

# **CORPORATE GOVERNANCE GUIDELINES**

These Corporate Governance Guidelines (the “Guidelines”) have been adopted by the Board of Directors (the “Board”), acting on the recommendation of the Nominating/Corporate Governance Committee, to assist the Board and its committees in the exercise of their respective responsibilities. The Guidelines are in addition to and are not intended to change or interpret any Federal or state law or regulation, or the Certificate of Incorporation or By-laws of the Company. The Board of Directors will review the Guidelines at least annually and make such revisions as it deems appropriate.

## **I. BOARD STRUCTURE**

### **1. Size of the Board**

The By-laws of the Company prescribe that the number of Directors shall be determined from time-to-time by resolution of the Board.

### **2. Board Independence**

A majority of the Board shall be comprised of persons independent of management and the Company as defined by the Bylaws of the Company, the Securities and Exchange Commission and the New York Stock Exchange. The Chief Executive should be a member of the Board, but other direct management representation should be kept to a minimum and should in no event exceed two other management directors.

### **3. Selection of Directors**

Nominees for directorship shall be recommended to the Board by the Nominating/Corporate Governance Committee in accordance with the policies and principles set forth in its charter. The Board is responsible for nominating individuals for election to the Board and for filling vacancies on the Board that may occur between annual meetings of shareholders. The invitation to join the Board should be extended by the Chairman of the Board and/or the Chairman of the Nominating/Corporate Governance Committee on behalf of the Board.

The Nominating/Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of proposed nominees as well as the composition of the Board as a whole. This assessment will include each director’s or nominee’s qualification as independent, as well as other relevant factors in the context of evaluating whether the Board reflects a diversity of background and experience with the necessary skills to effectively perform the functions on the Board and its committees.

#### **4. Majority Voting**

In accordance with Section 1.9.2 of the Company's Bylaws, at any meeting of stockholders where the number of nominees for election as Director on the date next preceding the date that the Company first mails notice of the meeting to the stockholders does not exceed the number of Directors to be elected at the meeting, a nominee must receive more votes cast "for" than "against" his or her election or re-election in order to be elected or re-elected to the Board. The Board expects an incumbent Director to tender his or her resignation if he or she fails to receive the required number of votes for re-election. The Board shall nominate for election or re-election as Director only candidates who agree to tender, promptly following the annual meeting at which they are elected or re-elected as Director, irrevocable resignations that will be effective upon (i) the failure to receive the required vote at the next annual meeting at which they will stand for re-election and (ii) Board acceptance of such resignation. In addition, the Board shall fill Director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other Directors in accordance with this Policy.

If an incumbent Director fails to receive the required vote for re-election and no successor has been elected, the Nominating/Corporate Governance Committee will act on an expedited basis to determine whether to recommend acceptance of the Director's resignation and will submit such recommendation for prompt consideration by the Board. The Board expects the Director whose resignation is under consideration to abstain from participating in any decision regarding that resignation. The Nominating/Corporate Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a Director's resignation. The Board shall make, and publicly disclose (by press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication), its decision with respect to the acceptance of a resignation tendered pursuant to this Policy within 90 days after certification of the stockholder vote. Such public disclosure will include the rationale underlying the decision.

#### **5. Other Board Service**

Directors are encouraged to limit the number of other boards on which they serve. Directors should advise the Chairman of the Board and the Chairman of the Nominating/Corporate Governance Committee in advance of accepting an invitation to serve on another board.

#### **6. Retirement of Directors**

Directors should not stand for election for any term that commences after their 70<sup>th</sup> birthday; provided, however, the Board may waive the application of this guideline if it deems such action to be in the best interests of the Company.

## **7. Resignation of Directors**

Any Director may resign at any time by giving notice in writing to the Chairman of the Board or the Secretary of the Company. Such resignation shall take effect upon receipt thereof or at any later time specified therein. Unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.

The Board believes that Directors who materially change the responsibilities they held when they were last elected to the Board should offer to resign from the Board. It is not the sense of the Board that Directors who retire or change from the position they held when they were last elected to the Board should necessarily leave the Board; provided, however, there should be an opportunity for the Board, through the Nominating/Corporate Governance Committee, to review the continued appropriateness of Board membership under these circumstances. Directors shall use their best efforts to promptly notify the Lead Director and Chairman of the Nominating/Corporate Governance Committee of any changes in job position, board service or other changes in circumstances that may impact the Director's service on the Board or the Company's business or reputation.

## **8. Term Limits**

The Board does not believe it should establish term limits. Term limits present the risk of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide a valuable contribution to the Company.

# **II. COMMITTEES OF THE BOARD**

## **1. Designation of Committees**

The Board shall have at all times an Audit Committee, a Compensation/Succession Committee, a Nominating/Corporate Governance Committee and an Executive Committee. All of the members of these committees, except the Executive Committee, shall be independent Directors. In addition, the members of the Audit Committee shall meet the experience requirements of the New York Stock Exchange. The Board may establish or maintain additional committees as it from time-to-time deems appropriate.

## **2. Appointment of Committee Members**

Committee members shall be appointed by the Board upon recommendation of the Nominating/Corporate Governance Committee with consideration of the responsibilities of each committee and the desires of individual Directors. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not believe that rotation should be mandatory.

### **3. Committee Charters**

Each committee shall have its own charter which shall set forth its purposes, organization and membership, and authority and responsibilities.

## **III. LEAD DIRECTOR**

### **1. Position Description**

The position of Lead Director is established to facilitate the fulfillment by the Board of its responsibilities by ensuring that the Board operates independently of management and by providing the Board with independent leadership, particularly in instances where the joint roles of Chairman of the Board and Chief Executive could potentially be in conflict. The Lead Director shall be an independent Director appointed by the non-management Directors at the annual meeting of the Board upon the recommendation of the Nominating/Corporate Governance Committee with consideration given to the duties and responsibilities of this position and the availability and desires of each of the independent Directors to serve in this capacity.

### **2. Duties and Responsibilities**

The duties and responsibilities of the Lead Director are as follows: (i) organize, convene and preside over executive sessions of the non-management and independent Directors and promptly communicate the messages and directives approved by such Directors at each such meeting to the Chairman of the Board and Chief Executive; (ii) preside at all meetings of the Board at which the Chairman of the Board is not present; (iii) consult with the Chairman of the Board and Chief Executive in establishing meeting schedules and agendas, and in determining the information to be forwarded to the Directors both in conjunction with such meetings and otherwise; (iv) facilitate communication among the Directors and between the Board and the Chairman of the Board and Chief Executive; (v) serve as an advisor to the Board committees, chairmen of the Board committees and other Directors; and (vi) such other duties and responsibilities as assigned from time-to-time by the non-management directors consistent with the position description set forth in Article III.1. above.

## **IV. OPERATION OF THE BOARD**

### **1. Director Responsibilities**

The basic responsibility of the Directors is to exercise their business judgment to act in a manner they reasonably believe to be in the best interests of the Company and its shareholders. In discharging this obligation, Directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors.

In furtherance of its responsibilities, the Board shall (i) review, evaluate and approve the strategic long-range plans for the Company; (ii) review, evaluate and approve major resource allocations and capital investments; (iii) review the financial and operating results of the Company; (iv) review, evaluate and approve plans for senior management succession and development; (v) review, evaluate and approve compensation strategy as it relates to senior management and other employees of the Company; (vi) adopt, implement and monitor compliance with the Company's Code of Conduct; and (vii) review annually the Company's corporate objectives and policies relating to social responsibility and sustainability.

## **2. Board and Committee Meetings**

Regular Board meetings shall be held quarterly and special meetings shall be called as deemed appropriate. Directors are expected to attend all Board meetings and meetings of the committees on which they serve.

The non-management Directors shall meet in executive session at least quarterly. If the non-management Directors include any Directors who are not "independent" pursuant to the Board's determination of independence, at least one executive session will include only independent Directors. The Lead Director, or in his/her absence, the Chairman of the Nominating/Corporate Governance Committee, will preside at such meetings.

The Chairman, Lead Director and committee Chairmen may from time-to-time invite corporate officers, other employees and advisors to attend Board or committee meetings whenever deemed appropriate.

## **3. Agenda Items for Board and Committee Meetings**

The Chairman of the Board, in consultation with the Lead Director, shall establish the agenda for each Board meeting. Any Director may suggest the inclusion of items on the agenda and may raise at any Board meeting subjects that are not on the agenda. A detailed agenda and, to the extent feasible, supporting documents and proposed resolutions will be provided to the Directors approximately one week prior to each Board meeting. Directors should review these materials in advance of the meeting.

The Chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. A detailed agenda and, to the extent feasible, supporting documents and proposed resolutions will be provided to the committee members approximately one week prior to each committee meeting. Committee members should review these materials in advance of the meeting.

#### **4. Director Compensation**

Non-employee Directors shall receive reasonable compensation for their services. Directors who are employees of the Company or any of its subsidiaries shall receive no additional compensation for serving on the Board.

The Compensation/Succession Committee will develop and recommend to the Board the form and amount of Director compensation; provided, however, at least fifty percent of such compensation shall be in the form of an economic equivalent of an equity interest in the Company. In determining the level of compensation for non-employee directors, the Compensation/Succession Committee may consider the responsibilities of the Directors, fees being paid by other public companies of comparable size and complexity, and such other factors as the Compensation/Succession Committee deems appropriate.

#### **5. Director Orientation and Education**

Senior Management shall provide new Directors with an initial orientation in order to familiarize them with their responsibilities as Directors under law and the New York Stock Exchange Listing Standards, and with the Company's business units and their respective strategic plans, its recent financial performance and current financial condition, accounting and risk management practices, its compliance programs, its Code of Conduct, its management, and its internal and independent auditors. All Directors are encouraged to participate in continuing Director education.

#### **6. Chief Executive Evaluation and Management Succession**

The non-management directors shall conduct an annual evaluation of the Chief Executive's performance and communicate the results of each such evaluation to the Compensation/Succession Committee.

The Chief Executive shall be responsible for the development and execution of the management succession plan, including the developmental plans for the individuals deemed to be candidates for all senior management positions. The Compensation/Succession Committee shall have the responsibility to review and monitor the management succession plan. The Chief Executive shall make periodic reports, at least annually, to the Board of Directors on this topic.

The Board has no policy with respect to the separation of the offices of Chairman of the Board and the Chief Executive. The Board believes that this issue is part of the succession planning process, which is overseen by the Compensation/Succession Committee, and that it is in the best interests of the Company for the Board to make an individualized determination when there is a change in the position of the Chief Executive.

## **7. Director Access to Corporate Officers and Employees**

Directors shall have full and free access to the corporate officers and employees of the Company. Any meetings or contacts that a Director wishes to initiate may be arranged through the Chief Executive, the Lead Director or the Secretary or directly by the Director. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent appropriate, copy the Chief Executive on any written communications between a Director and a corporate officer or employee of the Company.

## **8. Independent Advisors**

The Board and each committee have the power to retain experts or advisors, including independent legal counsel, deemed appropriate by the Board or the committee without consulting or obtaining the approval of any corporate officer of the Company. The Company will provide for appropriate funding, as determined by the Board or committee, for payment of compensation to any such counsel, experts or advisors retained by the Board or a committee.

## **V. OTHER BOARD PRACTICES**

### **1. Performance Evaluation of the Board, Board Committees and Directors**

The Board will conduct an annual self-evaluation to determine whether it, its committees and directors are performing effectively. The Nominating/Corporate Governance Committee shall solicit comments from all Directors and report annually to the Board with an assessment of the Board's performance. The assessment will specifically focus on areas for improvement.

Each committee shall review and reassess the adequacy of its charter annually and recommend any proposed changes to the Board for approval. Further, each committee shall annually review its own performance and report the results to the Board. The Nominating/Corporate Governance Committee shall oversee the assessment of each committee's performance.

The directors will be evaluated by their peers in a confidential process, with the feedback collected and disseminated to the individual directors.

### **2. Board Interaction with Institutional Investors, Analysts, Media, Customers and Member of the Public**

Except where directed by the Chief Executive, communications on behalf of the Company with the media, securities analysts, stockbrokers and investors must be made only by specifically designated representatives of the Company. If a Director receives any inquiry relating to the Company from the media, securities analysts, brokers or

investors, including informal social contacts, he or she should decline to comment and refer them to the Company's Public Relations Department.

### **3. Charitable Contributions**

The Board is committed to maintaining the independence of its independent Directors. In furtherance of this goal, the Nominating/Corporate Governance Committee will consider whether charitable contributions made by the Company to organizations with which a Director is affiliated, and charitable contributions made by the Company to certain organizations at the request or recommendation of a Director, affect such Director's independence.