

# BRUNSWICK

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## **Brunswick Corporation**

Principles and Practices of the Board of Directors

**Adopted by the Board of Directors**

**July 30, 2002**

**As Amended by the Board of Directors through**

**May 5, 2021**

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## **OVERVIEW**

These Principles and Practices (the “Principles”) have been adopted by the Board of Directors (the “Board”) of Brunswick Corporation (the “Corporation”), to assist it in the performance of its duties and the exercise of its responsibilities. The Principles reflect the Board’s current thinking with respect to corporate governance issues.

The Board believes that good corporate governance is a source of competitive advantage for the Corporation. Management drives superior performance, but good corporate governance brings the skills, experience and judgment of the Board to bear on the Corporation’s executive management team (“Management”), enabling Management to improve the Corporation’s performance and maximize stockholder value.

The Principles are guidelines. The Principles are neither intended to be, nor are they, rigid rules that govern the Board’s activities. The Principles do not, and are not intended to, modify or constitute an interpretation of the Delaware General Corporation Law, the Corporation’s Restated Certificate of Incorporation (“Certificate of Incorporation”) or Amended and Restated By-Laws (“the By-Laws”), or any Federal, state or local law or regulation. The Board may modify the Principles from time to time.

## **BOARD ROLES AND RESPONSIBILITIES**

### **Board Objective**

The Board’s objective is to oversee and direct Management in building long-term value for the stockholders of the Corporation (“the Stockholders”). The Board recognizes that, in order to achieve this goal, it must be sensitive to the interests of the Corporation’s employees, customers, suppliers, creditors and the communities in which the Corporation operates.

### **Board Responsibilities**

The Board is elected by and accountable to the Stockholders and is responsible for the strategic direction and control of the Corporation. In carrying out its responsibilities, the Board will exercise sound, informed and independent business judgment. The Board recognizes that to do so requires individual preparation by each Director and group deliberation by the Board. The Board’s responsibilities include both decision-making and oversight. Among other things, the Board’s decision-making responsibilities include: (a) review and approval of the Corporation’s mission, strategies, objectives and policies, as developed by Management; (b) the selection and evaluation of the Corporation’s Chief Executive Officer (“CEO”); (c) the determination of the terms of the CEO’s

employment, including his or her compensation package; and (d) the approval of material investments or divestitures, strategic transactions and any other significant transactions that are not in the ordinary course of the Corporation's business or affect the long-term capital structure of the Corporation. Among other things, the Board's oversight responsibilities include monitoring: (a) the Corporation's compliance with legal requirements and ethical standards; (b) the performance of the Corporation (in relation to its mission, strategies, financial and non-financial objectives and competitors); (c) the Corporation's success in developing leaders and ensuring a strong management team with sound succession plans; (d) the performance and effectiveness of the CEO and Management; and (e) the integrity of the Corporation's financial statements, reporting processes and internal controls. In addition, as appropriate, the Board should offer the CEO and Management constructive advice and counsel. All major decisions should be considered by the full Board. The Board, at its sole discretion and at the Corporation's expense, may obtain advice and assistance from independent legal, financial, accounting and other advisors.

### **Expectations of Individual Directors**

Among other things, the Board expects each Director to: (a) understand the Corporation's businesses and the marketplaces in which they operate; (b) regularly attend meetings of the Board and of the Committee(s) on which he or she serves; (c) review and understand the materials provided in advance of meetings and any other materials provided to the Board from time to time; (d) monitor and keep abreast of general economic, business and management news and trends, as well as developments in the Corporation's competitive environment and the Corporation's performance with respect to that environment; (e) actively, objectively and constructively participate in meetings and the strategic decision-making processes; (f) share his or her perspective, background, experience, knowledge and insights as they relate to the matters before the Board and its Committees; (g) be reasonably available when requested to advise the CEO and Management on specific issues not requiring the attention of the full Board but where an individual Director's insights might be helpful to the CEO or Management; and (h) participate in the Corporation's ethics program and abide by the terms of the Brunswick "Code of Conduct."

### **Board's Expectations of Management**

Among other things, the Board expects Management to: (a) provide strong, informed and ethical leadership; (b) develop strategies that build businesses with strong, sustainable marketplace positions, build Stockholder value over the long term, and provide timely and appropriate reporting of those strategies and business operations to the Board; (c) develop appropriate strategic, operating and financial plans; (d) maintain effective control of operations and report regularly on its programs to ensure compliance with high ethical standards, as well as with legal, regulatory and other requirements; (e) measure and report performance against peer enterprises; (f) provide sound

succession planning and management development; (g) maintain a sound organizational structure; (h) inform the Board regularly of the status of key initiatives and changes in the Corporation's performance or the environment in which it operates; (i) timely address and resolve issues discussed at Board and Board Committee meetings; and (j) acting through the CEO, inform the Board of material developments on a timely basis, including periodic notification in between regularly scheduled Board meetings.

## **BOARD SELECTION AND COMPOSITION**

### **Board Independence**

The Board believes that independent Directors should constitute a substantial majority of the Board. A Director shall be considered independent for these purposes (an "Independent Director") if he or she satisfies the general director independence standards established by the New York Stock Exchange (the "NYSE Standards"). For reference, the current NYSE Standards are attached as Exhibit E. No more than two members of Management may serve on the Board at the same time.

### **Number of Directors**

The Board should have a sufficient number of Directors to reflect a substantial diversity of perspectives, backgrounds and experiences, but not so many Directors that the size of the Board hinders effective discussion or diminishes individual accountability. Given the current size and complexity of the Corporation's businesses, the Board believes that its normal size should be in the range of 9 to 12 Independent Directors. A larger number of Directors may be appropriate on an interim basis or temporarily to provide continuity when retirements are pending. From time to time, the Board will evaluate its size in light of changes in the size and complexity of the Corporation's businesses and may change the specific number of Directors constituting the Board by resolution.

### **Nomination and Selection of Directors**

The Board is responsible for nominating individuals for election to the Board by the Stockholders and for filling vacancies on the Board that may occur between annual meetings of the Stockholders. The Nominating and Corporate Governance Committee, in consultation with the Board Chair, is responsible for identifying, screening, personally interviewing and recommending candidates to the Board. The Board will nominate candidates for Director based on the candidates' integrity, experience, achievements, judgment, intelligence, personal character, ability to make independent analytical inquiries, willingness to devote adequate time to Board duties and the likelihood that they will be willing and able to serve on the Board for a sustained period. Due consideration will be given to the Board's overall balance of diversity of perspectives, backgrounds and experiences. The

Nominating and Corporate Governance Committee will consider suggestions offered by other Directors or any Stockholder with respect to potential Directors. Any recommendation submitted by a Stockholder must include the name of the candidate, a description of his or her educational and professional background, contact information for the candidate and a brief explanation of why the Stockholder feels the candidate is suitable for election. The Nominating and Corporate Governance Committee will apply the same standards in considering Director candidates recommended by Stockholders as it applies to other candidates. In accordance with the Corporation's By-Laws, Stockholders may also nominate individuals for election to the Board by submitting the nomination, together with the information required by the By-Laws and within the time periods required by the By-Laws, in writing to: Brunswick Corporation, 26125 Riverwoods Blvd., Suite 500, Mettawa, IL 60045; Attention: Corporate Secretary's office (facsimile no. 847-735-4433; email [corporate.secretary@brunswick.com](mailto:corporate.secretary@brunswick.com)).

### **Majority Voting for Directors**

The Corporation's By-Laws provide for majority voting in uncontested Director elections. Majority voting means that Directors are elected by a majority of the votes cast – that is, the number of shares voted “for” a Director must exceed the number of shares voted “against” that Director. Any incumbent Director who is not re-elected in an election in which majority voting applies shall tender his or her resignation promptly following certification of the Stockholders' vote. The Nominating and Corporate Governance Committee shall consider the tendered resignation and recommend to the Board whether to accept or reject the resignation offer, or whether other action should be taken. The Board shall act on the recommendation within 120 days following certification of the Stockholders' vote and shall promptly disclose (by press release, filing of a Current Report on Form 8-K or any other public means of disclosure deemed appropriate) its decision regarding whether to accept the Director's resignation offer. However, if enough members of the Nominating and Corporate Governance Committee are not re-elected in the same uncontested election, so that a quorum of the Nominating and Corporate Governance Committee cannot be attained, then the independent Directors of the Board who are re-elected or did not stand for election in that election shall consider the tendered resignations and decide whether to accept or reject the resignation offer of each incumbent Director who is not re-elected in that election. If fewer than 3 Independent Directors are re-elected or did not stand for election in the same election, then all Independent Directors of the Board shall consider and decide whether to accept or reject the resignation offers (except that no Director shall vote to accept or reject his or her own resignation offer).

### **Board Leadership**

The Corporation will have a Chairperson of the Board (“Board Chair”) and a CEO. The Board Chair and the CEO may be the same person. The Board may, however, separate these two positions if it

deems it to be in the best interests of the Corporation and the Stockholders to do so. If the Board Chair and the CEO are the same person, the Independent Directors will select an Independent Director to act as the Board's leader when it meets in executive session or when the Board Chair is unable to lead the Board's deliberations (the "Lead Director"). The Lead Director will also serve as a liaison between the Board and the CEO. If the Board Chair and the CEO are not the same person, the person serving as the Board Chair shall serve in the capacity of Board Chair for no more than four consecutive Annual Meetings of Stockholders. A further general description of the roles and responsibilities of the Board Chair and Lead Director is set forth in Exhibit F to these Principles. The Corporation will identify the Board Chair and any Lead Director in its Annual Proxy Statement.

### **Director Retirement**

A non-employee Director shall retire from the Board at the first Annual Meeting of Stockholders following his or her 75<sup>th</sup> birthday. Any member of Management (including the CEO) who is a Director will retire from the Board at the same time he or she ceases employment with the Corporation for any reason, but the Board may make exceptions to this policy as appropriate.

### **Change of Position**

Any non-employee Director who retires or changes the position held when the Director became a member of the Board, or otherwise has a change in personal circumstances that reasonably could be thought to have an adverse effect on a Director's continued ability to serve effectively as a Director, will submit his or her resignation to the Board. The Nominating and Corporate Governance Committee will consider whether or not such resignation offer should be accepted or rejected and make a recommendation to the Board. The Board will determine whether or not such Director will continue as a member of the Board.

### **Service on Other Boards**

The Board believes that individuals should limit the number of boards of directors or similar governing bodies of publicly-traded, for-profit corporations ("Public Boards") on which they serve in order to give proper attention to their responsibilities to each board. Directors will seek and obtain approval of the Nominating and Corporate Governance Committee for memberships on Public Boards and shall inform the Chair of the Committee before agreeing to be considered for nomination to any Public Board. The Committee shall review the requirements of such board membership with the Director. As a general policy, the Board believes that Directors who are not employed as an executive officer of a public company should limit their service to not more than four Public Boards, but exceptions to this policy may be made in appropriate cases. Directors employed as an executive

officer of a public company should limit their service to not more than two Public Boards. Where a Director seeks to serve on more than four Public Boards (or two for executive officers), the Nominating and Corporate Governance Committee will consider the request and submit its recommendation to the Board for consideration and decision. All memberships on outside Public Boards by the CEO will be considered and decided by the full Board based upon the Nominating and Corporate Governance Committee's recommendation. As a general policy, the CEO should not serve on more than one Public Board in addition to the Board of the Corporation. When the CEO seeks to serve on more than one outside Public Board, the Nominating and Corporate Governance Committee will consider the request and submit its recommendation to the Board for consideration and decision.

### **Service on Boards of Competing Enterprises**

A Director will not serve as a director, officer, employee, or consultant to any enterprise that is competitive with the Corporation's businesses or has any interests that are adverse to those of the Corporation.

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

The Board and Management will provide an orientation program for new Directors that includes management meetings, facility visits and materials such as the Corporation's organizational and governance documents, recent Board and Committee minutes, recent Securities and Exchange Commission filings, strategic and operating plans, financial information, corporate structure and organizational charts and information about the Corporation's businesses, products, services and the industries in which the Corporation operates.

The Board and Management will also provide continuing education opportunities for all Directors, information concerning best practices in corporate and board governance and the opportunity to attend education programs offered by universities and other groups. In addition, the Board encourages each Director to visit Corporation facilities, dealer facilities or to attend events such as trade shows featuring products of the Corporation. The Board and Director evaluation process will include evaluation of each Director's participation in continuing education activities.

## **BOARD OPERATIONS**

### **Number of Regular Meetings**

The Board normally will hold five regular meetings each year.

### **Extended Meeting**

One of the Board's meetings each year will be scheduled over an extended period to permit a detailed review of the Corporation's strategic plan.

### **Other Regular Meetings**

Most regular meetings of the Board are held at the Corporation's headquarters or other locations convenient to the Board and Management. From time to time, the Board will meet at a major manufacturing or operating facility of the Corporation, where the Directors can tour the facility and meet local management.

### **Special Meetings**

The Board may call special meetings from time to time in accordance with the By-Laws.

### **Annual Meeting of Stockholders**

Each of the Corporation's Directors is requested to attend the Annual Meeting of Stockholders in person.

### **Stockholder Communications with the Board of Directors**

The Corporation's Annual Meeting of Stockholders provides an opportunity for Stockholders to ask questions of or otherwise communicate directly with members of the Corporation's Board of Directors on matters relevant to the Corporation. In addition, Stockholders may, at any time, communicate in writing with the Board, the Board Chair, Lead Director or the Independent Directors as a group by sending written communications to: Brunswick Corporation, 26125 N. Riverwoods Blvd., Suite 500, Mettawa, IL 60045; Attention Corporate Secretary's Office (facsimile no. 847-735-4433; email [corporate.secretary@brunswick.com](mailto:corporate.secretary@brunswick.com)). Copies of these written communications will be provided to the Board, the Board Chair, the Lead Director, or the Independent Directors as a group unless such communications are considered, in consultation with the Independent Directors, to be improper for submission to the intended recipient(s).

### **Executive Sessions**

At each Board meeting, the Board will have an executive session of the Independent Directors ("Executive Sessions"). Such sessions are a normal part of the Board's deliberations and activities. If the Board Chair is not the CEO, the Board Chair will chair Executive Sessions. If the Board Chair is the CEO, the Lead Director chairs Executive Sessions.

## **Meeting Materials**

The Board Chair, in consultation with either the Lead Director or the CEO, as applicable, will develop an agenda for each Board meeting and send it to the Directors in advance of the meeting, together with: (a) written materials pertaining to the matters to be presented for Board decision at the meeting; (b) summary financial information needed to understand the performance of the Corporation; (c) minutes of the most recent Board meeting and of any Committee meetings held since the distribution of materials for the most recent Board meeting; and (d) other advance written materials. Written materials should be designed to provide a foundation for the Board's discussion of key issues and allow the Board to make the most efficient use of its meeting time. Directors may request additional information or changes in the scope, amount or format of the information provided, and the Board Chair will make every effort to provide such additional information or make such changes. It is the Board's policy that such materials be delivered, when practicable, seven days prior to the meeting date.

## **Confidentiality**

**In order to facilitate open discussions, the Board believes maintaining confidentiality of information and deliberations is imperative. Each Director has a fiduciary obligation to maintain the confidentiality of information received in connection with his or her service as a Board or Committee member and shall use such information only to discharge his or her responsibilities as a Director.**

## **Board Contact with Management**

The Corporation's CEO, Chief Financial Officer, General Counsel and Corporate Secretary will attend all meetings of the Board other than Executive Sessions. The Board encourages the CEO to bring other members of Management and other employees into Board meetings to: (a) make presentations to the Board regarding matters that involve the individual; (b) provide additional insight and perspective concerning matters under discussion by the Board; (c) expose the Board to individuals with high potential for significant leadership roles in the Corporation; or (d) otherwise assist the Board in its work. Additionally, Directors may from time to time meet individually with members of Management. The CEO should be informed of such meetings in advance and, following such meetings, informed of the results of and matters discussed during such meetings. Directors should use their access to Management with care so as not to undermine normal lines of Management authority or take too much of Management's time.

## **Board and Director Evaluation**

The Board annually reviews Board performance, including: (a) assessing the size, composition and structure of the Board and its Committees; (b) the agenda and calendar of the Board and its

Committees; (c) the information Directors receive; (d) the effectiveness of continuing education programs; and (e) the Board's other processes and procedures. The Board and the Nominating and Corporate Governance Committee will coordinate and oversee this evaluation as well as annual self-evaluations conducted by the Committees.

In addition, the Nominating and Corporate Governance Committee reviews the attendance, Director education, independence and performance of each of the Directors being nominated for reelection by the Stockholders at the Annual Meeting and makes a recommendation concerning their nomination to the Board for approval.

### **CEO Evaluation**

Each year the Board develops criteria to evaluate the CEO's performance. These criteria include, among other things, the Corporation's performance against its strategic and operating plans, as well as achievements in Management development and succession planning. The Nominating and Corporate Governance Committee and the Human Resources and Compensation Committee coordinate the CEO's evaluation. The Nominating and Corporate Governance Committee solicits input from each of the Independent Directors in connection with the evaluation, and shares the results of the evaluation with the Board's Independent Directors. After discussion and approval by the Independent Directors, the Lead Director (if the Board Chair is the CEO) or the Board Chair (if he or she is not the CEO) and the Chairs of the Human Resources and Compensation Committee and the Nominating and Corporate Governance Committee meet with the CEO to discuss the evaluation.

### **Strategy**

It is Management's responsibility to formulate, propose and implement strategy and the Board's role to approve strategic direction and to monitor strategic results. The Board and Management will each be better able to carry out their respective responsibilities regarding matters of strategy if there is an ongoing dialogue between the Board and the CEO and other members of Management. Board approval is required for changes in long-term strategy (including resource allocation) and changes in long-term capital structure as well as any significant transactions that are not in the ordinary course of the Corporation's business.

### **Management Development and Succession Planning**

On an annual basis, the CEO will present a report on management development for key Management positions together with a proposed CEO Succession Plan to the Human Resources and Compensation Committee. The Committee will review the report and provide comments to the CEO who will then present the report on management development and the CEO Succession Plan to the Board for its

consideration. In evaluating candidates to succeed the CEO, the Board will, among other things, consider such candidates' integrity, experience, achievements, judgment, intelligence, personal character and potential for providing strong leadership to the Corporation in both the short and long-term. If the CEO dies or otherwise becomes unable to carry out his or her responsibilities, the Human Resources and Compensation Committee in conjunction with the Nominating and Corporate Governance Committee will recommend to the Board, and the Board will appoint, an interim CEO pending the Board's selection of a new CEO.

### **Board Committees**

The Board has three standing committees – the Audit and Finance Committee, the Human Resources and Compensation Committee, and the Nominating and Corporate Governance Committee. The Board may, from time to time, expand or reduce the number of standing committees, change committee responsibilities or form ad hoc committees. The Board will determine the responsibilities of each standing committee and adopt written Committee charters documenting those responsibilities. Current copies of each of the charters are attached to these Principles and available on the Corporation's website. In general, the Committees should identify and focus issues for discussion by the Board. Each Committee Chair shall report regularly to the Board on Committee meetings and other Committee activities. In addition to the four standing committees, there is an Executive Committee, comprised of the Board Chair, the Lead Independent Director or the CEO, as applicable, and the Chairs of the Audit, Finance, Human Resources and Compensation, and Nominating and Corporate Governance Committees. The Executive Committee will meet at the request of the Board Chair.

### **Committee Composition; Rotation of Membership**

The Independent Directors will determine the size, membership and Chairs of each Committee. An Independent Director will chair each Committee. The membership and Chairs of the standing Committees may be rotated from time to time to allow Directors to serve on various Committees over time and to promote continuity of membership and leadership on each Committee. Directors may attend any Committee meeting of the Board except when attendance presents a conflict of interest. Directors who are not members of a Committee, but who elect to attend a Committee meeting, participate as observers without authority to vote on Committee matters.

### **Management Liaison Officers**

The Board does not have a professional staff, but relies on Management to perform staff functions. Each Committee and the Board itself will be assigned a liaison officer from Management ("Management Liaison Officer") whose responsibilities include: (a) maintaining regular contact with the Chair and members as appropriate; (b) conducting analysis, research and investigation and preparing reports as requested by the Committee; (c) coordinating ongoing review of Committee responsibilities and providing advice to the Committee Chair on optimal methods of fulfilling those responsibilities; (d) assisting with the preparation of the Committee meeting agenda in coordination

with the Committee Chair; (e) keeping accurate records of the Committee’s activities; (f) executing Committee directives, subject to and in coordination with the CEO’s overall responsibility to manage the Corporation; (g) maintaining contact with the Management Liaison Officers of the other Committees and with the CEO to ensure coordination of activities and directives; (h) monitoring and reporting developments in areas of interest to the Committee to ensure that the Corporation is following the best practices in corporate management and governance and considering advanced practices; and (i) as requested by the Chair and on an ongoing basis as necessary or appropriate, providing advice to his or her assigned Committee and to its Chair.

It is the expectation of the Board that each Management Liaison Officer will devote an appropriate amount of his or her time to liaison duties. Management Liaison Officers will be designated by the CEO and will report to the CEO or other Executive Officer of the Corporation and will not have a reporting relationship to the Board or any Committee. Each Management Liaison Officer will keep the CEO fully informed of his or her activities as a Management Liaison Officer. Generally, the following Executive Officers of the Corporation will have the Management Liaison Officer responsibility shown:

<b>Organization</b>	<b>Liaison Officer</b>
Board of Directors	Secretary and General Counsel
Audit Committee	Controller
Human Resources and Compensation Committee	Chief Human Resources Officer
Nominating and Corporate Governance Committee	Secretary and General Counsel

### **Annual Committee Agenda**

In connection with the preparation of the Board’s Annual Agenda, the Chair of each Committee, in consultation with the Board Chair and the CEO or the Lead Director, as applicable, will prepare a master agenda and schedule for the Committee for the year. Copies of each Committee’s master agenda and schedule will be distributed to all Directors.

### **Committee Meeting Materials**

The Chair of each Committee will oversee the preparation of an agenda for each meeting. The agenda, together with: (a) written materials pertaining to the matters to be presented for consideration at such meeting; and (b) the minutes of the most recent meeting of the Committee, will be provided to each Committee member in advance. Committee meeting materials are available to all Directors, irrespective of Committee participation, except in circumstances in which providing the materials would create a conflict of interest.

It is expected that the Management Liaison Officer for each Committee will be responsible for preparation and dissemination of these materials under the supervision of the Chair.

### **Management Attendance at Committee Meetings**

The Chair of each Committee, in consultation with the CEO, will determine which members of Management in addition to the Management Liaison Officer will attend each Committee meeting. The CEO may attend any Committee meeting except when such attendance would present a conflict of interest or, in the case of a Board Chair who is also the CEO, the meeting is an Executive Session of the Committee.

### **Committee Reports to the Board**

At least once per year, the Chair of each Committee will make a presentation to the Board regarding the activities, policies and practices of his or her Committee. The purpose of such presentation is to inform Directors of the activities, policies and practices of Committees on which they do not serve.

### **Ad Hoc Committees**

In addition to the standing Committees, the Board may form ad hoc committees from time to time. The size, membership and chair of each ad hoc committee will be determined by the Board. Generally, the Chairs and most members of such committees will be Independent Directors. The Board may in some instances appoint members of Management as ex officio members of ad hoc committees.

## **OTHER MATTERS**

### **Directors' Compensation**

Directors' compensation will be determined by the Board. Members of Management who are also Directors will not receive additional compensation for their service as Directors. The Board believes that it is important to align the interests of Directors with those of the Stockholders. Accordingly, the Board believes that a significant portion of Directors' compensation should be paid in stock, stock options or other forms of compensation that correlate with the market value of the Corporation's common stock. Management will report annually to the Nominating and Corporate Governance Committee on the amount and composition of the compensation of the Corporation's Directors in relation to the compensation of directors of comparable enterprises. The Nominating and Corporate Governance Committee will recommend to the Board any changes in Director compensation.

### **Directors' Share Ownership**

Within 5 years after the date on which a Director first became a Director, and thereafter for so long as each Director is a Director of the Corporation, each Director shall own common stock and deferred stock units of the Corporation in an amount equal to five times the annual cash retainer paid to Directors (the "Threshold Amount"). Once a Director has reached the Threshold Amount, if his/her holdings fall below the Threshold Amount due to a decrease in the Corporation's stock price, the Director shall have two years to once again achieve the Threshold Amount.

### **Management Service on Other Boards**

The Board believes that, in general, Management should devote its full business time and attention to the operation and management of the Corporation. The Board recognizes that members of Management, particularly the CEO, and the Corporation itself will benefit from service by members of Management on other Public Boards. It is the Board's policy to encourage such membership in appropriate cases. If any member of Management who is not a member of the Board desires to join a Public Board, he or she should advise the CEO prior to agreeing to be considered for nomination. The CEO will consider whether the member of Management and the Corporation will benefit from that person's service on the Public Board and if such membership will interfere with or detract from such person's responsibilities to the Corporation. The CEO will make the determination regarding the service on the other Public Board and, if allowed, will report the other board memberships to the Board on an annual basis. The CEO shall consider the potential liability of the Corporation resulting from service by Management members on other Public Boards, and will consider the financial stability and directors' liability insurance program of such corporations in connection with his or her decision.

### **Communications**

Management should generally speak for the Corporation. Inquiries from Stockholders, other investors, analysts, the press, customers, suppliers or others should be referred to the CEO or other appropriate members of Management. Individual Directors may, from time to time, meet with various constituencies of the Corporation with the concurrence of the Board Chair. Directors are free to meet with or address the public or special groups concerning board practices generally, and other matters of interest to the Directors not directly related to activities of the Corporation.

## **BOARD OF DIRECTORS OF BRUNSWICK CORPORATION**

### **CHARTER OF THE AUDIT AND FINANCE COMMITTEE**

**(As amended through December 2, 2020)**

#### **Purpose**

The Audit and Finance Committee (the “Committee”) shall provide assistance to the Board of Directors (the “Board”) in fulfilling the Board’s responsibility to oversee: (a) the Corporation’s accounting, auditing, and reporting practices; (b) the qualifications, independence, performance and compensation of the independent auditors; (c) the Corporation’s system of internal controls, including the performance of the internal audit function; (d) the Corporation’s financial disclosure policies and practices; (e) the quality and integrity of the Corporation’s financial statements; (f) information technology and information security programs and strategy; (g) the financial performance, capital structure, financing, investment, insurance, divestiture, merger and acquisition activities of the Corporation; and (h) the Corporation’s compliance with legal and regulatory requirements.

The Committee’s role is one of oversight and it recognizes that the Corporation’s Management is responsible for preparing the Corporation’s financial statements and the independent auditors are responsible for auditing those financial statements. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any special assurance as to the Corporation’s financial statements or any professional certification as to the work of the independent auditors.

In carrying out its duties, the Committee shall maintain free and open communication with the Board, the independent auditors, the internal auditors and members of Management. Unless otherwise defined in this Charter, capitalized terms will have the meanings given to such terms in the Corporation’s Principles and Practices of the Board of Directors (the “Principles and Practices”).

## **Membership**

- The Board will appoint the Chairperson (the “Chair”) and at least three Directors as members of the Committee, following nomination by the Nominating and Corporate Governance Committee.
- All members of the Committee shall be Independent Directors as defined by the Principles and Practices.
- The Board will have the sole authority to remove the Chair and members of the Committee.
- The Chair and members of the Committee will be rotated from time to time.
- Each Committee member must be financially literate, or must become financially literate within a reasonable period of time after his or her appointment to the Committee, as required by the New York Stock Exchange.
- At least one Committee member shall be an “audit committee financial expert” as defined by Regulation S-K under the Securities Exchange Act of 1934.
- If a Committee member serves on more than three public companies’ audit committees (including the Committee), the Board must determine and disclose that such simultaneous service does not impair the member’s ability to serve effectively.
- Directors’ fees (including equity grants) are the only compensation that Committee members may receive from the Corporation.
- The Board shall make the determination as to whether a particular Director satisfies the requirements for Committee membership.

## **Independent Advice**

- The Committee, at its sole discretion and the Corporation’s expense, may obtain advice and assistance from independent legal, financial, accounting, and other advisors.

## **Committee Authority and Responsibilities**

Among other things, the Committee shall:

### Oversight of Independent Auditors

- Have the sole authority, at the Corporation's expense, to: (a) appoint; (b) terminate; (c) compensate; and (d) oversee the Corporation's independent auditors, who shall report directly to the Committee. The Committee shall be responsible for the resolution of disagreements between Management and the independent auditors regarding financial reporting. The appointment of the Corporation's independent auditors shall be subject to Shareholder ratification.
- Have the sole authority to approve, and shall approve, all audit and non-audit engagements of the independent auditors. The Committee may delegate to one or more of its members the authority to grant approvals of audit and non-audit services, each of which shall be reported to the full Committee at its next meeting.
- Review and evaluate the qualifications, independence, and performance of the independent auditors, including the lead audit partner, and periodically present its conclusions to the Board.
- At least annually, obtain and review a report by the independent auditors describing: (a) the internal quality-control procedures the independent auditors use; (b) any material or significant issues raised by the most recent internal quality-control review or peer review of the independent auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to one or more independent audits carried out by the independent auditors, and any steps taken to deal with such issues; (c) any matters required to be communicated pursuant to the Public Company Accounting Oversight Board's standards and rules; and (d) all relationships between the independent auditors and the Corporation.
- Consider whether or not there should be a change in the independent auditors, and monitor the periodic rotation of the independent auditors' lead partner, the audit partner responsible for reviewing the audit, and other audit partners engaged in the audit, as required by law.

## Oversight of Internal Audit Function

- Approve the appointment of the head of the Corporation's internal audit function.
- Review the performance of the Corporation's internal audit function (which shall report jointly to the Chair of the Committee and to Management).
- Discuss with Management and the independent auditors the responsibilities, budget, and staffing of the internal audit function.
- Review the adequacy and effectiveness of the Corporation's internal control over financial reporting, and any special audit steps adopted in light of any material weaknesses or significant deficiencies.
- Review and discuss significant findings of specific audits completed by the internal audit function and Management's responses to such findings, including any follow-up actions undertaken as a result of such findings.
- Discuss the planned scope of the internal audit function's audit plan, and the coordination of the internal and external audit functions.

## Financial and Disclosure Matters

- Review critical accounting principles and financial statement presentations, including significant changes in the Corporation's selection or application of accounting principles.
- Review and discuss the Corporation's reporting and disclosure policies.
- Review and discuss with both Management and the independent auditors, prior to public disclosure, the Corporation's: (a) annual audited and quarterly financial statements; and (b) 10-K and 10-Q reports, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations."
- Prepare the Audit Committee report required to be included in the Corporation's annual proxy statement stating whether the Committee: has reviewed and discussed the audited financial statements with Management; has discussed with the independent auditor the quality of, not just the acceptability of, the Corporation's accounting principles; has received and considered independence disclosures from the independent auditors; and has recommended to the Board that that the Corporation's audited financial statements should be included in the Corporation's Annual Report on Form 10-K.
- Review any reports on internal control over financial reporting in the Corporation's Annual Report on Form 10-K.

- Review the scope of the annual audit conducted by the independent auditors, and the independent auditors' opinions rendered with respect to the annual financial statements and the Corporation's internal control over financial reporting.
- Review and discuss with the independent auditors any problems or difficulties identified in connection with the audit and any other issues and recommendations identified by the independent auditors together with Management's responses.
- Review with the independent auditors any restrictions on the scope of the independent auditors' activities or access to requested information, and any significant disagreements with Management.
- Review with the independent auditors: (a) any accounting adjustments noted or proposed by the auditors that were passed (due to immateriality or otherwise); (b) any communications between the independent auditors and the auditors' national office with respect to significant issues presented by the engagement; and (c) any Management or internal control letter issued, or proposed to be issued, by the independent auditors to the Corporation.
- Review and discuss earnings announcements, financial information, and any earnings guidance provided to Shareholders, analysts and rating agencies.
- Review the Corporation's financial structure, including debt structure, ratings and covenants, any special purpose entities, any other off-balance sheet or off-shore transactions that have or could have an impact on the financial structure of the Corporation, or any non-ordinary course of business financial transactions.
- Review legal, regulatory, environmental, and other matters that have or could have an impact on the financial structure or financial results of the Corporation.
- Review the Corporation's financial policies and procedures, capital expenditures and capital expenditure budgets, and proposals for corporate financing (including the issuance, sale and repurchase of the Corporation's securities).
- Review proposals for short-term and long-term borrowings.
- Make recommendations to the Board concerning the declaration and distribution of dividends.
- Review and evaluate any risks associated with the Corporation's use of or investment in financial products, including derivatives used to manage risk related to foreign currencies, commodity prices and interest rates.

- Periodically receive updates about aspects of the Corporation's Ethics and Compliance Program that have or could have an impact on the financial structure or financial results of the Corporation.
- Review and evaluate information technology and information security/cybersecurity programs and strategy.
- Review and discuss policies regarding risk assessment and risk management, including those related to information technology and cybersecurity, and significant risks and exposures confronted by the Corporation, including any steps Management has taken to monitor and control them.
- Review analyses and reports prepared by Management and/or the independent auditors concerning critical accounting policies and practices, and significant financial reporting issues and judgments or estimates made in connection with the preparation of the financial statements, including analyses of the effects of alternative generally accepted accounting principles methods on the financial statements of the Corporation.
- Review the effect of regulatory and accounting initiatives on the financial statements of the Corporation.
- Review and evaluate the Corporation's tax strategy and related tax matters.
- Coordinate the annual review of the funding, performance and other matters related to any Corporation pension plans.

## Transactions and Insurance

- Coordinate the Board's review of proposals for (and monitor the performance of): (a) material investments and divestitures (including mergers, acquisitions, new business ventures, joint ventures, leasing transactions, real estate transactions, and other capital expenditures); and (b) other significant transactions that are not in the ordinary course of the Corporation's business.
- Review and evaluate the Corporation's insurance coverage and related matters, including Director and Officer liability insurance.
- Coordinate the Board's annual review of the Delegation of Authority Policy and oversee compliance with the policy.

## Committee Governance/Other

- Annually review and evaluate the Committee’s charter and performance and, if necessary and appropriate, recommend changes to the Nominating and Corporate Governance Committee of the Board.
- Recommend to the Board hiring practices for employees or former employees of the independent auditors consistent with the Sarbanes-Oxley Act of 2002 and the New York Stock Exchange Listed Company Manual.
- Conduct or authorize investigations into any matters within the Committee’s scope of responsibility.
- Report to the Board on the Committee’s activities following each meeting of the Committee, including information related to the quality or integrity of the Corporation’s financial statements, the Corporation’s compliance with legal or regulatory requirements, the performance and independence of the Corporation’s independent auditors, and the performance of the internal audit function.
- Establish procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, including appropriate procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- Monitor developments and consider implementation of best practices in audit and control practices, financing, and financial structuring practices.
- Function as a qualified legal compliance committee (a “QLCC”) within the meaning of Securities and Exchange Commission (“SEC”) rules governing the conduct of attorneys appearing and practicing before the SEC. In its capacity as a QLCC, the Committee shall receive from attorneys representing the Corporation, including in-house counsel, any reports of material violations of the securities laws, breach of fiduciary duty, or similar violations governed by such rules (“QLCC Reports”). The Committee shall take such actions as may be permitted or required of a QLCC under applicable law, which may include the making of inquiries and investigations in response to any QLCC Reports, directing the Corporation to take such remedial action as the Committee shall deem necessary or appropriate, and providing such notifications to the SEC as may be required by law.
- Exercise such other powers and authorities as the Board may, from time to time, confer upon the Committee.
- The Committee may form and delegate authority to subcommittees as the Committee may deem appropriate in its sole discretion.

## Private Meetings

- Periodically, the Committee will meet separately with each of the independent auditors, the vice president of internal audit, and members of Management. Such private meetings will occur quarterly, or as requested by the Committee, the independent auditors, or the Vice President of Internal Audit. The Committee may ask members of Management or others to attend meetings and provide pertinent information as necessary.

**BOARD OF DIRECTORS OF BRUNSWICK CORPORATION  
CHARTER OF THE  
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE**

**(Effective May 5, 2021)**

**Purpose**

The Nominating and Corporate Governance Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Brunswick Corporation (the “Corporation” or “Company”) to:

- (a) Oversee the governance of the Corporation, including operations of the Board and its Committees,
- (b) Identify individuals qualified to become Board members,
- (c) Recommend to the Board director nominees for each annual meeting of the shareholders,
- (d) Oversee the Corporation’s compliance with certain legal and regulatory requirements,
- (e) Exercise and perform such other duties and responsibilities set forth in this charter, the Corporation’s other governance documents, or delegated to the Committee from time to time by the Board.

Unless otherwise defined in this Charter, capitalized terms will have the meanings given to such terms in the Principles and Practices of the Board of Directors (“Principles”).

**Membership and Committee Operations**

- The Committee shall be comprised of at least three members of the Board each of whom shall be Independent Directors.
- The Board will appoint the Chair and members of the Committee and will have the sole authority to remove the Chair and members of the Committee.
- The Committee shall meet on a regular basis and will report to the Board on the Committee’s activities following each meeting of the Committee.
- The Committee may form and delegate authority to subcommittees as the Committee deems appropriate in its sole discretion.
- The Committee may meet in person, by telephone or video conference, and may act by unanimous written consent.
- A majority of the members of the Committee shall constitute a quorum. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee.

**External Advice; Engagement of Consultants**

- The Committee, at its sole discretion and at the Corporation's expense, shall have the sole authority to obtain advice and assistance from external legal, financial, accounting or other advisors.
- The Committee shall have sole authority, at the Corporation's expense, to engage and terminate search firms or consultants retained for the purpose of identifying director candidates.

**Committee Authority and Responsibilities**

Among other things, the Committee shall:

***Governance Oversight***

- Periodically review the size, function, composition, leadership, structure, and duties of the Board consistent with the needs of the Board, including director succession planning and screening and recommending candidates to serve as Board Chair or Lead Director.
- Review and recommend any changes to corporate governance documents and policies, including by-laws, certificate of incorporation, Principles, and committee charters.
- Monitor and consider developments and best practices in corporate governance, including the review of any stockholder proposals.
- Monitor, review and report to the Board on the Corporation's policies, practices, and programs relating to health, safety, environmental, and sustainability (ESG) matters, and such other matters as may be brought to the attention of the Committee regarding compliance issues and the Corporation's role as a responsible corporate citizen, including ESG reporting.

***Board Composition; Director Nominees***

- Identify, screen, interview and recommend to the Board candidates to fill Board vacancies and for election to the Board at annual or special meetings of stockholders. Director nominees, including those nominated by stockholders, will be screened consistent with criteria approved by the Board, that it has developed with respect to qualifications for nominations to the Board and for continued membership on the Board.
- Consider any offer to resign from a member of the Board, and after considering factors and information deemed appropriate and relevant, recommend the action to be taken on the tendered resignation.
- Review any change in the independence or employment status of any non-executive Director.

## *Ethics and Compliance*

- Periodically receive reports on the Corporation's ethics and compliance program, and oversee the operations of that program, including any request for waiver pursuant to the program, and report on such compliance to the Board.
- Review policies and procedures for approval of related-person transactions (as defined in Item 404 of Regulation S-K) and recommend any necessary changes to the Board.
- Review any governance-related proposals received from stockholders and Management's proposed response to any such proposals.

## *Board Operations*

- Review and make recommendations to the Board with respect to Director compensation.
- Coordinate the Board's annual review of the functioning and performance of the Board and its committees.
- Review and recommend to the Board the type, size, membership, and committee chairs of the Board's committees, and recommend any ad hoc committees as necessary.
- Oversee the orientation of new Directors and continuing education of Directors.

**BOARD OF DIRECTORS OF BRUNSWICK CORPORATION  
CHARTER OF THE HUMAN RESOURCES AND  
COMPENSATION COMMITTEE**

**Effective May 5, 2021**

**Purpose**

The Human Resources and Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Brunswick Corporation (the “Corporation”) to:

- (a) Discharge the Board’s responsibilities relating to compensation of the Corporation’s Chief Executive Officer (“CEO”), executive officers (as defined in the Securities and Exchange Act of 1934 (“’34 Act”), and such other officers of the Corporation as the Committee may designate (collectively “Senior Management”)
- (b) Establish and oversee the compensation and benefit programs for Senior Management and evaluate these programs to determine whether they are designed and implemented consistent with the Corporation’s strategic plan and to achieve their intended purpose
- (c) Oversee Senior Management hiring, development and succession
- (d) Oversee the Corporation’s diversity, equity and inclusion (“DEI”) programs and initiatives
- (e) Exercise and perform such other duties and responsibilities set forth in this charter or delegated to the Committee from time to time by the Board.

Unless otherwise defined in this Charter, capitalized terms will have the meanings given to such terms in the Principles and Practices of the Board of Directors (“Principles”). The Committee shall comply with governance practices and policies included in the Principles.

**Membership and Committee Operations**

- The Committee shall be comprised of at least three members of the Board and shall consist solely of Independent Directors each of whom shall qualify as “non-employee” directors within the meaning of Rule 16b-3 of the ’34 Act.
- The Board will appoint the Chair and members of the Committee and will have the sole authority to remove the Chair and members of the Committee.
- The Committee shall meet on a regularly scheduled basis not less than five times per year, or more frequently as circumstances dictate, and report to the Board on the Committee’s activities following each meeting of the Committee.
- The Committee may meet in person, by telephone or video conference, and may act by unanimous written consent.

- A majority of the members of the Committee shall constitute a quorum. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee.
- The Committee may form and delegate authority to subcommittees as the Committee deems appropriate in its sole discretion.

### **External Advice; Engagement of Consultants**

- The Committee, at its sole discretion and at the Corporation's expense, shall have the sole authority to obtain advice and assistance from legal, financial, accounting or other advisors, including but not limited to advisors retained to review the compensation of Senior Management, but only after assessing their independence and any actual or potential conflicts of interests of such advisors in accordance with the rules of the Securities and Exchange Commission and the NYSE Standards.
- No compensation consultant will be engaged to assist in the evaluation for any member of Senior Management without the prior approval of the Committee, except that management may, in its discretion, engage compensation, benefit and other consultants to provide advice with respect to and assist with the development of broad-based compensation and benefit programs in which members of Senior Management participate on the same or similar basis as other employees of the Corporation.

### **Committee Authority and Responsibilities**

1. Compensation Philosophy: The Committee shall periodically review and approve the Corporation's compensation philosophy and principles ensuring they are aligned with and support the Corporation's overall strategy and objectives.
2. Senior Management Compensation, Incentive Compensation, and Equity-Based Compensation Plans: The Committee shall review and approve benefit, compensation, perquisite plans and arrangements, and any other compensation-related plans or arrangements applicable to Senior Management. The Committee shall make recommendations to the Board with respect to the Corporation's equity-based plans that are subject to Board approval, discharge any responsibilities assigned to the Committee by any of these plans, and periodically review the Corporation's stock ownership guidelines for Senior Management and compliance therewith.
3. Compensation Risk Management: The Committee shall review management's report on risks arising from the Corporation's compensation programs to ensure they do not encourage excessive or unnecessary risk-taking.
4. Executive Compensation, including CEO Performance and Compensation: For the Corporation's Senior Management, the Committee shall annually review and approve:
  - a) Base salary,
  - b) incentive compensation opportunity,

- c) equity- based awards,
- d) any employment agreements or severance arrangements, and
- e) any special or supplemental benefits.

In addition, the Committee shall annually review and approve performance goals and objectives specific to the CEO relevant to CEO compensation, including with respect to Corporate performance, individual performance, and risk management; evaluate the CEO's performance in light of those performance goals and objectives; determine the CEO's compensation based on this evaluation; and recommend the CEO's total compensation for approval by the Independent Directors.

5. Officer Appointments: The Committee shall evaluate candidates for Senior Management positions and make recommendations to the Board regarding officer appointments.
6. Human Capital Management: The Committee shall oversee the Corporation's human capital management, including talent management; DEI; and succession planning for the CEO and other members of Senior Management as determined by the Committee.
7. Compensation-Related SEC Reporting: The Committee, on an annual basis and in accordance with applicable SEC rules, shall review and discuss the Compensation Discuss & Analysis ("CD&A") with management before inclusion in the Corporation's proxy statement, and review and approve the Compensation Committee Report required to be included in the Corporation's proxy statement.
8. Human Resources-Related Proposals: The Committee shall oversee actions taken by the Corporation to seek shareholder approval of executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, incentive and other executive compensation plans, and amendments to such plans. The Committee shall review shareholder proposals related to human capital, executive compensation, and other matters subject to Committee oversight, and review the results of such shareholder actions.
9. Other Duties: The Committee shall perform such other duties and responsibilities as may be directed by the Board or required by applicable laws, rules or regulations.
10. Charter and Performance Reviews: The Committee shall annually review and assess the adequacy of this charter. The Committee may recommend amendments to this charter at any time and submit amendments for approval to the Board. The Committee shall annually review its own performance.

### 303A.01 Independent Directors

Listed companies must have a majority of independent directors.

*Commentary:* Effective boards of directors exercise independent judgment in carrying out their responsibilities. Requiring a majority of independent directors will increase the quality of board oversight and lessen the possibility of damaging conflicts of interest.

**Amended:** November 25, 2009 (NYSE-2009-89).

### 303A.02 Independence Tests

In order to tighten the definition of "independent director" for purposes of these standards:

**(a)(i)** No director qualifies as "independent" unless the board of directors affirmatively determines that the director has no material relationship with the listed company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company).

(ii) In addition, in affirmatively determining the independence of any director who will serve on the compensation committee of the listed company's board of directors, the board of directors must consider all factors specifically relevant to determining whether a director has a relationship to the listed company which is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to:

(A) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the listed company to such director; and

(B) whether such director is affiliated with the listed company, a subsidiary of the listed company or an affiliate of a subsidiary of the listed company.

*Commentary:* It is not possible to anticipate, or explicitly to provide for, all circumstances that might signal potential conflicts of interest, or that might bear on the materiality of a director's relationship to a listed company (references to "listed company" would include any parent or subsidiary in a consolidated group with the listed company). Accordingly, it is best that boards making "independence" determinations broadly consider all relevant facts and circumstances. In particular, when assessing the materiality of a director's relationship with the listed company, the board should consider the issue not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others. However, as the concern is independence from management, the Exchange does not view ownership of even a significant amount of stock, by itself, as a bar to an independence finding.

When considering the sources of a director's compensation in determining his independence for purposes of compensation committee service, the board should consider whether the director receives any compensation from any person or entity that would impair his ability to make independent judgments about the listed company's executive compensation. Similarly, when considering any affiliate relationship a director has with the company, a subsidiary of the company, or an affiliate of a subsidiary of the company, in determining his independence for purposes of compensation committee service, the board should consider whether the affiliate relationship places the director under the direct or indirect control of the listed company or its senior management, or creates a direct relationship between the director and members of senior management, in each case of a nature that would impair his ability to make independent judgments about the listed company's executive compensation.

*Disclosure Requirement:* The listed company must comply with the disclosure requirements set forth in Item 407(a) of Regulation S-K.

**(b)** In addition, a director is not independent if:

**(i)** The director is, or has been within the last three years, an employee of the listed company, or an immediate family member is, or has been within the last three years, an executive officer,<sup>1</sup> of the listed company.

*Commentary:* Employment as an interim Chairman or CEO or other executive officer shall not disqualify a director from being considered independent following that employment.

**(ii)** The director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the listed company, other than 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).

*Commentary:* Compensation received by a director for former service as an interim Chairman or CEO or other executive officer need not be considered in determining independence under this test. Compensation received by an immediate family member for service as an employee of the listed company (other than an executive officer) need not be considered in determining independence under this test.

**(iii) (A)** The director is a current partner or employee of a firm that is the listed company's internal or external auditor; **(B)** the director has an immediate family member who is a current partner of such a firm; **(C)** the director has an immediate family member who is a current employee of such a firm and personally works on the listed company's audit; or **(D)** the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the listed company's audit within that time.

**(iv)** The director or an immediate family member is, or has been with the last three years, employed as an executive officer of another company where any of the listed company's present executive officers at the same time serves or served on that company's compensation committee.

(v) The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the listed company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

*Commentary:* In applying the test in Section 303A.02(b)(v), both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year of such other company. The look-back provision for this test applies solely to the financial relationship between the listed company and the director or immediate family member's current employer; a listed company need not consider former employment of the director or immediate family member.

*Disclosure Requirement:* Contributions to tax exempt organizations shall not be considered payments for purposes of Section 303A.02(b)(v), provided however that a listed company shall disclose either on or through its website or in its annual proxy statement, or if the listed company does not file an annual proxy statement, in the listed company's annual report on Form 10-K filed with the SEC, any such contributions made by the listed company to any tax exempt organization in which any independent director serves as an executive officer if, within the preceding three years, contributions in any single fiscal year from the listed company to the organization exceeded the greater of \$1 million, or 2% of such tax exempt organization's consolidated gross revenues. If this disclosure is made on or through the listed company's website, the listed company must disclose that fact in its annual proxy statement or annual report, as applicable, and provide the website address. Listed company boards are reminded of their obligations to consider the materiality of any such relationship in accordance with Section 303A.02(a) above.

*General Commentary to Section 303A.02(b):* An "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. When applying the look-back provisions in Section 303A.02(b), listed companies need not consider individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

In addition, references to the "listed company" or "company" include any parent or subsidiary in a consolidated group with the listed company or such other company as is relevant to any determination under the independent standards set forth in this Section 303A.02(b).

**Amended:** November 25, 2009 (NYSE-2009-89); January 11, 2013 (NYSE-2012-49).

<sup>1</sup> For purposes of Section 303A, the term "executive officer" has the same meaning specified for the term "officer" in Rule 16a-1(f) under the Securities Exchange Act of 1934.

**RESPONSIBILITIES – NON-EXECUTIVE CHAIR AND INDEPENDENT LEAD DIRECTOR**

<i>Board Chair</i>	<i>Lead Director</i>
<p>Duties of the Board Chair shall include, but not be limited to, the following:</p> <ul style="list-style-type: none"> <li>• Approving schedules for, convening and chairing all regular, special and executive sessions of the Board;</li> <li>• Developing agendas and coordinating the work of meetings of the Board and its Committees;</li> <li>• Overseeing the process of informing the Board through timely distribution of information and reports;</li> <li>• Coordinating feedback to the CEO regarding issues discussed in executive sessions;</li> <li>• Serving as liaison to facilitate communications between Directors, Committee Chairs, the CEO and other members of Management;</li> <li>• Reviewing potential conflicts of interest;</li> <li>• Managing the Board’s oversight of risks;</li> <li>• Recommending appropriate governance policies and practices;</li> <li>• Consulting with the Nominating and Corporate Governance Committee on matters relating to Board and Committee composition and leadership, and Director succession;</li> <li>• Authorizing or recommending the retention of outside advisors and consultants who report directly to the Board on Board-related issues;</li> <li>• Overseeing Board, Committee and Management evaluations;</li> <li>• Participating with members of the Nominating and Corporate Governance Committee, the Human Resources and</li> </ul>	<p>Duties of the Lead Director shall include, but not be limited to, the following:</p> <ul style="list-style-type: none"> <li>• Serving as the leader of the non-management Directors;</li> <li>• Convening and chairing all executive sessions of the non-management Directors and the Independent Directors;</li> <li>• Coordinating feedback to the Board Chair/CEO regarding issues discussed in executive sessions;</li> <li>• Chairing Board meetings when the Board Chair is not present or upon the request of the Board Chair;</li> <li>• Reviewing and approving meeting agendas for the Board;</li> <li>• Assuring that there is sufficient time for discussion of all meeting agenda items at meetings of the Board;</li> <li>• Serving as liaison to facilitate communications between Directors, Committee chairs, the Board Chair/CEO and other members of Management;</li> <li>• Acting as spokesperson for the Board in circumstances where it is appropriate for the Board to have a voice distinct from that of Management;</li> <li>• Reviewing potential conflicts of interest;</li> <li>• Consulting with the Nominating and Corporate Governance Committee on matters relating to Board and Committee composition and leadership, and Director succession;</li> <li>• Authorizing or recommending the retention of outside advisors and consultants who</li> </ul>

<i>Board Chair</i>	<i>Lead Director</i>
<p>Compensation Committee and the full Board in evaluating the CEO; and</p> <ul style="list-style-type: none"> <li>• Presiding at all Stockholder meetings.</li> </ul>	<p>report directly to the Board on Board-related issues;</p> <ul style="list-style-type: none"> <li>• Providing oversight of Board Chair/CEO succession;</li> <li>• Together with the Chair of the Human Resources and Compensation Committee, communicating to the Board Chair/CEO the results of the Board’s evaluation of the Board Chair/CEO; and</li> <li>• Together with the Chair of the Nominating and Corporate Governance Committee, coordinating self-evaluations of the Board, its Committees and/or individual Directors.</li> </ul>