

## **DOLLAR GENERAL CORPORATION CORPORATE GOVERNANCE GUIDELINES**

The Board of Directors has adopted, and will periodically review and revise, these Corporate Governance Guidelines to serve the best interests of Dollar General and its shareholders. The principles herein are guidelines within which the Board may conduct its business and are not intended to be legally binding obligations. The Board, in the exercise of its discretion, may deviate from these Guidelines from time to time as it deems appropriate. References to specific statutes, rules or regulations contained in these Guidelines include any successor or replacement provision, and all of the provisions of these Guidelines shall be interpreted in the context of all applicable laws and regulations and our governing documents.

### **I. Role and Responsibilities of the Board**

The basic role of the Board is to protect shareholder interests by understanding and overseeing our long-term, central strategies; understanding the issues, forces and risks that define our business; overseeing management's performance; and promoting law-abiding and ethical behavior by our employees. To fulfill this role, directors are expected to exercise their business judgment in good faith and to act with loyalty and in what they each reasonably believe to be the best interests of Dollar General and its shareholders, to regularly attend Board and applicable committee meetings, and to review in advance of meetings the materials provided by management.

(a) Board Committees. The Board shall maintain an Audit Committee, a Compensation Committee and a Nominating and Governance Committee, may form or disband other standing or ad hoc committees from time to time, and will adopt a written charter to govern each standing committee. The Board may combine or consolidate any two or more standing committees, other than the Audit Committee, to the extent allowed by applicable rules and regulations. The Board will appoint committee members and may designate committee chairpersons. If committee chairpersons are not designated by the Board, they shall be designated by the committee's membership.

(b) Board Compensation. The Board shall determine, upon Compensation Committee recommendation, the form and amount of director compensation to ensure fair pay for time and effort and based on general principles which shall be set forth in the Compensation Committee's Charter and periodically re-evaluated by the Compensation Committee.

(c) Management Succession Planning. The Board shall coordinate with the CEO to ensure that a formalized process governs long-term management development and succession, including succession in the event of an emergency or the CEO's retirement. The Board shall review the succession plan at least annually, which plan shall identify internal candidates where appropriate.

(d) CEO Evaluation. The Compensation Committee shall annually evaluate the CEO's performance against previously-established corporate goals and objectives related to compensation and shall report thereon to the Board. The Compensation Committee, or the Compensation Committee along with the Chairperson of the Board, Lead Director or all of the Independent Directors, may evaluate the CEO versus any previously established individual goals.

(e) Interactions with Third Parties. The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director. In addition, to minimize legal exposure

and to ensure consistent and accurate public information flow, only appropriate members of management generally should speak for the Company. Communications with the public, the press, customers, securities analysts and investors should typically flow through, and be coordinated by, the CEO or those designated in applicable Company policies. The CEO may request Board members to speak with third parties for legitimate business purposes. Board members are expected to comply with the Disclosure Policy.

## II. Board and Committee Member Qualifications

(a) Independence. A majority of Board members and all members of the Audit Committee, Compensation Committee and Nominating and Governance Committee must be Independent Directors (as defined in **Appendix A**) if required by applicable listing standards of the New York Stock Exchange or any other applicable rule or regulation. In addition, members of the Audit Committee and the Compensation Committee must meet the requirements set forth below in II(b) and II(c), as applicable, and any additional requirements that may be set forth in the applicable committee's charter. Members of other Board committees must meet any qualification requirements as may be set forth in the committee's charter.

*Non-employee directors are expected to promptly inform the General Counsel of any anticipated changes in their circumstances or relationships that may impact their designation as an Independent Director or their qualification to serve on a Board committee, so that Board review can be facilitated.*

(b) Audit Committee Membership Requirements. In addition to being an "Independent Director," each Audit Committee member also must meet the requirements of Rule 10A-3 of the Securities Exchange Act of 1934; specifically, such members may not, other than in the director's capacity as a member of the Audit Committee, the Board or any other committee of the Board:

(i) directly or indirectly accept any consulting, advisory or other compensatory fee from us or our subsidiaries, other than: (A) fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with us that is not contingent in any way on continued service, and (B) compensation for service as a Board or committee member; or

(ii) be an affiliated person (as defined in Rule 10A-3) of us or our subsidiaries, except as otherwise permitted in accordance with Rule 10A-3.

(c) Compensation Committee Membership Requirements. In addition to being an "Independent Director," each Compensation Committee member also must be (subject to the proviso below):

(i) a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934; and

(ii) an "outside director" within the meaning of Section 162(m)(4)(C) of the Internal Revenue Code of 1986, for as long as the Company has performance-based compensation arrangements that are grandfathered under Section 162(m);

Provided, however, that if each member of the Compensation Committee does not meet these requirements, the Compensation Committee shall form a subcommittee composed entirely of Independent Directors that meet such requirements.

(d) Director Age Limit. No person who has reached the age of 76 shall be eligible for appointment, election or re-election as a director unless the Board waives the mandatory retirement age on a case by case basis. If a waiver is granted, it shall be reviewed annually. A director is eligible for nomination for re-election at an annual meeting of shareholders in the year in which he or she will reach the age of 76 as long as he or she does not reach such age prior to such annual shareholders' meeting.

(e) Director Tenure. The Board should strive to achieve a mix of tenure to balance continuity and historical perspective with fresh perspectives, and to meet evolving skill set needs. The Board currently does not believe that term limits for its directors are advisable, as they may deprive the Company and its shareholders of the valuable contributions of directors who, because of their extended service, have developed significant experience and insights into the Company and its strategies, operations, challenges and risks. Instead, the Board will ensure continued evolution and adoption of new viewpoints through its annual self-evaluation and the annual re-nomination process, along with the existing age limit.

(f) Director Selection and Qualifications. The Board or our shareholders may nominate directors in accordance with the Bylaws. The Nominating & Governance Committee will review all such nominees in accordance with its charter, consider candidates timely submitted by shareholders in accordance with our company's Bylaws, and apply the same criteria to the evaluation of those candidates as it applies to other director candidates.

The Board endeavors to achieve a mix of members that represents a diversity of background and experience in areas that are relevant to our business, as determined by the Board from time to time. The Nominating & Governance Committee shall recommend candidates, including those submitted by shareholders, and recommend re-nomination of incumbent directors only if it believes, after assessing such person's skills, background, experience and time commitments, that such person would meet the Board's identified needs, is committed to representing the long-term interests of our shareholders, and is in a position to devote an adequate amount of time to the effective performance of director duties. The Committee also shall assess and make recommendations to the Board regarding such person's independence and recommend only those persons who possess all of the following personal characteristics:

(i) Integrity and Accountability. Directors should demonstrate sound ethical standards and integrity and be willing to act on and be accountable for their boardroom decisions.

(ii) Informed Judgment. Directors should have the ability to provide wise, thoughtful counsel on a broad range of issues and should possess high intelligence and wisdom and apply those qualities in decision-making. Their background and experience should add value to the skill set of the Board as a whole.

(iii) Financial Literacy. Directors should know how to read a balance sheet, income statement and cash flow statement and understand the use of financial ratios and other indices for evaluating the Company's performance.

(iv) Cooperative Approach. Directors should value Board and team performance over individual performance, approach others assertively, responsibly and supportively, and raise tough questions in a manner that encourages open discussion.

(v) Record of Achievement. Directors should have a record of achievement that reflects high standards for themselves and others.

(vi) Loyalty. Directors should be passionate about the Company's performance and should have no conflicts of interest with the Company or its goals.

(vii) Ability to Consult and Advise. Directors should possess the creative talents and advisory capacity needed to counsel management.

(g) Director Resignations Upon Employment Change. Each director shall promptly offer to resign from our Board upon a change in such director's primary employment, if any. The Nominating & Governance Committee shall consider whether it is advisable to accept such offered resignation, considering such factors as the impact on the director's independence and qualification for service on Board committees, conflicts of interest, additional demands on the director's time and attention, and any other factors as the Nominating & Governance Committee deems relevant. The Board shall determine whether to accept or reject such offered resignation and whether other action should be taken, considering the recommendation of the Nominating & Governance Committee. The director who offers the resignation shall not participate in the decision-making process but shall timely and fully provide all information as may be necessary to, or as requested by, the Nominating & Governance Committee and the Board in making the recommendation or decision, as applicable.

(h) Procedure for Director Not Elected by Majority Vote in Uncontested Elections. If, in an uncontested election, a nominee for director who is an incumbent director does not receive the number of votes required by our company's Charter (as amended from time to time) for election as a director and no successor has been elected in such director's stead, the director shall promptly offer to resign from our Board. The Nominating & Governance Committee shall consider whether it is advisable to accept or reject such offered resignation and whether other action should be taken. If a majority of the Nominating & Governance Committee members fail to receive a majority vote in the same election, then the Board shall appoint a committee of independent directors who received a majority vote at that election to consider the tendered resignations and recommend to the Board whether to accept or reject them. If all of the directors fail to receive a majority vote in the same election, then the Board shall appoint a committee of independent directors to consider each tendered resignation (other than his or her own) and recommend to the Board whether to accept or reject it.

The Board shall determine whether to accept or reject the offered resignation and whether other action should be taken, considering the recommendation of the relevant committee as set out above, and shall publicly disclose its decision and the related rationale. The relevant committee as set out above and the Board each may consider any factors or other information that it considers appropriate and relevant in making its recommendation or decision, as applicable. The director who offers the resignation shall not participate in the recommendation or decision-making processes.

If the Board rejects the offered resignation, the director shall continue to serve until the next annual shareholders' meeting and until his or her successor is duly elected, or his or her earlier resignation or removal in accordance with our Bylaws. If the Board accepts the offered

resignation, or if a nominee for director, who is not an incumbent director, is not elected, then the Board, in its sole discretion, may fill any resulting vacancy or decrease the size of the Board, in each case pursuant to the provisions of our Bylaws.

The Board may at any time in its sole discretion supplement or amend any provision of this policy in any respect, repeal the policy in whole or part or adopt a new policy relating to director elections with such terms as the Board determines in its sole discretion to be appropriate. The Board shall have the exclusive power and authority to administer this policy, including without limitation the right and power to interpret its provisions and make all determinations deemed necessary or advisable for its administration. All such actions, interpretations and determinations which are done or made by the Board in good faith shall be final, conclusive and binding.

### **III. Board Effectiveness**

(a) Director Orientation. New directors shall participate in an orientation program that includes discussions with management, visits to our facilities, and background materials on our business, plans, organization, financial statements and key policies and procedures.

(b) Director Education. Each Board member should maintain the necessary level of expertise to perform the responsibilities of a director. We may offer continuing education programs to assist directors in maintaining this level of expertise. If we do not provide such a program in a given year, each director may instead attend one education seminar at our expense, subject to a maximum enrollment fee of \$4,000 plus reasonable expenses which shall include the cost of: (i) supplemental materials, such as course workbooks or text, (ii) lodging, (iii) transportation to and from the seminar, and (iv) meals.

(c) Performance Evaluation. The Board shall conduct an annual evaluation to determine whether it and its committees are functioning effectively. The chairperson of each standing committee shall inform the Board of any information regarding such committee that may be relevant to such evaluation.

(d) Selection of Chairperson. The Board shall select its Chairperson and its CEO in any way it considers to be in the best interests of Dollar General and its shareholders. The decision of who should serve in these roles, and whether the roles should be combined, is the responsibility of the Board to be determined in its business judgment.

(e) Lead Director. If the positions of the Chairperson and the CEO are held by the same person, or if the Chairperson is otherwise employed by Dollar General, then the Board may select an Independent Director to serve as the Lead Director. The Lead Director shall have the following responsibilities as well as any other responsibilities as may be delegated to such Lead Director by the Board from time to time:

- (i) To chair the executive sessions of the non-management directors and of the Independent Directors, and to report thereon to the full Board and/or the Chairperson as appropriate;
- (ii) To chair meetings of the Board when the Chairperson is not in attendance;
- (iii) To provide input on Board meeting agendas;

- (iv) To co-lead with the Chairperson the annual Board self-evaluation process;
- (v) To participate with the Compensation Committee in the annual performance evaluation of the Chief Executive Officer;
- (vi) To serve as a liaison between the Chairperson and the non-management directors and to communicate non-management Board member feedback to the Chief Executive Officer when the position is separate from that of the Chairperson; and
- (vii) To be a contact for shareholders, employees and other interested parties who wish to communicate with the non-management directors on the Board.

#### **IV. Meeting Agenda and Procedures**

(a) Selection of Agenda Items. The Board is responsible for reviewing our long-term strategic plans and should receive strategic updates from management periodically throughout the year. The following are responsible for establishing meeting agenda and for allocating sufficient time for discussion of all relevant items:

- Board Meetings: Chairperson of the Board and CEO.
- Audit Committee Meetings: CFO, in consultation with the CEO and the committee chairperson.
- Compensation Committee Meetings: Most senior Human Resources executive, in consultation with the CEO and the committee chairperson.
- Other Committee Meetings: General Counsel or other executive designated by the CEO, in consultation with the CEO and the committee chairperson.

Each director or committee member is encouraged to suggest agenda items to the applicable chairperson and is free at any regularly scheduled meeting to raise subjects that are not listed on the agenda.

(b) Executive Sessions. To promote open discussion among the non-management directors, at each regularly scheduled Board meeting the non-management directors and/or the Independent Directors, each as a separate group, will have the opportunity to meet in executive session without any member of management present. If any of the non-management directors are not Independent Directors, the Independent Directors shall meet in separate executive session at least once per year.

(c) Advance Distribution of Materials. To ensure that the Board is fully informed and has an opportunity to make meaningful and deliberate contributions to the decision-making process, whenever possible information that is important to the Board's understanding of a matter should be distributed in writing to all directors sufficiently in advance of the meeting. Management shall make every attempt to keep this material brief while still providing adequate detail.

(d) Access to Management. Board members have complete access to the management team but shall use judgment to ensure that this contact is not distracting to business operations. Directors should refrain from giving strategic or operating direction to members of management outside the scope of full Board or committee responsibility and accountability. The Board encourages

the Chairperson to invite to Board meetings members of management who are capable of providing specific insight into an agenda item and to expose to the Board those members of management with future potential.

(e) Access to Outside Advisors. While the Board and its committees have at their disposal significant resources, such as our external auditors, internal auditors, general counsel, and outside counsel, they have the authority to select, retain, terminate and approve the fees and other retention terms, at their discretion and at our expense, any other legal, financial, accounting or other advisors, consultants or experts.

## **V. Corporate Ethics and Controls**

We are committed to conducting business ethically and legally. Toward that end, the Board shall exercise reasonable oversight over the implementation and effectiveness of our compliance and ethics program and ensure that an internal audit function is maintained.

(a) Internal Audit. We will maintain an internal audit function which shall report on substantive audit, internal control and enterprise risk management matters directly to the Audit Committee.

(b) Code of Ethics. An appropriate “tone at the top” is necessary to ensure that all Company employees remain committed to integrity. Accordingly, all directors (to the extent applicable) and employees are expected to perform their duties for Dollar General ethically and legally and to adhere, and encourage others to adhere, to our Code of Business Conduct and Ethics.

(c) Compliance Program. We will maintain a legal compliance program designed to communicate a culture of compliance and to reduce the risk that our directors, employees, agents or vendors will violate the laws, rules, regulations or Company policies applicable to them.

## **VI. General Corporate Governance Profile**

(a) Shareholder Proposals. All shareholder proposals properly submitted pursuant to our Bylaws or Rule 14a-8 under the Securities Exchange Act of 1934 may be referred to the Board committee most knowledgeable about the subject matter of the proposal. The Board will determine, considering such committee’s recommendation, when applicable, whether the proposal is in the best interests of the Company and our shareholders. The Board’s recommendation and rationale will be disclosed for shareholder proposals included in the proxy statement.

(b) Director Attendance at Shareholder Meetings. Each director is expected to attend our annual shareholder meetings, unless attendance is not feasible due to unavoidable circumstances.

(c) Director Share Ownership Guidelines. Each non-employee director is expected, but not required, to acquire a number of shares of our common stock having a value equal to five times the annual cash retainer payable for service on our Board as in effect from time to time within five years of election to our Board. To the extent the ownership guidelines multiple has been, or will be, increased, all current non-employee directors at the effective time of such increase will have an additional year to acquire the incremental multiple. Each non-employee director is required to retain ownership of 100% of all net after-tax shares granted by Dollar General until the non-employee

director reaches the target. Administrative details pertaining to these matters shall be as established by the Compensation Committee.

(d) Officer Share Ownership Guidelines. Each employee at the level of Senior Vice President and above is expected, but not required, to acquire a number of shares of our common stock having a value equal to a multiple, as set forth below, of the officer's annual base salary as in effect from time to time.

<b>Officer Level</b>	<b>Multiple of Base Salary</b>
CEO	6X
COO	4X
EVP	3X
SVP	2X

Such ownership should be acquired within five years of the April 1 next following such person's hire or promotion date. Each covered officer is required to retain ownership of 50% of all net after-tax shares granted by Dollar General until the covered officer reaches the target. Administrative details pertaining to these matters shall be as established by the Compensation Committee.

(e) CEO Certification of NYSE Listing Standards. The CEO must annually certify to the NYSE that he is not aware of any violation by the Company of NYSE corporate governance listing standards, qualifying the certification to the extent necessary. In addition, the CEO must promptly notify the NYSE in writing after any of our executive officers becomes aware of non-compliance with any applicable provision of the NYSE corporate governance listing standards. The Company's Legal Department will provide assistance to the CEO in providing such notice.

(f) Pre-Approvals for For-Profit Board Memberships. To help ensure that our leadership devotes adequate time and attention to our business and affairs, the CEO and any other Section 16 officer shall obtain Board approval, and other officers shall obtain CEO approval, prior to accepting a new directorship with a for-profit company. All directors must receive pre-approval from the Board committee charged with governance responsibilities prior to accepting a new directorship with another for-profit company. These pre-approval requirements apply even if a director is within the limits of public company board service set forth below.

(g) Limits on Public Company Board Service. The CEO may not serve on more than one public company board (in addition to the Company's Board). Other Dollar General directors may not serve on more than three public company boards (in addition to the Company's Board).

(h) Limit on Public Company Audit Committee Service. No member of our Audit Committee may serve on more than two public company audit committees (in addition to our Audit Committee).

(i) Notice of Director Resignation, Retirement or Refusal to Stand for Re-Election. Any director who intends to resign or retire from, or refuse to stand for re-election for, the Board for any reason should promptly communicate his or her intention in writing to the General Counsel of the Company to ensure timely public disclosure.



## **VII. Communications to the Board or the Audit Committee**

Security holders and other interested parties may contact the Board, a particular director, or the non-management directors or the Independent Directors as a group by sending a letter (signed or anonymous) to: [Name(s) of Board member(s) or group], Dollar General Corporation, c/o General Counsel, 100 Mission Ridge, Goodlettsville, TN 37072. The security holder or other interested party must include the notation “SECURITY HOLDER/INTERESTED PARTY—BOARD COMMUNICATION” on the envelope.

We will make such communications available for inspection by the addressee at least quarterly, except for advertisements or solicitations which will be discarded.

Complaints or concerns about our accounting, internal controls, auditing or other matters may be reported anonymously or otherwise to our legal department or to the Audit Committee by:

- Calling the Whistleblower Hotline at 1-800-334-9338 (a third party provider will receive and process the report)
- Writing to the Audit Committee at: Audit Committee Chairperson, Dollar General Corporation, c/o General Counsel, 100 Mission Ridge, Goodlettsville, TN 37072

All accounting, internal controls, or auditing concerns will be reported to the Audit Committee at least quarterly.

The communication, complaint or concern will be reviewed by the legal department but treated as confidential if the sender so requests, except as necessary to protect Dollar General’s interests or to comply with applicable law or order of a judicial or governmental authority. Concerns will be handled through our regular procedures for addressing such matters, which may include referral to our internal audit, legal, finance or other appropriate department, unless the Board member or the applicable committee or group of directors instructs otherwise.

The Board member or the applicable committee or group of directors may direct that the matter be presented to the full Board or an applicable Board committee for further consideration or action. The Board or the applicable committee may direct special treatment, including the retention of outside advisors or counsel.

Our policy prohibits any employee from retaliating or taking any adverse action against anyone who, in good faith, reports or helps to resolve an ethical or legal concern.

## **APPENDIX A**

### **Director Independence**

A director can qualify as an Independent Director only if the Board affirmatively determines, after considering all relevant facts and circumstances, that the director has no material relationship with Dollar General or any member of our management either directly or as a partner, shareholder or officer of an organization (whether or not for-profit) that has a relationship with our company. When assessing the materiality of a relationship with our company, the Board should consider the issue from the standpoints of both the director and the 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, ownership of even a significant amount of stock, by itself, is not a bar to independence. A director whom the Board affirmatively determines has no such material relationship with our company is considered an “Independent Director.” The Board will comply with all applicable independence criteria established by the NYSE and other rules and regulations.

For purposes of determining whether a director qualifies as an Independent Director specifically for service on our Compensation Committee, the Board also must consider all factors specifically relevant to determining whether a director has a relationship to our company which is material to that director's ability to be independent from management in connection with the duties of Compensation Committee member, including but not limited to the source of compensation of the director (including any consulting, advisory, or other compensatory fee paid by the Company to such director) and whether the director is affiliated with the Company, its subsidiaries or any affiliates of its subsidiaries. Specifically, the Board should consider, with respect to sources of compensation, whether the director receives compensation from any source that would impair his or her ability to make independent judgments about our company's executive compensation. The Board further should consider, with respect to affiliations, whether the affiliate relationship places the director under the direct or indirect control of our company or our senior management or creates a direct relationship between the director and members of our senior management, in each case of a nature that would impair his or her ability to make independent judgments about our company's executive compensation.

(i) *NYSE “Bright Line” Rules:* A director cannot qualify for consideration as an Independent Director if:

(A) **Certain Employment Relationships.** (1) The director is, or has been within the last three years, our employee; or (2) an immediate family member is, or has been within the last three years, one of our executive officers. Employment as an interim Chairperson, interim CEO or other interim executive officer shall not disqualify a director from being considered an Independent Director following that employment.

(B) **Receipt of Direct Compensation in Excess of \$120,000.** During any twelve-month period within the last three years the director or an immediate family member received more than \$120,000 in direct compensation from us, excluding: (1) director and committee fees and pension or other forms of deferred compensation for prior service that is not contingent in any way on continued service; (2) compensation received by a director for former service as interim Chairperson, interim CEO or other interim executive officer; and

(3) compensation received by an immediate family member for service as our employee (other than an executive officer).

(C) **Certain Relationships with Auditors.** (1) The director or an immediate family member is a current partner of a firm that serves as our internal or external auditor; (2) the director is a current employee of such a firm; (3) the director has an immediate family member who is a current employee of such a firm and personally works on our audit; or (4) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on our audit within that time.

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

(E) **Certain Relationships with Vendors.** 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, us 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 the other company's consolidated gross revenues. Both the payments and the revenues shall be those reported by the other company in its last completed fiscal year. The three-year look-back provision applies solely to the relationship between us and the director's or immediate family member's current employer, and such persons' former employment need not be considered. In addition, contributions to tax exempt organizations shall not be considered "payments" for this purpose, but we will publicly disclose (to the extent required by the NYSE and applicable SEC rules or regulations) any such contributions we make to any tax exempt organization in which an Independent Director serves as an executive officer if, within the preceding three years, our contributions to the organization in any single fiscal year exceeded the greater of \$1 million or 2% of the organization's consolidated gross revenues.

For purposes of subsections (A) through (E) above, "immediate family member" means a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than domestic employees) who shares such person's home (or any other meaning promulgated from time to time by the NYSE). In applying any look-back provisions, individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated, are not considered "immediate family members". In addition, the "Company," "us" or "we" shall include any parent or subsidiary in Dollar General's consolidated group.

(ii) *Board-Adopted "Bright Line" Rules:* Relationships within the following categories are not material for purposes of the Board's determinations of independence. The Board may determine that a director who has a relationship that falls outside of the following parameters is nonetheless an Independent Director (to the extent that it would not be a bar to independence under the NYSE listing standards). For purposes of this subsection (ii), "immediate family member" means, in addition to the persons specified in (i) above, a person's stepparents and stepchildren.

(A) **Certain Relationships with Business Partners.** A director's independence is not impaired by the existence of any relationship listed below, provided in each case that the director or immediate family member, as applicable, (i) does not participate in the actual provision of services or goods to, or negotiations with, us on the business partner's behalf, (ii) does not receive any special compensation or other benefit as a result of the relationship, and (iii) has not been within the last three years employed as an executive officer of the business partner where any of our present executive officers at the same time served on the business partner's compensation committee:

(1) the director is a current employee or consultant (or similar position), or an immediate family member is a current executive officer, of a business partner or lender if the amount we pay to or receive from the business partner in any single fiscal year of the business partner does not exceed the greater of \$1 million or 2% of the business partner's consolidated gross revenues (total consolidated gross assets in the case of a lender).

(2) the director or an immediate family member serves on a business partner's or lender's board of directors (or similar governing body).

(3) an immediate family member is an employee (other than an executive officer) or consultant (or similar position) of a business partner or lender.

(4) the director is a current employee or consultant, or an immediate family member is a current executive officer, of a lender if the highest amount of our outstanding aggregate indebtedness to the lender during any single fiscal year does not exceed the greater of \$1 million or 2% of the lender's total consolidated assets as of the end of the lender's last completed fiscal year.

(5) the director or an immediate family member directly or indirectly owns less than 10% of any class of securities of a business partner or lender.

(B) **Certain Relationships with Non-Profit Entities.** A director's independence is not impaired by the existence of any relationships between the director or an immediate family member with a tax-exempt entity or other charitable organization, foundation or non-profit university to which we make donations, grants or endowments, provided that the director or immediate family member does not participate in the grant decision or receive any special compensation or benefit as a result.

(C) **Certain Relationships with Auditors.** A director's independence is not impaired by the existence of a prior relationship with a firm that serves as our internal or external auditor or a current relationship between an immediate family member and the auditor as long as:

(1) the director or immediate family member is not a current partner of such firm;

(2) the director is not a current employee of such firm;

(3) the director's immediate family member is not a current employee of such firm who participates in our audit; and

(4) the director or immediate family member was not within the last three years a partner or employee of such firm who personally worked on our audit within that time.

(D) **Certain Compensatory Relationships.** A director's independence is not impaired by our employment of any of the director's immediate family members in a capacity other than executive officer if the amount of compensation does not exceed \$120,000 during any twelve-month period within the last three years.