

**DENTSPLY INTERNATIONAL INC.**

**CORPORATE GOVERNANCE GUIDELINES/POLICIES**

Rev. 12/13

## **TABLE OF CONTENTS**

I.	Functions/Responsibilities of the Board of Directors .....	1
II.	Selection/Service of Board Members.....	2
	A. Identification .....	2
	B. Non-Discrimination.....	2
	C. Independence.....	2
	D. Criteria for the Nomination .....	3
	E. Number of Board Seats .....	4
	F. Size of Board.....	4
III.	Term .....	4
	A. Normal Terms.....	4
	B. Management Director Resignation.....	4
	C. Term Limits.....	4
	D. Retirement .....	5
IV.	Stock Ownership of Directors .....	5
V.	Board Meetings .....	5
	A. Scheduling of Meetings.....	5
	B. Agenda .....	5
	C. Management Presentations.....	6
	D. Executive Sessions .....	6
VI.	Attendance.....	6
	A. Board Meetings .....	6
	B. Annual Shareholders Meeting .....	6
VII.	Chairman of the Board .....	6
VIII.	Lead Director .....	6
IX.	Board Committees.....	7
	A. Generally .....	7
	B. Charters .....	7
	C. Advisors .....	7
	D. Committee Assignments.....	7
	E. Committee Meetings .....	8
	F. Executive Committee .....	8
X.	Compensation.....	8
XI.	Self-Evaluation by the Board.....	8
XII.	Director Education .....	9
XIII.	Expenses.....	9
XIV.	Capital Expenditures and Acquisitions .....	9

XV. Communications .....	9
A. Communications with Management.....	9
B. Communications to Board.....	10
C. Communications with Third Parties.....	10
D. Director Nominations .....	10

## DENTSPLY INTERNATIONAL INC.

### CORPORATE GOVERNANCE GUIDELINES/POLICIES

The following Corporate Governance Guidelines have been adopted by the Board of Directors of the Company to assist the Board in the exercise of its responsibilities. These Corporate Governance Guidelines reflect the Board's commitment to monitor the effectiveness of policy and decision making both at the Board and management level. These Corporate Governance Guidelines shall be reviewed by the Board, through the Governance Committee (or successor thereof), on a periodic basis and are subject to modification from time to time by the Board.

#### I. Functions/Responsibilities of the Board of Directors

The Directors oversee and direct the management of the business and affairs of the Company in accordance with the Delaware General Corporation Law and as set forth in the Company's By-Laws. Directors shall discharge the duties of their positions in good faith, in a manner reasonably believed to be in the best interests of the Company and with such care, skill and diligence, including reasonable inquiry as a person of ordinary prudence would use under similar circumstances. The responsibility of the Board of Directors is to supervise and direct the management of the Company. To that end, the role of the Board of Directors (references to the Board include the Committees of the Board, as applicable) shall include, but not be limited to:

- (1) The selection, appointment and regular evaluation of the performance, and approval of the compensation of, the Chief Executive Officer and, with the advice of the Chief Executive Officer, the principal senior executives;
- (2) The development of plans for succession with respect to the position of Chief Executive Officer, and monitoring succession planning for other key executives;
- (3) Oversight of the conduct of the Company's business and evaluation of whether the business is being properly managed;
- (4) Review and, where appropriate, approval of the Company's objectives, plans and actions, including its longer term strategic plans;
- (5) Review of the Company's financial statements;

- (6) Assessment of major risk factors relating to the Company and its performance, and review of measures taken or intended to be taken to address and mitigate such risks; and
- (7) Evaluation of whether appropriate systems and processes are in place to support the effective management of the Company in accordance with applicable legal requirements and the Company's Code of Business Conduct and Ethics.

## II. Selection/Service of Board Members

- A. Identification. The responsibility for the selection of new Directors resides with the Board and shareholders. The identification, screening and recommendation process has been delegated to the Governance Committee, which reviews candidates for election as Directors, recommends candidates to the Board to fill vacant Board seats and annually recommends a slate of Directors for approval by the Board and election by the shareholders.
- B. Non-Discrimination. Potential candidates for membership on the Board and Committees of the Board shall not be denied consideration by reason of race, gender, religion, color or ethnicity, nor shall any candidate be approached or selected solely because of any such reason.
- C. Independence. The Board shall be comprised of a majority of independent Directors, and no less than are required by NASDAQ or applicable law. Independence shall be defined as provided by the rules and regulations of NASDAQ and the Securities Exchange Commission ("SEC") law. The Board, in consultation with the Company's Secretary, shall undertake an annual review of the independence of all non-employee Directors. In advance of the meeting at which this review occurs, each non-employee Director shall provide to the Company for presentation to the Board, full information regarding the Director's business and other relationships with the Company and its affiliates, and with senior management and their affiliates, to enable the Board to evaluate the Director's independence.

Directors have an affirmative obligation to inform the Board of any material changes in their circumstances or relationships that may impact their designation by the Board as "independent." This obligation includes all business relationships between Directors, their immediate families and organizations in which they perform a material function, and the Company and its affiliates or members of senior management and their affiliates, whether or not such business relationships are subject to the approval requirement set forth elsewhere in these Guidelines.

D. Criteria for the Nomination:

1. The Governance Committee shall consider for selection as Directors those persons:
  - a. who possess strong personal and professional ethics, and high standards of integrity and values;
  - b. who have the proven ability and experience to bring informed, thoughtful and well-considered opinions to corporate management and the Board;
  - c. who have the competence, maturity and integrity to monitor and evaluate the Company's management, performance and policies;
  - d. who have the willingness, commitment and availability to devote the necessary time and effort required for service on the Board;
  - e. who have the capacity to provide additional strength and diversity of view to the Board and its activities;
  - f. who have the necessary measure of communication skills and self-confidence to ensure ease of participation in Board discussion; and
  - g. who hold or have held a senior position with a significant business enterprise or a position of senior leadership in an educational, medical, religious, or other non-profit institution or foundation of significance.
2. Persons who have attained the age of 75 shall not be eligible for election or re-election as a Director.
3. Any Director who (i) retires from; or (ii) discontinues their active employment with the business or other enterprise with which they were primarily affiliated at the time of their most recent election to the Board; or (iii) incurs a significant change in responsibilities, title or activities since their most recent election to the Board, shall submit their resignation upon the occurrence of any of the aforesaid events. The Governance Committee will review the effects of this change upon the interests of the Company and recommend to the Board whether to accept such resignation.
4. It is the responsibility of each Director to advise the Corporate Secretary of any actual or potential conflict of interest, as well as any affiliation with public or privately held enterprises, including for profit and non-profit

entities, that may create a potential conflict of interest, embarrassment to the Company or inconsistency with the Company's policies or values.

E. Number of Board Seats.

1. The Company does not have a policy specifying a maximum number of other company boards upon which a Director may sit. However, it is recognized that other activities of Board members, including service on multiple Boards, could affect the ability of a Director to effectively serve on the Company's Board and therefore, no director shall accept a position on another Board which would result in the Director sitting on more than three (3) Boards, without prior review and approval of the Governance Committee.
2. Directors are expected to advise the Chairman of the Board and the Chairman of the Governance Committee in advance of accepting any other company directorship or any assignment to the audit committee or compensation committee of the board of directors of any other company.

F. Size of Board. The by-laws of the Company provide that the size of the Board of Directors shall consist of not more than thirteen (13) Directors. The Board shall determine the number of Directors as deemed appropriate by the Board, subject to the Company's by-laws.

III. Term

- A. Normal Terms. Commencing at the annual meeting of stockholders in 2014, directors succeeding those whose terms are then expired shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the year following the year of their election and until their successors are elected and qualified. Commencing with the annual meeting of stockholders to be held in 2016, the classification of the board of directors shall terminate and all directors shall be of one class. Any open Director position in the Board for any reason, including a vacancy resulting from an increase in the specific size of the Board, may be filled by action of the Board of Directors in accordance with the By-Laws of the Company. Directors shall hold office from the time of their election and qualification and shall serve until the election and qualification of their successor or until such Director's earlier death, resignation, disqualification or removal.
- B. Management Director Resignation. A Director who also is an officer of the Company, who either resigns or retires their officer position, shall simultaneously submit their resignation as a Director, acceptance of which shall be at the discretion of the Board.
- C. Term Limits. The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to

the Board, they 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.

- D. Retirement. A Director who attains the age of 75 shall be required to retire from the Board at the next Annual Shareholders' meeting. Notwithstanding this mandatory retirement requirement, for purposes of the Equity Incentive Plan, a retirement shall be considered any volitional departure from the Board of a Director who has served on the Board for nine (9) years or is required to retire in accordance with the mandatory retirement policy.

#### IV. Stock Ownership of Directors

It is the policy of the Board that all Directors hold an equity interest in the Company. Toward this end, the Board expects that all Directors own, or acquire within five years of first becoming a Director, shares of common stock of the Company (including share units held under the Company's Board of Directors Deferred Compensation Plan, or any successor plan, and restricted stock units, but not including stock options) having a market value of at least five times the annual retainer paid to Board members. The Board recognizes that exceptions to this policy may be necessary or appropriate in individual cases, and may approve such exceptions from time to time as it deems appropriate.

#### V. Board Meetings

- A. Scheduling of Meetings. The Chairman, in consultation with other members of the Board, shall determine the timing and length of the meetings of the Board. The Board expects that five to six meetings per year at appropriate intervals are generally desirable for the performance of the Board's responsibilities. In addition to regularly scheduled meetings, additional Board meetings may be called upon appropriate notice at any time to address specific needs of the Company. A special meeting of the Board may be called at any time by the Chief Executive Officer, the Chairman, the Lead Director or by members of the Board of Directors constituting no less than a majority of the total number of independent Directors then in office. Participation in meetings may be by means of conference telephone with the prior authorization from the Chairman.
- B. Agenda. The Chairman and Chief Executive Officer, in conjunction with the Lead Director, shall establish the agenda for each Board meeting. Each Director shall be entitled to suggest the inclusion of items on the agenda, request the presence of any member of the Company's senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting. Subject to reasonable exception, Directors shall be advised of significant agenda items and shall be furnished with appropriate supporting materials, including minutes of Board and Committee meetings, in advance of meetings of the Board and Committees of the Board.

- C. Management Presentations. Management shall make presentations to the Board on the performance, operations, strategies and significant activities of the Company.
- D. Executive Sessions. The Board will generally meet in Executive Session at each meeting and in any event, in Executive Sessions of independent directors no less than twice a year. Executive Sessions, or portion thereof, will be chaired by the Lead Director and if the Lead Director is not present, then by the Chairman of the Committee for the relevant subject matter discussed in the Session.

VI. Attendance

- A. Board Meetings. It is expected that Board Members will make every effort to attend every Board Meeting and meetings of their respective Committees.
- B. Annual Shareholders Meeting. It is expected that Board Members will attend the Annual Shareholders Meeting, except when exceptional circumstances prevent such attendance.

VII. Chairman of the Board

- 1. The Chairman of the Board shall be elected by and serve at the pleasure of the Board of Directors. The Board has no policy restricting the Chief Executive Officer from serving as the Chairman.
- 2. The Chairman shall schedule board meetings and call meetings.

VIII. Lead Director

An independent Director shall act in a lead capacity to perform certain functions (“Lead Director”) as outlined below. The Lead Director will be elected by the independent Directors upon a vacancy, or annually at the Board meeting held in conjunction with the Annual Meeting.

The Lead Director’s responsibilities are to:

- (a) call for Executive Sessions of the independent Directors;
- (b) preside at Board meetings in the absence of the Chairman and at Executive Sessions of the independent Directors;
- (c) provide the Chairman with input into the agenda for Board meetings, and on other matters as deemed appropriate by the Board, or on behalf of the independent Directors, and recommend the agenda for Executive Sessions of independent Directors, to the extent deemed necessary;

(d) be available for consultation with other Directors, act as the principal liaison between the independent Directors and the Chief Executive Officer, and apprise the Chief Executive Officer, as appropriate, of activities of the Board in Executive Sessions; and

(e) be available for consultation with the Chief Executive Officer and communicate the expectations of the Board to the Chief Executive Officer.

## IX. Board Committees

A. Generally. Standing and/or temporary committees may be appointed by the Board from time to time. The Board may vest committees with such power and authority as the Board determines appropriate, subject to such limitations as are set forth in the Delaware General Corporation Law and the Company's Certificate of Incorporation and By-Laws. In general, Committees of the Board focus on issues that may require more in-depth time or attention than could be consistently provided by the full Board. There are currently four standing committees:

Executive Committee

Audit & Finance Committee ("Audit Committee")

Human Resources Committee ("HR Committee")

Corporate Governance and Nominating Committee ("Governance Committee")

B. Charters. Each standing Committee (other than the Executive Committee, which has the authority to act in lieu of the full Board) shall have a written charter of responsibilities, duties and authorities, which shall periodically be reviewed by the Board. Each Committee shall report to the full Board with respect to its activities, findings and recommendations.

C. Advisors. Each Committee shall have full power and authority to retain the services of such advisors and experts, including counsel, as the Committee deems necessary or appropriate with respect to specific matters within its purview.

D. Committee Assignments. The Governance Committee, after consideration of the desires, experience and expertise of individual Directors, shall recommend to the Board the assignment of Directors to Committees, including the designation of Committee Chairs. In acting upon such recommendation and report, the full Board shall give consideration to the following objectives:

- the target size of each Committee is three or more members, unless circumstances call for an exception;
- Committee Chairmanship and membership should be considered for rotation periodically, subject to any applicable legal, regulatory and stock exchange listing requirements, with consideration given to rotation of Committee Chairs approximately every two to four years;

- a Committee Chair shall stay on the Committee for one year after stepping down as the Chair;
- a Board member should have some experience with the Committee's function before becoming the Chair; and
- the Audit, Human Resources and Governance Committees shall be composed entirely of independent Directors. The Executive Committee shall include the Chief Executive Officer of the Company.

E. Committee Meetings. Each Committee Chair, in consultation with the Chairman of the Board, Committee members and management of the Company shall establish agendas and set meetings at the frequency and length appropriate and necessary to carry out the Committee's responsibilities. Any Director who is not a member of a particular Committee may attend any Committee meeting with the concurrence of the Committee Chair or a majority of the members of the Committee.

F. Executive Committee. Recognizing that the Executive Committee is authorized to and at times takes action on behalf of the Board, the minutes or written consents evidencing such actions shall be provided to the full Board at its next regularly scheduled meeting.

#### X. Compensation

Directors who are not also officers of the company shall be appropriately compensated for their service on the Board. This compensation shall take into consideration the amount of time required to be devoted to Board activities, the fiduciary responsibility of such positions and the competitiveness of the compensation levels. Compensation is subject to change at the discretion of the Board. The current composition of compensation paid to Outside Directors shall be comprised of an annual retainer fee, Committee Chair and Lead Director fees, meeting fees and an equity incentive component under the Company's Equity Incentive Plan(s). The Company has adopted a deferred compensation plan which allows Directors to defer payment of their Board compensation. This plan and Director compensation may be changed from time to time by action of the Board.

#### XI. Self-Evaluation by the Board

The Governance Committee will manage a self-assessment process of the Board's performance as well as follow up on self-assessments performed by the Committees of the Board, the results of which will be discussed with the full Board, including reviewing and recommending to the Board changes identified by the Committees. The Governance Committee will also utilize the results of this self-evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board.

XII. Director Education

The Company shall assist the Board by providing appropriate orientation programs for new Directors, which shall be designed both to familiarize new Directors with the full scope of the Company's businesses and to assist them in developing and maintaining skills necessary or appropriate for the performance of their responsibilities. The Board and the Company's management shall similarly work together to develop and periodically implement appropriate continuing education programs for Board members.

XIII. Expenses

Directors shall be reimbursed for ordinary, necessary and reasonable expenses incident to their service on the Board and to their attendance at meetings of the Board, Committees of the Board and the annual shareholders meeting. Requests for reimbursement for expenses over \$75.00 must be accompanied by a receipt for such expenses. Directors shall be reimbursed for air travel expenses not exceeding the first-class commercial air travel rate. All such requests are to be forwarded to the Secretary of the Company for processing.

XIV. Capital Expenditures & Acquisitions

Management shall submit to the Board an Annual Capital Expenditure Budget for Board approval at the same time the Annual Operating Budget is submitted.

While the Capital Expenditure Budget will outline anticipated projects, the projects may change at the discretion of management as long as total annual capital expenditures do not exceed the total Annual Budget and subject to the individual expenditure approval levels established by the Board. If management anticipates that expenditures will exceed the amount budgeted, it must obtain Board approval for amounts that exceed the approved budget.

Management authority to approve funding for individual capital expenditures, sale of assets and acquisitions is as follows:

Up to \$15 million	Chair/Chief Executive Officer, and other executives with the direction of the CEO
Greater than \$15 million	Board of Directors

XV. Communications

A. Communications With Management. As the role of the Board is oversight of management and not directing the operations of the Company, in general, Board

members should communicate principally with the CEO and other senior management of the Company. Board members should carefully consider any communications with Company employees to ensure it is an appropriate subject for communication.

- B. Communications to Board. All Board members, including their Committee assignments, are identified each year in the Company's Proxy Statement. Communications which are intended for Board members can be sent to the Company's Secretary at the Company's Headquarters for delivery to individual Board members. Mail received will be delivered to the respective Board member to which the communication is addressed. Mail addressed to "Outside Directors" or "Non-Management Directors" will be forwarded or delivered to the Chairman of the Governance Committee. Mail addressed to the "Board of Directors" will be forwarded or delivered to the Chairman of the Board.
  
- C. Communications with Third Parties. To help shield directors from general questions from media representatives and others, it is the Company's policy that directors should respond by indicating that, as a general matter, the Company's spokesman is the Chairman and CEO or his designee and that comments on behalf of the Company would come from such a person. Directors should at all times maintain the confidentiality of sensitive or proprietary Company information.
  
- D. Director Nominations. The Directors welcome and are willing to consider recommendations from shareholders for Director nominations. Shareholders desiring to make candidate recommendations for the Board may do so by submitting nominations to the Company or the Company's Governance Committee, in accordance with the Company's Bylaws and addressed to the Corporate Secretary or to the Chairman of the Governance Committee at the following address: DENTSPLY International Inc., 221 West Philadelphia Street, York, Pennsylvania 17405-0872.

THESE GUIDELINES/POLICIES SHALL BE SUBJECT TO CHANGE AS REQUIRED BY LAW OR AS DEEMED APPROPRIATE BY THE BOARD OF DIRECTORS.