

Policy on Transactions with Related Persons

Policy

Under the Company's Principles of Corporate Governance and Code of Business Conduct & Ethics for Members of the Board of Directors Executive Officers, all directors and executive officers of the Company have an duty to report to the Chairman, a Vice Chairman or the Lead Director any conflict or any appearance of a conflict of interest on his or her part. Accordingly, it shall be the policy of the Board of Directors that all Interested Transactions with Related Persons (as those terms are defined in this Policy) shall be subject to approval or ratification in accordance with the procedures set forth below.

Definitions

An **"Interested Transaction"** is any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness), or any series of similar transactions, arrangements or relationships, in which (a) the aggregate amount involved will or may be expected to exceed \$120,000 in any fiscal year, (b) the Company is a participant, and (c) any Related Person has or will have a direct or indirect material¹ interest (other than solely as a result of being a director or trustee (or any similar position) or a less than 10 percent beneficial owner of another entity).

A **"Related Person"** is any (a) person who is or was (since the beginning of the last fiscal year for which the Company has filed a Form 10-K and proxy statement, even if they do not presently serve in that role) an executive officer, director or nominee for election as a director of the Company, (b) greater than 5 percent beneficial owner of the Company's outstanding common stock, or (c) Immediate Family Member of any of the foregoing.

An **"Immediate Family Member"** is any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, and father-in-law, sons-in-law, daughter-in-law, brother-in-law or sister-in-law or any person (other than a tenant or employee) sharing the household of a person.

Procedures

The Nominating & Corporate Governance Committee of the Board of Directors (the "Committee") shall review all of the relevant facts and circumstances of all Interested Transactions that require the Committee's approval and either approve or disapprove of the entry into the Interested Transaction, subject to the exceptions described herein. If advance Committee approval of an Interested Transaction is not feasible, then the Interested Transaction shall be considered and, if the Committee determines it to be appropriate, ratified at the Committee's next regularly scheduled meeting.

In determining whether to approve or ratify an Interested Transaction, the Committee will **take** into account, among other factors it deems appropriate, whether the Interested Transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Person's interest in the transaction.

No director shall participate in any discussion or approval of an Interested Transaction for which he or she is a Related Person, except that the director shall provide all material information concerning the Interested Transaction to the Committee.

In connection with each regularly scheduled meeting of the Committee, a summary of each new Interested Transaction pre-approved or ratified in accordance with Sections 4 and 5(c) and (d) of this Policy shall be provided to the Committee for its review.

The Law Department shall maintain a list of Related Persons based on the information reported annually on the Proxy Statement Questionnaires for Directors and Executive Officers. Directors and executive officers shall notify the Law Department of any updates to the list of Related Persons, their employment and relationships with charitable organizations. The Law Department shall distribute this Policy and the list of Related Persons, and any updates thereto, to:

- Corporate Controller;
- Treasurer;
- Director of procurement/supply chain management
- Vice President, Human Resources; and
- Vice President, Corporate Contributions & Community Relations

Authority to Pre-approve and Ratify

The Board has delegated to the Chairman of the Committee or, in certain cases described below, the Lead Director the authority to pre-approve or ratify, as applicable, any Interested Transaction with a Related Person in which the aggregate amount involved is expected to be equal to or less than \$1,000,000. If Chairman of the Committee or his or her Immediate Family Member is the subject Related Person, such Interested Transaction may be pre-approved or ratified by the Lead Director.

In connection with each regularly scheduled meeting of the Committee, a summary of each new Interested Transaction pre-approved by the Chairman of the Committee or the Lead Director in accordance with this section shall be provided to the Committee for its review.

Standing Pre-Approval for Certain Interested Transactions

The Committee has reviewed the types of Interested Transactions described below and determined that each of these types of Interested Transactions shall be deemed to be pre-approved or ratified, as applicable, by the Committee, even if the aggregate amount involved will exceed \$120,000:

1. *Employment of executive officers.* Any employment by the Company of an executive officer of the Company if:
 - a. the related compensation is required to be reported in the Company's proxy statement under Item 402 of the Securities and Exchange Commission's (the "SEC") compensation disclosure

requirements (generally applicable to “named executive officers”); or

- b. the executive officer is not an immediate family member of another executive officer or director of the Company, the related compensation would be reported in the Company’s proxy statement under Item 402 of the SEC’s compensation disclosure requirements if the executive officer was a “named executive officer,” and the Compensation & Benefits Committee of the Board approved (or recommended that the Board approve) such compensation.
2. *Director compensation.* Any compensation paid to a member of the Board if the related compensation is required to be reported in the Company’s proxy statement under Item 402 of the SEC’s compensation disclosure requirements;
3. *Certain transactions with other companies.* Any transaction with another company at which a Related Person’s only relationship is as (i) an employee other than an executive officer, (ii) a beneficial owner of less than 10% of that company’s outstanding equity, or (iii) in the case of partnerships, a limited partner, if the aggregate amount involved does not exceed the greater of \$1,000,000 or 2 percent of that company’s total annual revenues;
4. *Certain Company charitable contributions.* Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university where a Related Person is an employee, if the aggregate amount involved does not exceed the lesser of \$500,000 or 2 percent of the charitable organization’s total annual receipts;
5. *Transactions where all shareholders receive proportional benefits.* Any transaction where the Related Person’s interest arises solely from the ownership of the Company’s common stock and all holders of the Company’s common stock received the same benefit on a pro rata basis (e.g., dividends).
6. *Transactions involving competitive bids.* Any transaction involving a Related Person where the rates or charges involved are determined by competitive bids.
7. *Regulated transactions.* Any transaction with a Related Person involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.
8. *Certain banking-related services.* Any transaction with a Related Person involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

Ongoing Transactions

If an Interested Transaction will be ongoing, the Committee may establish guidelines for the Company’s management to follow in its ongoing dealings with the Related Person. Thereafter, the Committee, on at least an annual basis, shall review and assess ongoing relationships with the Related Person to see that they are in compliance with the Committee’s guidelines and that the Interested Transaction remains appropriate.

¹ Whether the Related Person's interest in a transaction is material will depend on the particular facts and circumstances, including an analysis of whether a reasonable investor would consider the person's interest in the transaction important, together with all other available information, in deciding whether to buy, sell or hold the Company's securities. In administering this policy, the Committee may rely upon such determinations of materiality made by the Company's Law Department.