

DIRECTOR INDEPENDENCE SAMPLE STANDARDS AND DEFINITIONS

Sample 1

The Board expects a director to be free of interests or affiliations that could give rise to a biased approach to directorship responsibilities and/or a conflict of interest, and free of any significant business financial or personal relationship with the company, which would interfere with the director's exercise of independent judgment. The Board's confidentiality and recusal procedures address potential conflicts of interest and the protection of confidential or proprietary information presented at Board meetings when a member of the Board has a relationship with another company or concern whose products or services may be potentially competitive with those offered by the Company or its affiliates. The General Counsel is responsible for the interpretation and application of these procedures when appropriate.

The Nominating and Governance Committee maintains a process to assess the independence of nominees, including the assessment of relationships, if any, between a director and the Company and to make recommendations to the Board with respect to director independence. The Board will determine the independence of each director and will disclose the determinations as required in accordance with regulatory requirements.

No director qualifies 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, including charitable organizations, that has a relationship with the Company) in accordance with the Director Independence Standards adopted by the Board.

Executive officers of the Company may not serve on boards of other corporations whose executive officers serve on the Board of Directors of the Company.

Sample 2

The Board will have a majority of directors who meet the criteria for independence required by the New York Stock Exchange. The Nominating and 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 and appropriate size of the Board as a whole. This assessment will include members' qualification as independent in accordance with the Director Independence Standards adopted by the Board, as well as consideration of diversity, age, skills, and experience in the context of the then-current needs of the Company and the Board.

Nominees for directorship will be recommended for selection by the Nominating and Governance Committee in accordance with the policies and principles in its charter and based upon an assessment of each member's or potential member's integrity, judgment, commitment, preparation, participation and contribution as those terms are defined in that Charter. The invitation to join the Board should be extended by the Chairman of the Board.

Sample 3

The Board has affirmatively determined, in its business judgment, that the vast majority of Directors (12 of the current 14) have 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) and are independent, and that all members of the Audit, Human Resources and Nominating and Governance Committees are independent, pursuant to New York Stock Exchange listing standards.

Set forth below are the categorical standards adopted by the Board of Directors to assist the Board in making these determinations.

In order to be considered independent, a Director must not:

1. Be an employee of the Company or have been an employee of the Company within the past three years, or have an immediate family member who is an executive officer of the Company or has been an executive officer of the Company within the past three years.
2. Receive, or have an immediate family member who receives, more than \$100,000 per year in direct compensation from the Company in the current year or any of the past three years, other than Director or Committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
3. Be, or in the past three years have been, affiliated with or employed by, or have an immediate family member who is or in the past three years has been affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company;
4. Be, or in the past three years have been, or have an immediate family member who is or in the past three years has been, an executive officer of another company where any of the Company's present executives serve on that company's compensation committee;
5. Be an executive officer or an employee, or have an immediate family member who is an executive officer of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in the current year or any of the past three years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues; or
6. Be an executive officer of a charitable organization that, within the preceding three years, received contributions from the Company in any fiscal year exceeding the greater of \$1 million or 2% of the organization's consolidated gross revenues.

Further, in order to be considered independent, members of the Audit Committee must not receive any compensation from the Company, either directly or indirectly, except for compensation received for service as a member of the Board of Directors and Board Committees.

For purposes of these guidelines, a Director's "immediate family" includes his or her spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares the Director's home.

Sample 4

A director may not be deemed independent if:

- the director is an employee, or an immediate family member (as defined below) of the director is an executive officer, of the company, until three years after such employment ends;
- the director receives, or an immediate family member of the director receives, more than \$100,000 per year in direct compensation from the company, until three years after he or she stops receiving such amount;
- the director is affiliated with or employed by, or an immediate family member of the director is affiliated with or employed in a professional capacity by, a current or past internal or external auditor of the company, until three years after the affiliation, employment relationship or auditing relationship ends;
- the director, or an immediate family member of the director, is employed as an executive officer of another company on whose compensation committee any of the listed company's current executives serve, until three years after the service or the employment ends; or
- the director is an executive officer of or is employed by, or an immediate family member of the director is an executive officer of, a company that makes payments to, or receives payments from, the listed company for property or services in an amount which, in any single fiscal year, exceeds \$1 million or 2% of such other company's consolidated gross revenues, whichever is greater, until three years after the applicable threshold is last crossed.

Sample 5

An independent director should be free of any relationship with the corporation or its management that may impair, or appear to impair, the director's ability to make independent judgments. The listing standards of the major securities markets relating to audit committees provide useful guidance in determining whether a particular director is 'independent.' These standards focus primarily on familial, employment, and business relationships. However, boards of directors should also consider whether other kinds of relationships, such as close personal relationships between potential board members and senior management, may affect a director's actual or perceived independence.

Sample 6

At least two-thirds of a corporation's directors should be independent. A director is deemed independent if his or her only non-trivial professional, familial or financial connection to the corporation, its chairman, CEO or any other executive officer is his or her directorship.

Sample 7

The board should be composed of a substantial majority of independent directors. The board committee structure should include audit, compensation, and nominating and/or governance committees consisting entirely of independent directors. For this purpose, independence means no present or former employment by the company or any significant financial or personal tie to the company or its management that could compromise the director's objectivity and loyalty to the shareholders. An independent director does not regularly perform services for the company, if a disinterested observer would consider the relationship material. It does not matter if the service is performed individually or as a representative of an organization that is a professional adviser, consultant, or legal counsel to the company. However, a director might be considered independent if it is clear to the company that the person is involved in commercial transactions that are being carried out at arm's length in the ordinary course of business and the relationship should not interfere with the individual's ability to exercise independent judgment. All monetary arrangements with directors for services outside normal board activities should be approved by a committee of the board that is composed of independent directors and should be reported in the proxy statement.