

# **POLYONE CORPORATION**

## **FINANCIAL POLICY COMMITTEE CHARTER**

### **Authority**

- The Board of Directors, by resolution dated August 31, 2000, established the Financial Policy Committee.
- The Financial Policy Committee Charter was adopted by the Board on November 1, 2000, and amended on February 28, 2002, May 15, 2003, and May 20, 2004.
- The Board of Directors, by resolution dated August 2, 2001, authorized the Financial Policy Committee to approve individual derivative transactions in instances where the benefit of such transactions are to be realized within three years.

### **Purpose**

The purposes of the Financial Policy Committee are to assist the Board of Directors in fulfilling its oversight and monitoring responsibilities to the shareholders relating to the capital structure of the Company, borrowing and repayment of funds by the Company, financial policies, management of foreign exchange risk and other matters of risk management, banking relationships and other financial matters relating to the Company.

### **Duties and Responsibilities**

The responsibility of the Committee is one of oversight and policy guidance regarding:

- The funding and financial performance of the Company's defined benefit and defined contribution retirement plans, the accounting for such plans and management's selection of investment managers, actuaries and administrators for the Company's retirement plans. The Committee will review with management the funding and financial performance of the Company's defined benefit plans at least once a year;
- The Company's financing strategies;
- The Company's cash position;
- The Company's compliance with debt covenants;
- Changes to the level of expenditure authority delegated to the CEO by the Board of Directors;
- Raising of long-term capital;
- Changes in the Common Stock dividend policy and rate;
- Investments above \$1 million not previously reviewed by the Board of Directors for new business platforms that are outside the scope (geography, product, technology) of the Company's principal lines of business;
- Divestment of Company assets in excess of \$3 million;
- Risk management, including the utilization of financial derivative products in instances where the benefit of such transactions are to be realized within three years, and insurance coverage strategies;
- Review post-completion audits;
- Purchase and sale of Company Common Stock; and
- Issuance of Company Preference Stock.

### *Committee Meetings and Action*

- A majority of the Committee members will be a quorum for the transaction of business.
- The action of a majority of those present at a meeting at which a quorum is present will be the act of the Committee.
- Any action which may be taken at a meeting of the Committee will be deemed the action of the Committee if all of the Committee members execute a written consent and the consent is filed with the Corporate Secretary.
- The Company's Chief Financial Officer will be the management liaison to the Committee.
- The Committee shall have authority to retain consultants of its selection to advise it with respect to the funding and accounting for the Company's retirement plans.
- The Corporate Secretary or designee shall be responsible for keeping minutes of the Committee meetings.
- The Committee will meet at least 2 times a year and at such other times as may be requested by its Chairman.
- Annually review its charter and recommend any changes to the Compensation and Governance Committee.