



## **Corporate Governance Principles**

Updated and Effective December 7, 2016

### **RESPONSIBILITY OF THE BOARD**

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The objective of the Company (and therefore of its management and Board of Directors) is to conduct its business activities so as to enhance shareholder value. In pursuing this role, the Board attempts to assure the success of the Company by (i) selecting an appropriately qualified corporate management team, (ii) overseeing corporate strategy and performance, (iii) overseeing the Company's risk management, and (iv) acting as a resource for management in matters of planning and policy. In furtherance of these objectives, the Board has adopted the following Corporate Governance Principles.

Consistent with the importance of the Board's responsibilities, Board members are expected to rigorously prepare for, attend, and participate in all Board meetings and meetings of Board committees on which they serve and to devote the time necessary to appropriately discharge their responsibilities. Each Board member is expected to ensure that other commitments do not materially interfere with the member's service as a Director.

Board members are also expected to attend annual shareholder meetings.

### **BOARD COMPOSITION AND PERFORMANCE**

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#### **Qualifications of Directors**

The Nominating & Governance Committee is responsible for reviewing with the Board from time to time the appropriate skills and characteristics required for Board members. Consideration should be given to professional experience, personal character, integrity, diversity, independence, conflicts of interest (including any affiliation with an entity that competes or appears to compete with the Company), outside commitments (e.g., service on other Boards) and particular areas of expertise - all in the context of the needs of the Board.

Board members may not be employed by, consult for, sit on the Board of Directors of, or be otherwise affiliated with, any entity that competes with the Company. The entities that are deemed to compete with the Company shall be determined by the Nominating & Governance Committee after consulting with management and availing themselves of any resources that may identify such entities; provided, however, that an entity identified in any Principal Competitor List maintained by the Company shall be deemed conclusively to be a competitor. In the event the Nominating & Governance Committee determines that a Director is affiliated with a competitor, the Director shall tender his resignation to the Chairman of the Board and the Chair of the Nominating & Governance Committee.

**DATA CLASSIFICATION: PUBLIC**



## **Board Independence**

At least two-thirds of the members of the Board will be “independent” under the New York Stock Exchange listing standards and under applicable law.

To be considered "independent" for purposes of these standards, the Board must affirmatively determine that a 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 each case, the Board shall broadly consider all relevant facts and circumstances and shall apply the following standards.

In no event will a Director be eligible to be determined "independent" under the New York Stock Exchange listing standards if he or she does not satisfy the minimum standards of eligibility set forth in Section 303A.02 of the New York Stock Exchange listing standards.

A Director shall not be deemed to have a material relationship with the Company that impairs the Director's independence solely as a result of any of the following relationships:

- the Director is the beneficial owner of less than five percent of the outstanding equity interests of the Company;
- the Director is an officer or other employee of an entity, or his or her immediate family member is an executive officer (as defined in Section 303A.02 of the New York Stock Exchange listing standards) of an entity, that in either case has received payments from the Company for property or services or that has made payments to the Company for property or services and the amount of such payments in each of the last three fiscal years is less than the greater of \$1 million or 2% of the entity's consolidated gross revenues (as such term is construed by the New York Stock Exchange for purposes of Section 303A.02(b)(v));
- the Director is a director or officer of an entity that is indebted to the Company, or to which the Company is indebted, and the total amount of one company's indebtedness to the other is less than 2% of the total consolidated assets of the other entity as of the end of the previous fiscal year;
- the Director, or any entity in which the Director is an equity owner, director, officer or other employee, has obtained products or services from the Company on terms generally available to customers of the Company for such products or services; or
- the Director is an officer, trustee, director or is otherwise affiliated with a tax-exempt organization and the Company made, within the preceding three fiscal years, contributions in any fiscal year that were less than the greater of \$1 million or 2% of the tax-exempt organization's consolidated gross revenues (as such term is construed by the New York Stock Exchange for purposes of Section 303A.02(b)(v)), based upon the tax-exempt organization's latest



publicly available information.

The Board retains the sole right to interpret and apply the foregoing standards in determining the materiality of any relationship.

However, the Board recognizes that from time to time it may be appropriate and desirable for members of Senior Leadership, in addition to the Chief Executive Officer (“CEO”), to serve on the Board.

### **Outside Directorships & Committee Service**

No Director should serve on more than four other public company Boards of Directors (or similar bodies). Directors will advise the Chairman of the Board and Chair of the Nominating & Governance Committee in advance of accepting an invitation to serve on another public company Board of Directors (or similar body) or of accepting additional committee assignments on such other Boards, in order for the Chairs to consider possible conflicts of interest, impact on the Director’s independence and ability to discharge his/her obligations to the Company.

No Director serving on the Company’s Audit Committee should serve on more than two other public company audit committees without the prior approval of the Board. In addition, no D&B team member (including the CEO) may (1) be appointed to any outside board of directors (or similar body) of any public or private company without the prior approval of their leader, the Corporate Secretary’s Office (who will lead the review process and assess potential conflicts) and the Nominating & Governance Committee, or (2) serve on more than one public company board of directors (or similar body) without the prior approval of the Nominating & Governance Committee. With respect to any appointment to a non-profit board of directors (or similar body), all team members are required to notify their leader only.

### **Selection of Director Nominees**

The Nominating & Governance Committee, with direct input from the Chairman of the Board, is responsible for screening candidates for directorships in accordance with the criteria described under “Qualification of Directors.” When Director nominees are needed, the Committee identifies and reviews candidates, makes recommendations to the Board, and oversees the process of selection and nomination. The Nominating & Governance Committee will review the nomination of incumbent Directors for re-election to the Board upon expiration of such Director’s term. The Board is responsible for the final selection of its own members and for recommending them for election by the shareholders.

Shareholders may propose nominees for consideration by the Nominating & Governance Committee by complying with the notice procedures for proposing nominees to the Company’s Board as set forth in the Company’s By-laws.



### **Director Orientation and Continuing Education**

The Nominating & Governance Committee will oversee, with the assistance of management, suitable programs for the orientation of new Directors and the continuing education of incumbent Directors which include, among other things, reviewing background materials, new product materials, the strategic plans of the Company, relevant regulatory and governance developments, and meeting with Senior Leadership.

Directors are encouraged to determine their continuing education needs and, to that end, the Company will reimburse Directors for all reasonable expenses incurred in connection with external director education courses, as set forth in the Director Education and Reimbursement Policy.

### **Size of Board**

The Board believes that the appropriate number of Directors for the Company is approximately 7 to 10.

However, the Nominating & Governance Committee periodically assesses the appropriate size of the Board and may recommend changes from time to time to the Board, subject to the requirement in the By-Laws that there shall be a minimum of three Directors.

### **Directors Who Change Their Principal Employment**

Directors are required to offer their resignation to the Chairman of the Board and the Chair of the Nominating & Governance Committee upon a significant change in their principal employment, professional responsibilities or business association, whereupon the Nominating & Governance Committee will consider whether to accept the offer of resignation and will make a recommendation for the Board's final determination.

### **Election of Directors**

Directors shall be elected at each Annual Meeting of Shareholders for a term expiring at the succeeding Annual Meeting of Shareholders. A Director shall hold office until the Director's successor shall be elected and shall qualify, subject to such Director's prior death, resignation, retirement, disqualification or removal from office.

### **Code of Conduct**

Directors are expected to adhere to the Company's Code of Conduct and to conduct themselves with the highest level of integrity and in a way that will not tarnish the Company's reputation or brand.



## **Lead Director**

If the Chairman of the Board is not an independent Director, then an independent Lead Director, who will be independent in accordance with the New York Stock Exchange listing standards and under applicable law, shall be selected by the Board. If an independent Director serves as Chairman of the Board, there is no requirement that a Lead Director be selected. As may also be described elsewhere in these Corporate Governance Principles, the duties and responsibilities of the Lead Director include: (1) presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the non-management Directors, (2) providing feedback to the CEO after executive sessions of the non-management Directors, (3) the authority to call a meeting of the non-management Directors at any time, (4) leading the Board's annual evaluation of the CEO, (5) leading the process for the annual assessment of the performance and effectiveness of the Board and its committees pursuant to the procedures developed by the Nominating & Governance Committee, in the event the Chairman is required to lead such process and the Chairman is not independent, (6) to approve Board meeting agendas and schedules, after conferring with the Chairman of the Board, as appropriate, (7) acting as liaison between the non-management Directors and the Chairman, and (8) performing such other duties and responsibilities as the Board of Directors may determine.

## **Executive Sessions**

The non-management Directors will hold regularly-scheduled executive sessions without the CEO or other management present. If one or more non-management Directors does not satisfy the applicable independence requirements set forth in the New York Stock Exchange listing standards and under applicable law, then at least once annually, an executive session including only independent Directors, shall be held. The Lead Director or independent Chairman of the Board, as applicable, will preside over these executive sessions.

Meetings of the non-management Directors will generally coincide with regularly scheduled Board meetings; however, the Lead Director or independent Chairman of the Board, as applicable, or a majority of the non-management Directors may call a meeting of non-management Directors at any time.

## **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 have 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.

## **Assessing Board and Committee Performance**

The Nominating & Governance Committee is responsible for leading the Board in an



annual assessment of the performance and effectiveness of the Board and its committees and reporting the results of the assessments to the Board.

### **Director Compensation**

The Compensation & Benefits Committee from time to time reviews the status of Board compensation in relation to market practices and trends.

Changes to Board compensation, if any, should come at the recommendation of the Compensation & Benefits Committee, but with full discussion and concurrence by the Board.

### **Director Stock Ownership**

Non-management Directors are required to hold no less than 50% of all equity obtained through the non-employee director compensation program throughout their tenure as a Director of the Company.

### **Retirement Age**

It is recommended that Directors who reach age 72 retire from the Board immediately prior to the next Annual Meeting of Shareholders.

### **Review of Antitakeover Provisions**

The Nominating & Governance Committee (or such other Committee of independent directors as may be appointed by the Board) will periodically review the Company's antitakeover provisions and will report to the Board whether such measures continue to be in the best interests of shareholders. If it deems appropriate, the independent Committee will recommend to the Board that all or some of such measures should be modified or terminated.

### **Outside Advisors**

The Board and each Committee has the authority to retain and compensate independent legal, financial or other advisors as it may deem necessary, to assist the Board or the Committee in the independent discharge of its responsibilities, without consulting or obtaining the approval of management, or in the case of the Committee, the Board of the Company. The Company will provide appropriate funding, as determined by the Board, for payment of compensation to any advisors employed by the Board.

## **BOARD RELATIONSHIP TO SENIOR LEADERSHIP**

### **Regular Attendance of Non-Directors at Board Meetings**

The Board welcomes the regular attendance at each Board meeting of members of





management and advisors who are not Directors. The Board encourages Senior Leadership to schedule presentations at Board meetings by managers/advisors who: (a) can provide additional insight into the items being discussed because of personal involvement or expertise in the subject matter or (b) have future potential that Senior Leadership believes should be given exposure to the Board.

### **Board Access to Senior Leadership**

The Board has complete access to the Company's management.

It is assumed that Board members will use judgment to be sure that this contact is not distracting to the business operation of the Company and that such contact, if in writing, be copied to the CEO, if appropriate.

### **Board Interaction with Institutional Investors, Press, Customers, Etc.**

The Board believes that Management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various of the Company's constituencies, but it is expected the Board members would do this with the knowledge of the CEO and, in most instances, at the CEO's request.

## **BOARD MEETINGS**

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### **Scheduling and Selection of Agenda Items for Board Meetings**

There are at least six regularly scheduled Board meetings per year.

The Chairman of the Board and the Corporate Secretary of the Company draft the agenda for each Board meeting and distribute it in advance to the Board.

Each Board member is encouraged to suggest items for inclusion on the agenda.

### **Board Materials**

Information and data that is important to the Board's understanding of the business and of scheduled agenda items should be distributed sufficiently in advance of the meeting to give the Directors a reasonable opportunity for review. Generally, Directors receive Board materials no less than three business days in advance of a meeting.

### **Strategic Planning**

At a minimum, the Board shall hold an annual strategic planning meeting. The Board and management will engage in a comprehensive review and discussion of the Company's strategic goals, as well as management's plans to achieve them.



## **BOARD COMMITTEES**

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### **Number, Structure and Composition of Committees**

Currently, the four committees of the Board are: Audit, Nominating & Governance, Compensation & Benefits and Innovation & Technology. From time to time, there may be occasions on which the Board may want to form a new committee or disband a current committee depending upon the circumstances.

The members of the Audit, Compensation & Benefits and Nominating & Governance Committees will be “independent” and will satisfy any other applicable requirements under the criteria established by the New York Stock Exchange and applicable laws for membership in the relevant committee. The Board believes that the appropriate number of Directors for each Committee is at least 3.

### **Assignment and Rotation of Committee Members**

The Nominating & Governance Committee is responsible, with consideration of the desires of individual Board members and after consultation with the Chairman of the Board and CEO, for recommending to the Board the Committee members and the Committee Chairs from among its members.

In doing so, the Nominating & Governance Committee will evaluate the results of the overall Board and individual Director assessments in determining the characteristics and critical skills required when making such recommendations to the Board.

Each Committee member will serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a member of the Board.

Consideration will be given from time to time to the appropriateness of periodically rotating Committee members.

### **Committee Charters**

Each Committee will have a written charter approved by the Board. The charters will set forth the purposes and responsibilities of the Committees as well as qualifications for Committee membership, procedures for appointment and removal, structure and operations, and reporting to the Board. The charters will also provide that each Committee will annually evaluate its performance. Consistent with the New York Stock Exchange listing standards, the charters will be included on the Company’s website and copies of the charters will be made available in print, free of charge, upon request to the Company’s Corporate Secretary.

### **Committee Meetings**

Each Committee Chair, in consultation with the Committee members and appropriate





Senior Leadership, determines the frequency and length of Committee meetings and establishes the agenda for such meetings.

### **Annual Evaluations**

Each Committee will perform an annual evaluation of its effectiveness. The results of these evaluations will be discussed with the full Board.

## **MANAGEMENT REVIEW**

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### **Formal Evaluation of the Chief Executive Officer**

A CEO evaluation will be conducted once each year, to be led by the Lead Director or independent Chairman of the Board, as applicable. Each non-management Director will complete a standardized evaluation form, which the Lead Director or independent Chairman of the Board will consolidate and analyze. The Lead Director or independent Chairman of the Board will lead a discussion of the feedback with the non-management Directors and will also discuss the results of the evaluation with the CEO.

The Compensation & Benefits Committee considers the results of this evaluation when making compensation decisions concerning the CEO.

### **Management Succession**

At least annually, the Compensation & Benefits Committee, in consultation with the non-management Directors, will oversee an evaluation of management, including CEO succession planning and management development, which may include consultation on such topics with the CEO. There should be available, on a continuing basis, the CEO's recommendation as to a successor in the event of unexpected disability.

### **Public Disclosure**

Consistent with the New York Stock Exchange listing standards, these guidelines will be included on the Company's website and the Company's annual proxy statement will state that these guidelines are available on the Company's website.