CORPORATE GOVERNANCE PRINCIPLES
OF THE BOARD OF DIRECTORS

I. INTRODUCTION.

The Board of Directors (the "Board") of Allient Inc. (the "Corporation"), acting on the recommendation of its Governance and Nominating Committee, has developed and adopted these principles as a general guide to assist the Board in carrying out its responsibilities and to promote the effective functioning of the Board and its committees. The Board, on behalf of the Corporation and its shareholders, oversees and provides general direction to the management of the Corporation.

In addition to other Board or committee responsibilities outlined below, the responsibilities of the Board include: reviewing the overall operating, financial and strategic plans and performance of the Corporation, selecting and evaluating the Corporation's Chief Executive Officer ("CEO"); either directly or through a committee, overseeing the appointment and evaluation of the Corporation's executive and senior officers; overseeing appropriate policies of corporate conduct and compliance with laws; and reviewing the process by which financial and non-financial information about the Corporation is provided to directors, executive and senior management, employees, the Corporation's shareholders, the Nasdaq Stock Market, the Securities and Exchange Commission ("SEC") and other regulatory authorities.

The Corporation's executive and senior officers, under the direction of the CEO, are responsible for: the day-to-day operations of the Corporation; implementation of the short-term and long-term strategic, financial, and management plans of the Corporation; identification, assessment and management of risk and risk mitigation strategies; preparation of financial statements and other reports that accurately reflect requisite information about the Corporation; and timely reports which inform the Board about the foregoing matters.

The Board intends these principles to be guidelines and a framework for the Board and management to follow in the management of the Corporation. They are not intended to modify any legal requirements or create any legal obligations.

II. BOARD COMPOSITION.

(a) Size of the Board. The Corporation's Bylaws currently provide that the authorized number of directors will be not less than three or more than nine. The Board will periodically review the appropriate size of the Board given factors deemed relevant to the Board.

(b) Majority of Independent Directors. At least a majority of the directors serving on the Board should meet the standard of director independence set forth in the Nasdaq listing standards as the same may be amended from time to time (the "listing standards"), as well as other factors not inconsistent with the listing standards that the Board considers appropriate for effective oversight and decision-making by the Board.

(c) Affirmative Determination of Independence. The Board will affirmatively determine annually and at other times required by the listing standards that the directors designated as independent have no material relationships to the Corporation (either directly or with an organization in which the director is a partner, shareholder or officer or is financially interested) that may interfere with the exercise of their independence from management and the Corporation. If the Board determines that a director has a relationship but such relationship is not material, the Corporation will disclose the determination in its annual proxy statement, provided that the Board may adopt and disclose categorical standards to assist it in making determinations of independence and disclose if a director meets these standards.

(d) Management Directors. The Board anticipates that the Corporation's CEO will be nominated to serve on the Board. The Board may also appoint or nominate other members of the Corporation's management whose experience and role at the Corporation are expected to help the Board fulfill its responsibilities.

(e) Selection of Board Nominees. The holders of the Corporation's common stock have the power to elect Directors at the annual meeting of shareholders. The Board has overall responsibility for the selection of candidates for nomination for election to the Board; provided, however, that in accordance with the Corporation's Bylaws, the Board has the authority to appoint individuals to fill vacancies on the Board between annual meetings of shareholders. The identification, screening and recommendation process has been delegated to the Governance and Nominating Committee, which reviews candidates for election as directors and annually recommends a slate of directors for approval by the Board and election by the shareholders. The Board, upon consideration of the Governance and Nominating Committee's recommendations and such other factors as the Board considers relevant, will determine the individuals to be nominated to serve on the Corporation's Board for election by shareholders at each annual meeting of shareholders, and to be appointed by the Board to fill vacancies on the Board.

(f) Board Membership Criteria. The Board seeks to select as directors individuals with appropriate skills, temperament and experience and who will contribute to the Corporation's overall corporate goals. In recommending, nominating or appointing a person to the Board, the Governance and Nominating Committee and the Board should consider whether individual directors possess the following personal characteristics: integrity, accountability, informed judgment, financial literacy, mature confidence and high performance standards. The Board as a whole should possess all of the following core competencies, with each candidate contributing knowledge, experience and skills in at least one domain: accounting and finance, business judgment, management, industry knowledge, operations outside the United States, information technology and information technology security, risk management, leadership and strategy/vision. The Board should monitor the mix of specific experience, qualifications, diversity and skills of its directors in order to assure that the Board, as a whole, has the necessary tools to perform its oversight function effectively in light of the Corporation's business, structure, and strategy.

(g) No Term Limits; Retirement; Change in Status; Other Directorships.

(i) *No Term Limits*. The Board does not impose term limits because of the belief they could unnecessarily interfere with the continuity, developed experience and knowledge, and the long-term outlook of the Board. The Board, based on recommendations by the Governance and Nominating Committee, will review the prior service of the director who is eligible to be re-nominated for Board membership, including an assessment of individual director performance, attendance, length of service, number of other public and private corporation boards on which the individual serves, composition and requirements of the Board at that time, and other relevant factors.

(ii) *Retirement Policy*. No person shall be nominated to a term of office on the Corporation's Board if such person has attained the age of 75 or more before the first day of the proposed term of office; however, the Board of Directors may, on the recommendation of the Governance and Nominating Committee, make exceptions to this mandatory retirement policy if circumstances warrant such an exception.

(iii) *Change in Status*. Individual directors who retire or change the primary job responsibility or employer they had when last elected or appointed to the Board, will promptly inform the Governance and Nominating Committee so that the Governance and Nominating Committee and the Board may determine whether the director's change in status causes conflict of interest or otherwise raises questions with respect to the director's continued service on the Board. After consideration of the change in status, the Board may take action it deems appropriate.

(iv) *Other Directorships*. The Board recognizes that individuals should limit the number of boards, whether public, private or nonprofit, on which they serve so they can give proper attention to each board responsibility. The Governance and Nominating Committee shall consider the number of other boards on which a prospective nominee is a member. Directors are required to advise the Chairperson of the Board or the Chairperson of the Governance and Nominating Committee in advance of accepting any directorship on another board and the Board must determine that this simultaneous service would not impair the member's ability to serve on the Board or any committee of the Board.

(h) Chairperson. The Board will periodically appoint a Chairperson of the Board. Both independent and management directors, including the CEO, are eligible for appointment as the Chairperson.

(i) Lead Director.

(i) *Appointment*. The Board may appoint an independent Director as lead director ("Lead Director") if the offices of Chairperson and CEO are held by the same person or if the Chairperson is not independent, as determined by the Board. A Director is "independent", for purposes of this position description, if the Board determines that the Director meets the requirements of "independent directors" under applicable Nasdaq and SEC rules and regulations.

(ii) *Term of Office*. The Lead Director shall hold office at the pleasure of the Board.

(iii) *Duties, Responsibilities and Authority*. The Lead Director shall automatically assume the role, duties, responsibilities and authority of the Chairperson/CEO in the event of an unplanned vacancy in the position of Chairperson/CEO, on an interim basis for such period of time as the Board shall determine.

The Lead Director shall facilitate and coordinate the functioning of the Board independently of management of the Corporation and provide independent leadership to the Board.

The Lead Director shall engage with the CEO on a regular basis, on such basis (e.g. in-person, telephonically, video conference, by email) as the Lead Director and CEO determine is suitable for such engagement under the circumstances at that time.

More specifically, in fulfilling the duties of the Lead Director, the Lead Director will be responsible for:

(A) Providing leadership to ensure that the Board functions independently of management of the Corporation and other non-independent Directors.

(B) Providing leadership to foster the effectiveness of the Board.

(C) Assisting with the mentoring of new Directors.

(D) Working with the Chairperson to ensure that the appropriate committee structure is in place and assisting the Governance and Nominating Committee in making recommendations for appointment to such committees.

(E) Recommending to the Chairperson items for consideration on the agenda for each meeting of the Board and the annual and any special meetings of shareholders of the Corporation.

(F) Commenting to the Chairperson on the quality, quantity, relevance, appropriateness and timeliness of information provided to the independent Directors by management and any external advisors or consultants to the Board or management.

(G) Calling, where necessary, the holding of special meetings of the Board, outside Directors or independent Directors, with appropriate notice, and establishing the agenda for such meetings, in consultation with the other outside or independent Directors, as applicable.

(H) Chairing, in the absence of the Chairperson, Board meetings, including providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual Directors, and confirming that clarity regarding decision-making is reached and accurately recorded.

(I) Chairing each Board meeting at which only outside Directors or independent Directors are present.

(J) Chairing meetings of the Corporation's shareholders, in the absence of the CEO.

(K) Consulting and meeting with any or all of the independent Directors, at the discretion of either party and with or without the attendance of the Chairperson and CEO, and representing such Directors, where necessary, in discussions with management on corporate governance issues and other matters.

(L) Working with the Chairperson and the CEO, if they are not the same individual, to ensure that the Board is provided with the resources, including external advisors and consultants to the Board as considered appropriate, to permit the Board to carry out its responsibilities and bringing to the attention of the Chairperson and the CEO any issues that are preventing the Board from being able to carry out its responsibilities.

(M) Monitoring any approved conflict of interest involving the President or CEO of the Corporation, as more fully described in the Corporation's Conflicts of Interest Policy.

(N) Being available, when requested by and in conjunction with the CEO, to consult with and directly communicate with shareholders and other important constituencies, provided that such communication may take place without the involvement of CEO in the event that the Board of Directors deems it necessary and appropriate.

(iv) *Position Description*. The description of duties of Lead Director is not intended to establish legally binding obligations but is intended to serve as a set of guidelines and a framework by which the Lead Director assists the Board with its oversight of the business and affairs of the Corporation. Any amendment, modification, replacement or recession of the duties of the Lead Director will not affect any decisions or actions taken by the Lead Director prior to such amendment, modification, replacement or recession that were undertaken by the Lead Director in reliance on the position description in effect at the time of any such decision or action.

III. BOARD COMPENSATION.

The Board, through the Human Capital and Compensation Committee, will review or request management or outside consultants (retained by or at the direction of the Human Capital and Compensation Committee) to review appropriate compensation policies or changes in compensation policies for the directors serving on the Board and its committees. This review may consider Board compensation practices of other comparable public companies, contributions to the Board functions, time commitments expected for Board and committee service, and other appropriate factors. The Board believes that equity based compensation can be an important component of director compensation as it aligns the director's interests with those of shareholders. The Board, upon the recommendation of the Human Capital and Compensation Committee, may adopt stock ownership guidelines for independent directors. The Human Capital and Compensation Committee will review director compensation annually and recommend changes, if any, to the Board for approval.

IV. BOARD MEETINGS.

(a) Scheduling of Full Board Meetings and Committee Meetings. The Board meeting schedule and agenda are developed with direct input from directors. Meeting lengths vary as business and discussion dictate. Meetings may be in person or conducted by telephonic conference, video conference or other electronic means. During each fiscal year, the Board will generally hold four regular meetings.

(b) Executive Sessions of Independent Directors. To ensure free and open communication among the independent directors of the Board, each year the independent directors will hold four regular executive sessions without non-independent directors or management present, at such times and for such purposes as the independent directors consider appropriate. For the convenience of the directors, these meetings may, but need not, be scheduled to coincide with the dates of regular Board meetings. The Lead Director will preside over and be responsible for the agenda of the executive sessions. The independent directors may invite the Corporation's independent auditors, legal counsel, other consultants or advisors, finance staff and other employees to attend portions of these meetings.

(c) Agenda. The Board shall be responsible for its agenda at each meeting. The Chairperson of the Board will have primary responsibility for preparing the agenda for each meeting, with input from the Lead Director on appropriate items to be considered. The Chairperson of the Board will arrange for the agenda to be sent in advance of the meeting to the directors along with appropriate written information and background materials. Each Board committee Chairperson and each individual director is encouraged to suggest specific items for inclusion on the agenda. The Chairperson and the full Board each separately may require the Board to meet in executive sessions to discuss sensitive matters with or without distribution of written materials.

(d) Access to Management and Information; Meeting Materials Distributed in Advance. The Corporation's management will afford each Board member full access to the Corporation's management and employees and the outside auditors, legal counsel and other professional advisors for any purpose reasonably related to the Board's responsibilities. Each

director is entitled to: (i) inspect the Corporation's books and records and obtain such other data and information as the director may reasonably request; (ii) inspect facilities as reasonably appropriate for the performance of director duties; and (iii) receive notice of all meetings in which a director is entitled to participate and copies of all Board and committee meeting minutes. Information and data that is important to the business, and/or that relate to items expected to be discussed or acted upon by the Board at a meeting, will be distributed to the Board before the Board meets. The Board intends that this information be understandable, organized and distributed in a timely manner to allow for meaningful review.

(e) Independent Inquiries and Advisors. The Board is authorized to conduct investigations, and to retain, at the expense of the Corporation, independent legal, accounting, investment banking, or other professional advisors selected by the Board, for any matters relating to the purpose or responsibilities of the Board.

V. BOARD COMMITTEES.

(a) Committees. The standing committees of the Board are: the Audit Committee; Governance and Nominating Committee; and Human Capital and Compensation Committee. The Board may from time to time establish additional committees or form committees to comply with applicable law and applicable listing standards.

(b) Committee Member Selection. After considering the recommendations of the Governance and Nominating Committee, the Board will designate the members and the Chairperson of each committee, endeavoring to match the committee's function and needs for expertise with individual skills and experience of the appointees to the committee. Each member of the Audit, Human Capital and Compensation, and Governance and Nominating Committees will be independent as defined in the applicable listing standards, laws and regulations and, in the case of the Audit and Human Capital and Compensation Committees, who also satisfy the additional eligibility requirements of the SEC's rules and regulations. The required qualifications for the members of each committee shall be set out in the respective committee's charter.

(c) Committee Functions. Each of the Board committees will have a written charter approved by the Board in compliance with applicable listing standards, laws and regulations. The number and content of committee meetings and means of carrying out committee responsibilities will be determined by each committee in light of the committee's charter, the authority delegated by the Board to the committee, and legal, regulatory, accounting or governance principles applicable to that committee's function. The Chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop and approve the committee's agenda. The Corporation's management will afford access to the Corporation's employees, professional advisors, and other resources, if needed, to enable committee members to carry out their responsibilities.

VI. BOARD MEMBER RESPONSIBILITIES.

(a) Director Responsibilities.

(i) *Generally*. The business and affairs of the Corporation shall be managed by or under the supervision and direction of the Board in accordance with Colorado law. The core responsibility of the Board of Directors is to exercise its fiduciary duty to act in the best interest of the Corporation and its shareholders. A director is expected to discharge his or her director duties, including duties as a member of each committee on which the director serves, in good faith and in a manner the director reasonably believes to be in the best interests of the Corporation.

(ii) *Disclose Relationships*. Each independent director is expected to disclose promptly to the Board any existing or proposed relationships with the Corporation (other than service as a Board member or on Board committees) which could affect the independence of the director under applicable listing standards or any additional standards as may be established by the Board from time to time, including direct relationships between the Corporation and the director and his or her family members, and indirect relationships between the Corporation and any business, nonprofit or other organization in which the director is a general partner or manager, officer, or significant shareholder, or is materially financially interested.

(iii) *Attendance and Preparation*. Board members are expected to devote sufficient time and attention to prepare for, attend and participate in Board meetings and meetings of committees on which they serve, including advance review of meeting materials that may be circulated prior to each meeting. In the absence of unavoidable conflict, all Board members are also expected to attend the Annual Meeting of Shareholders. SEC rules require disclosure in the Corporation's proxy statement of any director who fails to attend an aggregate of 75% of all Board and committee meetings on which the director served, and the number of Board members that attended the prior year's Annual Meeting of Shareholders.

(iv) *Reliance on Information*. In discharging responsibilities as a director, a director is entitled to rely in good faith on reports, opinions or other information provided by Corporation management, independent auditors, legal counsel, other consultants and advisors, and other persons as to matters the director reasonably believes to be within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

(b) Risk oversight. The Board should understand the principal risks associated with the Corporation's business on an ongoing basis and it is the responsibility of management to assure that the Board and its committees are kept well informed of these changing risks on a timely basis. It is important that the Board oversee the key risk decisions of management, which includes comprehending the appropriate balance between risks and rewards. The Board reserves oversight of the major risks facing the Corporation and has delegated risk oversight responsibility to the appropriate committees as set forth in the charter of each Board committee.

(c) Code of Ethics and Business 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 Corporation policies concerning integrity and ethical behavior, including the Corporation's *Code of Ethics and Business Conduct*. In addition, directors must avoid any conflict between their own interests and the interests of the Corporation in dealing with suppliers, customers, and other third parties, and in the conduct of their personal affairs.

(d) Orientation and Continuing Education. The Board is expected periodically to review appropriate policies and procedures for providing orientation sessions for newly elected or appointed directors, including background material on the Corporation, its business plans, legal affairs, and risk profile, and meetings with senior management, and recommending on an as-needed basis continuing director education programs for Board or committee members.

VII. SUCCESSION PLANNING.

(a) CEO Succession Planning. At least annually, the Board shall review a succession plan addressing the policies and principles for selecting a successor to the CEO, both in an emergency situation or retirement in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors to the CEO.

(b) Management Succession Planning. The CEO will review with the Human Capital and Compensation Committee at least annually plans for the education, development and orderly succession for senior officers.

VIII. CEO EVALUATION AND EXECUTIVE COMPENSATION.

(a) Evaluating and Approving Compensation for the CEO. The Board, acting on the recommendation of the Human Capital and Compensation Committee, annually reviews and evaluates the performance of the CEO and the Corporation against the Corporation's goals and objectives and, upon advice or with the assistance of the Human Capital and Compensation Committee, approves the compensation and incentives of the CEO.

(b) Evaluating and Approving Compensation of Senior Officers. The Board, acting on the recommendation of the Human Capital and Compensation Committee with input from the CEO, has the responsibility to approve overall compensation policies applicable to senior officers.

IX. MANAGEMENT RESPONSIBILITY.

(a) Financial Reporting and Legal Compliance. While the Board has an oversight function, the Corporation's management has the primary responsibility for (i) preparing financial statements which accurately and fairly present the Corporation's financial results and condition, and (ii) maintaining systems, procedures and corporate culture which comply with legal and regulatory requirements and the ethical conduct of the Corporation's business.

(b) Corporate Communications. Management has the primary responsibility to establish policies concerning the Corporation's communications with investors, shareholders, stock exchange, governmental authorities, the press, customers, suppliers and employees. The

CEO and designated management speak for the Corporation. Inquiries to directors from the press, shareholders, or others should be referred to the CEO for response.

(c) Communication of Corporate Governance Principles and Charters. Management will assure that the Corporation's website includes a copy of these *Corporate Governance Principles*, copies of the charters of the Audit, Governance and Nominating, and Human Capital and Compensation Committees and, if applicable, other committees of the Board, and a copy of the Corporation's *Code of Ethics and Business Conduct and the Supplemental Code of Ethics for Senior Financial Officers*. Management will also include in the Corporation's annual report to shareholders statements to the effect that this information is available on the Corporation's website and in print to any shareholder who requests it.

(d) Outside Directorships of Chief Executive Officer. The CEO's first obligation is to the Corporation but it is recognized that service on outside boards, especially public company boards, may be beneficial to both the CEO and the Corporation. The CEO will advise the Board, in advance, of his/her desire to accept a position on another board. The Board, based on recommendation of the Governance and Nominating Committee will decide if such a directorship is appropriate.

(e) Standards of Business Conduct. The Corporation maintains a *Code of Ethics and Business Conduct*, which sets forth the Corporation's commitment to integrity and ethical behavior in all aspects of its business activity. The standards are applicable to all of the Corporation's directors, officers, and employees and each is required to periodically verify their awareness of, and compliance with, the standards.

X. EVALUATION OF BOARD PERFORMANCE.

The Board, acting through the Governance and Nominating Committee, should conduct a self-evaluation at least annually to assess whether it is functioning effectively. The Governance and Nominating Committee will periodically consider the mix of skills and experience that directors bring to the Board to assess whether the Board has the requisite experience and qualifications to perform its oversight function effectively.

Each committee of the Board shall conduct a self-evaluation at least annually and report the results to the Board. Each committee's evaluation must compare the performance of the committee with the requirements of its written charter.

The Board, (i) acting through the Governance and Nominating Committee, should conduct an annual assessment of the Lead Director and the Chairpersons of each of the Audit and Human Capital and Compensation Committees, and (ii) acting through the Chairperson of the Board and the members of Governance and Nominating Committee other than the Chairperson of such committee, should conduct an annual assessment of the Chairperson of the Governance and Nominating Committee.

The Board should meet in executive session to discuss the results of these self-evaluations.

XI. EFFECT OF THESE PRINCIPLES

These principles are intended to be guidelines for the Board's and management's reference in fulfilling their respective roles in the management of the Corporation. They are not intended as binding legal obligations or inflexible requirements, and are not intended to interpret applicable laws and regulations or modify the Corporation's Articles of Incorporation or Bylaws. These principles are subject to modification, in whole or in part. The Board, in the exercise of its discretion, shall be able to deviate from these principles from time to time as the Board may deem appropriate or desirable or as required by applicable laws and regulations.