

## **CORPORATE GOVERNANCE PRINCIPLES**

The Securities and Exchange Commission (“SEC”) and the NASDAQ have promulgated rules to address certain requirements of the Sarbanes-Oxley Act of 2002 dealing with corporate governance. In accordance with those rules, the Company’s Board of Directors and its Audit, Compensation and Nominating Committees adopted in the first quarter of 2004 governance principles to provide guidance for the Board and those committees to ensure effective corporate governance. These governance principles are summarized below. The committee charters are described in the sections of this Proxy Statement that discuss the duties and responsibilities of those committees.

### **Board Purpose and Responsibilities**

The business of TWC is managed under the direction of its Board of Directors. The Board represents and acts on behalf of all stockholders and the Company and is responsible for establishing and helping the Company achieve its business objectives through oversight, review and counsel. The Board's responsibilities include, among other things:

- approving and monitoring critical business and financial strategies;
- assessing major risks facing the Company, and options for their mitigation;
- approving and monitoring major corporate actions;
- overseeing processes designed to ensure TWC’s and TWC’s employees’ compliance with applicable laws and regulations and the Company's Code of Ethics for Executive Officers;
- overseeing processes designed to ensure the accuracy and completeness of the Company's financial statements;
- monitoring the effectiveness of TWC's internal controls;
- selecting, evaluating, and setting appropriate compensation for the chief executive officer upon the recommendation of the Compensation Committee of the Board;
- reviewing the recommendations of management for, and electing, the Company's executive officers; and,
- overseeing the compensation of the Company's executive officers elected by the Board.

### **Governance Guidelines**

The Board of Directors has determined that to be considered independent, an outside director may not have a direct or indirect material relationship with the Company. A material relationship is one which impairs or inhibits, or has the potential to impair or inhibit, a director’s exercise of critical and disinterested judgment on behalf of the Company and its stockholders. In determining whether a

material relationship exists, the Board considers a number of factors, which may include, for example, the purchase or sales of goods and/or services between the Company and an entity with which a director is affiliated (as an executive officer, partner or substantial stockholder). The Audit Committee reviews the Board's approach to determining director independence periodically and recommends changes as appropriate for consideration and approval by the full Board. Notwithstanding the number of shares beneficially owned by Mr. Ewing, the Board found him to be independent under the applicable rules and guidelines.

Consistent with these considerations, the Board has reviewed all relationships between the Company and the members of the Board. Except for Mr. Ramadan, who serves as the Company's president, chief executive officer and chief financial officer and as a member of the Company's Board of Directors, the remaining four members of the Company's Board of Directors consist of independent directors who meet the requirements of rules for independence promulgated by the SEC and by The NASDAQ Stock Market.

The Board of Directors has adopted corporate governance guidelines that set forth certain Board policies including:

- qualifications for employee and non-employee Board members;
- how often the Board will meet, provisions for special meetings of the Board and the expectation of director attendance;
- when a Board member should not participate in Board discussions or vote on a Board matter;
- restrictions on service on the Boards of other companies;
- the purpose and responsibilities of the Board committees;
- committee membership and leadership;
- the Board's ability to meet with TWC employees without the presence of executive officers to obtain information;
- the Board's ability to hire such independent advisers, including attorneys, accountants and other consultants, as it deems necessary or appropriate to carry out its duties; and,
- stockholder access to the Board.