



## CORPORATE GOVERNANCE GUIDELINES

### 1. Director Qualification Standards

- A majority of the members of the Board must qualify as independent directors in accordance with the applicable provisions of the Securities Exchange Act of 1934, and the rules promulgated thereunder and the applicable rules of the New York Stock Exchange, as such requirements are interpreted by the Board in its business judgment.
- There is no fixed age limit for directors, however, in most cases, the Board does not expect to nominate directors for terms that will extend significantly past the director's 75<sup>th</sup> birthday.
- Directors are expected to report changes in their business or professional affiliations or responsibilities, including retirement, to the Chairman of the Board and the Chairman of the Nominating & Governance Committee. A director should offer to resign if the Nominating & Governance Committee concludes that he or she no longer meets the Company's requirements for service on the Board. Election of any director (either independent or executive) to additional for-profit boards shall be reviewed and approved by the Chairman of the Board and Chairman of the Nominating & Governance Committee prior to acceptance in order to avoid substantive conflicts or any other potentially harmful effect on the service of the director to the Company's Board.
- The Nominating & Governance Committee shall annually review the skills and attributes of Board members within the context of the current make-up of the full Board. Board members should have individual backgrounds that when combined provide a portfolio of experience and knowledge that well serve the Company's governance and strategic needs. Board candidates will be considered on the basis of a range of criteria including broad-based business knowledge and contacts, prominence and sound reputation in their fields as well as a global business perspective and commitment to corporate citizenship. Directors should be able and prepared to provide wise and thoughtful counsel to top management on the full range of potential issues facing the Company. They should represent all shareholders and not any special interest group or constituency. Directors shall possess the highest personal and professional integrity and commitment to ethical and moral values. Directors must have the time necessary to fully meet their duty of care to the shareholders and be willing to commit to service over the long haul, if called upon. The Chairman of the Nominating & Governance Committee shall issue invitations to serve on the Board to new directors after nomination by the full Board (which follows recommendation by the Nominating & Governance Committee and discussion with the Chairman of the Board and with the Company's Chief Executive Officer).

## 2. **Leadership of the Board**

The Board reserves the right to determine, from time to time, how to configure the leadership of the Board and the Company in the way that best serves the Company. The Board specifically reserves the right to vest the responsibilities of Chairman of the Board and Chief Executive Officer in the same individual. The Board has no fixed policy with respect to combining or separating the offices of Chairman of the Board and Chief Executive Officer.

## 3. **Board of Directors**

- The Board will schedule regular executive sessions where non-management directors (i.e., directors who are not company officers but who do not otherwise have to qualify as "independent" directors) meet without management participation. The Chairman of the Board, if not also serving as the Chief Executive Officer of the Company, shall preside at each executive session. If the Chairman of the Board is also serving as the Chief Executive Officer of the Company, the chairman of the Nominating & Governance Committee, or in his or her absence, a non-management director selected by the other non-management directors, shall preside at each executive session. The Board or the Company will establish methods by which interested parties may communicate directly with the presiding director or with the non-management directors of the Board, either individually or as a group, and cause such methods to be disclosed. At least once a year the Board will schedule a regular executive session where only independent directors will meet without management participation.
- The Board shall at all times maintain an Audit Committee, a Nominating & Governance Committee and a Compensation Committee which must operate in accordance with applicable law, their respective charters as adopted and amended from time to time by the Board, and the applicable rules of the Securities and Exchange Commission and the New York Stock Exchange. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by applicable law and the Company's Bye-Laws as the Board sees fit. Consideration will be given to rotating committee chairmen and members periodically, but the Board does not believe that such a rotation should be required.
- The Nominating & Governance Committee shall have the responsibility of recommending to the Board potential nominees for director. In fulfilling this responsibility, the Nominating & Governance Committee shall consider potential nominees for director recommended by shareholders but that committee has no obligation to recommend such candidates to the Board for nomination.

## 4. **Directors' Responsibilities**

- Directors should exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company in a manner consistent with their fiduciary duties. Directors should regularly attend meetings of the Board and of all Board committees upon which they serve. To prepare for meetings, directors should review the materials that are sent to directors in advance of those meetings.

- Information and data that is important to the Board's understanding of the business to be discussed at meetings will be distributed in advance of meetings to the extent practicable, except when such material is too sensitive to be put in writing.
- Directors shall preserve the confidentiality of confidential material given or presented to the Board.
- The Chairman of the Board, in consultation with the Chief Executive Officer, shall set the agenda of meetings of the Board and the Chairman of each committee shall set the agenda of meetings of the applicable committee. Any director may suggest agenda items and may raise at meetings other matters that they consider worthy of discussion.
- Directors must disclose to other directors any potential conflicts of interest they may have with respect to any matter under discussion and, if appropriate, refrain from voting on a matter in which they may have a conflict.
- Directors are expected to attend the Company's annual meeting of shareholders and any special meeting of shareholders called by the Company to consider extraordinary business transactions, unless they are unable to do so as a result of special circumstances; directors are encouraged to attend all other special meetings of shareholders called by the Company.

#### 5. **Director Access to Management and Independent Advisors**

The Company shall provide each director with complete access to the management of the Company, subject to reasonable advance notice to the Company and reasonable efforts to avoid disruption to the Company's management, business and operations. The Board and Board committees, to the extent set forth in the applicable committee charter, have the right to consult and retain independent legal and other advisors at the expense of the Company.

#### 6. **Director Compensation**

The Board or an authorized committee thereof will determine and review the form and amount of director compensation, including cash, equity-based awards and other director compensation. The Board or such authorized committee will endeavor to establish directors' fees and benefits that are consistent with the directors' fees and benefits of similarly situated companies. Similarly, the Board will critically evaluate charitable contributions that are made to organizations with which a director is affiliated or with which the Company enters into consulting contracts, or which provide other indirect compensation to, a director when determining the form and amount of director compensation and the independence of a director.

#### 7. **Director Orientation and Continuing Education**

The Company will conduct, or provide access to, appropriate orientation for new directors, and ongoing programs for existing directors, covering, among other things, the Company's business, organizational and management structure, results of operations and financial condition, including critical accounting policies, budgets and forecasts and

corporate governance. Directors are encouraged, but not required, to attend these and other appropriate continuing education programs.

**8. Management Evaluation and Succession**

- The Board (not including any members of management of the Company) will conduct an annual review of the performance and compensation of the Chief Executive Officer, taking into account the views and recommendations of the Compensation Committee and Nominating & Governance Committee, as applicable, and as set forth in their respective Charters.
- The Board will establish and review such formal or informal policies and procedures, consulting with the Compensation Committee and Nominating & Governance Committee, the Chief Executive Officer and others, as it considers appropriate, regarding management succession.

**9. Annual Performance Evaluation of the Board**

The Board, with the assistance of the Nominating & Governance Committee, will conduct a self-evaluation annually to determine whether it and its committees are functioning effectively. The full Board will discuss the evaluation report to determine what, if any, action could improve Board and Board committee performance. The Board, with the assistance of the Nominating & Governance Committee, as appropriate, shall review these Corporate Governance Guidelines on an annual basis to determine whether any changes are appropriate.

**10. Amendment, Modification and Waiver**

The Board shall review and reassess the adequacy of these Corporate Governance Guidelines periodically and make any necessary changes. These Corporate Governance Guidelines may be amended, modified or waived by the Board and waivers of these Corporate Governance Guidelines may also be granted by the Nominating & Governance Committee, subject to the disclosure and other provisions of the Securities and Exchange Act of 1934, the rules promulgated thereunder and the applicable rules of the New York Stock Exchange.

## **Categorical Standards for Director Independence**

### **I. Introduction**

To be considered independent, a director of the Company must meet all of the following Categorical Standards for Director Independence. In addition, a director who is a member of the Company's Audit Committee must meet the heightened criteria set forth below in Section IV to be considered independent for the purposes of membership on the Audit Committee. These categorical standards may be amended from time to time by the Company's Board of Directors.

Directors who do not meet these categorical standards for independence can also make valuable contributions to the Company and its Board of Directors by reason of their knowledge and experience.

In addition to meeting the standards set forth below, a director will not be considered independent unless the Board of Directors of the Company affirmatively determines that the director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). In making its determination, the Board of Directors shall broadly consider all relevant facts and circumstances. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others. For this purpose, the Board does not need to reconsider relationships of the type described in Section III below if such relationships do not bar a determination of independence in accordance with Section III below.

## **II. Definitions**

An “immediate family member” includes a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person’s home. When considering the application of the three year period referred to in each of paragraphs III.1 through III.5 below, the Company need not consider individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

The “Company” includes any subsidiary in its consolidated group.

## **III. Standards for Directors**

The following standards have been established to determine whether a director of the Company is independent:

1. A director is not independent if the director is, or has been within the last three years, an employee of the Company, or an immediate family member is, or has been within the last three years, an executive officer, of the Company. Employment as an interim Chairman or CEO or other executive officer shall not disqualify a director from being considered independent following that employment.

For purposes of this paragraph III, the term “executive officer” has the same meaning specified for the term “officer” in Rule 16(a)-1(f) under the Securities Exchange Act of 1934. Rule 16a-1(f) defines “officer” as a company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the company. Officers of the company’s parent(s) or subsidiaries shall be deemed officers of the company if they perform such policy-making functions for the company.

2. A director is not independent if the director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service). Compensation received by a director for former service as an interim Chairman or CEO or other executive officer need not be considered in determining independence under this test. Compensation received by an immediate family member for service as an

employee of the Company (other than an executive officer) need not be considered in determining independence under this test.

3. A director is not independent if: (A) the director is a current partner or employee of a firm that is the company's internal or external auditor; (B) the director has an immediate family member who is a current partner of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or (D) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time.
4. A director is not independent if the director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.
5. A director is not independent if the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

In applying this test, both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year. The look-back provision for this test applies solely to the financial relationship between the Company and the director or immediate family member's current employer; the Company need not consider former employment of the director or immediate family member. Contributions to tax exempt organizations shall not be considered "payments" for purposes of this test, provided, however, that the Company shall disclose in its annual proxy statement any such contributions made by the Company to any tax exempt organization in which any independent director serves as an executive officer if, within the preceding three years, contributions in any single fiscal year from the Company to the organization exceeded the greater of \$1 million, or 2% of such tax exempt organization's consolidated gross revenues.

6. Being a director, executive officer or employee, or having an immediate family member who is a director, executive officer or employee, of a company that purchases insurance, reinsurance or other services or products from the Company, by itself, does not bar a determination that the director is independent if the payments made to the Company for such products or services do not exceed the threshold set forth in paragraph III.5 above.

#### **IV. Standards for Audit Committee Members**

In addition to satisfying the criteria set forth in Section III above, directors who are members of the Company's Audit Committee will not be considered independent for purposes of membership on the Audit Committee unless they satisfy the following criteria:

1. A director who is a member of the Audit Committee may not, other than in his or her capacity as a member of the Audit Committee, the Board of Directors, or any other Board committee, accept directly or indirectly any consulting, advisory, or other compensatory fee from the Company or any subsidiary thereof, provided that, unless the rules of the

New York Stock Exchange provide otherwise, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided that such compensation is not contingent in any way on continued service).

2. A director who is a member of the Audit Committee may not, other than in his or her capacity as a member of the Audit Committee, the Board of Directors or any other Board committee, be an affiliated person of the Company or any subsidiary thereof.
3. If an Audit Committee member simultaneously serves on the audit committees of more than three public companies, the Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Company's Audit Committee.

**November 2008**