



Corporate Governance Guidelines Acacia Research Corporation

I. Purpose

The following Corporate Governance Guidelines (the “**Guidelines**”) have been prepared to assist the Board of Directors (the “**Board**”) of Acacia Research Corporation (the “**Company**”) in carrying out its duties and responsibilities, which the Board believes serve the best interests of the Company and its stockholders. These Guidelines reflect the Board’s commitment to adopting and following sound corporate governance policies, which the Board believes are instrumental in creating long-term stockholder value. These guidelines are meant to be interpreted in the context of all applicable laws, rules and regulations, as well as the Company’s constituent documents, policies and procedures and other governing documents.

II. Selection of Directors and Board Composition

A. Selection of New Directors

The Board is responsible for the selection of nominees for election or appointment to the Board. The Board has delegated to the Nominating Governance and Sustainability Committee (the “**Nominating Committee**”) the responsibility to identify individuals qualified to become board members and recommend that the Board select the director nominees for each election at each annual meeting of stockholders.

The Nominating Committee shall at all times act pursuant to the Company’s Nominating, Governance and Sustainability Charter. Consistent with such charter, in identifying prospective director candidates, the Nominating Committee may consider all facts and circumstances, including among other things, the skills of the prospective director candidate, his or her diversity of business experience or other background characteristics, his or her independence, and the particular needs of the Board and the Company. Upon selection of a qualified candidate, the Nominating Committee will recommend the candidate for consideration by the full Board. The Nominating Committee may engage and obtain advice, reports or opinions from independent counsel and other advisors, as it determines necessary, to carry out its duties, including advisers retained for the purpose of assisting the Nominating Committee in identifying director candidates.

The Nominating Committee has the responsibility to evaluate the composition and organization of the Board, and of each of its committees, and make recommendations to the Board regarding any modifications thereto.

The Nominating Committee will review and consider any director candidates who have been recommended by stockholders of the Company entitled to vote in the election of directors, so long as such directors have been nominated in accordance with the procedures set forth in the Company's Certificate of Incorporation and Bylaws, as amended and in effect from time to time.¹

B. Board Membership Criteria

The Nominating Committee will establish criteria and qualifications for Board membership, which shall include a description of any specific, minimum qualifications that the Nominating Committee believes must be met by a Board nominee, whether recommended by the Nominating Committee or by stockholders of the Company, and a description of any specific qualities, skills or attributes that the Nominating Committee believes are necessary for one or more of the Company's directors to possess.

Nominees for the Board should be committed to enhancing long-term stockholder value and must possess a high level of integrity, personal and professional ethics, and sound business judgment. Each director should be free of any conflicts of interest which would violate applicable laws, rules, regulations or listing standards, conflict with any of the Company's corporate governance policies or procedures, or interfere with the proper performance of his or her responsibilities. Each director should possess experience, skills and attributes which enhance his or her ability to perform duties on behalf of the Company, and the Nominating Committee may review the appropriate skills and characteristics required of Board members, including such factors as (i) personal qualities, skills and attributes, (ii) expertise in the specific business areas, including accounting, marketing, strategy, financial reporting or corporate governance, and (iii) professional experience and knowledge commensurate with the Company's needs. Each director should also have the ability and willingness to devote the necessary time and effort to perform the duties and responsibilities of Board membership. Additionally, each director should demonstrate his or her understanding that his or her primary responsibility is to the stockholders of the Company, and that his or her primary goal is to serve the best interests of those stockholders, and not his or her personal interests or the interest of a particular group or stockholder.

C. Independence of Board Members

The members of the Board shall meet the independence requirements of Nasdaq Stock Market, LLC ("*Nasdaq*") Rule 5605. During any period in which the Company is

¹ See the Company's Nominating, Governance and Sustainability Charter for a full description of the Nominating Committee's purpose, authority and responsibilities.

a "Controlled Company" ² pursuant to Nasdaq rules, the Company may (in the discretion of the Board) avail itself of one or more of the exemptions from corporate governance requirements for Controlled Companies set forth under Nasdaq Rule 5615. Under Nasdaq rules, a director will not be considered independent if he or she falls within any one of the following categories:

1. The director is or was within the past three years an executive officer or an employee of the Company, or a family member³ of the director is or has been within the past three years an executive officer⁴ of the Company.
2. The director or a family member has received more than \$120,000 in compensation⁵ from the Company during any 12-month period in the past three years.
3. The director has one of the following relationships with the Company's outside auditors:
 - a. The director or a family member of the director is a current partner of the auditor firm.
 - b. The director or a family member of the director was a partner or employee of the auditor firm and worked on the Company's audit within the past three years.
4. The director or a family member of the director is an executive officer of another Company at which any of the Company's executive officers are or were during the past three years members of the compensation committee.
5. The director or a family member of the director is currently a controlling stockholder, partner or executive officer of another entity that:

² Nasdaq defines Controlled Company as "a Company of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company."

³ Nasdaq defines "family member" to include spouses, parents, children, siblings, whether by blood, marriage or adoption, and anyone else sharing the director's home.

⁴ Nasdaq defines "executive officer" as an officer under Rule 16a-1(f) under the Securities Exchange Act of 1934. Serving as an interim executive officer does not disqualify a director from being considered independent if that service was for less than one year. However, the Board must still consider if that service would interfere with a board member's exercise of independent judgment.

⁵ The calculation of compensation does not include: (i) director and committee fees; (ii) payments under a tax qualified retirement plan or other non-discretionary compensation; (iii) compensation of a family member of the director who is an employee but not an executive officer of the Company; or (iv) compensation for service as an interim executive officer, if that service was for less than one year. However, the Board must still consider if that compensation would interfere with a board member's exercise of independent judgment. Political contributions to a director or a family member are considered indirect compensation.

- a. Makes payments to or receives payments from the Company for property or services; and
- b. The amount of these payments made in the current fiscal year or any one of the past three fiscal years exceeds the greater of \$200,000 or 5% of the recipient's consolidated gross revenues for that year.⁶

The Board believes it is often in the best interests of the Company and its stockholders to have one or more non-independent directors, including current and former members of management, to serve as directors.

At least annually, the Board will evaluate the independence of directors and director nominees against the independence requirements of the listing standards of Nasdaq, the rules and regulations of the Securities and Exchange Commission ("**SEC**"), and other applicable laws, rules and regulations.

D. Board Leadership

The Board selects and appoints the Chairman of the Board and the Chief Executive Officer (or an interim officer, if applicable). The Board may also appoint an independent member of the Board to serve as the "Lead Independent Director."

E. Size of the Board

The Company's Bylaws provide that the number of directors of the Company shall not be less than five and not more than nine directors. The Board reserves the right to increase or decrease the size of the Board, subject to the Company's Certificate of Incorporation, Bylaws, and Delaware law, depending on an assessment of the needs of the Board and the Company and other relevant circumstances at any given time.

F. Term

Director terms are set forth in the Company's Certificate of Incorporation and Bylaws. The Board has not established term limits. While term limits could help ensure a more consistent flow of new ideas and viewpoints to the Board, they also potentially result in the loss of directors who have substantial experience with and a sustained focus on the Company's business, strategy and industry over a period of time. Because each director is periodically subject to election by the Company's stockholders and the Nominating Committee reviews each director's performance and contribution to the Board prior to

⁶ This test excludes payments arising solely from investments in Company's securities or payments under non-discretionary charitable contribution matching programs.

If the director or family member is an executive officer of a charitable organization, the director is not considered independent if the Company contributes more than \$200,000 or 5% of the charity's revenues.

nomination for reelection, the Board does not believe it is in the best interests of the Company to establish term limits.

G. *Succession*

The Nominating Committee shall review and make recommendations to the Board regarding the Company's succession plans for the Board.

Roles and Responsibilities

A. *Role of the Board*

The principal duty of the Board is to exercise its powers in accordance with its fiduciary duties to the Company and act in a manner it reasonably believes to be in the best interests of the Company and its stockholders. To satisfy this duty, the directors are to take a proactive approach to their position and function as monitors of corporate management.

The day-to-day business and affairs of the Company are managed by or under the direction of the Board. Its primary duties are to:

1. Oversee the Chief Executive Officer (or an interim officer, if applicable) who, together with senior management, runs the Company on a daily basis;
2. Monitor management's performance to ensure that the Company operates in an effective, efficient and ethical manner in order to produce value for the Company's stockholders; and
3. Periodically review, among other important aspects of the Company's business, the Company's long-term business plan, product development projects, capital expenditures, financing requirements, budget matters and primary risks and management's efforts to minimize any liability that may arise from such risks.

B. *Role of Senior Management*

Senior management, led by the Chief Executive Officer (or an interim officer, if applicable), is responsible for running the Company's day-to-day operations and appropriately communicating with the Board on the status of such operations.

C. *Board Meeting Attendance*

Board meetings are scheduled in advance and are typically held each quarter, in addition to special meetings, as required. Each member of the Board is expected to make reasonable efforts to attend regularly scheduled meetings of the Board and to participate in telephone conference meetings or other special meetings, as required. In the event that

directors are unable to make at least 75% of those regular or special meetings (together with the meetings of committees on which such director serves), the Company will be required to disclose the fact in its annual proxy statement.

Attendance and active participation in meetings is an important component of each director's duties and will be taken into account by the Nominating Committee when assessing a director's performance and nomination for reelection as a director.

D. Attendance at Annual Meeting of Stockholders

Each director is strongly encouraged to attend each of the Company's annual meetings of stockholders in person.

E. Committees

Board members are expected to be available to serve on the Company's committees to the extent eligible to do so. The Board currently has four committees to assist it in discharging its responsibilities: the Audit Committee; the Compensation Committee; the Nominating Committee; and the Strategic Committee. Each committee member must comply with the independence and other requirements established by applicable laws, rules, regulations and listing standards.⁷ The Board may form new committees depending upon the circumstances.

The Nominating Committee is responsible for monitoring the functions and overseeing the annual evaluations of each committee and the Board is responsible for appointing committee members. Each committee regularly reports to the Board on significant matters discussed by the committee.

⁷ In addition to the independence requirements of Nasdaq, Audit Committee members may not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company other than their director compensation.

In determining the independence of directors who will serve on the Compensation Committee, the board of directors must consider all factors specifically relevant to determining whether a director has a relationship to the company that is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, including:

1. The source of the director's compensation, including any consulting, advisory or other compensation fees paid by the Company (or any parent or subsidiary) to the director. This includes consideration of whether the director receives compensation from any person or entity that would impair his ability to make independent judgments about the Company's executive compensation.
2. Whether the director is affiliated with the Company (or parent entity), any subsidiary of the Company or any affiliate of the Company's subsidiaries. This includes consideration of whether an affiliate relationship places the director under the direct or indirect control of the Company or its senior management or creates a direct relationship between the director and members of senior management that would impair the director's ability to make independent judgments about the Company's executive compensation.

F. Time Commitment

Each director is expected to ensure that his or her other existing and planned future commitments do not materially interfere with such director's service on the Board. Each Director is expected to spend the time needed and meet as frequently as the Board deems necessary or appropriate to discharge his or her responsibilities.

Senior management is responsible for distributing information to the directors that is important to the Board's understanding of the business to be conducted at Board or committee meetings. Directors should review these materials in advance of the meeting when reasonably practicable.

Each director will advise the Board of any invitations to join the board of directors of any other public company prior to accepting the directorship. No director should serve on more than four additional public company boards and no director shall serve on the board of any competitor of the Company.

G. Executive Sessions

The Board regularly convenes executive sessions among only the independent directors at least twice per year. The Board shall ensure that the Company complies with the requirement for executive sessions of Independent Directors under Nasdaq Rule 5605(b)(2).

H. Ethics and Conflicts of Interest

The Board expects its members, as well as the Company's officers and employees, to act ethically at all times, to adhere to any applicable codes of ethics, and to disclose any conflicts of interest to the appropriate officer or committee of the Board, in each case in accordance with the Company's Codes of Code, Related Party Transactions Policy and other applicable policies and procedures in effect from time to time.

In accordance with the Company's Related Party Transactions Policy, directors are expected to avoid actual or apparent conflicts of interest. If an actual or potential conflict of interest develops, the director shall disclose to the rest of the Board (or, if the conflict of interest constituted a related party transaction, to the Audit Committee). If a director has a personal interest in a matter before the Board, the director should, if appropriate, recuse himself or herself from board discussions of the matter and refrain from voting on that matter, in each case in accordance with the Company's Related Party Transactions Policy.

I. Access to Information and Employees

The Board expects to have access to any information about the Company that it deems necessary or appropriate to carry out its duties. This includes, among other things, access to the Company's senior management, employees, documents, records and facilities. The Board also encourages management to schedule managers to present at Board meetings who can provide additional insight into items being discussed. The directors are to use their

judgment to ensure that any such contact is not disruptive to the business operations of the Company or distract managers from their jobs.

J. Authority to Engage and Access Independent Advisors

The Board, the Audit Committee, the Compensation Committee, the Nominating Committee and the Strategic Committee have the authority to retain and terminate outside independent advisors as they determine necessary to carry out their duties, and to establish the compensation to be paid to such advisors.

K. Attendance of Non-Directors

The Board encourages invitations to management and outside advisors or consultants from time to time to participate in Board and/or committee meetings to (i) make presentations and provide insight into items being discussed by the Board that involve the invitee and (ii) bring managers with high potential into contact with the Board. Attendance of any non-directors at Board meetings is at the discretion of the Board.

L. Formal Evaluation of Officers

In accordance with the Company's Compensation Committee Charter, at least annually, the Board will evaluate the performance of the Chief Executive Officer (or an interim officer, if applicable). The Compensation Committee, on an annual basis, will review the Company's compensation programs and strategy applicable to the Chief Executive Officer (or an interim officer, if applicable) and other senior management to ensure that the programs and strategy support the Company's overall compensation philosophy. The Compensation Committee will also review and recommend to the Board for approval each component of compensation paid to the Chief Executive Officer (or an interim officer, if applicable) and other senior management.⁸

M. Succession Planning for Executives

The Nominating Committee shall be responsible for reviewing succession planning and senior leadership development on at least an annual basis. In addition, the Nominating Committee shall be responsible for reviewing, from time to time, contingency plans for a successor to assume the role of Chief Executive Officer should he/she become unable to continue to serve in that capacity.

III. Director Compensation

The Compensation Committee will review director compensation periodically, but at least annually, and will make recommendations to the Board. The Board shall retain the ultimate authority to determine the form and amount of director compensation. Such determinations will take into

⁸ See the Company's Compensation Committee Charter for a full description of the Compensation Committee's purpose, authority and responsibilities.

account the directors' independence, employee status, and both direct and indirect forms of compensation to the Company's directors, including any charitable contributions to organizations in which a director is affiliated and any consulting contracts with (or which provides other indirect forms of compensation to) a director.

The Company's executive officers shall not receive additional compensation for their service as directors. Non-management directors may not receive consulting, advisory or other compensatory fees from the Company if the receipt of such fees would result in disqualifying the director as an "independent" director in accordance with applicable SEC and Nasdaq rules and regulations.

IV. Director Orientation and Continuing Education

The Nominating Committee will provide new directors with materials, briefings and educational opportunities to permit the directors to become familiar with the Company and to enable the directors to better perform their duties. In addition, the Board will receive periodic updates on developments relevant to the Board from management and third party service providers. Board members are also encouraged to attend accredited director education programs.

V. Board Evaluation

The Board is responsible for developing and maintaining a process whereby the Board, its committees and its members are subject to evaluation and assessment. The Board will endeavor to conduct a self-evaluation at least annually for the purpose of determining whether it is functioning effectively. Similarly, each committee of the Board will endeavor to conduct a self-evaluation at least annually for the purpose of determining whether it is functioning effectively. The Nominating Committee is responsible for coordinating and overseeing these processes.

VI. Board Communications with Third Parties

The Board believes that communication between the Board, stockholders and other interested parties is an important part of the Company's corporate governance process. To this end, the Board has adopted a Policy Statement on Corporate Communications to Investors and Media (the "**Policy**") to provide a process for stockholders and other interested parties to send communications to the Board, any individual director or the non-management directors as a group, through the Chairman. A copy of the Policy can be found on our website at <https://acaciaresearch.com/>.

VII. Miscellaneous

These Guidelines are not intended to modify or limit the indemnification, exculpation and similar rights available to the directors of the Company under applicable law, the Company's Certificate of Incorporation, the Company's Bylaws or any indemnification agreement entered into between the Company and each director.

These Guidelines may be amended by the Board at any time as it deems appropriate to reflect changes in the law, best corporate governance practices, and the Company's experience with these Guidelines.

I have read and I understand Acacia Research Corporation's Corporate Governance Guidelines.

Director's Printed Name: _____

Director's Signature: _____

Date: _____