

## **CYRUSONE INC.**

### **Corporate Governance Guidelines**

**Revised April 28, 2017**

The Board of Directors (the “Board”) of CyrusOne Inc., a Maryland corporation (the “Company”), has adopted the following Corporate Governance Guidelines (the “Guidelines”) at the recommendation of the Nominating and Corporate Governance Committee of the Board to assist the Board in the exercise of its responsibilities. These Guidelines should be interpreted in the context of all applicable laws and the Company’s charter (the “Charter”), Bylaws (the “Bylaws”) and other corporate governance documents. These Guidelines acknowledge the leadership exercised by the Board’s standing committees and their respective chairs and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. The Guidelines are subject to modification from time to time by the Board.

#### **1. Board Composition**

##### **1.1 Separation of Positions of Chairman and CEO**

The Board’s general policy is that the positions of Chairman of the Board and Chief Executive Officer should be held by separate persons as an aid in the Board’s oversight of management.

##### **1.2 Lead Independent Director**

The Board shall appoint a Lead Independent Director (the “Lead Independent Director”). The Chairman of the Board may also serve as the Lead Independent Director, so long as the Chairman is an Independent Director (as defined below). The Lead Independent Director’s duties will include: reviewing Board meeting agendas in collaboration with the Chairman of the Board and recommending matters for the Board to consider and information to be provided to the Board; coordinating the activities of the Independent Directors and setting the agenda for and chairing sessions of the Board’s Independent Directors; serving as the principal liaison for consultation and communication between the Independent Directors and stockholders, which communication shall, in general, be facilitated through management; serving as principal liaison for employee reports of potential misconduct that by their nature cannot be brought to management; facilitating communications between the Independent Directors and the other members of the Board and management of the Company; and performing such other duties as the Board may from time to time delegate. In performing the duties described above, the Lead Independent Director is expected to consult with the chairs of the appropriate Board committees and solicit their participation in order to avoid diluting the authority or responsibility of such committee chairs.

### **1.3 Size of the Board**

The Board currently has eight members. The Charter provides that the number of Directors may be increased or decreased from time to time by the Board pursuant to the Bylaws, but shall never be less than the minimum number required by the Maryland General Corporation Law, and the Bylaws provide that the number of Directors shall never be more than 15. The Nominating and Corporate Governance Committee will periodically review the size of the Board, which may vary to meet the needs of the Company and the availability of suitable candidates.

### **1.4 Mix of Inside and Independent Directors**

In addition to having a majority of Independent Directors, the Board also believes that it is useful and appropriate to have the Company's Chief Executive Officer serve as a Director.

### **1.5 Board Membership Criteria**

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of individual Board members, as well as the composition of the Board as a whole. The Nominating and Corporate Governance Committee will review all nominees for Director in accordance with its charter and selection criteria and recommend to the Board those nominees whose attributes it believes would be most beneficial to the Company. This assessment will include such issues as experience, integrity, competence, diversity, sound business judgment and dedication in the context of the needs of the Board.

### **1.6 Annual Election of Board Members**

The entire Board will stand for election by the stockholders of the Company each year at the Company's annual meeting. Each year, at the annual meeting, the Board will nominate a slate of individuals for election as Directors by the stockholders. In accordance with the Charter and the Bylaws, the Board will also be responsible for filling vacancies on the Board that may occur between annual meetings of stockholders.

### **1.7 Majority Voting Resignation Policy**

As a condition to nomination, each nominee for election as a Director shall irrevocably agree to offer to resign if at a meeting of stockholders relating to the uncontested election of Directors at which a quorum is present, the Director receives a greater number of votes "withheld" than votes "for" such election. An "uncontested election" is an election in which the number of nominees does not exceed the number of Directors to be elected.

When a Director offers to resign pursuant to such irrevocable agreement, then the Nominating and Corporate Governance Committee shall consider the offer of resignation and shall make a recommendation to the Board concerning the acceptance or rejection of such resignation within 60 days following the certification of the stockholder vote. The Board will take formal action on the Nominating and Corporate Governance Committee's recommendation within 90 days following certification of the stockholder vote. Any Director who offers to resign shall not participate in the Nominating and Corporate Governance Committee's deliberations or recommendation, or in the Board's deliberations

and determination, regarding whether to accept his or her offer of resignation. Furthermore, a Director who offers to resign shall not participate in any Nominating and Corporate Governance Committee recommendation or Board action regarding whether to accept any other Director's resignation unless the number of participating Directors would be two or fewer with respect to a Nominating and Corporate Governance Committee recommendation or less than a quorum with respect to a Board action, in which case such Director may participate in any recommendation or action relating to resignations other than his or her own.

If the Board rejects an offer of resignation or fails to act within the required 90-day period, it shall promptly disclose the reason(s) for rejecting the offer of resignation or failing to act on the offer in a Form 8-K filed or furnished with the U.S. Securities and Exchange Commission (the "Commission"). If the Board accepts a Director's offer of resignation, such resignation shall be effective upon acceptance. An offer of resignation shall expire upon the earlier of (i) the Board's rejection of such offer or (ii) the 91st day following the certification of the relevant stockholder vote. If a Director's resignation is accepted by the Board pursuant to this policy, the Board may fill the resulting vacancy or decrease the size of the Board pursuant to the Bylaws.

The Company shall describe the foregoing procedures in any proxy statement that relates to an uncontested election of Directors so that the stockholders will be aware of the effect of a "withheld" vote.

## **1.8 Selection of New Director Candidates**

The Nominating and Corporate Governance Committee, with the input of the Chief Executive Officer, is responsible for recommending to the Board nominees to fill Board vacancies or newly created Board positions, as well as recommending the slate of individuals to be nominated for election at the Company's annual meeting of stockholders. The Nominating and Corporate Governance Committee will consider stockholder recommendations sent to the Chairman of the Board or the Corporate Secretary at the Company's principal executive office. The deadline for submission of stockholder recommendations is 120 calendar days prior to the first anniversary of the date the Company's proxy statement is released to stockholders in connection with the previous year's annual meeting.

## **2. Director Independence and Qualifications**

### **2.1 Independence**

The Board shall be comprised of a majority of Directors who meet the definition of "Independent Director" set forth in the listing rules of the NASDAQ Stock Market (the "NASDAQ Rules") and applicable regulations promulgated by the Commission, except during any period permitted under the NASDAQ Rules as a result of a vacancy on the Board or a Director ceasing to be independent due to circumstances beyond the control of the Company.

The Board will review annually the relationships that each Director has with the Company. Following such annual review, only those Directors who are not officers or employees of

the Company and who the Board affirmatively determines do not have a relationship that would interfere with the exercise of independent judgment in carrying out such Director's responsibilities will be considered Independent Directors, subject to additional qualifications prescribed under the NASDAQ Rules. The identity of the Independent Directors will be published in the Company's annual proxy statement or, if the Company does not file an annual proxy statement within 120 days after the end of the fiscal year covered by the Company's annual report on Form 10-K filed with the Commission, in the Company's annual report on Form 10-K.

In addition, all of the members of the Nominating and Corporate Governance Committee, Audit Committee and Compensation Committee shall be Independent Directors and shall satisfy any additional qualifications for independence required by law or the applicable committee's charter.

## **2.2 Qualifications**

The Company's Directors should be ethical individuals of proven judgment and competence with professional experience and skills that are complimentary to the needs of the Company. Directors should also have demonstrated the ability to exercise sound business judgment and independence and be willing to devote sufficient time to fulfill their responsibilities to the Company.

## **2.3 Service on Other Boards**

The Board does not believe that its members should be prohibited from serving on the boards of other companies, so long as those commitments do not create material actual or potential conflicts and do not interfere with each Director's ability to fulfill his or her duties as a member of the Company's Board; provided, however, the members of the Audit Committee shall not serve on more than two additional audit committees of other public companies. The Nominating and Corporate Governance Committee will take into account the nature and time involved in an individual's employment or other professional commitments, including service on other boards, in assessing Director nominees and candidates. Directors should advise the Chairman of the Board, the chair of the Nominating and Corporate Governance Committee and the Corporate Secretary in advance of accepting an invitation to serve on the board of another public company.

## **2.4 Term Limits**

As each Director is subject to election by stockholders on an annual basis, the Board does not believe it is in the best interests of the Company to establish term limits at this time. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they may cause the Company to lose the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company's business and therefore can provide an increasingly significant contribution to the Board.

## **2.5 Director Retirement Age**

No person shall be eligible for nomination for election as a Director if he or she will be 72 or older upon his or her election or re-election, unless the Board, upon the recommendation of the Nominating and Corporate Governance Committee, determines that it is in the best

interests of the Company to waive such limitation.

### **3. Director Responsibilities**

#### **3.1 Role of the Board**

The business and affairs of the Company will be managed under the direction of the Board, including through one or more of its committees as set forth in the Bylaws, committee charters or future delegations by the Board. Each Director is expected to spend the time and effort necessary to properly discharge his or her responsibilities.

#### **3.2 Preparation for and Attendance of Meetings**

Each Director is expected to regularly prepare for, attend and participate in all Board meetings, including all meetings of committees on which the Director serves. Each Director is expected to ensure that other existing and planned future commitments do not materially interfere with his or her service on the Company's Board. A Director who is unable to attend a meeting is expected to notify the Chairman of the Board or the chair of the appropriate committee in advance of such meeting, and, whenever possible, participate in such meeting via teleconference.

#### **3.3 Compliance with Code of Business Conduct and Ethics**

All Directors shall at all times exhibit the highest standards of integrity and ethical behavior and adhere to the Company's Code of Business Conduct and Ethics.

#### **3.4 Conflicts of Interest**

The Company has adopted a Code of Business Conduct and Ethics, which contains a conflicts of interest policy that governs actual and potential conflicts of interests between the Company and a Director, and Directors shall comply with each of the policies contained therein. A Director shall promptly notify the chair of the Audit Committee and the Company's General Counsel if any material, actual or potential conflict of interest arises between the Director and the Company that would interfere generally with such Director's service on the Board. If a Director is not able to resolve such a material conflict of interest, the Director, if requested by the Board, shall submit his or her resignation to the Board. If a Director has a personal interest in any matter before the Board, the Director shall disclose the interest to the Board and consider whether to excuse himself or herself from discussion or abstain from voting on the matter. The Audit Committee will consider, and the Board will resolve, any conflicts of interest or code of ethics questions concerning Directors or senior management.

#### **3.5 Corporate Opportunities**

The Company's Code of Business Conduct and Ethics prohibits Directors from taking advantage of an opportunity to engage in a business activity in which the Company has an actual interest or a reasonable expectation of an interest, including any activity that is discovered as a result of the use of Company information or property or in connection with a Director's service on the Board. In addition, Directors are prohibited from using Company information, property or their positions on the Board for personal gain.

### **3.6 Director Resignation Policy**

A management Director shall offer to resign from the Board upon his or her resignation, removal or retirement as an officer of the Company. A director who retires or experiences a material change in the principal position he or she held since most recently elected to the Board, or who ceases to be independent following a determination that he or she no longer meets the Company's definition of an independent director, must offer to resign from the Board effective as of the date of such change in position or status. The Nominating and Corporate Governance Committee will review the continued appropriateness of Board membership under the changed circumstances. The Nominating and Corporate Governance Committee will make a recommendation to the Board, and the Board will determine whether to accept or reject the resignation in light of the changed circumstances.

## **4. Board and Committee Meetings**

### **4.1 Regular Meetings**

The Board generally has four regularly scheduled meetings per year, on dates selected by the Chairman of the Board. Directors will be given as much advance notice of these meeting dates as is reasonably practicable.

### **4.2 Special Meetings**

Recognizing that situations arise requiring prompt Board action, Directors should also make themselves available for special meetings and promptly return documents requiring their signature. Directors shall receive prompt notification of special meetings.

### **4.3 Agenda**

The Chairman of the Board, in consultation with the Chief Executive Officer and other Board members, shall set the agenda for meetings of the Board. Similarly, the applicable chair of each Board committee, in consultation with other committee members and, in the discretion of the chair of the Board committee, the Chief Executive Officer, shall set the agenda for committee meetings. Directors and committee members may suggest agenda items and may raise other matters at meetings.

### **4.4 Executive Sessions**

The Independent Directors will meet in executive session at least twice per year, on a regularly-scheduled basis, at which sessions only Independent Directors are present. The Independent Directors will consider such matters as they may deem appropriate at such meetings. Formal deliberations or decisions concerning the business and affairs of the Company will occur only during regular or special meetings of the Board, and not at separate sessions of the Independent Directors, unless the Board specifically delegates the power to make any such decisions to the Independent Directors sitting as an *ad hoc* or standing committee of the Board.

### **4.5 Materials Distributed in Advance**

Information regarding the topics to be considered at a meeting is essential to a Director's understanding of the business and the preparation of a Director for a productive meeting.

To the extent feasible, the meeting agenda and any written materials relating to each Board meeting will be distributed to the Directors sufficiently in advance of each meeting to allow for meaningful review of such agenda and materials by the Directors. Sensitive or privileged subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting. Directors are expected to have reviewed and be prepared to discuss all materials distributed in advance of any meeting.

#### **4.6 Attendance of Non-Directors**

The Chairman of the Board or the chair of any committee may invite Company management and outside advisors or consultants from time to time into Board and/or committee meetings to (i) provide insight into items being discussed by the Board which involve the member of management, advisor or consultant and (ii) make presentations to the Board on matters which involve the member of management, advisor or consultant. Attendance of non-directors at Board meetings is at the discretion of the Board, except that only Independent Directors shall be present at executive sessions of the Independent Directors.

### **5. Board Committees**

#### **5.1 Standing Committees**

The Board has a Nominating and Corporate Governance Committee, an Audit Committee, a Compensation Committee and an Executive Committee. Each of the Nominating and Corporate Governance Committee, Audit Committee and Compensation Committee shall be composed of at least such number of Directors as may be required by, and who the Board has determined meet the definition of “Independent Director” under, the NASDAQ Rules and applicable rules and regulations of the Commission. Each of these four committees must have a written charter satisfying the NASDAQ Rules and the rules and regulations of the Commission, as applicable. The responsibilities of each such committee and any additional qualifications for the membership thereof shall be set out in the respective committee charter. A Director may serve on more than one committee for which he or she qualifies. Each committee shall operate in accordance with applicable law, its charter and the applicable rules of the Commission and the NASDAQ Stock Market.

#### **5.2 Other Committees**

The Board may also establish such other committees as it deems appropriate and delegate to those committees any authority permitted by applicable law and the Charter and Bylaws.

### **6. Access to Management and Independent Advisors / Interaction with Press**

#### **6.1 Access to Senior Management**

Each Director shall have complete access to the Company’s management team. The Company’s management team will make itself available to answer questions from the Directors and respond promptly with any appropriate follow up. Board members are encouraged to make arrangements to visit Company facilities and engage in ongoing dialogue with the Company’s management team. The Corporate Secretary shall, whenever requested, assist in arranging and facilitating such visits. Directors should exercise

judgment to ensure that their contact with management does not distract managers from their jobs or disturb the business operations of the Company. Such contact, if in writing, should be copied to the Chief Executive Officer of the Company.

## **6.2 Access to Independent Advisors**

The Board and any committee of the Board shall have the authority, as it deems appropriate, to retain and replace, as needed, any independent counsel, consultants and other outside experts or advisors as the Board or such committee believes to be desirable or appropriate. The Company shall provide for appropriate funding, as determined by the Board or such committee, for payment of compensation to any such persons employed by the Board or such committee and for ordinary administrative expenses of the Board or any committee that are necessary or appropriate in carrying out its duties. The Board and any committee may also utilize the services of the Company's regular legal counsel or other advisors to the Company.

## **6.3 Interaction with Investors, the Press and Customers**

Management speaks for the Company. Each Director should refer all inquiries from investors, the press or customers to management. Individual Directors may, from time to time at the request of management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board.

The Company provides an opportunity for stockholders and all other interested parties to communicate with members of the Board. Communications with the Independent Directors or the chairs of any of the committees of the Board may occur by regular mail or email. Communications sent by regular mail should be sent to the attention of the Independent Directors, the chair of the Audit Committee, the chair of the Compensation Committee, or the chair of the Nominating and Corporate Governance Committee, as the case may be, in each instance in care of the Secretary at the Company's principal executive office. Communications by e-mail should be sent to the email address listed in the Company's proxy statement or website. The Secretary shall review each communication received in accordance with this process to determine whether the communication requires immediate action. The Secretary shall forward all appropriate communications received, or a summary of such communications, to the appropriate member(s) of the Board. However, the Company reserves the right to disregard any communication that is determined to be unduly hostile, threatening or illegal, or does not reasonably relate to the Company or its business, or is similarly inappropriate. The Secretary has the authority to disregard any inappropriate communications or to take other appropriate actions with respect to any such inappropriate communications.

## **7. Director Orientation and Continuing Education**

### **7.1 Director Orientation**

The Chief Executive Officer, in conjunction with the Chairman of the Board and the Company's senior management team, are responsible for conducting appropriate orientation programs for new Directors. The orientation programs shall include



presentations designed to familiarize new Directors with the Company and its strategic plans, its significant financial, accounting and risk management issues, its Code of Business Conduct and Ethics, its compliance programs and other controls, its senior management team and its internal and independent auditors. The orientation programs shall also address procedures of the Board, Director responsibilities, committee charters and these Guidelines.

## **7.2 Continuing Education**

The Chief Executive Officer, in conjunction with the Chairman of the Board and the Company's senior management team, are responsible for conducting, or making available, Director continuing education programs designed to assist Directors in developing and maintaining the skills necessary or appropriate for the performance of their responsibilities. These continuing education programs may include a mix of in-house and third-party presentations, guest speakers, etc. The Company will bear all expenses associated with making appropriate continuing education opportunities available to Board members. In addition, the Company will reimburse each Director for the costs and expenses incurred to attend an outside director education program once every two years; provided that, to the extent possible, such costs and expenses should be equitably shared among any other public company boards that such Director serves on.

## **7.3 Annual Strategic Planning Session**

The Chief Executive Officer, in conjunction with the Chairman of the Board and the Company's senior management team, are responsible for facilitating an annual strategic planning session among the Board and the Company's senior management team. The strategic planning session should include presentations from senior management on the Company's short-term and long-term strategic initiatives.

# **8. CEO Evaluation and Succession Planning**

## **8.1 Annual Evaluation of CEO**

The Compensation Committee shall annually establish the performance criteria (including both short-term and long-term goals) to be considered in connection with the Chief Executive Officer's next annual performance evaluation. At the end of each year, the Chief Executive Officer shall make a presentation or furnish a written report to the Compensation Committee indicating his or her progress against such established performance criteria. Thereafter, the Compensation Committee shall meet to review the Chief Executive Officer's performance. The Chief Executive Officer may not be present during deliberations or voting concerning the Chief Executive Officer's compensation. The results of the review and evaluation shall be communicated to the Chief Executive Officer by the chair of the Compensation Committee.

## **8.2 CEO Succession Planning**

The Board will work on a periodic basis with the Chief Executive Officer to review, maintain and revise, if necessary, the Company's succession plan upon the Chief Executive Officer's retirement and in the event of an unexpected occurrence. The Chief Executive Officer shall report annually to the Board on succession planning for the Chief Executive

Officer and senior management positions, including a discussion of assessments, leadership development plans and other relevant factors. There should also be available to the Board, on a continuing basis, the Chief Executive Officer's recommendations regarding his or her successor should he or she become unexpectedly disabled or otherwise unable to continue to serve.

### **8.3 Management Succession Planning**

The Chief Executive Officer, in conjunction with the Company's senior management team, is responsible for taking all steps necessary to ensure that the Company at all times has a comprehensive, up-to-date succession planning process for management. The Chief Executive Officer will report annually to the Board on the succession planning process for management.

### **8.4 Management Development**

In addition to reviewing the Company's succession planning process for management on an annual basis, Directors are expected to make themselves available to assist in the ongoing professional development of the Company's senior management team. These management development initiatives will be coordinated and facilitated by the Chairman of the Board.

## **9. Director Compensation**

### **9.1 Director Compensation and Benefits**

The Compensation Committee will periodically review Director compensation and benefits, and make recommendations to the Board for its consideration. The Compensation Committee will base its recommendations regarding Director compensation and benefits on a review of comparable companies, alignment with the interests of stockholders and the advice of independent advisers. Directors who are employees of the Company or its subsidiaries will not receive compensation for their services as Directors.

### **9.2 Indemnification of Directors and Officers**

Directors and officers of the Company shall be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, and to receive the benefits of indemnification to the fullest extent permitted by law, the Charter, the Bylaws and any indemnification agreements entered into between the Company and any such Director or officer.

## **10. Communicating Concerns to the Board**

Anyone having a concern about the Company's conduct, or about the Company's accounting, internal accounting controls or auditing matters, may communicate that concern directly to the Audit Committee. Such communications may be confidential or anonymous, and may be reported via a special website for receiving such complaints or by calling a toll-free telephone number. The special website address and toll-free telephone number are published on the Company's website at [www.cyrusone.com](http://www.cyrusone.com).

## **11. Annual Performance Evaluation of the Board**

### **11.1 Annual Self-Evaluation of the Board**

Each year, the Board will conduct a self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee shall be responsible for overseeing the evaluation process and presenting an evaluation report to the Board. The Board will discuss the evaluation report to determine what, if any, action could improve Board and/or committee performance.

### **11.2 Annual Evaluation of Corporate Governance Guidelines**

The Board recognizes that these Corporate Governance Guidelines must continue to evolve to meet the changing needs of the Company and its stockholders. The Board, with the assistance of the Nominating and Corporate Governance Committee, will review these Corporate Governance Guidelines on an annual basis to determine whether any changes are necessary or desirable.

## **12. Stock Ownership**

The Company believes that Directors should be stockholders and have a financial stake in the Company. Each non-employee Director is required to own shares of the Company's common stock worth at least \$200,000. The Chief Executive Officer is required to own shares of the Company's common stock worth three times his or her base salary. Each of the Company's other Named Executive Officers (as defined in the Company's proxy statement from year to year) is required to own shares of the Company's common stock worth 1.5 times his or her base salary. All such individuals who are elected or appointed will have five years from the time they are elected or appointed to meet the minimum ownership requirements.

## **13. Clawback Policy**

In the event of a material restatement of the Company's financial results (other than a restatement caused by a change in applicable accounting rules or interpretations), the Compensation Committee shall review the performance-based compensation of the Company's Named Executive Officers for the three years prior to such material restatement. If the Compensation Committee determines that the amount of any performance-based compensation actually paid or awarded to a Named Executive Officer (the "Awarded Compensation") would have been lower if it had been calculated based on such restated financial statements (the "Actual Compensation") and that such executive officer engaged in actual fraud or willful unlawful misconduct that materially contributed to the need for the restatement, then the Compensation Committee may direct the Company to recoup the after-tax portion of the difference between the Awarded Compensation and the Actual Compensation.

In determining the after-tax portion of any compensation to be returned, the Compensation Committee shall take into account (a) any taxes paid by the executive on receipt of the compensation that is repaid and (b) its good-faith estimate of the value of any tax deduction available to the executive officer in respect of such repayment.

The Compensation Committee shall interpret and administer this policy in what it reasonably believes to be the best interests of the Company, based on the facts and circumstances deemed relevant by the Compensation Committee. The Compensation Committee shall not seek recovery to the extent it determines (i) that to do so would be unreasonable or (ii) that it would be in the best interests of the Company not to do so. In making such determination, the Compensation Committee shall take into account such considerations as it deems appropriate, including, without limitation, (i) the likelihood of success under governing law versus the cost and effort involved, (ii) whether the assertion of a claim may prejudice the interests of the Company, including in any related proceeding or investigation, (iii) the passage of time since the occurrence of the act in respect of the applicable fraud or willful unlawful misconduct and (iv) any pending legal proceeding relating to the applicable fraud or willful unlawful misconduct.

Before the Compensation Committee determines to seek recovery pursuant to this policy, it shall provide to the applicable executive officer written notice and the opportunity to be heard at a meeting of the Compensation Committee (which may be in-person or telephonic, as determined by the Compensation Committee). The Named Executive Officer shall have the right to appeal any adverse determination by the Compensation Committee to the Board (excluding any non-Independent Directors), whose determination shall be final and conclusive.

#### **14. Anti-Hedging Policy**

The Company considers it inappropriate for any Director, officer or employee to enter into speculative transactions in Company securities. Such transactions, while allowing the holder to own Company securities without the full risks and rewards of ownership, potentially separate the holder's interests from those of other Company stockholders. Therefore, the Company prohibits the purchase or sale of puts, calls, options or other derivative securities based on the Company's securities by Directors, officers or employees. This prohibition also includes hedging or monetization transactions, such as exchange funds or forward sale contracts, in which the stockholder continues to own the underlying Company security without all the risks or rewards of ownership.