



## BOARD OF DIRECTORS

### **Number and Terms of Office of Officers and Directors**

The Cardiff Lexington board of directors will consist of five members. Our directors are appointed and shall continue to hold office until the Director's removal or resignation office in accordance with our amended and restated bylaws. The Company shall have the right to terminate any Director upon written notice to the Director at any time.

Our officers are appointed by the board of directors and serve at the discretion of the board of directors, rather than for specific terms of office. Our board of directors is authorized to appoint persons to the offices set forth in our amended and restated bylaws, which will be in effect upon the consummation of this offering, as it deems appropriate.

### **Director Independence and Committees of the Board of Directors**

#### ***Director Independence***

Of our directors, we have determined that Messrs. L. Jack Staley, Gillard B. Johnson, III and Ms. Pennington are "independent" directors under the Nasdaq listing standards, while Messrs. Daniel Thompson and Alex Cunningham are not independent under such standards. We have also determined that each of the three members of the Audit Committee is "independent" for purposes of Section 10A(m)(3) of the Exchange Act and the rules promulgated thereunder and under the NASDAQ listing standards. Further, our board of directors has determined that each of the two prospective members of both the Compensation Committee and the Nominating and Corporate Governance Committee is "independent" under Nasdaq listing standards.

#### ***Board Committees***

We have three standing committees of our board of directors: the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. Each of the board committees will act pursuant to a separate written charter adopted by our board of directors, each of which is available on our website at [www.cardifflexington.com](http://www.cardifflexington.com). Our board of directors may at any time or from time to time appoint certain other committees in its sole discretion as it deems necessary or appropriate to carry out its functions.

#### ***Audit Committee***

The Audit Committee consists of Messrs. Johnson (Chairman), Staley and Ms. Pennington. Our board of directors has determined that all of the members of the Audit Committee are "independent," as defined by the applicable exchange listing standards and by applicable SEC rules. In addition, our board of directors has determined that Mr. Johnson is an audit committee financial expert, as that term is defined by the SEC rules, by virtue of having the following attributes through relevant experience: (i) an understanding of generally accepted accounting principles and financial statements; (ii) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves; (iii) experience preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; (iv) an understanding of internal controls and procedures for financial reporting; and (v) an understanding of audit committee functions.

The function of the Audit Committee relates to oversight of the auditors, the auditing, accounting, and financial reporting processes, and the review of the Company's financial reports and information. In addition, the functions of the Audit Committee will include, among other things, recommending to our board of directors the engagement or discharge of independent auditors, discussing with the auditors their review of the Company's quarterly results and the results of their audit, and reviewing the Company's internal accounting controls.

#### ***Compensation Committee***

The Compensation Committee consists of Messrs. Staley (Chairman) and Johnson and Ms. Pennington. Our board of directors has determined that all of the members of the Compensation Committee are "independent," as defined by



exchange listing standards. The responsibility of the Compensation Committee is to review and approve the compensation and other terms of employment of our President and Chief Executive Officer and our other executive officers, including all of the executive officers named in the Summary Compensation Table under the heading “Executive Compensation” below (the “named executive officers”). Among its other duties, the Compensation Committee oversees all significant aspects of the Company’s compensation plans and benefit programs. The Compensation Committee annually reviews and approves corporate goals and objectives for the President and Chief Executive Officer’s compensation and evaluates the Chief Executive Officer’s performance in light of those goals and objectives. The Compensation Committee also recommends to our board of directors compensation and benefits for members of the Board. The Compensation Committee has also been appointed by our board of directors to administer our 2024 Equity Incentive Plan. The Compensation Committee does not delegate any of its authority to other persons.

#### ***Nominating and Corporate Governance Committee***

The Nominating and Corporate Governance Committee is comprised of Messrs. Staley (Chairman), Johnson, and Ms. Pennington. The committee members are independent under applicable exchange rules and regulations. The Nominating and Corporate Governance Committee is responsible for, among other things, considering potential board members, making recommendations to the full board as to nominees for election to the board, assessing the effectiveness of the board and implementing our corporate governance guidelines.

#### **Compensation Committee Interlocks and Insider Participation**

None of our officers currently serves, and in the past year have not served, as a member of the compensation committee of any entity that has one or more officers serving on our board of directors.

#### **Code of Business Conduct and Ethics and Insider Trading Policy**

Our board of directors will adopt a Code of Ethical Conduct and an Insider Trading Policy. We will file a copy of our Code of Ethics as an exhibit to the registration statement filed in connection with our public offering. Once filed, you can review these documents by accessing our public filings at the SEC’s web site at [www.sec.gov](http://www.sec.gov). In addition, a copy of the Code of Ethics will be provided without charge upon request from us. We intend to disclose any amendments to or waivers of certain provisions of our Code of Ethics in a Current Report on Form 8-K.

#### **Compliance with Section 16 (a) of the Exchange Act**

Under Section 16(a) of the Exchange Act, requires that our directors and executive officers and persons who beneficially own more than 10% of our common stock (referred to herein as the “Reporting Persons”) file with the SEC various reports as to their ownership of and activities relating to our common stock. Such Reporting Persons are required by the SEC regulations to furnish us with copies of all Section 16(a) reports they file. Based solely upon our review of the copies of the forms we have received and representations that no other reports were required, we believe that all Reporting Persons complied on a timely basis with all filing requirements applicable to them with respect to transactions during fiscal year ended December 31, 2023.