetings and Agenda.* The Chief Executive Officer, in consultation with the Board, shall set the agenda of meetings of the Board of Directors. The Chairman of each committee shall set the agenda of meetings of the applicable committee. Any director may suggest agenda items and may raise at meetings other matters they consider worthy of discussion. Materials for review, discussion and/or action of the Board or committee should, to the extent practicable, be distributed sufficiently in advance of meetings to allow time for review.

Directors must disclose any potential conflict of interest they may have with respect to any matter under discussion and, if appropriate, refrain from voting on a matter in which they may have a conflict.

*Executive Sessions.* The Board of Directors will schedule regular executive sessions where non-management directors meet without management participation. The non-management directors shall either select a non-management director to preside at each executive session, or shall establish a procedure by which the presiding director for each executive session shall be selected (for example, rotating the presiding position among the Chairmen of Board committees). The Company shall disclose in its annual proxy statement the name of the presiding director or the procedure by which a presiding director is selected for each executive session. If the non-management directors include any director who is not independent, the Company at least once a year will schedule an executive session including only independent directors.

*Committees.* The Board of Directors shall maintain an Audit Committee, a Compensation Committee and a Nominating/Corporate Governance Committee which must operate in accordance with applicable law, rules, regulations, listing standards and their respective charters. The Board may establish other committees as it deems appropriate and delegate to such committees such authority permitted by applicable law and the Company’s by-laws.

The Board does not believe in mandating fixed rotation of Board committee members and/or chairpersons since at any time there may be reasons for maintaining continuity.

*Board Communications with the Public.* The Board looks to senior management to speak for the Company. Directors receiving inquiries from institutional investors, the press or others should refer them to the Chief Executive Officer or other appropriate officer of the Company.

### **3. Reporting Concerns to Non-Management Directors**

Interested parties may communicate their concerns regarding the Company (anonymously, confidentially or otherwise) directly to the non-management directors of the Company. Communications may be directed to the presiding director or to the non-management directors at the principal offices of the Company.

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

*Director Access to Management.* The Company shall provide each director with complete access to management. Members of management may attend Board meetings at the request of the Chief Executive Officer.

*Independent Advisors.* The Board of Directors and Board committees, 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.

### **5. Director Compensation**

The Board of Directors, or an authorized Board committee, will determine and review the form and amount of director compensation, including cash, equity-based awards and other director compensation. Directors' fees and benefits should not exceed what is customary and reasonable.

### **6. Director Orientation and Continuing Education**

The Company will provide access to appropriate orientation programs, sessions or materials for newly elected directors prior to or within a reasonable period of time after their nomination or election to familiarize new directors with the Company. The Company encourages, but does not require, directors to periodically attend or obtain appropriate programs, sessions or materials as to the responsibilities of directors of publicly-traded companies.

### **7. Management Evaluation and Succession**

The non-management members of the Board of Directors will conduct an annual review of the performance and compensation of the Chief Executive Officer, taking into account the views and recommendations of the Compensation Committee and Nominating/Corporate Governance Committee, as applicable.

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

The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Board of Directors, with the assistance of the

Nominating/Corporate Governance Committee, as appropriate, shall review these Corporate Governance Guidelines on an annual basis to determine whether any changes are appropriate.

#### **9. Amendment, Modification and Waiver**

These Guidelines may be amended, modified or waived by the Board of Directors and waivers of these Guidelines may also be granted by the Nominating/Corporate Governance Committee, subject to the disclosure and other provisions of applicable law, rules, regulations and listing standards.

Adopted: March 30, 2004 (Revised April 26, 2005, September 18, 2008, January 31, 2013 and December 13, 2016)

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