



STATEMENT OF POLICY WITH RESPECT TO RELATED PARTY TRANSACTIONS

A. Introduction

The Board of Directors ("Board") recognizes that related party transactions present a heightened risk of conflicts of interest and/or improper valuation (or the perception thereof). Nevertheless, the Board also recognizes that there are situations when related party transactions may be consistent with the best interests of the Company. Accordingly, the Board has adopted this policy which shall be followed in connection with all related party transactions involving the Company.

Under this policy, any "Related Party Transaction" shall be consummated or shall continue only if the Governance Committee ("the Committee"), or its Chair, shall approve such transaction in accordance with the guidelines set forth in the policy and if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party.

This policy has been approved by the Committee and the Board. The Committee will review and is authorized to amend this policy from time to time.

B. Definitions

For these purposes, a "Related Party" is:

1. a person who is, or was at any time since the beginning of the last fiscal year, senior officer (which shall include at a minimum each executive vice president and Section 16 officer), director of the Company or a nominee to become a director of the Company;
2. a shareholder owning in excess of five percent of the Company's voting securities;
3. a person who is an immediate family member of any such senior officer, director, director nominee or shareholder; or
4. an entity which is owned or controlled by someone listed in 1, 2 or 3 above, or an entity in which someone listed in 1, 2 or 3 above has a substantial ownership interest or control of such entity.

For these purposes, a "Related Party Transaction" is a transaction arrangement or relationship (or any series of similar transaction arrangements or relationships) in which the Company (or any subsidiary) was, is or will be a participant and in which any Related Party had, has or will have a direct or indirect interest between the Company and any Related Party (including any transactions requiring disclosure under Item 404 of Regulation S-K under the Securities Exchange Act of 1934), other than:

1. transactions with a corporation or organization in which the Related Party is acting solely in the capacity as a director; or
2. transactions involving less than \$50,000 when aggregated with all similar transactions.

C. Committee Approval

Related Party Transaction shall be consummated only if the following steps are taken:

1. Prior to entering into the Related Party Transaction (a) the Related Party or (b) the director, senior officer, nominee or beneficial owner who is an immediate family member of the Related Party shall provide written notice to the General Counsel of the facts and circumstances of the proposed Related Party Transaction, including: (i) the Related Party's relationship to the Company and interest in the transaction; (ii) the material facts of the proposed Related Party Transaction, including the proposed aggregate value of such transaction or, in the case of indebtedness, the amount of principal that would be involved; (iii) the benefits to the Company of the proposed Related Party Transaction; (iv) if applicable, the availability of other sources of comparable products or services; and (v) an assessment of whether the proposed Related Party Transaction is on terms that are comparable to the terms available to an unrelated third party or to employees generally.
2. If the General Counsel determines that the proposed transaction is a Related Party Transaction, the proposed Related Party Transaction shall be submitted to the Committee for consideration at the next Committee meeting or, in those instances in which the General Counsel, in consultation with the Chief Executive Officer, determines that it is not practicable or desirable for the Company to wait until the next Committee meeting, to the Chair of the Committee (who will possess delegated authority to act between Committee meetings).
3. The Committee, or where submitted to the Chair, the Chair, shall consider all of the relevant facts and circumstances available to the Committee or the Chair, including (if applicable) but not limited to: (i) the benefits to the Company; (ii) the impact on a director's independence in the event the Related Party is a director, an immediate family member of a director or an entity in which a director is a partner, shareholder or executive officer; (iii) the availability of other sources for comparable products or services; (iv) the terms of the transaction; and (v) the terms available to unrelated third parties or to employees generally. No member of the Committee shall participate in any review, consideration or approval of any Related Party Transaction with respect to which such member or any of his or her immediate family members is the Related Party. The Committee (or the Chair) shall approve only those Related Party Transactions that are consistent with the best interests of the Company and its shareholders, as the Committee (or the Chair) determines in good faith. The Committee or Chair, as applicable, shall convey the decision to the General Counsel, who shall convey the decision to the appropriate persons within the Company.
4. The Chair of the Committee shall report to the Committee at the next Committee meeting any approval under this policy pursuant to delegated authority.

D. Disclosure

All Related Party Transactions are to be disclosed in the Company's applicable filings as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules. Furthermore, all Related Party Transactions shall be disclosed to the full Board of Directors.

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