

## **Tennant Company Corporate Governance Principles**

The Board of Directors (“*Board*”) of Tennant Company (the “*Company*”) has adopted the following Corporate Governance Principles.

### **Board of Directors Responsibility**

#### **1. Role of the Board of Directors**

The Board is elected by shareholders to provide oversight and strategic guidance to senior management. The core responsibility of the Board is to exercise its fiduciary duty to act in the long-term best interests of the Company and its shareholders. In discharging that obligation, directors are entitled to rely on the honesty and integrity of the Company’s senior management and its outside advisors and auditors, as well as their own business judgment. The Board selects and oversees the members of senior management, to whom the Board delegates the authority and responsibility for the conduct of the day-to-day operations of the Company and its business.

Directors are expected to attend Board meetings and meetings of committees on which they serve, to ask questions and engage in discussion, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Directors are also encouraged to attend each annual meeting of shareholders.

#### **2. Code of Conduct**

Each member of the Board shall at all times exhibit high standards of integrity and ethical behavior. Each director shall adhere to the applicable Company policies concerning integrity and ethical behavior, including the Tennant Code of Conduct and its Policies as to Confidentiality and Securities Trading by Tennant Employees, Directors, Officers and Agents, as well as Tennant Company’s Supplemental Policy to said policies. Directors shall promptly notify the Company’s Chief Executive Officer and the Chair of the Governance Committee if any actual or potential conflict of interest arises between the director and the Company. If a significant conflict exists and cannot be resolved, the director should resign. Except with respect to matters of director compensation, directors will recuse themselves from any Board discussion or decision affecting their personal, business or professional interests. The Audit Committee will consider, and the Board will resolve, any conflicts of interest or other ethical questions concerning the Chief Executive Officer or the directors, and the Chief Executive Officer will resolve any such questions involving any other officer of the Company.

### **Board of Directors Composition and Leadership**

#### **3. Selection of Board Members**

Board members are elected to three-year terms by the Company’s shareholders at the annual meeting of shareholders, with approximately one-third of the directors standing for election

each year based on their director class. The Board recommends to the shareholders a slate of nominees for election at the annual meeting. Between annual meetings of shareholders, the Board may elect directors to serve until the next annual meeting at which the term of such directors' class expires. Nominees for directorship will be selected by the Governance Committee, in accordance with the policies and principles in its charter, and nominated for election by the Board. The Chief Executive Officer or the Chair of the Governance Committee should extend the Board's invitation to join the Board.

#### **4. Board Membership Criteria**

The Governance Committee is responsible for reviewing with the Board the skills and characteristics generally required of Board members, as well as the composition of the Board as a whole, in the context of the needs of the Company. The Governance Committee will review all nominees for director in accordance with its charter and recommend to the Board those nominees whose attributes it believes would be most beneficial to the Company. This assessment will include such issues as public company experience, expertise, integrity, competence, diversity, contemporary skills, and dedication in the context of the needs of the Board, as well as the ability to represent effectively the interests of shareholders and other stakeholders generally.

#### **5. Board Size**

The Company's Restated Articles of Incorporation permit the Board to vary in size from five to 11 members. The Board will normally consist of between seven to 11 directors. The Board periodically reviews the appropriate size of the Board, which may vary to accommodate the availability of suitable candidates.

#### **6. Directors with Job Changes**

Directors who retire from their present employment, or materially change their position, shall tender to the Governance Committee their resignation in writing from the Board at the time of such retirement or change in position. The Board, through the Governance Committee, will then evaluate whether the Board should accept the resignation. If the Board does not accept the director's resignation, the Board will consider the director's employment position as a factor in its assessment of whether the director continues to meet the Board's membership criteria prior to re-nomination of such director for any future term.

#### **7. Director Terms**

The Board does not believe it needs a term limit and believes the Company benefits when there is a mix of experienced directors with a deep understanding of the Company and newer directors who bring fresh perspectives and new ideas. The Governance Committee will review each director's tenure on the Board when considering whether to nominate the director for re-election. This will allow the Governance Committee to review the continued appropriateness of Board membership and gives each director the opportunity to confirm his or her desire to continue as a member of the Board.

## **8. Other Board Service**

Directors are encouraged to limit the number of other boards of directors on which they serve to ensure that, together with their other commitments, they maintain the ability to attend Board meetings and participate and serve as an effective director. Non-Employee directors may not serve on more than four public company boards, including serving on the board of a company that employs the director, and any director who serves as an executive officer of a public company may not serve on more than two public company boards, including serving on the board of the company where he or she serves as executive officer, in each case unless otherwise specifically approved by the Governance Committee in advance of accepting an invitation to serve on another public company board. The Governance Committee will take into account the nature and time involved in the director's service on other boards in assessing director nominees.

Directors should advise the Company's Chief Executive Officer, who will advise the independent Chair of the Board or Lead Director, as applicable, in advance of accepting an invitation to serve on any other for-profit board and provide an opportunity for the Company to review the proposed directorship for any conflicts of interest or other governance or compliance considerations.

The Company's Chief Executive Officer may not serve on more than one public company board aside from serving on the Board unless specifically approved by the Board in advance of accepting an invitation to serve on another public company board. Executive officers, other than the Chief Executive Officer, may not serve on more than two public company boards and must receive approval in advance from the Company's Chief Executive Officer before accepting an invitation to serve on any public company board. A report on outside board service by the Chief Executive Officer and other executive officers shall be periodically provided to the Governance Committee.

## **9. Retirement Policy**

No director may be nominated to a new term if he or she would be age 75 or older at the time of the election. Exceptions to this policy may be made on a case-by-case basis by action of the Board. A retiring or resigning Chief Executive Officer of the Company or other management director shall generally not continue to serve as a Board member unless such director is appointed Chairman of the Board.

## **10. Tender of Resignation if Not Elected by Shareholders**

If a nominee for director who is an incumbent director is not elected at a meeting of shareholders, the incumbent director shall promptly offer to tender his or her resignation to the Board. The Governance Committee shall make a recommendation to the Board on whether to accept or reject the offer. The Board shall act on whether to accept the director's offer, taking into account the Governance Committee's recommendation, and publicly disclose (by press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision and the rationale behind it within 90 days after the date

of the election. The Governance Committee, in making its recommendation, and the Board, in making its decision, may each consider any factors or other recommendations that it considers relevant and appropriate. The incumbent director who offers to tender his or her resignation shall not participate in the Governance Committee's or the Board's decision with respect to that director. If such incumbent director's offer to tender his or her resignation is not accepted by the Board, such director shall continue to serve until the next election of directors and until his or her successor is duly elected, or his or her earlier death, resignation, removal or disqualification.

## **11. Director Independence**

A preponderance of the Board will at all times be comprised of directors who meet the criteria for independence required by the New York Stock Exchange and the Securities and Exchange Commission. It is the objective of the Board that all non-management directors be independent directors. The Governance Committee will from time to time and no less often than annually make a determination as to which members are independent under applicable requirements. No member of the Company's management will serve on the board of a company at which a non-management director of the Board is an executive officer.

## **12. Board Leadership**

The Board may select one of its members to serve as Chair of the Board. If the Chair of the Board is not an independent director or if there is no Chair of the Board, then the independent directors of the Board shall appoint an independent director to serve as the lead director of the Board (the "*Lead Director*"). The independent Chair of the Board or Lead Director, as applicable, shall provide leadership to the Board and act as a liaison between the non-management directors and the Company, and the Governance Committee will recommend the appointment of any Chair of the Board or Lead Director to the full Board. The purpose of such independent Board leadership is to ensure that the Board operates independently of management and that directors have an independent leadership contact. The independent Chair of the Board or Lead Director, as applicable, shall typically be appointed to serve for a one-year term but may be removed or replaced by the Board from time to time in its discretion. The principal responsibilities of the independent Chair of the Board or Lead Director include the following, in addition to such other responsibilities set forth in the Company's governing documents or otherwise determined by the Board:

1. Facilitating meetings of the Board in coordination with the Chief Executive Officer;
2. Organizing and presiding over all executive sessions of the Board; serving as Chair of the Executive Committee
3. Serving as liaison between the non-management members of the Board and the Chief Executive Officer;
4. In concert with the Chief Executive Officer and other directors, creating the agenda for Board meetings, including approval of schedules to assure sufficient time for discussion of all agenda items, with final approval of the agenda from the independent Chair of the Board or Lead Director, as applicable;

5. In concert with the Chief Executive Officer and committee chairs, ensuring the appropriate flow of information to the Board and reviewing the adequacy and timing of documentary materials provided to the Board;
6. Communicating to management as appropriate the results of private discussions among independent directors;
7. Holding one-on-one discussions with individual directors where requested by the directors or the Board;
8. Ensuring his or her availability for consultation and direct communication with major shareholders, if requested by such shareholders;
9. In concert with the Governance Committee, managing and facilitating the Board governance process;
10. In concert with the Governance Committee, managing the Board evaluation process;
11. Leading the CEO evaluation and Board Peer Review processes;
12. Providing guidance on director orientation and committee assignments;
13. Leading the Board in crisis and transitional periods; and
14. Coordinating and leading all other general Board activities not otherwise covered by one of the Board committees and carrying out all other duties as requested by the Board.

### **Conduct of Board Meetings**

#### **13. Board Meeting Schedule and Agenda**

At the beginning of the year the Chief Executive Officer, together with the independent Chair of the Board or Lead Director, as applicable, will establish a schedule and agenda of subjects to be discussed during the year (to the degree this can be foreseen). The Board shall have at least four regularly scheduled meetings each year. Additional unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the business. The Chief Executive Officer and the independent Chair of the Board or Lead Director, as applicable, will establish the agenda for each Board meeting. Each Board member is encouraged to suggest the inclusion of items on the agenda and request information and analysis with respect to areas of interest at any time. The Board will review the Company's long-term strategic plan and the principal issues facing the Company during at least one meeting each year. The Chief Executive Officer and Corporate Secretary shall attend all non-executive sessions of the Board, and other members of management may attend non-executive sessions of the Board at the invitation of the Chief Executive Officer or the Board.

#### **14. Advance Distribution of Materials**

Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting. Directors should review these materials in advance of the meeting to preserve time at the meeting and to provoke questions and discussion about the material. On certain occasions where the subject matter is too sensitive to put in writing, the matter will be discussed at the meeting. The written materials may be distributed in any one of or combination

of the following formats: hard copy, electronic copy or electronic copy accessed through an electronic portal.

## **15. Executive Session**

The non-management directors of the Board will meet in executive session at least quarterly, which meetings shall constitute meetings of the Executive Committee of the Board. Executive session discussions may include such topics as the non-management directors determine. The independent Chair of the Board or Lead Director, as applicable, shall serve as Chair for any executive session of the Board.

## **Committees of the Board**

### **16. Number and Membership of Committees**

The Board will have at all times an Audit Committee, a Compensation Committee, a Governance Committee, and an Executive Committee. The Company will comply with all New York Stock Exchange and regulatory requirements concerning the membership of these committees, including those with respect to independence and financial expertise. The Board may have additional committees as it determines from time-to-time are necessary or appropriate. The Board appoints members of its committees annually upon recommendation of the Governance Committee after taking into account the desires, experiences and expertise of individual directors, the recommendations of the Chief Executive Officer, and the benefits of rotating Committee membership.

### **17. Committee Structure**

Each committee will have its own charter. The charters will set forth the purposes, organization and responsibilities of the committees, including qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board.

### **18. Committee Meetings**

The chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chair of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda.

## **Director Communications**

### **19. Director Access to Officers and Employees**

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Corporate Secretary or directly by the director. Any such contact should be done

in a way that is not disruptive to the business operations of the Company. The Corporate Secretary advises the Board on appropriate procedures for the conduct of meetings and on corporate governance matters, and all Board members shall have access to his or her advice and services.

## **20. Director Access to Outside Advisors**

The Board and each committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

## **21. Communications with Stakeholders**

The Chief Executive Officer is responsible for establishing effective communications with the Company's stakeholder groups (i.e., shareholders, customers, suppliers, governmental authorities, communities and employees). It is the policy of the Company that management should speak for the Company. This policy does not preclude stakeholders, either individually or as a group, from communicating directly with the directors, but it is suggested that any such communications be held through the Board's approved processes and that directors generally not act as spokespersons for the Company in these meetings. In compliance with applicable regulatory requirements concerning the disclosure of the Company's processes for shareholder communications with Board members, shareholders may contact the independent directors by writing the independent Chair of the Board or Lead Director, as applicable, in care of the Company at its principal address, or by contacting the Company hotline which can be located through the Company website.

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

Each new director must participate in the Company's Orientation Program, which should be conducted within three months following the annual meeting at which any new director is elected or within three months of the time that any new director otherwise joins the Board. This orientation will include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Business Ethics Guide, its principal officers, and its internal and independent auditors. All continuing directors will be invited to attend the orientation each time it is presented as a means of continuing education.

## **Director Remuneration**

### **23. Director Compensation**

The form and amount of director compensation will be determined by the Compensation Committee in accordance with the policies and principles set forth in its charter and then recommended to the Board. Management shall report to the Compensation Committee on an assessment of the Company's director compensation measured against comparable companies.

## **24. Indemnification**

The directors shall be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf and shall be entitled to the benefits of indemnification to the fullest extent permitted by law and the Company's Restated Articles of Incorporation, By-Laws and any indemnification agreements.

## **Performance Evaluations**

### **25. CEO Evaluation and Management Succession**

The Executive Committee will conduct an annual review of the Chief Executive Officer's performance. The independent Chair of the Board or Lead Director, as applicable, shall communicate the Executive Committee's evaluation to the Chief Executive Officer and to the chair of the Compensation Committee. The Compensation Committee will then conduct a review of and make a recommendation regarding the Chief Executive Officer's compensation as set forth in its charter, which it will present to the Executive Committee. The Executive Committee will determine the Chief Executive Officer's compensation.

The Executive Committee shall annually review the Company's management succession plan. The Chief Executive Officer should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

### **26. Annual Performance Evaluation**

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Governance Committee will receive comments from all directors and report annually to the Board the assessment of the Board's performance. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.