

## Our governance stays independent in accordance with proper requirements

- In accordance with the listing requirements of the New York Stock Exchange, independent directors must constitute a majority of the Board.
- All members of the Audit Committee, the Governance and Nominating Committee, the Compensation Committee, and the Equity Plans Committee must be independent.
- Subject to further determinations of independence as set forth below, 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; provided that this standard will not prevent any director who served as interim chief executive officer during that period from qualifying as independent;
  - 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, pension or other forms of deferred compensation for prior service or, in the case of a family member, compensation as a non-executive employee of the Company;
  - (a) The director is a current partner or employee of the Company's internal or external auditor; (b) the director has an immediate family member who is a current partner of such firm; (c) the director has an immediately 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;
  - 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 current executive officers at the same time serves or served on the other company's compensation committee;
  - 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 the other company's consolidated gross revenues;
- If a director or any member of the director's immediate family has a relationship of any of the types described above that does not meet the applicable thresholds, that relationship will not be material for purposes of assessing the director's independence.
- The directors who satisfy the independence standards set forth above will affirmatively determine whether each director is independent by reviewing any other relationship, direct or indirect, between a director and the Company not covered by the above standards to determine whether, considering all facts and circumstances, it is a material relationship. The Company will disclose the basis for any such determination in the annual proxy statement. Each director shall notify the Board of any change in circumstances that may put his or her independence at issue.
- For purposes of the independence standards set forth above, an immediate family member shall include that person's spouse, parents, children, siblings, in-laws and anyone who shares the person's home. All references to the Company include any subsidiary in a consolidated group with the Company.
- In addition, members of the Audit Committee must satisfy the independence requirements of Rule 10A-3 under the Securities and Exchange Act.
- The Company will not make any personal loans or extensions of credit to directors or executive officers.

*Last revised March 2012*