

VALARIS LIMITED

CORPORATE GOVERNANCE POLICY

(Amended and Restated as of 8 September 2022)

The Board of Directors (the “**Board**”) of Valaris Limited (the “**Company**”) and its standing committees believe that a primary responsibility of the directors is to provide effective governance over the Company’s affairs for the benefit of its shareholders, employees, customers and other stakeholders. That responsibility includes:

- Evaluating the performance of the Chief Executive Officer (“**CEO**”) and taking appropriate action, including removal, when warranted, having regard to the terms of any employment agreement then in effect;
- Selecting, evaluating and fixing the compensation of senior management of the Company and establishing policies regarding compensation of other management personnel;
- Reviewing succession plans and management development programs for senior management;
- Reviewing and periodically approving long-term strategic and business plans and monitoring corporate performance against such plans;
- Reviewing the major risks facing the Company and overseeing strategies to address these risks;
- Adopting or overseeing the adoption of policies of corporate conduct, including compliance with applicable laws, rules and regulations, maintenance of accounting, financial and other controls, and reviewing the adequacy of compliance systems and controls;
- Evaluating the overall effectiveness of the Board and its committees and the individual directors on a periodic basis; and
- Adopting and implementing best practices of corporate governance in full conformity with the letter and spirit of all applicable laws, rules and regulations.

The Valaris Limited Corporate Governance Policy (the “**Policy**”) is designed to assist the Board and its standing committees in the exercise of their responsibilities and optimize the performance of the Company. This Policy reflects the Board’s commitment to monitor the effectiveness of policy and decision-making both at the Board and management level, and to enhance shareholder and other stakeholder value over the long term. The Policy shall be reviewed periodically and revised in compliance with Section F.14 hereof, as appropriate to reflect the evolving functions of the Board and developing trends of best practice and regulatory compliance in corporate governance.

A. **Functions of the Board — Directors**

1. *Presiding Chair.* As authorized by the Company’s bye-laws (the “***Bye-laws***”), the Board shall elect, from the independent directors, a Chair following each Annual General Meeting of Shareholders. The Chair shall serve on an annual basis, subject to removal as Chair in accordance with applicable law or the Bye-laws, being by a majority of the Board with or without cause at any time without notice. The Chair presides over meetings of the Board and shareholders and is responsible for coordinating the overall management and functioning of the Board.

The core responsibilities of the Chair shall be as follows:

- Lead the Board, be responsible for its overall effectiveness and serve as chair of all meetings of the Board;
 - Facilitate discussion among the members of the Board;
 - Oversee a program for the annual Board evaluations;
 - Develop an appropriate schedule of Board meetings, seeking to ensure that the independent directors can perform their duties responsibly while not interfering with ongoing Company operations;
 - Review in advance the agenda for Board meetings and Board committee meeting schedules as prepared by the CEO and the Secretary;
 - Develop standards as to the quality, quantity and timeliness of the information submitted to the Board by the Company’s management that is necessary or appropriate for the directors to effectively and responsibly perform their duties, including at executive sessions of the independent directors;
 - Develop the agendas for and serve as chair of the executive sessions of the Board’s independent directors; and
 - Serve as principal liaison between and among the independent directors and the CEO in respect of, and meet with the CEO one-on-one to discuss, issues discussed at executive sessions of the independent directors and feedback to the CEO.
2. *Chief Executive Officer.* The Board shall designate a CEO. The CEO shall have general and active management of the business of the Company and shall ensure that all lawful orders and resolutions of the Board are carried into effect. The CEO shall perform other duties incident to the office of chief executive officer and such other duties as may be prescribed by the Board from time to time. All executives of the Company shall report to the CEO, unless the CEO determines that any such executive should report to another executive.

The core responsibilities of the CEO shall be as follows:

- Oversee all day-to-day operations of the Company;
- Serve as the principal external spokesperson for the Company to industry and market analysts, investors and clients;
- Serve as chair of all meetings of the Executive Management Committee;
- Develop with the Board the corporate strategy for the Company and be responsible for the implementation of the agreed upon strategy;
- Keep the Chair reasonably informed on material operational matters;
- Prepare, together with the Secretary, Board meeting agendas and Board committee meeting schedules for review by the Chair; and
- Serve as chair of meetings of the Board when the Chair is not present.

B. Functions of the Board — Meetings

1. *Frequency of Board Meetings.* The Board shall conduct four regularly scheduled meetings per year (such scheduled meetings being, the “Regular Board Meetings”). Additional meetings of the Board will be convened as necessary (such meetings being, the “Interim Board Meetings”). Long-term strategic and business plans will be reviewed periodically during Regular Board Meetings. The schedule for Regular Board Meetings and meetings of committees for each year shall be submitted to and approved in advance by the Board. Pursuant to the Bye-laws, any director (including the Chair) or CEO may, or the Secretary on the requisition of either of them shall, at any time call for notice of an Interim Board Meeting.
2. *Attendance.* Directors are expected to devote sufficient time and attention to prepare for, attend and participate in Board meetings and meetings of committees on which they serve, including advance review of pre-meeting agenda materials circulated prior to each meeting. Directors are expected to attend Regular Board Meetings and committee meetings in person, and telephonic or electronic attendance is intended to be used only in special or extenuating circumstances. In no case shall the Company, any director or any other participant in a Board or committee meeting make a video or audio recording of such meeting. A director participating in a Board or committee meeting telephonically or electronically shall do so in a manner that ensures that no other person may hear the proceedings and deliberations of such meeting.
3. *Executive Sessions of Independent Directors.* The independent directors shall meet at regularly scheduled executive sessions without the presence of the CEO and other Company personnel and may convene such sessions during any Board meeting or by notice. The Chair or, if absent, his or her designee, shall serve as

Executive Session chair when the Board meets in independent director executive session and will serve as the interface between the Board and the CEO in communicating the matters discussed during the executive sessions.

4. *Regular Attendance of Non-Directors at Board Meetings.* The Company's Chief Financial Officer and the General Counsel will be present during the Board meetings, except where there is a specific reason for one or both of them to be absent or excluded. In addition, the Chair may invite one or more other members of senior management of the Company to be in regular attendance at Board meetings and may include other Company officers and employees from time to time as appropriate under the circumstances.
5. *Board Access to Management and Independent Advisors.* Directors shall have access to the Company's management and independent advisors, such as attorneys or auditors. The Board encourages senior management to bring managers into Board or committee meetings and other scheduled events who (a) can provide additional insight into matters being considered or (b) represent managers with future potential whom senior management believe should be given exposure to the members of the Board. When engaging with management, directors will engage the CEO or the General Counsel in the first instance unless such engagement is inconsistent with the fulfillment of their duties as directors. Members of the Audit Committee and Compensation Committee may initiate contact and communicate directly with the Chief Financial Officer and head of Human Resources, respectively, or their designees in connection with the performance of their duties as members of the Audit Committee or Compensation Committee. A director will use his or her judgment to ensure that any such contact is not disruptive to the business operations of the Company. Management and employees of the Company shall have access to the independent directors.
6. *Limitation on Outside Directorships.* To assure that members of the Board will be able to devote proper attention to their duties and responsibilities as members of the Board, a member of the Board shall not serve on more than three other for-profit public company boards without specific prior approval by the Board. In addition, a member of the Board who is an executive officer of a public company may not serve on the board of more than one other for-profit public company, in addition to the Company's Board. Directors should advise the Chair and the Chair of the Nominating and Governance Committee in advance of accepting an invitation to serve on another public company board.
7. *Selection of Agenda Items for Board Meetings.* The Chair, in consultation with the CEO, shall establish the agenda of each Board meeting and other Board members are encouraged to suggest items for inclusion on the agenda. Each director is free to raise subjects that are not on the meeting agenda.
8. *Pre-meeting Agenda Materials.* In advance of each Regular Board Meeting or committee meeting, an agenda will be distributed to each director by the Company's Secretary or Assistant Secretary. As respects Interim Board Meetings

or committee meetings, notice, an agenda and background materials shall be distributed to all directors. The notice, agenda and background materials may be submitted in electronic form.

To the extent feasible or appropriate, information and data important to the directors' understanding of the matters to be considered, including background summaries of presentations to be made at Board or committee meetings and proposed resolutions, will be distributed in advance of the meeting. Directors also shall routinely receive periodic financial statements, earnings reports, press releases, analyst reports and other information designed to keep them informed of the material aspects of the Company's business, performance and prospects. Management will make every effort to provide materials that are brief and to the point yet communicate the essential information. Without limiting the definition of Confidential Information (as defined herein), any and all information and materials provided to Board members in advance of, or at, a meeting are considered Confidential Information and are subject to the confidentiality provisions set forth in the Policy.

C. **Board Structure**

1. *Board Independence.* The Board shall be comprised of at least a majority of independent directors who meet the criteria for independence as required by the New York Stock Exchange (“*NYSE*”) and the U.S. Securities and Exchange Commission (“*SEC*”). A director qualifies as “independent” if the Board affirmatively determines that the director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company or its subsidiaries). The Company shall publicly disclose these determinations in its annual proxy statement. Independent directors shall inform the Board when there are any changes in their circumstances or relationships that are reasonably likely to affect their independence, including all business relationships between a director and the Company, its affiliates or members of management.
2. *Size of the Board.* The Company's Bye-laws prescribe that the number of directors will not be less than 3 or more than 15.
3. *Election of Directors.* The Company's Bye-laws provide that the Board is not divided or “classified” with respect to the time directors individually hold office. Each director holds office for a term ending on the date of the next Annual General Meeting following the Annual General Meeting at which such director was elected. Directors may offer themselves up for re-election by the shareholders following expiry of their term.
4. *Selection of Directors.* The Nominating and Governance Committee, with input from the Chair, other Board members or shareholders, is responsible for identifying and screening candidates to be proposed for Board membership. The Board is

responsible for nominating persons to be eligible for election to the Board and for filling vacancies on the Board that may occur, in accordance with the Bye-laws.

5. *Board Membership Criteria.* Candidates nominated for election or re-election to the Board should possess the following qualifications:

- Personal characteristics:
 - highest personal and professional ethics, integrity and values;
 - an inquiring and independent mind; and
 - practical wisdom and mature judgment.
- Experience at the policy-making level in business, government or education.
- Expertise that is useful to the Company and complementary to the background and experience of other Board members. In this regard, previous executive and board experience, an international perspective, capital intensive cyclical business experience and knowledge of the global oil and gas industry are considered to be desirable.
- Willingness to devote the required amount of time to perform the duties and responsibilities of Board membership.
- Commitment to serve on the Board over a period of several years to develop knowledge about the Company's principal operations.
- Willingness to represent the best interests of all shareholders and objectively appraise management performance.
- No involvement in activities or interests that create a conflict with the director's responsibilities to the Company and its shareholders.

The Nominating and Governance Committee is responsible for assessing the appropriate mix of skills and characteristics required of Board members in the context of the perceived needs of the Board at a given point in time and shall periodically review and update the criteria as deemed necessary. Diversity in personal background, ethnicity, gender, sexuality, age and nationality for the Board as a whole may be taken into account favorably in considering individual candidates.

The Nominating and Governance Committee will evaluate the qualifications of each director candidate against these criteria in making its recommendation to the Board concerning nominations for election or re-election as a director.

6. *Director's Duties and Conflicts of Interest.* Each director has statutory duties, common law duties, including a duty of skill and care to the Company, and fiduciary duties, which includes a generally negative obligation to do nothing which conflicts with the Company's interests. Each director also has a statutory duty to act honestly and in good faith with a view to the best interests of the Company in exercising his or her powers and discharging his or her duties as a Company director.

If an actual or potential conflict of interest exists with respect to an existing transaction or arrangement with the Company, or develops, whether because of a change in the business operations of the Company or a subsidiary, or in a director's circumstances (for example, significant and ongoing competition between the Company and a business with which the director is affiliated), or otherwise, the director must report the details of the actual or potential conflict of interest, in writing, to the Chair. The Chair shall notify the Chair of the Audit Committee and the Company's General Counsel of such conflict of interest. Any approval or waiver with respect to a conflict of interest will be reviewed and, where appropriate, granted by a majority of the disinterested members of the Audit Committee. Any members of the Audit Committee with the actual or potential conflict of interest shall not participate in the Audit Committee's consideration of the matter. In the event the Chair of the Audit Committee has the actual or potential conflict of interest, the remaining disinterested members of the Audit Committee shall designate a member of the Audit Committee to lead the Audit Committee's consideration of the matter. If a conflict of interest is not approved, waived or otherwise resolved, the director should resign.

If a director has a personal or business interest in a proposed transaction, arrangement or other matter before the Board involving the Company, the director shall disclose the interest to the Board (to the extent not already disclosed) and excuse himself or herself from participation in the related deliberations and shall abstain from voting on the matter.

7. *Change in a Director's Professional Responsibility.* As a matter of policy, any director who changes his or her principal occupation, position, or employer shall promptly notify the Board of the change and submit a pro-forma letter of resignation from the Board. The other members of the Board shall meet in private session and determine whether the change impacts the director's independence or creates a conflict of interest. Following such determination, the directors (other than the director with a change in occupation, position or employer) shall decide whether to accept or reject the pro-forma resignation.
8. *Term Limits and Director Retirement.* The Board has determined not to apply term limits or a mandatory retirement age for directors, as such limits may deprive the Company and its shareholders of the contributions of members who have been able to develop, over time, valuable insights and expertise regarding the Company, its strategy and business operations. The Board believes that, as an alternative to term limits and a mandatory retirement age, it can ensure that the Board continues to

evolve and adopt new viewpoints through the evaluation and nomination process described in these guidelines.

9. *Director Compensation Review.* Outside advisors with expertise on director compensation shall periodically report compensation practices in relation to other companies of comparable size and the Company's competitors.
10. *Director Compensation.* Changes in director compensation shall be implemented upon the recommendation of the Compensation Committee, subject to full discussion and approval by the Board.

D. **Committees of the Board**

1. *Number and Types of Committees.* A substantial portion of the analyses and work of the Board is performed by standing Board committees. A director is expected to participate actively in the meetings of each committee to which he or she is appointed.

The Board has established an Audit Committee, a Compensation Committee, a Nominating and Governance Committee, a Strategy Committee and an Environmental, Social and Governance Committee. Each committee's charter shall be periodically reviewed by the committee and the Board and revised as may be deemed appropriate. Any Board committee may establish such subcommittees as it deems appropriate.

The Board may also establish such other standing or special committees as it may deem appropriate.

2. *Composition of Committees.* Only independent directors meeting the applicable NYSE and SEC requirements shall serve on the Audit Committee, the Compensation Committee and the Nominating and Governance Committee. The composition of each committee and the independence of the directors shall be reviewed annually by the Board.
3. *Assignment of Committee Members.* Following each Annual General Meeting of Shareholders, the Nominating and Governance Committee, with direct input from the Chair, shall recommend to the Board the membership of the various committees, including the appointment of committee chairs, and the Board shall make a final determination relative to such committee and chair assignments. In making its recommendations to the Board, the Nominating and Governance Committee shall take into consideration the need for continuity, subject matter expertise, applicable SEC, Internal Revenue Service, or NYSE requirements, tenure, and the desires of the individual Board members.
4. *Rotation of Committee Membership and Chair.* Upon recommendation of the Nominating and Governance Committee, the Board is responsible for the appointment of committee members according to criteria that it determines to be in the best interest of the Company and its shareholders. The Board shall consider

periodic rotation of committee membership, taking into account desirability of rotating committee members, the benefits of continuity and experience, applicable legal, regulatory and stock exchange listing requirements, and the desires of individual directors. The Board shall also consider the desirability of rotating committee chair responsibilities when appointing or reappointing a committee chair.

5. *Frequency and Length of Committee Meetings.* Each committee shall meet as frequently and for such length of time as may be required to carry out its assigned duties and responsibilities. The Audit Committee shall meet at least quarterly with management, internal auditors and independent auditors. The chair of a committee, the CEO or any two members of a committee may call for notice of a special committee meeting at any time if deemed advisable.
6. *Regular Attendance at Committee Meetings.* All of the Company's directors are permitted to attend quarterly committee meetings, except where the committee chair determines that there is a specific reason to limit attendance at the meeting. The committee chair may invite one or more members of senior management of the Company to be in regular attendance at meetings and may include other officers and employees from time to time as appropriate under the circumstances.
7. *Committee Agendas; Reports to the Board.* Appropriate members of management and staff will prepare agenda and related background information for each committee meeting. The Chair, the committee chair and each committee member is free to suggest items for inclusion on the committee's agenda and to raise subjects that are not on the meeting agenda. Reports on each committee meeting may be made to the full Board by the committee chair as deemed appropriate by the Chair. All directors are permitted to receive copies of each committee's agenda and associated materials, including meeting minutes.

E. **Confidentiality**

1. *Confidentiality of Directors.* The following confidentiality policy is applicable to all directors of the Company. All directors are also subject to the provisions of the Company's Code of Conduct. Each director is expected to take the Company's Code of Conduct training and acknowledge the Code of Conduct shortly after first being elected or appointed to the Board and annually thereafter or as otherwise requested by the Company.
 - Directors have an obligation to protect and keep confidential all nonpublic information (in whatever form maintained or retained, including in print, electronically or human memory, and of whatever type, including facts, opinions, statements, assertions or impressions) derived from and related to the Company ("***Confidential Information***") unless and until the Board has authorized disclosure (or unless otherwise required by law or regulation).

- Confidential Information includes all non-public information entrusted to or obtained by a director by reason of his or her position on the Board, such as information regarding the strategy, business, finances and operations of the Company, minutes, reports and materials of the Board and its committees, other documents identified as confidential by the Company and all other non-public information provided by the Company, including but not limited to information concerning:
 - the Company's financial condition, results of operations, cash flows, prospects, forecasts or plans, its marketing and strategic plans, business development activities, regulatory status or matters and information relating to acquisitions, divestitures, financings, capital allocations or policies and actions relating to the Company's shares or other securities;
 - possible transactions with other companies or information about the Company's suppliers, customers or joint venture or business partners; and
 - the proceedings and deliberations of the Board and its committees, and the discussions and decisions between and among employees, officers and directors and their advisors.
- Directors may not use Confidential Information for personal benefit or to benefit other persons or entities other than the Company.
- Directors shall refrain from disclosing Confidential Information to anyone outside the Company, specifically including any principal or employee of any entity or person that employs the director or has sponsored the director's election to the Board, except with Board authorization or as otherwise may be required by law.
- The obligations described above continue even after service on the Board has ended.
- Any questions or concerns about potential disclosures should be directed to the General Counsel, who then may communicate with the CEO, the Chair and/or the Nominating and Governance Committee regarding such potential disclosures.
- Disclosure by a director of Confidential Information to an advisor to any of (i) the Company, (ii) a committee of the Company's Board or (iii) the director in his or her capacity as a director shall not be considered disclosure outside the Company; provided that such advisor has a professional or contractual obligation to maintain the confidentiality of such information and the director does not waive such obligation without advance authorization of the Board of its designee.

F. **Other Board Practices**

1. *Shareholder Communications to the Board.* The Company shall establish a process by which shareholders may communicate with the Board. Said process shall provide a means for submission of such communications directly to the incumbent chairs of all of the Board's standing committees.
2. *Director Attendance at Shareholders Meetings.* It is the Policy of the Company that, barring extenuating circumstances, all members of the Board shall attend the Company's Annual General Meeting of Shareholders and also are encouraged to attend any and all general meetings which may be duly convened.
3. *Board Interaction with Institutional Investors and Press.* The Board believes that management generally should speak for the Company, consistent with all regulations governing such communications and with the Company's previously established strategic direction. Unless otherwise agreed to or requested by the Chair, each director shall refer all inquiries from investors and the media pertaining to the Company to designated members of senior management. Unless directed by the Board, individual directors (other than directors who also serve as officers of the Company and, in such capacity, are specifically authorized to do so) shall not discuss any matters pertaining to the Company with shareholders, securities analysts or the press unless specifically authorized to do so in a particular situation by the Chair or the CEO.
4. *Extraordinary Transactions.* Unless specifically authorized to do so in a particular situation by the Chair or the CEO, individual directors shall not (a) speak or act on behalf of the Company concerning extraordinary transactions, such as (i) various types of acquisitions, dispositions, joint ventures, material business alliances and business combinations and (ii) financing arrangements with banks or other capital providers, or (b) solicit, directly or indirectly, acquisition proposals for the Company or any of its shares or assets, proposals for a joint venture or business alliance or financing proposals. In the event that a director should receive an inquiry, expression of interest, proposal or any other communication from a third party with respect to a possible extraordinary transaction involving the Company, the director shall immediately inform the Chair and the CEO and advise them of all facts and circumstances relating to such communication. Under no circumstances may the individual director engage in discussions or negotiations with the third party, unless specifically authorized to do so in the particular situation by the Board, the Chair or the CEO.
5. *Evaluation of CEO Performance.* Each year, the independent directors shall meet in executive session to evaluate the performance of the CEO. To facilitate the evaluation, the Nominating and Governance Committee shall coordinate a process for the independent directors to consider CEO performance in advance of the Board meeting during which the CEO's performance is to be reviewed. In evaluating the CEO, the independent directors shall take into consideration the executive's performance in both qualitative and quantitative areas, including:

- Leadership and vision;
- Integrity;
- Keeping the Board informed on matters affecting the Company and its business units;
- Performance of the business (including such measurements as total shareholder return and achievement of financial objectives and goals);
- Development and implementation of initiatives to provide long-term economic benefit to the Company;
- Accomplishment of strategic objectives;
- Safety performance;
- Environmental, social and governance (ESG) performance; and
- Development of management.

The evaluation will be communicated to the CEO by the Chair and will be considered when reviewing the CEO's compensation. The results of the evaluation shall be considered by the Compensation Committee (or a duly appointed Subcommittee thereof) in respect of the CEO's compensation. Any decision with respect to the CEO's continued employment, compensation and duties shall be made having regard to the terms of any employment agreement then in effect.

6. *Management Succession Planning.* The CEO is responsible for developing and maintaining a process for advising the Board on planning for potential successor Chief Executive Officers, as well as for other key senior management positions in the Company. The Nominating and Governance Committee is responsible for oversight of succession planning in the Company. The Board traditionally appoints and elects the Company officers following each Annual General Meeting of Shareholders and, in connection therewith, the Nominating and Governance Committee and Board shall work with the CEO to plan orderly management succession and develop plans for interim succession for the CEO in the event of an unexpected occurrence. Management succession planning may be reviewed more frequently by the Board as it deems appropriate. The Nominating and Governance Committee may designate a Management Succession Subcommittee to assist in fulfilling this function, and such Subcommittee, at the Board's discretion, may include non-employee directors who are not serving on the Nominating and Governance Committee.
7. *Management Service on Other Public Company Boards.* While it is recognized that it may be appropriate for Company officers to serve on the board of directors of another for-profit public company, such service shall be subject to the prior

written approval by the Company's CEO and reported to the Board. As respects the Company's CEO, service on the board of directors of any other for-profit public company shall be subject to prior approval by the Board.

8. *Evaluation of Board Performance.* The Nominating and Governance Committee shall develop a process whereby the Board will annually review Board and committee performance, including the conduct of Board and committee meetings, to provide input on means of improving the effectiveness of the Board and its committees.
9. *Risk Oversight.* The Board should understand the principal risks associated with the Company's business on an ongoing basis and it is the responsibility of management to assure that the Board and its committees are kept well informed of these changing risks on a timely basis. It is important that the Board oversee the key risk decisions of management, which includes comprehending the appropriate balance between risks and rewards. The Board reserves oversight of the major risks facing the company and has delegated certain risk oversight responsibility to the appropriate committees.
10. *New Director Orientation.* New directors shall participate in an orientation program that includes comprehensive information about the Company's business and operations, general information about the Board and its committees (including a summary of director compensation and benefits), and a review of director duties and responsibilities.
11. *Director Continuing Education.* The Company's directors are encouraged to participate in continuing education programs to increase their knowledge of corporate governance and enhance their effectiveness on the Company's Board. The Company shall reimburse all reasonable and customary expenses incurred for this purpose.
12. *Share Ownership Guidelines.* These share ownership guidelines are intended to further align directors and employees with the interests of shareholders. Non-employee directors, within five years of their appointment to the Board, are required to hold an equity interest in the Company having a value of at least five times (5x) the director's annual cash retainer. The following employees are subject to the following guidelines within five years of the later of being appointed to the position in question or becoming subject to these guidelines: (i) the CEO is required to hold an equity interest in the Company having a value of at least six times (6x) his or her base salary; (ii) all Senior Vice Presidents are required to hold an equity interest in the Company having a value of at least two times (2x) his or her base salary; (iii) each other individual identified by the Board with the title of Vice President or higher is required to hold an equity interest in the Company having a value of at least one times (1x) his or her base salary. In the event that an individual is not in compliance with these guidelines, the individual shall be subject to a holding period for all equity interests of the Company he or she owns, except as required to satisfy tax withholding obligations, until he or she meets these

guidelines. Thereafter, he or she may sell equity of the Company so long as compliance with these guidelines is maintained.

For purposes of these guidelines, “equity interest” means the Company’s publicly traded shares (a) owned directly (including through open market purchases or acquired and held upon vesting of equity awards under a Company plan); (b) owned indirectly, if the individual has an economic interest in the shares (including shares owned jointly with or separately by the individual’s spouse or held in trust for the benefit of the individual, the individual’s spouse and/or children); (c) deliverable upon settlement of equity awards under a Company plan, excluding options and the portion of any award that remains subject to achievement of performance goals; and (d) held in a 401 (k) plan and any deferred compensation accounts. For purposes of these guidelines, equity interests shall be valued at the greater of: (i) with respect to shares underlying unvested equity interests awarded under a Company plan, the closing price of the Company’s shares on the date of award of the equity interest; and (ii) with respect to any equity interest, including shares underlying unvested equity interests awarded under a Company plan, the average of closing prices of the Company’s shares on trading days during the last 12 month or on the trading day immediately preceding the date on which compliance with these guidelines is determined, whichever is higher. For purposes of these guidelines, in the event a director or an employee who has met the ownership guidelines but whose ownership subsequently falls below the guidelines due to a decline in the price of the Company’s publicly traded shares and not to sales of equity interests, such director or employee will be deemed to remain in compliance, provided that such director does not sell any equity interests, until the price of the Company’s shares returns to a level at which he or she meets the guidelines.

13. *Pledging.* In no case shall a director or officer of the Company enter into any arrangement pursuant to which securities of the Company held by such director or officer are pledged, hypothecated or otherwise used as collateral or security for any other obligation, including, without limitation, pursuant to a margin account arrangement. Further, with respect to any shares that were already subject to such an arrangement prior to the effective date of the Policy, such shares shall not be counted for purposes of the share ownership guidelines set forth above.
14. *Periodic Review of the Policy; Amendment and Modification.* Corporate governance and the function of the Board involve a dynamic and evolving process. Accordingly, the Policy will be reviewed periodically by the Nominating and Governance Committee and any recommended revisions will be submitted to the full Board for consideration and approval. The Policy may be amended or modified from time to time by the Board.
15. *Public Disclosure.* The Policy, the Company’s Code of Conduct and the Board committee charters, and all revisions and amendments thereto, shall be posted on the Company’s website. The Company’s annual proxy statement will also include a statement to the effect that this information is available on the Company’s website and in print to any person who requests it.

16. *Reliance on Information.* In discharging responsibilities as a director, a director is entitled to rely in good faith and in his or her independent judgment and to a reasonable degree on reports or other information provided by the Company's management, independent auditors, and other persons as to matters the director reasonably believes to be within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, the Board or a committee of the Board.