

## **Aceto Corporation Board of Directors Governance Guidelines**

The Board of Directors (the “Board”) of Aceto Corporation (the “Company”) has adopted these governance guidelines. The guidelines, in conjunction with the Company’s Articles of Incorporation, By-laws, and the charters of the committees of the Board, form the framework of governance of the Company. These guidelines set out general guiding principles of corporate governance to assist the Board in performing its duties. The Board must act according to its obligations under the specific facts and circumstances it faces; therefore, occasions may arise where it is appropriate for the Board to act differently than set out in these guidelines. The Nominating and Governance Committee will review these guidelines periodically and suggest revisions to the Board to ensure that these guidelines serve their purpose and accurately reflect the sense of the Board.

- 1. General.** The Company’s business is conducted by its employees, managers and officers, under the direction of the Chief Executive Officer (“CEO”) and the oversight of the Board, to enhance the long-term value of the Company for its shareholders. The Board is elected by the shareholders annually to oversee management and to ensure that the long-term interests of the shareholders are being served. The Board is the ultimate decision-making body of the Company except with respect to those matters reserved to the shareholders. The Board selects the Chairman of the Board (“Chairman”) and CEO and advises the CEO with respect to the selection of a Chief Operating Officer, Chief Financial Officer and/or General Counsel. In addition, the Board acts as an advisor to senior management and monitors its performance.
- 2. Succession Planning.** The Board is responsible for succession planning for the positions of Chairman and CEO. In addition, the Board provides counsel with respect to succession planning for certain other senior management positions. To assist the Board with these responsibilities, the Chairman annually provides the Board with an assessment of the CEO and the CEO provides the Board with an assessment of senior managers. In connection with the foregoing, the Nominating and Governance Committee shall review periodically with the Chairman and CEO the succession plans relating to positions held by elected corporate officers and other senior executives and make recommendations to the Board with respect to the selection of individuals to occupy these positions.
- 3. Chairman and CEO Positions.** On an annual basis, the Board shall elect a Chairman. The Board does not have a policy as to whether one person can or should serve as both CEO and Chairman simultaneously. The Board should make this decision based on the specific facts of each case in the way that seems best for the Company at the time.
- 4. Chairman of the Board.** The Chairman works with the Lead Independent Director, if any, and the CEO to prepare Board meeting agendas and schedules, coordinates with management to make certain that Board materials are distributed to Board members sufficiently in advance of each Board meeting, acts as liaison to the independent Directors and presides at all meetings of the Board.

5. **Lead Independent Director.** A majority of the independent Directors may appoint an independent Director to serve as Lead Independent Director, separate from the position of Chairman.
6. **Director Independence.** It is the policy of the Company that a majority of the Directors on the Board shall be independent Directors. The Nominating and Governance Committee of the Board has established certain qualifications to assist it in determining Director independence, which meet the independence requirements of NASDAQ Rule 5605(a)(2). The Board will consider all relevant facts and circumstances in making an independence determination, including information with respect to persons or organizations with which the Director has an affiliation.
7. **Board Size.** Subject to the Company's Certificate of Incorporation (which sets nine as the maximum number of Directors), it is the policy of the Company that the number of Directors should not exceed a number that can function efficiently as a body. The Nominating and Governance Committee considers and makes recommendations to the Board concerning the appropriate size and needs of the Board. The Nominating and Governance Committee considers candidates to fill new positions created by expansion and vacancies that occur by resignation, by retirement or for any other reason.
8. **Selection Criteria.** Board candidates are selected for, among other things, their integrity, independence, diversity of experience, business acumen, substantive knowledge, leadership and their ability to exercise sound judgment. The Board prohibits discrimination against any candidate on the basis of race, color, national or ethnic origin, age, religion, disability, sex, sexual orientation, gender identity and expression, veteran status or any other characteristic protected under applicable federal or state law. Final approval of candidates to stand for election or re-election by the shareholders is determined by the full Board.
9. **Director Service on Other Boards.** Directors may not serve on more than three other public boards in addition to the Company Board and may not serve on any board (public or private) that presents a conflict of interest with service on the Company's Board. Current positions in excess of the public board limit may be maintained upon approval of the Board after a determination that doing so would not impair or conflict with the Director's service on the Company's Board. Prior to accepting a new board position (public or private), a Company Board member must provide written notice to the Nominating and Governance Committee. The Nominating and Governance Committee will recommend to the Board the action, if any, to be taken with respect to such new board position and the full Board shall make such determination, if any.
10. **Change in Director Occupation.** If, during the tenure of a Director, (a) such Director's principal occupation or business association changes substantially, (b) such Director has an occupation or business association with a company that competes with the Company or engages in a related business of the Company, or (c) such Director begins service on the Board of a private or public company that competes with the Company or is in a related business of the Company, that Director shall promptly provide notice to the Nominating and Governance Committee of such event. The Nominating and Governance Committee will

recommend to the Board the action, if any, to be taken with respect to such event and the full Board shall make such determination.

- 11. Director Compensation.** The Compensation Committee periodically reviews the compensation of Directors and makes recommendations to the Board for its determination. Directors employed by the Company shall not be paid additional compensation for service as a Director.
- 12. Stock Ownership Requirements.** The Board will from time to time establish guidelines and/or requirements for Directors with respect to the ownership of Company stock.
- 13. Continuing Director Education.** Staying up to date on Director duties, issues and emerging trends is an important part of each Director's responsibilities. Thus, each Director is expected to take reasonable steps to remain current in his or her professional development, including attendance at periodic corporate governance seminars or meetings and review of pertinent governance publications, recognizing that the amount and form of professional development needs may vary depending on each Director's circumstances. Subject to the prior written approval of the Chairman, the Company will reimburse, to the extent not otherwise reimbursed, Directors' reasonable expenses associated with periodic seminar or meeting attendance.
- 14. Director Retirement; Term Limits.** No candidate may stand for election or re-election to the Board if on the date of the annual election by shareholders such candidate has either (a) reached his or her seventy-fifth (75th) birthday or (b) has served on the Board for more than 15 years in the aggregate. Time serving the Company simultaneously as both a Director and employee shall not be included for purposes of measuring the fifteen (15) year limitation. In extenuating circumstances, the Board may grant an extension of the allowable age and/or term limitation if deemed to be in the best interests of the Company.
- 15. Board Self-Evaluation.** The Board is required to conduct a self-evaluation of its performance at least annually.
- 16. Committees.** It is the general policy of the Company that all major decisions be considered by the Board as a whole. As a consequence, the committee structure of the Board is limited to those committees considered to be basic to, or required for, the operation of a publicly owned company. Currently these committees are the:
  - Audit & Risk Committee;
  - Compensation Committee; and
  - Nominating and Governance Committee.

These committees include only independent Directors. The members of these committees are recommended to the Board by the Nominating and Governance Committee (in consultation with the Chairman and Lead Independent Director, if the Lead Independent Director position is then filled). Each committee chooses its chair by majority vote at its first committee meeting after the Company's Annual Meeting. In addition to the requirement that a majority

of the Board satisfy the independence standards noted in Section 6 above (“Director Independence”), members of the Audit & Risk Committee also must satisfy an additional NASDAQ independence standard: members of the Audit & Risk Committee may not directly or indirectly accept any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries other than their Director compensation.

All independent Directors are expected to serve on one or more committees as determined by the Board and as a committee chair as determined by committee membership.

Consideration should be given to rotating Committee members periodically to ensure diversity of Board member experience and variety of perspectives across the committees, but that rotation should not be mandated as a policy. Moreover, the value of rotation should be weighed carefully against the benefit of committee continuity and experience.

Absent extenuating or time-sensitive circumstances, committees generally meet at least four times per year, in conjunction with meetings of the Board.

- 17. CEO Performance Goals and Annual Evaluation.** The Compensation Committee and Chairman are responsible for setting annual and long-term performance goals for the CEO and for evaluating his or her performance against such goals, in consultation with the Nominating and Governance Committee. The CEO meets annually with the Chairman and Compensation Committee to provide his or her recommendations concerning such goals. Both the goals and the CEO’s evaluation are subject to approval by the independent Directors meeting in executive session.
- 18. Senior Management Performance Goals.** Subject to the oversight of the Compensation Committee, the CEO is responsible for setting annual performance goals for the direct reports to the CEO.
- 19. Communication with Stakeholders.** The Chairman, CEO and Chief Financial Officer are responsible for establishing effective communications with the Company’s stakeholder groups, i.e., shareholders, customers, company associates, communities, suppliers, creditors, governments and corporate partners. It is the policy of the Company that the Chairman and CEO and their designees speak for the Company. This policy should not be construed to limit communications by Company employees made in the ordinary course of business.
- 20. Annual Meeting Attendance.** All Board members are expected to attend the Company’s Annual Meeting of Shareholders unless a serious extenuating circumstance prevents them from doing so.
- 21. Board Materials.** Board materials related to agenda items are provided to Board members sufficiently in advance of Board meetings to allow the Directors to prepare for discussion of the items at the meeting.
- 22. Board Meetings.** At the invitation of the Board, members of senior management recommended by the Chairman or CEO may attend Board meetings or portions thereof for

the purpose of participating in discussions. Minutes of each Board meeting shall be prepared by the Secretary or Secretary's designee.

- 23. Director Access to Corporate and Independent Advisors.** Board members may consult with independent legal, financial and accounting advisors to assist in carrying out their assigned duties to the Company and its shareholders. Board members have open access to all members of senior management of the Company. Board members should endeavor to notify the Chairman or CEO prior to such meetings.
- 24. Executive Sessions.** Executive sessions or meetings of independent Directors without management present shall be held regularly, and in no event less than twice each year.
- 25. Committee Meeting Conduct.** The frequency, length and agenda of meetings of each of the committees are determined by the chair of the committee, in consultation with committee members. Sufficient time to consider the agenda items is provided. Materials related to agenda items are provided to the committee members sufficiently in advance of the meeting where necessary to allow the members to prepare for discussion of the items at the meeting.
- 26. Scope of Committee Responsibilities.** The responsibilities of each of the committees are determined by the Board from time to time. Each Committee will have a charter, approved by the Board, reflecting these responsibilities. Charters shall be reviewed annually and self-assessments will be performed periodically.
- 27. Periodic Review.** These Governance Guidelines shall be reviewed by the Nominating and Governance Committee periodically and any proposed changes recommended will be presented to the Board.