

**Trecora Resources Fifth Amended and Restated  
Corporate Governance Guidelines  
(Amended August 22, 2018)**

The Board of Directors (the "Board") of Trecora Resources ("Trecora" or the "Company") has adopted these guidelines which, together with the charters of the Board committees, promote the effective functioning of the Board and its committees.

**Role of the Board**

The business and affairs of Trecora are managed by or under the direction of its Board in accordance with Delaware law. The directors' fiduciary duty is to exercise their business judgment in the best interests of Trecora's shareholders.

**Board Structure**

*Board Size and Composition.* The size of the Board will provide for sufficient diversity among directors while also facilitating substantive discussions in which each director can participate meaningfully. The Board size will be within the limits prescribed by Trecora's By-Laws, which currently provide that the Board will have between four and ten members. Normally, the Board intends to have approximately 6 to 8 members with 1 to 2 directors who are not independent directors and 4 to 7 independent directors.

*Independent Directors.* A substantial majority of the Board will consist of directors whom the Board has determined to be independent. In general, an independent director must have no material relationship with Trecora, directly or indirectly, except as a director. The Board will determine independence on the basis of the standards specified in the corporate governance rules of the applicable stock exchange on which its stock trades and other facts and circumstances the Board considers relevant.

*Election of Directors.* All directors will stand for election every year during the annual meeting of shareholders. In any non-contested election of directors, any director nominee who receives a greater number of votes "withheld" from his or her election than votes "for" such election shall tender his or her resignation. Within 90 days after certification of the election results the Board will decide, through a process managed by the Nominating/Governance Committee and excluding the nominee in question, whether to accept the resignation. Absent a compelling reason for the director to remain on the Board, the Board shall accept the resignation. The Board will promptly disclose its decision and, if applicable, the reasons for rejecting the tendered resignation, on Form 8-K filed with the Securities and Exchange Commission.

*Chairman and CEO.* The Board will annually elect one director to serve as Chairman of the Board. The Chairman may also be the CEO or any other officer of the Corporation. The Board does not have a policy on whether the roles of Chairman and CEO should be separate or combined. This allows the Board flexibility to determine whether the two roles should be separated or combined based upon the Company's needs and the Board's assessment of the Company's leadership from time to time.

*Lead Director.* It is the policy of the Board that a Lead Director be appointed for a two year minimum term from among Trecora's independent directors. The Lead Director will be nominated by the Nominating/Governance Committee in consultation with the Chairman and, as appropriate, approved by the Board. The Lead Director will coordinate the activities of all of the Board's independent directors. The Lead Director will act as a liaison with the Chairman and the CEO, in consultation with the other independent directors; provided, that each independent director will also be afforded direct and complete access to the Chairman and the CEO at any time as such independent director deems necessary or appropriate. In addition to the duties of all directors, the specific responsibilities and duties of the Lead Director will include those set forth on Annex I.

*Term Limits.* The Board believes that experience as a Trecora director is a valuable asset, especially in light of the diverse nature and international scope of the Company's business. Therefore, directors are not subject to term limits.

*Mandatory Retirement.* No director may stand for election for a new term after reaching age 75 unless the Board approves an exception to the guideline on a case by case basis.

*Other Directorships.* Recognizing the substantial time commitment required of directors, it is expected that directors will serve on the boards of other public companies, private companies and non-profit organizations only to the extent that, in the judgment of the Board, such services do not materially detract from the directors' ability to devote the necessary time and attention to Trecora. The Nominating/Governance Committee will, at least annually, review all directors' service on the boards of other such entities.

*Change in Status.* To avoid any potential conflict of interest, directors will not accept a seat on any additional boards of other public companies, private companies and non-profit organizations without first reviewing the matter with the Nominating/Governance Committee. In addition, a director will tender his or her resignation for consideration by the Board in the event of retirement or other substantial change in the nature of the director's employment or other significant responsibilities.

#### **Director Selection; Qualifications; Education**

*Selection.* The Board, acting on the recommendation of the Nominating/Governance Committee, will nominate a slate of director candidates for election at each annual meeting of shareholders and will elect directors to fill vacancies, including vacancies created as a result of any increase in the size of the Board, between annual meetings.

*Qualifications.* The Board maintains separate guidelines describing the desired qualifications for non-employee directors. At least annually, the Nominating/Governance Committee will review these guidelines and make such recommendations to the Board as the Committee may deem appropriate.

*Orientation.* New non-employee directors will receive a comprehensive orientation from appropriate executives regarding Trecora's business and affairs.

*Continuing Education.* Reviews of aspects of Trecora's operations will be presented by appropriate executives from time to time as part of the agenda of regular Board meetings. The Board will also regularly conduct an on-site visit to a Trecora facility other than the corporate headquarters in conjunction with a regular Board meeting. It is also expected that each director will remain well informed regarding current developments and best practices in corporate governance. In that regard, the Board considers it desirable that directors participate in continuing education opportunities and considers such participation an appropriate expense to be reimbursed by the company.

#### **Board Meetings; Director Responsibilities**

*Number of Regular Meetings.* The Board normally holds 4 regular meetings per year. Additional meetings may be scheduled as required.

*Agenda and Briefing Material.* An agenda for each Board meeting and briefing materials will, to the extent practicable in light of the timing of matters that require Board attention, be distributed to each director approximately seven days prior to each meeting. In the event of a pressing need for the Board to meet on short notice, or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written material may not be available in advance. The Chairman, in consultation with the Lead Director and the CEO will normally set the agenda for Board meetings. Any director may request the inclusion of specific items.

*Meeting Attendance.* It is expected that each director will make every effort to attend each Board meeting and each meeting of any committee on which he or she sits.

*Director Preparedness.* Each director should be familiar with the agenda for each meeting, have carefully reviewed all other materials distributed in advance of the meeting, and be prepared to participate meaningfully in the meeting, and to discuss all scheduled items of business.

*Confidentiality.* The proceedings and deliberations of the Board and its committees are confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director, and the CEO will speak for the Company.

### **Non-Employee Director Executive Sessions**

An executive session of the non-employee directors will normally be held prior to and/or after each meeting of the full Board. If the Board includes non-employee directors who are not independent, at least one executive session per year will include only the independent directors. Additional executive sessions will be convened if requested by any non-employee director. Any non-employee director may raise issues for discussion at an executive session. The Lead Director will set the agenda and preside at all executive sessions and provide feedback to the Chairman and the CEO, as appropriate.

### **Board Self-Evaluation**

At least annually, the Board will evaluate its performance and effectiveness.

### **Expenditure Authorization**

All expenditures for capital improvements and/or unbudgeted expenses, excluding raw materials and energy (whether to be paid directly by Trecora itself or through any subsidiary) that would, either individually or when aggregated with related transactions, exceed \$2,000,000 must be approved by the Board. The Schedule of Authorization will govern all expenditures up to \$2,000,000.

### **Committees**

*Committees.* The Board will appoint from among its members committees it determines are necessary or appropriate to conduct its business. Currently, the standing committees of the Board are the Audit Committee, Nominating/Governance Committee and Compensation Committee.

*Committee Composition.* The Nominating/Governance Committee, Audit Committee, and Compensation Committee will consist solely of independent directors. The Chairs of the Nominating/Governance Committee, Audit Committee, and Compensation Committee will be appointed by the full Board.

*Committee Charters.* Each of the committees will have a written charter outlining its responsibilities. Charters will be adopted by the Board based on the recommendation of the applicable committee.

*Committee Assignments and Rotation.* Membership of each committee will be determined by the Board after receiving the recommendation of the Nominating/Governance Committee.

*Committee Funding.* The Company will provide each Board committee with sufficient funds to discharge the committee's responsibilities in accordance with its charter.

*Committee Self-Evaluation.* At least annually, each of the Board committees will conduct an evaluation of its performance and effectiveness, and will consider whether any changes to the committee's charter are appropriate.

*Committee Reports.* The Chair of each Board committee will report to the full Board on the activities of his or her committee, including the results of the committee's self-evaluation and any recommended changes to the committee's charter.

### **Succession Planning**

At least annually, the Board will review succession plans for the CEO and other senior executives. Succession planning will address both succession in the ordinary course of business and contingency planning in case of unexpected events.

## **Board Resources**

*Access to Employees.* Non-employee directors will have full access to senior management of the Company and other employees on request to discuss the business and affairs of the Company. The Board expects that there will be regular opportunities for directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.

*Authority to Retain Advisors.* It is normally expected that information regarding the Company's business and affairs will be provided to the Board by Trecora management and staff and by the Company's independent auditors. However, the Board has the authority to retain such outside advisors, including accountants, legal counsel, or other experts, as it deems appropriate. The fees and expenses of any such advisors will be paid by the Company.

## **Standards of Business Conduct**

Trecora has adopted comprehensive standards of business conduct. Each director is expected to be familiar with and to follow these standards. The Nominating/Governance Committee will review any issues arising under the applicable standards of business conduct with respect to an executive officer or director and will report its findings to the full Board. The Board does not envision that any waivers will be authorized.

## **Communication by Interested Parties with the Board**

The Nominating/Governance Committee will maintain procedures for interested parties to communicate with the Board. Contact information and a description of the procedures for handling these communications will be published in the proxy statement for each annual meeting of shareholders and posted on Trecora's internet site.

## **Non-Employee Director Compensation**

Compensation for non-employee directors, including the Lead Director, will be determined by the Board on the recommendation of the Compensation Committee and will be reviewed annually. Non-employee director (including the Lead Director) compensation will be set at a level that is consistent with market practice, taking into account the size and scope of the Company's business and the responsibilities of its directors. A substantial portion of the compensation paid to non-employee directors for service on the Board will be paid in restricted Company stock or units.

## **Stock Ownership Guidelines for Directors and Executive Officers**

The Board believes that it is important to align the interests of the directors with the interests of the shareholders and, therefore, directors are expected to own a certain amount of common stock of the Company.

Current non-employee directors are expected to own an amount of common stock equal to a minimum of three times their annual cash compensation for Board service within a three year period beginning May 16, 2017. New non-employee directors are required to own an amount of common stock of the Company equal to a minimum of three times their annual cash compensation for Board service within three years of being elected to the Board, such calculation to be made as of the date the third annual stipend award is made to such director.

Current named executive officers (each an "NEO") are expected to own an amount of common stock equal to a minimum of two times their annual cash compensation (except with respect to the CEO, who is expected to own an amount of common stock equal to a minimum of four times his or her annual cash compensation) on or before November 17, 2022. New NEOs are required to own an amount of common stock of the Company equal to a minimum of two times their annual cash compensation (except with respect to a new CEO, who is expected to own an amount of common stock equal to a minimum of four times his or her annual cash compensation) within five years of being appointed a NEO.

Each director and NEO is expected to meet these guidelines for as long as his or her service as a director or NEO continues. In the event a director or NEO has not acquired the recommended threshold of

common stock of the Company, it is expected that such director or NEO will not transfer any Company stock (other than to satisfy any tax obligations on the vesting or distribution of equity awards).

### **Shareholder Matters**

*Annual Meeting Attendance.* It is expected that each director will make every effort to attend each annual meeting of shareholders.

*Ratification of Auditors.* The appointment of independent auditors will be submitted for ratification by the shareholders at each annual meeting.

*Shareholder Proposals Receiving Majority Approval.* If a shareholder proposal that is not supported by the Board receives a majority of the votes cast at a meeting at which a quorum is present, the proposal will be reconsidered by the Board. Action taken on the proposal will be reported to shareholders in a timely manner.

### **Corporate Governance Guidelines Revision**

In recognition of the continuing development of corporate governance, the Board will review and revise these Corporate Governance Guidelines and related documents periodically.

**Annex I**  
**Duties of the Lead Director**

The specific responsibilities and duties of the Lead Director will include the following:

1. Calling and setting the agenda of executive sessions of the non-employee directors;
2. Chairing executive sessions of the non-employee directors and providing feedback from such sessions to the Chairman and the CEO;
3. Chairing meetings of the Board in the absence of the Chairman;
4. Reviewing in advance, in consultation with the Chairman and the CEO, the schedule and agenda for all Board meetings as well as materials distributed to the directors in connection therewith;
5. Being available when appropriate for consultation and direct communication with major shareholders;
6. In conjunction with the Compensation Committee, review the performance of the CEO in light of the Company's goals and objectives; and
7. Performing such other functions and responsibilities as requested by the Board from time to time.