

**PG&E CORPORATION**  
**BOARD OF DIRECTORS**  
**CORPORATE GOVERNANCE GUIDELINES**

May 20, 2021

**1. The Role of the Board of Directors of PG&E Corporation (the “Board of Directors” or the “Board”)**

The Board of Directors oversees and provides guidance on the business and affairs of PG&E Corporation (the “Corporation”). It monitors overall corporate performance, the integrity of the Corporation’s financial controls and the effectiveness of its safety, legal, compliance and ethics, and enterprise risk management programs. The Board oversees management and plans for the succession of key executives. More detailed oversight may be delegated to one or more committees of this Board. The Board functions as a collective unit to establish broad policies and to monitor the performance of the corporation and the Chief Executive Officer, to whom, together with senior management, the Board has delegated day-to-day business operations. The Board may generally oversee the business and affairs of its controlled subsidiaries in its role as a major shareholder, but does not act in the place of the board of such subsidiaries.

**2. Election of Directors**

Starting from June 22, 2020 until the annual meeting of shareholders to be held in 2024, the Board of Directors shall be split into two classes, and elected for one- or two-year terms, as specified in the Bylaws. Starting with the 2024 annual meeting of shareholders, (1) all members of the Board of Directors of the Corporation will be elected each year and serve one-year terms and (2) Directors will not be elected for multiple-year, staggered terms.

**3. Composition of the Board**

The Board’s membership is composed of qualified, dedicated, ethical, and highly regarded individuals who have experience relevant to the Corporation’s operations and understand the complexities of the Corporation’s business environment. The Board seeks to include a diversity of backgrounds, perspectives, and skills among its members. No member of the Board of Directors may be an employee of NYSE American LLC or a floor member of that exchange.

#### **4. Independence of Directors**

All members of the Board have a fiduciary responsibility to represent the best interests of the Corporation and all of its shareholders.

The Board will be composed entirely of independent directors as defined in the New York Stock Exchange (“NYSE”) corporate governance requirements, with the exception of the Chief Executive Officer (“CEO”) of the Corporation, to the extent such CEO also serves on the Board. The Board must affirmatively determine whether a director is independent, and may develop categorical standards to assist the Board in determining whether a director has a material relationship with the Corporation, and thus is not independent. Such standards are set forth in Exhibit A to these Corporate Governance Guidelines. To be “independent,” a director also must otherwise meet the definition of “independence” set forth in applicable stock exchange rules.

#### **5. Selection of Directors**

The Board nominates directors for election at the annual meeting of shareholders and selects directors to fill vacancies which occur between annual meetings. In undertaking such action, the Board will consider the requirement that, to the extent permissible by law, both the Corporation and the Pacific Gas and Electric Company boards of directors must have the same members, with the exception of the Pacific Gas and Electric Company CEO (who may be a member of the Pacific Gas and Electric Company board of directors only). The Sustainability and Governance Committee, in consultation with the Chair of the Board and the CEO (if the Chair is not the CEO), reviews the qualifications of the Board candidates and presents recommendations to the full Board for action.

The Sustainability and Governance Committee will select potential director nominees from a list of candidates generated by an independent search firm or from shareholders, and who meet the skills matrix (described in section 7, below) and are otherwise qualified to serve on the Board.

In assessing candidates, the Sustainability and Governance Committee also considers diversity, age, skills, applicable legal requirements (including applicable state laws related to diversity), residency, and such other factors as it deems appropriate given the current needs of the Board and the Corporation.

## **6. Expectations for Directors**

The Board of Directors is a vehicle for corporate policy-making, monitoring, and consultation. It functions as a collective whole rather than through the unilateral actions of individual directors who, as such, have no authority to represent or commit the Board or the Corporation.

Although the Board functions as a unit, Board effectiveness is determined by the character, integrity, judgment, knowledge, experience, efforts, and contributions of the individual directors, each fulfilling duties of loyalty and care and working constructively with fellow directors and management. The Board expects that each director will:

- Exercise diligent and constructive oversight over the Corporation’s business and affairs.
- Maintain an attitude of constructive skepticism, ask relevant, incisive, probing questions, and engage in direct and forthright discussions with the Board and management.
- Develop and maintain a broad understanding of the Corporation’s business and risk profile, its strategic, financial and operating opportunities and plans, and its internal control systems and disclosure controls and procedures, including environmental, and health and safety systems and procedures.
- Understand and respect the roles of the Board and the roles and responsibilities of management, and observe the confidentiality of Board deliberations, corporate plans, and information
- Balance prompt action with thorough deliberations, prioritize matters requiring attention, gather sufficient information, engage in open discussion, invite differing views (consistent with support of a “speak up” culture), evaluate the benefits and risks of various courses of action, and support the acceptance of prudent business risks to permit informed and timely decision making.

## **7. Characteristics of Directors**

The Sustainability and Governance Committee annually reviews with the Board, and submits for Board approval, the appropriate skills and characteristics required of Board members in the context of the current composition of the Board. This list of skills and

characteristics (the skills matrix) shall include the matters specified in the California Public Utilities Commission's ("CPUC") June 1, 2020 decision approving the Plan of Reorganization of the Corporation and Pacific Gas and Electric Company. Any changes to the skills matrix shall be reported to the CPUC.

In addition to the skills matrix, candidates for the Board should be evaluated on the following criteria: (1) the character of the candidates and their fit with the Board culture such as self-awareness, integrity, ethical standards, judgment, interpersonal skills and relations, communication skills, and ability to work collaboratively with others; (2) possible limitations on serial or "professional" directors, including a restriction on directors that have substantial relationships with investment funds and investors in the Corporation or Pacific Gas and Electric Company; and (3) important public policy objectives such as diversity, representation from regions Pacific Gas and Electric Company serves, and commitment to California's climate change goals. These three criteria are to be used in evaluating candidates, but shall not be rigid prerequisites to a Board appointment.

In general, the Sustainability and Governance Committee will recommend, and the Board of Directors will re-nominate, an existing director for re-election to the Board of Directors if, among other things, (1) the Committee and Board each believe that the individual would continue to be a productive and effective contributor to the Board, and that his or her continued service would serve the best interests of the Corporation, (2) he or she has not violated any Board policy relating to the confidentiality of information, and (3) during the prior fiscal year the individual director has attended at least 75 percent of the aggregate of the total number of regular meetings of the Board and each Board committee on which the director served, consistent with proxy disclosure thresholds for board and committee meeting attendance.

## **8. Selection of the Chair of the Board and the Chief Executive Officer**

The Chair of the Board and the CEO are elected by the Board.

Based on the circumstances existing at a time that there is a vacancy in the office of either the Chair of the Board or the CEO, the Board will consider whether the role of CEO should be separate from that of Chair of the Board, and, if the roles are separate whether the Chair should be selected from the independent directors or should be an employee of the Corporation.

At least annually, the Board will reassess the appropriateness of the Board leadership structure, based on the specific circumstances and characteristics of the Corporation at that time, including a review of whether the positions of Chair and CEO should be separated.

**9. Assessing the Board's and Committees' Performance**

The Sustainability and Governance Committee oversees the process for evaluating and assessing the performance of the Board, including Board committees, and periodically reviews the process for conducting such evaluations, including considering whether such evaluations should be assisted by third parties. The Board or the Sustainability and Governance Committee conduct an evaluation at least annually to determine whether the Board and its committees are functioning effectively. If the evaluation is conducted by the Sustainability and Governance Committee, that Committee presents its conclusions to the full Board for review and concurrence. The Board evaluation includes an assessment of the Board's contribution as a whole and specific areas in which the Board and/or management believes a better contribution could be made. The evaluation also considers any feedback that might be received from individual directors regarding the performance of the lead director. The purpose of the review is to increase the effectiveness of the Board as a whole. All of the standing Board committees, with the exception of the Executive Committee, conduct annual evaluations. The Sustainability and Governance Committee may request the results of any Board committee evaluation for consideration in the Board evaluation.

**10. Size of the Board**

As provided in paragraph I of Article Third of the Corporation's Articles of Incorporation, the Board is composed of no fewer than 12 and no more than 15 members. The exact number of directors is determined by the Board based on its current composition and requirements.

**11. Advisory Directors**

The Board may designate future directors as advisory directors in advance of their formal election to the Board. Advisory directors attend Board and committee meetings, and receive the same compensation as regular directors. They do not, however, vote on matters before the Board. In this manner, they become familiar with the Corporation's business before assuming the responsibility of serving as a regular director.

## **12. Directors Who Change Responsibilities**

Directors shall offer their resignations when they change employment or the major responsibilities they held when they joined the Board. This does not mean that such directors should leave the Board. However, the Board, via the Sustainability and Governance Committee, should have the opportunity to review the appropriateness of such directors' nomination for re-election to the Board under these circumstances.

Directors who are officers of the Corporation also shall offer their resignations upon retirement or other termination of active employment with the Corporation.

## **13. Policy on Public Company Board Service**

Directors who are considering service on the board of a public company other than the Corporation or one of its subsidiaries must notify the Chair of the Sustainability and Governance Committee and the Chair of the Board before accepting membership on any such board.

Unless otherwise approved by the Corporation's Board of Directors, (1) a director may not serve on more than three public company boards in addition to the boards of the Corporation and its subsidiaries, and (2) a director who is the principal executive officer of a public company (including the Corporation and Pacific Gas and Electric Company) may not serve on more than two public company boards in addition to the board of his or her employer.

For purposes of this policy, the Board and the boards of directors of the Corporation's subsidiaries (including Pacific Gas and Electric Company) are considered one board.

## **14. Board of Directors Retirement Policy**

The Board may not designate any person as a candidate for election or re-election as a director after such person has reached the age of 75, unless the Sustainability and Governance Committee and the Board determine that it is in the best interest of the Corporation to do so. The Board retains the authority to not re-nominate a director who is younger than age 75. The Board generally targets an average tenure for all directors of 10 years or less.

## **15. Compensation of Directors**

The Board sets the level of compensation for directors, based on the recommendation of the People and Compensation Committee, and taking into account the impact of compensation on director independence. Directors who are also current employees of the Corporation receive no additional compensation for service as directors.

The People and Compensation Committee reviews periodically the amount and form of compensation paid to directors, taking into account the compensation paid to directors of other comparable U.S. companies. The People and Compensation Committee conducts its review with the assistance of outside experts in the field of executive compensation.

## **16. Director Stock Ownership Guidelines**

In order to more closely align the interests of directors and the Corporation's shareholders, directors are encouraged to own a significant equity interest in the Corporation within a reasonable time after election to the Board. A director should own shares of the Corporation's common stock having a dollar value of at least five times the value of the then-applicable annual retainer paid for service on the Board. Ownership will be measured annually as of December 31 of each calendar year, based on the average closing price of a share of Corporation common stock as traded on the NYSE for the last 30 trading days of the year. A director should achieve this ownership target within five years from the date of his or her election to the Board. For purposes of calculating a director's level of share ownership, the following are included: (1) shares of Corporation common stock beneficially owned by the director (as determined in accordance with the rules of the Securities and Exchange Commission (the "SEC")), and (2) Corporation restricted stock units and common stock equivalents held by the director.

## **17. Meetings of the Board**

As provided in Article II, Section 4 of the Corporation's Bylaws, the Board meets regularly on previously determined dates. Board meetings shall be held at least quarterly. As provided in Article II, Section 5 of the Bylaws, the Chair of the Board, the CEO, the President, the Chair of the Executive Committee, or any five directors may call a special meeting of the Board at any time.

Each Board member is expected to regularly attend Board meetings and meetings of the committees on which the director serves. Board members may attend such meetings either

in person or by telephone or other similar communication equipment, and are encouraged to attend regularly scheduled meetings in person where feasible.

Each Board member is expected to attend annual meetings of the Corporation's shareholders. Pursuant to proxy disclosure rules, the Corporation's annual proxy statement identifies each director who during the last fiscal year attended fewer than 75 percent of the aggregate of the total number of meetings of the Board and each Board committee on which the director served.

Board members are encouraged to visit the Corporation's facilities and to attend meetings with employees or other constituents, and will be given an opportunity to do so at least annually.

#### **18. Lead Director**

If the Chair of the Board is not an independent director, then an independent lead director shall be elected from among the independent chairs of the standing Board committees, and shall be elected by the independent directors based upon the recommendation of the Sustainability and Governance Committee. The independent lead director must have at least one year of experience as a director of the Corporation, shall be elected every three years, and shall serve a three-year term (except where such lead director is elected to serve on an interim basis) provided that such lead director continues to be re-elected to the Board during that term. Any independent lead director may serve consecutive terms. The independent lead director shall:

- Provide advice to the Chair of the Board and the CEO (if the Chair is not the CEO);
- Serve as principal liaison between the Chair of the Board and the independent directors;
- Preside at all meetings at which the Chair is not present, including executive sessions;
- Consult with the Chair of the Board and the CEO (if the Chair is not the CEO) to review and approve the meeting agendas and schedules for the Board and Board committees, providing input on the scope of the agenda items to be discussed and assuring that there is sufficient time for discussion of all agenda items;
- Generally approve information sent to the Board;

- Have authority to call special meetings of the Board or meetings of the independent directors; and
- Be available for consultation and direct communication with the Corporation's major shareholders.

## **19. Meetings of Independent Directors**

The independent directors meet at each regularly scheduled Board meeting in executive session. These executive session meetings are chaired by the lead director or the independent Chair of the Board. Following each such meeting, the lead director or the independent Chair of the Board, or one or more other independent directors designated by the lead director or the independent Chair of the Board, has a discussion with the Chair of the Board (if the Chair is not an independent director) and the CEO (if the Chair is not the CEO) regarding the executive session meeting.

The lead director or the independent Chair of the Board establishes the agenda for each executive session meeting of independent directors, and also determines which, if any, other individuals, including members of management and independent advisors, should attend each such meeting.

## **20. Board Agenda Items**

The Chair of the Board establishes the agenda for each meeting, in consultation with the independent lead director (if the Chair is not independent) and the CEO (if the Chair is not the CEO).

Board members are encouraged to suggest the inclusion of items on the agenda.

## **21. Board Materials and Presentations**

A meeting agenda is provided in advance of each regularly scheduled Board meeting, together with written materials on matters to be presented for consideration. Directors are expected to review such written materials prior to the meeting. As a general rule, written materials are provided in advance on all matters requiring Board action. Written materials are concise summaries of the relevant information, designed to provide a foundation for the Board's discussion of key issues and make the most efficient use of the Board's meeting time. Directors may request from the Chair of the Board and the CEO (if the Chair is not the CEO) any additional information they believe to be necessary to perform their duties.

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

Members of management, as designated by the Chair of the Board and the CEO (if the Chair is not the CEO), attend each meeting of the Board. Officers and other employees of the Corporation and Pacific Gas and Electric Company who are knowledgeable about Board meeting materials and can contribute to Board discussions are encouraged to attend Board meetings from time to time as appropriate.

## **23. Board Committees**

The Board establishes committees to assist the Board in overseeing the affairs of the Corporation.

Currently, there are six standing committees. The Executive Committee exercises all powers of the Board (subject to the provisions of law and limits imposed by the Board) and meets only at such times as it is infeasible to convene a meeting of the full Board. The Audit Committee, the People and Compensation Committee, the Finance and Innovation Committee, the Safety and Nuclear Oversight Committee, and the Sustainability and Governance Committee are each responsible for defined areas delegated by the Board.

The Board may establish other committees or dissolve committees from time to time, as it deems appropriate, and in conformance with applicable laws and regulations.

## **24. Membership of Board Committees**

All permanent standing Board committees, other than the Executive Committee, are chaired by independent directors. Each such independent committee chair shall be appointed to serve a three-year term (except where such committee chair is elected to serve on an interim basis), provided that such committee chair continues to be re-elected to the Board during that term. Any such committee chair may serve consecutive terms. Each independent committee chair approves the agendas and schedules for meetings of the respective committee, and approves information sent to the committee members. Each independent committee chair has authority to call special meetings of the respective committee.

The Audit Committee, the People and Compensation Committee, the Finance and Innovation Committee, the Safety and Nuclear Oversight Committee, and the Sustainability and Governance Committee are composed entirely of independent directors, as defined in Section 4 of these guidelines.

Members of the Audit Committee and members of the People and Compensation Committee also must satisfy the independence and qualification requirements for the audit and compensation committees established by the SEC and any stock exchange on which securities of the Corporation or Pacific Gas and Electric Company are listed. If an Audit Committee member simultaneously serves on the audit committees of three or more public companies other than the Corporation and its subsidiaries, that Committee member must inform the Corporation's Board of Directors and, in order for that member to continue serving on the Corporation's Audit Committee, the Board of Directors must affirmatively determine that such simultaneous service does not impair the ability of that member to serve effectively on the Corporation's Audit Committee.

Members of the Safety and Nuclear Oversight Committee shall satisfy at least one of the following additional "safety expertise" criteria: (1) specific substantial expertise related to wildfire safety, wildfire prevention, and/or wildfire mitigation; (2) specific substantial expertise related to the safe operation of a natural gas distribution company; or (3) specific substantial expertise related to enterprise risk management, including cyber security, and/or experience with nuclear safety.

**25. Appointment of Committee Members**

The composition of each committee is determined by the Board of Directors.

The Sustainability and Governance Committee, after consultation with the Chair of the Board and the CEO (if the Chair is not the CEO) and with consideration of the wishes of the individual directors, recommends to the full Board the chairmanship and membership of each committee. Committee chairmanship and membership assignments are rotated from time to time, although not necessarily within any specified timeframe.

**26. Committee Agenda Items**

The chair of each committee, in consultation with the appropriate members of management, establishes the agenda for each meeting.

At the beginning of the year, each committee issues a work plan of subjects to be discussed during the year, to the extent such subjects can be foreseen. Copies of these annual work plans are provided to all directors.

**27. Committee Materials and Presentations**

The agenda for each committee meeting is provided in advance of the meeting, together with written materials on matters to be presented for consideration, for the committee members' review prior to the meeting. As a general rule, written materials are provided in advance on all matters to be presented for committee action. Directors are expected to review such written materials prior to the meeting.

**28. Attendance at Committee Meetings**

The chair of each committee, after consultation with the Chair of the Board and the CEO (if the Chair is not the CEO), determines the appropriate members of management to attend each meeting of the committee. Officers and other employees of the Corporation and Pacific Gas and Electric Company who are knowledgeable about committee meeting materials and can contribute to committee discussions are encouraged to attend committee meetings from time to time as appropriate.

Any director or advisory director is welcome to attend any meeting of any committee with the concurrence of the committee chair.

**29. Formal Evaluation of the Chief Executive Officer**

The People and Compensation Committee shall oversee the process for the annual evaluation of the Chief Executive Officer (CEO). Such evaluation shall be based on the CEO's goals and objectives relevant to compensation as reviewed and approved by the Committee and the Board of Directors, which may include, for example, board relations/communications, performance of the business, accomplishment of long-term strategic objectives, and development of management.

The results of the review and evaluation are communicated to the CEO by the Corporation Board chair in collaboration with the People and Compensation Committee chair, and are considered by the People and Compensation Committee and the Board when determining the compensation of the CEO.

**30. Management Development and Succession Planning**

At least annually, the Board reviews a succession plan for the CEO position. The plan addresses CEO succession both in the ordinary course of business and on an emergency basis. The Board develops a profile of appropriate responsibilities, attributes, and requirements

for the position of CEO, which reflects the Corporation's and Pacific Gas and Electric Company's business functions, vision, and strategy. Candidates for CEO successor may be identified internally within the Corporation and its subsidiaries in consultation with the People and Compensation Committee and the CEO, as well as externally through various sources, including third-party consultants. The succession planning process also addresses the continuing development of appropriate leadership skills for internal candidates for CEO, as well as candidates for other leadership positions within the Corporation.

**31. Communications with External Entities**

The CEO and the members of management to whom he or she delegates authority are responsible for all communications with interested parties pertaining to the Corporation's day-to-day business affairs, including operations, financial performance, and execution of strategy, among other business matters. Interested parties may include the financial community, the media, and other external entities. Directors refer any such inquiries to the CEO or the Corporate Secretary, as appropriate for handling.

**32. Access to Independent Advisors**

The Board of Directors and its committees have the right to retain independent outside financial, legal, or other advisors, as necessary and appropriate, in their discretion and without consulting or obtaining the approval of any officer of the Corporation in advance. The Corporation shall bear the costs of retaining such advisors. Management of the Corporation shall cooperate with any such engagement and shall ensure that the Corporation provides appropriate funding.

**33. Director Orientation and Continuing Education**

The Corporation provides information to new directors on subjects that would assist them in discharging their duties, and periodically provides briefing sessions or materials for all directors on such subjects.

The Corporation also provides each director with information regarding opportunities for continuing education. The Corporation encourages each director to stay current on important developments pertaining to such director's function and duties to the Corporation by attending such programs as appropriate or otherwise.

#### **34. Communications with Interested Parties (Including Shareholders)**

The Board is committed to open communications with interested parties such as employees and shareholders, consistent with Section 31 of these Guidelines and in accordance with any legal requirements.

The lead director or the independent Chair of the Board shall be responsible for responding to written communications from interested parties (including the Corporation's shareholders) directed to the Board. The Corporate Secretary shall receive such communications and forward to the lead director or the independent Chair of the Board any communications addressed to the Board of Directors as a body or to all of the independent or non-management directors in their entirety, as the Corporate Secretary, in his or her discretion, determines is appropriate. The Corporate Secretary also shall receive communications directed to individual directors and forward those as appropriate. If requested by major shareholders, the lead director or the independent Chair of the Board shall be available for consultation and direct communication with such major shareholders.

To promote the exchange of ideas regarding ongoing enhancement of the Corporation's corporate governance practices, the Corporation also shall provide its 10 largest shareholders with opportunities for regular dialogue with the Corporation regarding corporate governance issues through in-person or telephonic meetings. Such opportunities shall be provided at least annually, and such meetings shall be hosted, when possible, by the Chair of the Board or the lead director, with members of senior management present to provide input.

#### **35. Legal Compliance and Business Ethics**

The Board of Directors is responsible for exercising reasonable oversight with respect to the implementation and effectiveness of the Corporation's legal compliance and ethics program. In that role, the Board of Directors shall be knowledgeable about the content and operation of the Corporation's compliance and ethics program, but may delegate more detailed oversight to one or more committees of the Board of Directors, including the Audit Committee.

#### **36. Rights of the Board**

Directors have certain rights intended to enable them to fulfill their responsibilities more effectively, including the following:

Directors have full and free access to officers and employees of the Corporation. The directors shall use their judgment to ensure that any such contact is not disruptive to the

business operations of the Corporation and shall, to the extent appropriate, inform the Chair and the Chief Executive Officer of any significant communication between a director and an officer or employee of the Corporation.

**37. Periodic Review of these Guidelines**

These Corporate Governance Guidelines shall be reviewed annually by the Sustainability and Governance Committee.

## EXHIBIT A TO PG&E CORPORATION CORPORATE GOVERNANCE GUIDELINES

### CATEGORICAL STANDARDS FOR IDENTIFYING “MATERIAL” RELATIONSHIPS THAT MAY AFFECT DIRECTOR INDEPENDENCE

Adopted: December 17, 2003

Amended as of February 18, 2004, December 15, 2004, December 20, 2006,  
December 17, 2008, and April 21, 2011, February 18, 2015, and April 5, 2019

The following categories of relationships between a director and the Corporation shall be considered “material.” The existence of a “material” relationship provides a rebuttable presumption that the affected director is not “independent,” absent a specific determination by the Board of Directors to the contrary.

A director has a “material” relationship with the Corporation in the following circumstances:

#### EMPLOYMENT

- If a director is a current or former Section 16 Officer of the Corporation, or within the last five years was an employee of the Corporation. Service as an interim Chair of the Board, Chief Executive Officer, President, or other Section 16 Officer shall not disqualify a director from being considered independent following such service, so long as the duration of the interim service is less than one year.
- If a member of the director’s immediate family is or was employed as a Section 16 Officer of the Corporation, unless such employment ended more than three years ago.

#### DIRECT COMPENSATION FROM THE CORPORATION

- If a director or his or her immediate family member receives, or during the past three years received, more than \$120,000 per year or rolling 12-month period in direct compensation from the Corporation. “Direct compensation” does not include director and 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) or compensation received by a director’s immediate family member for service as an employee (unless the immediate family member received compensation for services as a Section 16 Officer, in which case the director has a material relationship with the Corporation). Compensation paid for service as an interim Chair of the Board, Chief

Executive Officer, President, or other Section 16 Officer shall not disqualify a director from being considered independent following such service, so long as the duration of the interim service is less than one year. For these purposes, payments made to an entity that is wholly owned by a director or his or her immediate family member will be considered direct compensation to that owner.

#### INTERNAL OR EXTERNAL AUDITORS

- If a director is, or during the past three years was, affiliated with, or employed by, a firm that serves or served during the past three years as the Corporation's internal or external auditor.
- If a director's immediate family member (1) is a current partner of the Corporation's internal or external auditor, (2) is a current employee of such a firm and personally works on the Corporation's audit, or (3) was within the last three years a partner or employee of such a firm and personally worked on the Corporation's audit within that time.

#### DIRECTOR INTERLOCK

- If a director is, or during the past three years was, employed as a Section 16 Officer of another company on whose board of directors any present Section 16 Officer of the Corporation concurrently serves, or served during the past three years, as a member.
- If a director's immediate family member is, or during the past three years was, employed as a Section 16 Officer by another company where any of the Corporation's present Section 16 Officers concurrently serves, or served during the past three years, on that company's compensation committee.

#### BUSINESS RELATIONSHIPS

- If a director is a current employee, or his or her immediate family member is a current Section 16 Officer of a company (which does not include tax-exempt entities) that has made payments to, or has received payments from, the Corporation for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of \$1 million or 2 percent of such other company's consolidated gross revenues. The director is not "independent" until three years after falling below such threshold. (Both the payments and the consolidated gross revenues to be measured shall be those reported

in the last completed fiscal year. The look-back provision for this test applies solely to the financial relationship between the Corporation and the director's or immediate family member's current employer; the Corporation need not consider former employment of the director or immediate family member.)

#### CHARITABLE RELATIONSHIPS

- If the director currently is an executive officer of a tax-exempt organization that received contributions (excluding payments arising from non-discretionary corporate matching contributions) from the Corporation or its affiliates exceeding the greater of \$1 million or 2 percent of the recipient's consolidated gross revenues during any of the preceding three years.

#### NOTES:

- "Immediate family member" includes a person's 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 such person's home, or is financially dependent on such person.
- "Corporation" includes any consolidated subsidiaries or parent companies.
- "Section 16 Officer" means "officer" as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, and includes the president, the principal financial officer, the principal accounting officer, any vice president in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policymaking function, or any other person who performs similar policymaking functions for that company.