

PURPOSE/OVERVIEW

The Board of Directors (the “Board”) of Discovery, Inc. (the “Company”) has adopted these Corporate Governance Guidelines (the “Guidelines”) to assist the Board in the exercise of its duties and responsibilities and to serve the best interests of the Company and its stockholders. The Guidelines should be applied in a manner consistent with all applicable laws and stock exchange rules and the Company’s certificate of incorporation and bylaws, each as amended and in effect from time to time. The Guidelines are intended to serve as a flexible framework for the conduct of the Board’s business and not as a set of legally binding obligations. The Board may modify or make exceptions to the Guidelines from time to time in its discretion and consistent with its duties and responsibilities to the Company and its stockholders.

1. ROLES OF MANAGEMENT AND THE BOARD

The Company’s officers and employees, under the direction of its Chief Executive Officer (“CEO”) and the oversight of the Board, conduct the Company’s business with the goal of enhancing the long-term value of the Company for the benefit of its stockholders. The Board is elected by the stockholders to oversee the management of the Company and to help assure that the interests of the stockholders are served.

2. BOARD COMPOSITION AND SELECTION

- a) Size of Board. Under the Company’s organizational documents, the Company is to have a Board comprised of not less than 3 nor more than 15 members, with the exact number to be fixed from time to time by the Board (subject to the rights of holders of any series of preferred stock of the Company). While the Board currently believes that the optimal number of members of the Board is between 3 and 15, it retains the discretion to change the number of members from time to time as circumstances may warrant.
- b) Selection of Director Candidates. Except where the Company is legally required by contract, bylaw or otherwise to provide third parties with the right to nominate directors, the Nominating and Corporate Governance Committee shall be responsible for (i) identifying individuals qualified to become Board members, consistent with criteria approved by the Board, and (ii) recommending to the Board the persons to be nominated for election as directors at any meeting of stockholders and the persons to be elected by the Board to fill any vacancies on the Board. Director candidates shall be considered for recommendation by the Nominating and Corporate Governance Committee in accordance with these Guidelines, the policies and principles in its charter and the criteria set forth in Attachment A to these Guidelines. It is expected that the Nominating and Corporate Governance Committee will have direct input from the Chair of the Board and the CEO.
- c) Change of Responsibility of Director. Any director who changes his or her principal employment following election or re-election to the Board shall offer to resign. The Nominating and Corporate Governance Committee shall evaluate the offer and make a recommendation to the Board. Directors of the Company who change, or expect to change, their role as a director on another board should notify the Chair of the Board, as more fully described in Section 4(b) of these Guidelines.

- d) Former CEO's Board Membership. The Board believes that the continuation of a former CEO of the Company on the Board is a matter to be decided in each individual instance by the Board, upon recommendation of the Nominating and Corporate Governance Committee. Accordingly, when the CEO ceases to serve in that position, the Nominating and Corporate Governance Committee shall make a recommendation to the Board with respect to the CEO's continued service on the Board.
- e) Independent Directors. Except as may otherwise be permitted by NASDAQ rules, a majority of the members of the Board shall be independent directors. To be considered independent: (i) a director must be independent as determined under NASDAQ Rule 5605(a)(2) and (ii) in the Board's judgment, the director must not have a relationship with the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.
- f) Separation of CEO/Chair of the Board. The Board selects the Company's CEO and the Chair of the Board in the manner that it determines to be in the best interests of the Company's stockholders. The Board does not have a policy on whether the offices of Chair of the Board and CEO should be separate and, if they are to be separate, whether the Chair of the Board should be selected from among the independent directors or should be an employee of the Company.

3. DIRECTOR RESPONSIBILITIES

- a) Oversee Management of the Company. The Board believes that the primary responsibilities of directors are to exercise their business judgment in good faith, to act in what they reasonably believe to be the best interest of all stockholders, and to ensure that the business of the Company is conducted so as to further the long-term interests of its stockholders. The Company's business and affairs are managed under the Board's direction rather than managed by the Board. The Board performs its oversight function in a manner that respects the distinct roles of the Board and management so as not to disrupt the Company's day-to-day operations.
- b) Board, Committee and Stockholder Meetings. Directors are responsible for attending Board meetings, meetings of committees on which they serve and the annual meeting of stockholders, and devoting the time needed, and meeting as frequently as necessary, to discharge their responsibilities properly. Directors are expected to review all materials provided at or in advance of meetings of the Board and its committees. Each director should be sufficiently familiar with the business of the Company to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves.
- c) Confidentiality. The proceedings and deliberations of the Board and its committees are confidential. Each director should maintain the confidentiality of information received in connection with his or her service as a director.

- d) Reliance on Management and Advisors; Indemnification. The directors are entitled to rely on the Company's senior executives and its outside advisors, auditors and legal counsel, except to the extent that any such person's integrity, honesty or competence is in doubt. The directors are also entitled to Company-provided indemnification, statutory exculpation and directors' and officers' liability insurance.

4. CONFLICTS OF INTEREST

- a) Ethics and Conflicts of Interest. The Company has adopted a Code of Ethics (the "Code") that is applicable to all of its directors, officers and employees. Directors are expected to be familiar with and to adhere to the Code, including, for example, its provisions governing conflicts of interest. If a director has an actual or potential conflict of interest (which includes being a party to a proposed "related person transaction"), the director should promptly inform the CEO, the General Counsel and the Chair of the Nominating and Corporate Governance Committee. Directors should recuse themselves from any decision by the Board or a Board committee that involves or affects their personal, business or professional interests. The Nominating and Corporate Governance Committee or such other independent committee of the Board designated by the Board will resolve any conflict of interest issue involving a director or the CEO or any other executive officer of the Company. No related person transaction may be effected by the Company without the approval of the Nominating and Corporate Governance Committee or such other independent committee of the Board designated by the Board to resolve the conflict of interest. For purposes of these Guidelines, a "related person transaction" refers to any transaction which the Company would be required to disclose pursuant to Item 404 of Regulation S-K.
- b) Other Relationships. The Company values the experience directors bring from their separate business endeavors and from other boards on which they serve. The Board does not believe that its members should be prohibited from serving on boards of other organizations, and the Board has not adopted any guidelines limiting such activities. The Nominating and Corporate Governance Committee shall take into account the nature of and time involved in a director's service on other boards in evaluating the suitability of individual directors and making its recommendations to the Board. Service on boards and/or committees of other organizations shall comply with the Company's conflict of interest policies.

Directors are expected to advise the Chair of the Board before accepting membership on other boards of directors or committees thereof. Directors should also advise the Chair of the Board when making changes in other significant commitments involving affiliations with other businesses, charitable organizations or governmental entities. The Chair of the Board, acting in conjunction with the Chair of the Nominating and Corporate Governance Committee, shall review all relevant facts and determine if service on such board raises actual or potential conflicts or other significant concerns.

5. BOARD MEETINGS

- a) Selection of Agenda Items. The Chair of the Board and the Secretary of the Company, in consultation with the CEO, shall prepare an agenda for each Board meeting. Each Board member is free to suggest the inclusion of agenda items and is free to raise, at any Board meeting, subjects that are not on the agenda for that meeting. The agenda shall be distributed in advance to each director unless impracticable.
- b) Frequency and Length of Meetings. The Chair of the Board, in consultation with the members of the Board, shall determine the frequency and length of the Board meetings. Special meetings may be called from time to time as determined by the needs of the business.
- c) 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 or electronically to the directors before the meeting, and directors should review these materials in advance of the meeting. The Board acknowledges that certain items to be discussed at a Board or committee meeting may be of an extremely confidential or time-sensitive nature and that the distribution of materials on these matters prior to meetings may not be appropriate or practicable.
- d) Executive Sessions. The "independent directors", as defined by the rules of NASDAQ, shall meet in executive session at least twice a year. The independent directors will meet in executive session at other times at the request of any independent director. Absent unusual circumstances, these sessions shall be held in conjunction with regular Board meetings.

6. BOARD COMMITTEES

- a) Key Committees. The Board shall have at all times an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee (each, a "Key Committee"). The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.
- b) Assignment of Committee Members. The Nominating and Corporate Governance Committee shall be responsible for recommending to the Board the directors to be appointed to each committee of the Board. Except as otherwise permitted by the applicable rules of the SEC and NASDAQ, each member of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall be an "independent director" as defined by such rules.
- c) Committee Charters. Each of the Key Committees shall have a charter that has been approved by the Board. In accordance with the applicable rules of NASDAQ, the charters of the Key Committees shall set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. Each Key Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of its charter and recommend appropriate changes to the Board.

- d) Frequency and Length of Committee Meetings. The chair of each committee, in consultation with the committee members and management, shall determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. Special meetings may be called from time to time as determined by the needs of the business and the responsibilities of the committees.

7. REPORTING VIOLATIONS OR OTHER CONCERNS

Anyone who wants to report any violation of the Code, a concern relating to an accounting or auditing matter or any other concerns and wishes to report such violation or concern in confidence may do so via the procedures set forth in the Code which is available on our website. The message will be forwarded to the General Counsel who will evaluate the merits of any concerns received and authorize such follow-up actions, if any, as deemed necessary or appropriate to address the substance of the concern. The General Counsel will provide a summary to the Audit Committee of all concerns submitted as described above, and will provide periodic updates to the Audit Committee until a resolution for each concern is reached.

8. DIRECT ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS

- a) Access to Officers and Employees. Directors have direct access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Secretary or directly by the director. The directors shall use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and shall, to the extent appropriate, copy the CEO on any written communications between a director and an officer or employee of the Company.
- b) Access to Independent Advisors. The Board and each committee have the power to hire and consult with independent legal, financial or other advisors for the benefit of the Board or such committee, as they may deem necessary, at the Company's expense, without consulting or obtaining the approval of any officer of the Company in advance. The Board or a committee must provide notification, as appropriate, to the General Counsel or the CEO when engaging such advisors. Such advisors may be the regular advisors to the Company.

9. DIRECTOR COMPENSATION

- a) Role of Board and Compensation Committee. The form and amount of director compensation shall be determined by the Board in accordance with the policies and principles set forth below. The Compensation Committee shall conduct an annual review of the compensation of the Company's directors and make a recommendation to the Board.
- b) Form of Compensation. The Board believes that directors should be incentivized to focus on long-term stockholder value. Including equity as part of director compensation helps align the interest of directors with those of the Company's stockholders.
- c) Amount of Consideration. The Company seeks to attract exceptional talent to its Board. Therefore, the Company's policy is to compensate directors competitively relative to peer

companies. The Compensation Committee shall, from time to time, review a benchmark study of director compensation at peer companies. The Board believes that it is appropriate for the Chair of the Board and the chair and members of the committees to receive additional compensation for their services in those positions.

- d) Director Stock Ownership. The Board believes that each director should acquire and hold shares of Company stock in an amount that is meaningful and appropriate to such director. Therefore, the Board shall maintain and periodically review a stock ownership policy that requires each director to hold a specified amount of the Company's stock (the "stock holding target") and provides a timeframe during which this stock holding target is to be met. Currently, each director's stock holding target is calculated as a multiple of three times the director's then-current annual retainer for Board service, exclusive of any retainer with respect to committee service.
- e) Employee Directors. Directors who are also employees of the Company shall receive no additional compensation for Board or committee service.

10. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

- a) Director Orientation. The Board or a committee designated by the Board may develop and oversee an orientation program for new members of the Board and its committees. The orientation program should provide new directors with comprehensive information about the Company's business, performance, policies and procedures and the responsibilities and expectations of members of the Board and any committees on which they serve. All other directors are also invited to attend the orientation program.
- b) Continuing Education. The Company will encourage the participation of all Board members in continuing education programs, at the expense of the Company, that are relevant to the business and affairs of the Company and the fulfillment of the directors' responsibilities as members of the Board and any of its committees.

11. MANAGEMENT SUCCESSION PLANNING

At least annually, the Board will review and develop a succession plan for selecting a successor to the CEO and other members of senior management, both in the event of an emergency and in the ordinary course of business. The succession plan should include an assessment of the experience, performance and skills of possible successors. The Nominating and Corporate Governance Committee shall oversee the Board's annual review on succession planning.

12. SELF-EVALUATION

Each year, the Nominating and Corporate Governance Committee shall oversee an evaluation of the Board and each of its committees to determine whether the Board and its committees are functioning effectively. The Nominating and Corporate Governance Committee shall determine the nature of the evaluation, supervise the conduct of the evaluation and lead a discussion on the performance of the Board and its committees. The purpose of this process is to improve the effectiveness of the Board and its committees.

13. STOCKHOLDER COMMUNICATION WITH DIRECTORS

Stockholders of the Company may from time to time send communications to the Board or to individual directors. The Board will give appropriate attention to written communications that are submitted by stockholders and other interested parties, and will respond if and as appropriate, with advice and assistance from the General Counsel.

14. PERIODIC REVIEW OF THE CORPORATE GOVERNANCE GUIDELINES

The Nominating and Corporate Governance Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of these Guidelines and recommend any proposed changes to the Board for approval.

ATTACHMENT A

GENERAL CRITERIA FOR DIRECTOR NOMINEES

- Nominees should have a reputation for integrity, honesty and adherence to high ethical standards.
- Nominees should have demonstrated business acumen, experience and ability to exercise sound judgments in matters that relate to the current and long-term objectives of the Company and should be willing and able to contribute positively to the decision-making process of the Company.
- Nominees should have a commitment to understand the Company and its industry and to regularly attend and participate in meetings of the Board and its committees.
- Nominees should understand the sometimes conflicting interests of the various constituencies of the Company, which include stockholders, employees, customers, governmental units, creditors and the general public, and to act in the interests of all stockholders.
- Nominees should not have, nor appear to have, a conflict of interest that would impair the nominee's ability to represent the interests of all the Company's stockholders and to fulfill the responsibilities of a director.
- Nominees are selected on the basis of talent and experience. The value of diversity on the Board will be considered when evaluating nominees. Diversity of background, including diversity of gender, race, ethnic or geographic origin and age are factors that will be considered. Experience in business, government and education and in media, entertainment and other areas relevant to the Company's activities are also factors in the selection process. As a majority of the Board must consist of individuals who are independent, a nominee's ability to meet the independence criteria established by NASDAQ is also a factor in the nominee selection process.
- The Nominating and Corporate Governance Committee may, at its discretion, engage an external search partner to assist it in identifying candidates for nomination to the Board. The Nominating and Corporate Governance Committee shall instruct any external search partner that candidate lists presented for consideration should contain candidates that meet the criteria set forth above, and should also include qualified female and minority candidates that will further enhance the diversity of the Board.

APPLICATION OF CRITERIA TO EXISTING DIRECTORS

The re-nomination of existing directors should not be viewed as automatic, but should be based on continuing qualification under the criteria set forth above. In addition, the Nominating and Corporate Governance Committee shall consider the existing directors' performance on the Board and any committee in assessing whether they continue to meet these qualifications.

CRITERIA FOR COMPOSITION OF THE BOARD

The backgrounds and qualifications of the directors considered as a group should provide a significant breadth of experience, knowledge and abilities that shall assist the Board in fulfilling its responsibilities.