

## **Introduction**

These Corporate Governance Guidelines established by the Board of Directors provide a structure within which our directors and management can effectively work to benefit the Company, its shareholders and other constituencies. The Board intends that these guidelines serve as a flexible framework within which the Board and management may conduct their work, not as a set of binding legal obligations. These guidelines should be interpreted in the context of all applicable laws, the Company’s charter documents and other governing legal documents and policies. The Board of Directors regularly reviews these guidelines, and they may be amended or modified at any time in the sole discretion of the Board.

### **I. Director Qualification Standards**

The Nominating and Corporate Governance Committee establishes criteria for selecting new members of the Board. The Board as a whole should reflect a range of skills, knowledge and experience in areas of importance to the Company. Directors must be committed to upholding the highest standards of personal and professional integrity and to representing the interests of all shareholders, not particular shareholder constituencies. The Nominating and Corporate Governance Committee places no specific restrictions on the number of terms directors may serve, but no director shall be nominated for a term of Board service which shall commence after his or her 75<sup>th</sup> birthday. A majority of directors must be “independent” under the listing standards of the New York Stock Exchange and the Bylaws of the Company. No director will qualify as “independent” unless the Board 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 determining whether a director is independent, the Board will broadly consider all relevant facts and circumstances.

### **II. Director Responsibility**

The overarching responsibility of the directors is to direct the management of the business and affairs of the Company by exercising their business judgment in good faith and acting in what they reasonably believe to be in the best long-term interests of the Company and its shareholders and other constituencies. Directors are expected to review Board meeting materials in advance, attend Board meetings regularly and to attend the Company’s annual meeting of shareholders. The Board is also responsible for performing certain specific functions, including:

- selecting, evaluating and approving the compensation of the officers of the Company and planning for senior management succession;
- reviewing, approving and monitoring significant corporate actions and strategic plans;
- reviewing assessments of, and measures to address and mitigate, significant risks and issues facing the Company; and
- ensuring that processes are in place to protect the integrity of the Company, including its compliance with law and the Company's corporate governance policies.

### **III. Board Committees**

At all times, the Board will have an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each committee shall be composed solely of directors who meet the standards of independence established by the New York Stock Exchange for service on the respective committee. The key responsibilities of these committees are set forth in their respective charters. The Board may, from time to time, establish or maintain such additional committees that it determines to be appropriate.

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

Directors shall have full access to management and employees of the Company. The Board and its committees are authorized to consult with such independent advisors as they deem appropriate.

### **V. Executive Sessions of Non-Management Directors**

The non-management directors of the Company shall meet periodically at regularly scheduled executive sessions without management. The Chairman of the Nominating and Corporate Governance Committee shall preside at such meetings.

### **VI. Director Compensation**

The Compensation Committee will review and make recommendations to the Board with respect to the compensation of directors. In general, compensation will consist of a combination of equity to align the interests of the directors with the long-term interests of the shareholders and cash to compensate the directors for their service.

## **VII. Non-Management Director Stock Ownership**

After five years of service on the Board, the non-management directors are expected to own Company common stock with a market value of at least five times the base annual director fee. Ownership may be held directly or indirectly, and may include shares held by a spouse or children.

## **VIII. Senior Management Stock Ownership**

The Chief Executive Officer is expected to own Company common stock equal in value to six times his annual salary, and the other members of senior management are expected to own common stock equal to three times their annual salaries. Individuals subject to this guideline are required to retain 50% of the after-tax number of shares of common stock received as the result of an option exercise or restriction lapse until the requirement is satisfied. Ownership may be held directly or indirectly, and may include shares held by a spouse or children.

## **IX. Senior Management Stock Holding Period**

The Chief Executive Officer and the other members of senior management are required to retain 50% of the after-tax number of shares of common stock received as the result of a restriction lapse for a period of two years.

## **X. Prohibition of Hedging and Pledging**

Directors and officers of the Company may not engage in hedging transactions with respect to Company securities, and may not pledge Company securities as collateral for a loan or otherwise use Company securities to secure a debt (e.g. to secure a margin loan). Any current pledging arrangements shall be terminated or expire by December 31, 2013.

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

All new directors shall be provided an orientation program, including presentations by senior management on the Company's accounting policies, financial reporting, strategic plans and key issues, policies and practices. Directors are encouraged to participate in continuing education programs to better perform their duties.

## **XII. Director Service on Other Public Boards**

Except as otherwise approved by the Board, directors shall not serve on more than three boards of public companies in addition to the Company's Board.

### **XIII. Management Succession**

The Compensation Committee shall evaluate at least annually the Chief Executive Officer's performance in light of established goals and objectives and oversee the development of a succession plan for the Chief Executive Officer and other senior management.

### **XIV. Annual Performance Evaluation of the Board**

The Board will conduct a self-evaluation at least annually to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee will oversee such evaluation and report annually to the Board.

### **XV. Ethical Conduct**

Directors, as well as officers and employees, are expected to act ethically and adhere to the policies set forth in the Company's *Code of Business Conduct and Ethics*.

### **XVI. Related Person Transactions**

The Board recognizes that transactions involving the Company and related persons present heightened risk of potential or actual conflicts of interest which may interfere – or even appear to interfere – with the interests of the Company. Therefore, it is the policy of the Company that the Nominating and Corporate Governance Committee shall review, approve or ratify any transaction with related persons required to be reported by the Company under the applicable rules and regulations governing related person transactions promulgated by the United States Securities and Exchange Commission.

### **XVII. Communications with Directors**

Shareholders and other interested parties may communicate with the Board by writing to the Chairman of the Nominating and Corporate Governance Committee at the Company's address. The Chairman of the Nominating and Corporate Governance Committee shall forward such communications to all Directors if they relate to substantive matters and include information, suggestions or comments that the Chairman of the Nominating and Corporate Governance Committee, with the assistance of the Corporate Secretary, deems appropriate for consideration by the full Board.

### **XVIII. Shareholder Rights Plan Policy**

The Company will submit the adoption of any shareholder rights plan to a shareholder vote before it acts to adopt a rights plan; provided, however, that the Board may act on its own to adopt a shareholder rights plan without first submitting such action to a shareholder vote if the Board, including a majority of the independent Directors thereof,

in the exercise of its fiduciary duties, determines that such submission would not be in the best interest of the Company and its shareholders and other constituencies under the circumstances then existing.

If a shareholder rights plan is adopted without first submitting such action to a shareholder vote, the Board shall, within 12 months following its adoption, either submit the shareholder rights plan to a shareholder vote or redeem the shareholder rights plan or cause it to expire.

**XIX. Board Election Procedures Related to Failure of Director to Receive Majority of Votes Cast in Uncontested Elections**

With respect to the uncontested election of directors at shareholder meetings, an incumbent director who receives the support of less than a majority of the votes cast must promptly tender his or her resignation, and a newly nominated director who receives the support of less than a majority of the votes cast will be deemed to have automatically resigned, subject to the procedures and further details set forth in the Bylaws.