

## **LoJack Corporation**

### **Related Person Transaction Policies and Procedures**

#### ***Policy***

It is the policy of the Board of Directors of LoJack Corporation (the “Company”) that all Interested Transactions with Related Persons, as those terms are defined in this policy, shall be subject to approval or ratification in accordance with the procedures set forth below.

#### ***Procedures***

The Audit Committee (the “Committee”) shall review the material facts of all Interested Transactions (except for those listed under Exceptions below) and either approve or disapprove of the entry into the Interested Transaction, subject to the exceptions described below. If advance Committee approval of an Interested Transaction is not feasible, then the Interested Transaction shall be considered and, if the Committee determines it to be appropriate, ratified at the Committee’s next regularly scheduled meeting. An Interested Transaction entered into without pre-approval of the Committee shall not be deemed to violate this policy, or be invalid or unenforceable, as long as the transaction is ratified by the Committee as soon as reasonably practicable after it is entered into. If such ratification shall not be forthcoming, management shall make all reasonable efforts to cancel or annul such Interested Transaction.

In reviewing Interested Transactions, the Committee will be provided with full details of the Interested Transaction, including:

- the terms of the transaction;
- the business purpose of the transaction;
- the perceived benefits to the Company and to the relevant Related Person; and
- whether the transaction would require a waiver of the Company's Code of Business Conduct and Ethics.

In determining whether to approve an Interested Transaction, the Committee will consider, among other things, the factors listed below to the extent relevant to the Interested Transaction. The following factors shall be among the factors considered by the Committee as it sees fit, and shall not necessarily be determinative as to whether or not the Interested Transaction is approved or ratified:

- whether the terms of the Interested Transaction are fair to the Company and such Interested Transaction is on terms no less favorable than terms generally available to an unaffiliated third-person under the same or similar circumstances;
- whether there are business reasons for the Company to enter into the Interested Transaction;

- whether the Interested Transaction would impair the independence of an outside director;
- whether the Interested Transaction would present an improper conflict of interest for any director or executive officer of the Company, taking into account: (i) the size of the transaction, (ii) the overall financial position of the director or executive officer, (iii) the direct or indirect nature of the director's or executive officer's interest in the transaction (iv) and the ongoing nature of any proposed relationship, and any other factors deemed relevant; and
- whether the Interested Transaction is material, taking into account: (i) the importance of the interest to the Related Person, (ii) the relationship of the Related Person to the transaction and of Related Persons to each other, (iii) the dollar amount involved and (iv) the significance of the transaction to the Company's investors in light of all the circumstances.

Any member of the Committee who has an interest in the transaction under discussion will abstain from voting on the approval of the Interested Transaction, but may, if so requested by the Chair of the Committee, provide all material information concerning the Interested Transaction to the Committee.

If an Interested Transaction will be ongoing, the Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Person. Thereafter, the Committee, on at least an annual basis, shall review and assess ongoing relationships with the Related Person to see that they are in compliance with the Committee's guidelines and that the Interested Transaction remains appropriate.

The procedures set forth in this policy are supplemental to, and are not intended to replace or supersede, any other policies or procedures of the Company that require any governing body or officer of the Company to review and/or approve transactions. In addition, these procedures are supplemental to, and are not intended to replace or supersede, the Company's other policies and procedures that may be applicable to transactions with related persons, including the Company's Code of Business Conduct and Ethics. Directors and executive officers shall continue to adhere to their obligations and responsibilities under the foregoing other policies and procedures. Transactions that are subject to the procedures set forth in this policy must be reported by each director, nominee for director, and executive officer as required regardless of whether such transactions are in compliance with the foregoing other policies and procedures.

### ***Definitions***

An “Interested Transaction” is any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which (1) the aggregate amount involved will or may be expected to exceed \$10,000 in any calendar year, (2) the Company is a participant, and (3) any Related Person has or will have a direct or indirect interest (other than solely as a result of being a director or, when aggregated with all immediate family members, a less than 10 percent beneficial owner of another entity).

A “Related Person” is any (a) person who is or was (since the beginning of the last fiscal year for which the Company has filed a Form 10-K, even if they do not presently serve in that role) an executive officer, director or nominee for election as a director, (b) greater than 5 percent beneficial owner of the Company’s common stock, or (c) immediate family member of any of the foregoing. Immediate family member includes a person’s spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and anyone residing in such person’s home (other than a tenant or employee).

### ***Exceptions***

The following shall not be subject to the foregoing policies and procedures (but may be subject to other Company policies and procedures):

- *Employment of executive officers.* Any employment by the Company of an executive officer of the Company if:
  - a. the related compensation is required to be reported in the Company’s proxy statement under Item 402 of the Securities and Exchange Commission’s Regulation S-K (“Item 402”); or
  - b. the executive officer is not an immediate family member of another executive officer or director of the Company, the related compensation would be reported in the Company’s proxy statement under Item 402 if the executive officer was a “named executive officer”, and the Company’s Compensation Committee approved (or recommended that the Board of Directors approve) such compensation.
- *Director compensation.* Any compensation paid to a director if the compensation is required to be reported in the Company’s proxy statement under Item 402;
- *Transactions where all shareholders receive proportional benefits.* Any transaction where the Related Person’s interest arises solely from the ownership of the Company’s common stock and all holders of the Company’s common stock received the same benefit on a *pro rata* basis (e.g. dividends).
- *Transactions involving competitive bids.* Any transaction involving a Related Person where the rates or charges involved are determined by competitive bids.

- *Regulated transactions.* Any transaction with a Related Person involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.
- *Certain banking-related services.* Any transaction with a Related Person involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.