

## INTERPOOL, INC.

### BOARD OF DIRECTORS' CHARTER AND CORPORATE GOVERNANCE GUIDELINES

(As amended and re-adopted in full by the Board of Directors on December 24, 2003)

This Charter and Corporate Governance Guidelines (the "**Charter**") has been adopted by the Board of Directors (the "**Board**") of INTERPOOL, Inc. (the "**Company**"), acting on the recommendation of its Corporate Governance Committee, to assist the Board and its committees in the exercise of their responsibilities. These principles and policies are in addition to and are not intended to change or interpret any Federal or State law or regulation, including the Delaware General Corporation Law, or the Certificate of Incorporation or By-laws of the Company.

#### PURPOSE

The Board's purpose is to build long-term value for the Company and to ensure the continuity and vitality of the Company's businesses by setting policy for the Company, selecting the Chief Executive Officer, monitoring the performance of both the Company and the CEO, and providing management with appropriate advice and feedback. Management is responsible for and the Board is committed to ensuring that the Company operates in a legal and ethically responsible manner.

#### OPERATION OF THE BOARD

##### *Director Responsibilities*

The basic responsibility of the Directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that obligation, directors shall 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 of Directors shall:

- Review, evaluate and approve, on a regular basis, long-range plans for the Company.
- Review, evaluate and approve the Company's budget and forecasts.
- Review, evaluate and approve major resource allocations and capital investments.
- Review the financial and operating results of the Company.
- Review, evaluate and approve the overall corporate organizational structure, the assignment of senior management responsibilities and plans for senior management development and succession.
- Review, evaluate and approve compensation strategy as it relates to senior management of the Company.
- Adopt, implement and monitor compliance with the Company's Code of Conduct.
- Review periodically the Company's corporate objectives and policies relating to social responsibility.

##### *Board and Committee Meetings*

Regular Board meetings shall be held approximately four to six times per year, and special meetings shall be called as necessary. A schedule of locations of the regular meetings shall be

provided to the Directors well in advance. Directors are expected to attend Board meetings and meetings of the committees on which they serve. Directors shall spend the time necessary and meet as frequently as necessary to properly discharge their responsibilities.

Executive Sessions shall generally be held in conjunction with each Board meeting and the Directors shall be provided the time and place in advance. Executive Sessions are designed to provide the Directors an opportunity to discuss matters that do not require formal Board action.

The non-management Directors shall meet in executive session at least four times per year. The Director who presides at these meetings shall be chosen by the non-management Directors, and his or her name shall be disclosed in the Company's annual proxy statement.

The Chairman, Chief Executive Officer or Committee Chairpersons may from time to time invite corporate officers, other employees and advisors to attend Board or committee meetings whenever deemed appropriate.

Minutes of each meeting will be taken and recorded.

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

The Chairman shall establish the agenda for each Board meeting. At the beginning of the year the Chairman shall establish a schedule of agenda subjects to be discussed during the year (to the degree this can be foreseen). Each Director is free to suggest the inclusion of items on the agenda. Each Director is free to raise at any Board meeting subjects that are not on the agenda for that meeting. A detailed agenda and, to the extent feasible, supporting documents and proposed resolutions shall be provided to the Directors approximately one week prior to each Board meeting. Directors shall review these materials in advance of the meeting. Subject to any applicable notice requirements, Directors having items to suggest for inclusion on the agenda for future Board meetings shall advise the Chairman well in advance of such meetings.

The Chairperson of each committee, in consultation with the committee members, shall determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairperson of each committee, in consultation with the appropriate members of the committee and management, shall develop the committee's agenda. At the beginning of each year each committee shall establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). A detailed agenda and, to the extent feasible, supporting documents and proposed resolutions shall be provided to the committee members approximately one week prior to each committee meeting. Committee members shall review these materials in advance of the meeting.

#### *Director Compensation*

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

The form and amount of Director compensation shall be determined by the Compensation Committee in accordance with the policies and principles set forth in its charter, and the Compensation Committee shall conduct an annual review of Director compensation. The Compensation Committee shall consider that Directors' independence may be jeopardized if Director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a Director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a Director or an organization with which the Director is affiliated.

### *Director Orientation and Education*

Management shall provide new Directors with an initial orientation in order to familiarize them with their responsibilities as Directors under law and the NYSE Listing Standards, and with the Company and its strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Conduct, its senior management, and its internal and independent auditors.

In order to facilitate the Directors' fulfillment of their responsibilities regarding continuing education and to enhance each Director's knowledge of the Company, the Company's business operations and the latest developments in corporate governance, it is appropriate for management to provide Directors with the following:

- Educational programs supplemental to the initial orientation to explain the Company's business operations, including its technology, products and market position.
- Access to, or notice of, continuing educational programs that are designed to keep Directors abreast of the latest developments in corporate governance matters and critical issues relating to the operation of public company boards.
- Material that contains information pertaining to (i) the Company's industry and (ii) comparisons of the Company with its major competitors.
- Periodic visits to operating units, plants and laboratories, normally as part of regularly scheduled Board meetings.
- A legal review for the Board, at least annually, of (i) the status of major litigation, (ii) compliance with significant regulatory requirements affecting the Company and (iii) corporate governance matters.

### *Code of Conduct*

The Company shall adopt a Code of Conduct to provide guidelines for ethical conduct by Directors, officers, and employees. In the area of corporate governance, the Code of Conduct shall contain guidance regarding conflicts of interest, corporate opportunities, confidentiality, protection of company assets, and related areas. The Code of Conduct shall be posted on the Company's website.

### *CEO Evaluation and Management Succession*

The Compensation Committee shall conduct an annual review of the Chief Executive Officer's performance, as set forth in its charter. The Board of Directors shall review the Compensation Committee's report in order to ensure that the Chief Executive Officer is providing the best leadership for the Company in the long- and short-term.

The Compensation Committee shall make an annual report to the Board on succession planning. The entire Board shall work with The Compensation Committee to nominate and evaluate potential successors to the Chief Executive Officer. The Chief Executive Officer shall at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

### *Director Access to Officers and Employees*

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a Director wishes to initiate may be arranged through the CEO or the Secretary or directly by the Director. The Directors shall use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and shall, as appropriate, copy the

CEO on any written communications between a Director and an officer or employee of the Company.

#### *Independent Advisors*

The Board and each committee have the power to engage experts or advisors, including independent legal counsel, deemed appropriate by the Board or the committee, without consulting or obtaining the approval of any officer of the Company. The Company shall 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.

## BOARD STRUCTURE

#### *Size of the Board*

The Company's Amended and Restated By-laws prescribe that the number of Directors of the Company which shall constitute the whole Board shall not be less than three nor more than twelve. The exact number of Directors within such range shall be fixed from time to time by resolution of the Board. The Board currently believes that the optimum number of directors is between eight and ten.

#### *Selection of Directors*

Nominees for directorship shall be recommended to the Board by the Corporate Governance Committee in accordance with the policies and principles set forth in its charter. The invitation to join the Board shall be extended by the Board itself, by the Chairman of the Corporate Governance Committee and the Chairman of the Board.

The Board is responsible for nominating members to the Board and for filling vacancies on the Board that may occur between annual meetings of shareholders, in each case based upon the recommendation of the Corporate Governance Committee.

#### *Director Qualifications*

Not more than two members of the Board shall fail to meet the criteria for independence established by the NYSE. The Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole. This assessment shall include members' qualification as independent, as well as consideration of diversity, age, skills, and experience in the context of the needs of the Board.

The Board's standards for determining the independence of a Director are set forth below. The Corporate Governance Committee shall review such standards at least annually and recommend any appropriate changes to the Board for consideration.

A description of the desirable characteristics that the Corporate Governance Committee and the Board shall evaluate when considering candidates for nomination as Directors are set forth below. The Corporate Governance Committee shall review such characteristics at least annually and recommend any appropriate changes to the Board for consideration.

### *Resignation from the Board*

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

It is the sense of the Board that Directors who change the responsibility they held when they were elected to the Board should volunteer to resign from the Board. It is not the sense of the Board that in every instance the Directors who retire or change from the position they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board through the Corporate Governance Committee to review the continued appropriateness of Board membership under the circumstances.

### *Term Limits*

The Board does not believe it should establish term limits. Term limits hold the disadvantage 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 an increasing contribution to the Board as a whole.

## COMMITTEES OF THE BOARD

A substantial portion of the analysis and work of the Board is done by standing Board committees. The Board has established the following standing committees:

### *Audit*

The Audit Committee monitors the integrity of the financial statements of the Company and the qualifications, independence and performance of the independent auditors. Additionally, the Committee has oversight responsibility for the performance of the Company's internal audit function and compliance with legal and regulatory requirements.

### *Compensation and Stock Options*

The Compensation and Stock Options Committee discharges the Board's responsibilities relating to total compensation of the Company's Chief Executive Officer and other Senior Executives in a manner consistent with and in support of the business objectives of the Company, competitive practice and all applicable rules and regulations.

### *Directors and Governance*

The Corporate Governance Committee is responsible for the selection, qualification and compensation of Board members and candidates. The Committee acts as a nominating committee for Director candidates and Board committee membership. The Committee assists the Board with oversight of other corporate governance matters.

### *Executive (Members not yet appointed)*

The Executive Committee exercises the powers of the Board in the management and direction of the business and affairs of the Company between meetings of the full Board of Directors.

### *Finance (Members not yet appointed)*

The Finance Committee oversees the Company's financial activities. The committee has authority and oversight responsibility to establish investment policy for the employees' pension plans.

Committee members shall be appointed by the Board upon recommendation of the Corporate Governance Committee with consideration of 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 feel that rotation should be mandated as a policy.

Each committee shall have its own charter. The charters shall set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board.

The Board shall have at all times an Audit Committee, a Compensation Committee and a Corporate Governance Committee. All of the members of these committees shall be independent Directors under the criteria established by the NYSE. In addition, the members of the Audit and Finance Committee shall also meet the independence requirements of the Securities and Exchange Commission and the experience requirements of the NYSE.

### OTHER BOARD PRACTICES

#### *Review of Roles and Responsibilities of Directors*

The Chairman of the Board shall review with each Director on a periodic basis the performance of each Director's duties as well as the role and responsibilities of each Director.

#### *Board Interaction with Institutional Investors, Analysts, Media, Customers and Members of the Public*

Except where directed by the Chief Executive Officer or the Chief Financial Officer of the Company, 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 ask them to call the Company's Chief Financial Officer or the Public Relations Department.

#### *Limitation of Liability*

To the extent permitted by Delaware General Corporation Law, a Director shall not be liable to the Company or its shareholders. Delaware law currently permits eliminating liability for monetary damages for breach of a Director's fiduciary duty. The law does not permit limiting liability for breach of a Director's duty of loyalty to the Company or its shareholders or for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law.

#### *Performance Evaluation of the Board*

The Board of Directors shall conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Corporate Governance Committee shall receive comments from all Directors and report annually to the Board with an assessment of the Board's

performance. The assessment shall be discussed with the full Board following the end of each fiscal year. The assessment shall focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

## INDEPENDENCE STANDARDS

An independent Director is one who the Board affirmatively determines has no material<sup>1</sup> relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company).

Generally, a Director shall be considered to be independent if the Director:

1. Has not been an employee of the Company for at least five years;
2. Has not, during the last five years, been affiliated with or employed by a present or former auditor of the Company or of any affiliate of the Company;
3. Has not, during the last five years, been employed by a company for which an officer of the Company concurrently served as a director;
4. Has no immediate family members (i.e., spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than employees) who shares the Director's home) who did not satisfy the foregoing criteria during the last five years;
5. Is not an "affiliated person" of the Company or any subsidiary of the Company, as such term is defined by the Securities and Exchange Commission; and
6. Has not, during the last two years, received, directly or indirectly, any consulting, advisory or other fees or payments from the Company (other than in his or her capacity as a member of the Board of Directors, or any committee of the Board), which includes, among other things, receipt of such fees or payments by any immediate family members (as defined above) of the Director or by any entity as to which the Director or any immediate family member (as defined above) is a partner, member, principal or director or by which the Director or immediate family member is employed.

In making a determination regarding a proposed Director's independence, the Board shall consider all relevant facts and circumstances, including the Director's commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, and such other criteria as the Board may determine from time to time. The Board shall assess the materiality of a Director's relationship with the Company by considering the issue from the standpoint of the Director and from that of any person or organization with which the Director has an affiliation.

The Company shall disclose such determinations in the Company's annual proxy statements or otherwise at least annually.

## DESIRABLE CHARACTERISTICS OF DIRECTORS

### *Personal Characteristics*

- *Integrity and Accountability:* High ethical standards, integrity and strength of character in his or her personal and professional dealings and a willingness to act on and be accountable for his or her decisions.

- *Informed Judgment:* Demonstrate intelligence, wisdom and thoughtfulness in decision-making. Demonstrate a willingness to thoroughly discuss issues, ask questions, express reservations and voice dissent.
- *Financial Literacy:* An ability to read and understand balance sheets, income and cash flow statements. Understand financial ratios and other indices for evaluating Company performance.
- *Mature Confidence:* Assertive, responsible and supportive in dealing with others. Respect for others, openness to others' opinions and the willingness to listen.
- *High Standards:* History of achievements that reflect high standards for himself or herself and others.

### *Core Competencies*

- *Accounting and Finance:* Experience in financial accounting and corporate finance, especially with respect to trends in debt and equity markets. Familiarity with internal financial controls.
- *Business Judgment:* Record of making good business decisions and evidence that duties as a Director shall be discharged in good faith and in a manner that is in the best interests of the Company.
- *Management:* Experience in corporate management. Understand management trends in general and in the areas in which the Company conducts its business.
- *Crisis Response:* Ability and time to perform during periods of both short-term and prolonged crisis.
- *Industry/Technology:* Unique experience and skills in an area in which the Company conducts its business, including science, manufacturing and technology relevant to the Company.
- *International Markets:* Experience in global markets, international issues and foreign business practices.
- *Leadership:* Understand and possess skills and have a history of motivating high-performing, talented managers.
- *Strategy and Vision:* Skills and capacity to provide strategic insight and direction by encouraging innovations, conceptualizing key trends, evaluating strategic decisions, and challenging the Company to sharpen its vision.

### *Commitment to the Company*

- *Time and Effort:* Willing to commit the time and energy necessary to satisfy the requirements of Board and Board Committee membership. Expected to attend and participate in all Board meetings and Board Committee meetings in which they are a member. A willingness to rigorously prepare prior to each meeting and actively participate in the meeting. Willingness to make himself or herself available to management upon request to provide advice and counsel.
- *Awareness and Ongoing Education:* Possess, or be willing to develop, a broad knowledge of both critical issues affecting the Company (including industry-, technology- and market-specific information), and director's roles and responsibilities (including the general legal principles that guide board members).
- *Other Commitments:* In light of other existing commitments, ability to perform adequately as a Director, including preparation for and attendance at Board meetings and a willingness to do so.

### *Contribution to the Board*

- *Balancing the Board:* Contributes talent, skills and experience that the Board needs as a team to supplement existing resources and provide talent for future needs.
- *Diversity:* Contributes to the Board in a way that can enhance perspective and experiences through diversity in gender, ethnic background, geographic origin, and professional experience (public, private, and non-profit sectors). Nomination of a candidate shall not be based solely on these factors

### ANNUAL REVIEW OF THE CHARTER AND PERFORMANCE

The Board of Directors shall review and reassess this Charter at least annually and, if appropriate, revise this Charter from time to time to reflect the requirements of the Sarbanes-Oxley Act of 2002, the rules and regulations of the SEC and the NYSE.