

# OXFORD

## Corporate Governance Guidelines

The Company's Board of Directors directs the management of the Company's business affairs in accordance with the Georgia Business Corporation Code, the Company's Articles of Incorporation and its By-Laws. The role of the Board is to govern the affairs of the Company effectively for the benefit of its shareholders. The Board strives to ensure the success and continuity of the Company's business through qualified management. These guidelines will be posted on the Company's website together with the charters of the Audit and Nominating, Compensation & Governance Committees of the Company's Board of Directors. The Company's annual proxy statement will disclose that these guidelines and the applicable committee charters are available on the Company's website.

### SELECTION OF THE BOARD

#### 1. Board Membership Criteria

The Nominating, Compensation & Governance Committee shall review, on a periodic basis, the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This assessment should include issues such as independence, expertise such as understanding of the Company's industry, age, diversity, general business knowledge and experience, financial literacy and expertise, availability and commitment, and other criteria that the Committee and Board find to be relevant.

#### 2. Director Independence

The Company shall have a majority of "independent" directors under the listing standards of the New York Stock Exchange, as determined by the Board of Directors. At least annually, the Nominating, Compensation & Governance Committee shall review each relationship that exists with a Director and his or her related interests for the purpose of determining whether the Director is independent.

#### 3. Selection and Orientation of New Directors

The Board shall be responsible for selecting its own members and recommending them for election by the Company's shareholders. The Board delegates the screening process to the Nominating, Compensation & Governance Committee, with direct input from the Chairman of the Board, the Company's Chief Executive Officer and any other person or group that the Nominating, Compensation & Governance Committee deems appropriate. The Board and the Company shall have an orientation process for new Board members that includes background materials and meetings with senior management. Board members shall have access to continuing education and training as may be appropriate or necessary for them to perform their duties as Board members.

4. Extending the Invitation to a Potential Board Member to join the Board

The invitation to join the Board should be extended by the Board itself through the Chairman of the Board.

## **BOARD LEADERSHIP**

1. Selection of Chairman

The Board does not have a policy as to whether the Chief Executive Officer of the Company, if a member of the Board of Directors, should also serve as the Chairman of the Board of Directors. The Chairman of the Board shall be chosen by the Board from among the Directors and may, but need not, be an executive officer or employee of the Company. The Board will make this decision as it deems appropriate for the Company from time to time based upon the relevant factors applicable to each case.

2. Lead Director

The Board shall have a Lead Director who shall chair scheduled meetings of non-employee Directors and scheduled meetings of independent Directors, as well as act as a liaison between the independent Directors of the Board and the Chairman of the Board and/or the Company's Chief Executive Officer. The Lead Director shall be an independent Director chosen by the independent Directors of the Board. In the absence of a selection by the independent Directors, the Chair of the Nominating, Compensation & Governance Committee shall be the Lead Director.

## **BOARD COMPOSITION AND PERFORMANCE**

1. Size of the Board

The Board believes that the number of Directors should not exceed a number that can efficiently function as a body. The exact number of Directors constituting the Board of Directors shall be fixed from time to time in the Company's By-Laws by resolution of the Board of Directors. The Board shall be divided into three classes, as nearly equal in size as possible, as provided in the Company's Articles of Incorporation. The term of each class shall be three (3) years.

2. Director Time Commitment

It is the responsibility of Board members to attend meetings of the Board and of committees of which they are members. At a minimum, each Director is expected to attend during each fiscal year at least 75% of the aggregate of the total number of meetings of the Board (held during the period during which he or she served) and the total number of meetings held by all committees of the Board on which he or she served (during the period that he or she served). Board members are encouraged to each year attend the Company's annual meeting of shareholders.

### 3. Service on Other Boards

Without specific approval from the Board, no Director may serve on more than four public company boards (including the Company's Board of Directors). In calculating service on a public company board, service on a board of a parent and its substantially owned subsidiary counts as service on a single board. The Nominating, Compensation & Governance Committee and the Board should take into account the nature of, and time involved in, a Director's service on other boards in evaluating the suitability of individual Directors and making its recommendations to the Company's shareholders. Directors must notify the Nominating, Compensation & Governance Committee prior to accepting a seat on the board of directors of another business organization so that the potential conflicts of interest and other factors compromising the Director's ability to fulfill his or her duties to the Board may be fully assessed.

### 4. Retirement and Resignation

Mandatory retirement from the Company's Board of Directors shall be as prescribed by the Company's Board of Directors from time to time in the Company's By-Laws.

A Director who has a material change in employment, is the subject of media attention that could reflect negatively upon his or her continued service on the Board or has a conflict of interest with the Company should submit his or her resignation to the Chairman of the Board. The Board may accept or reject the resignation based on its determination of the best interests of the Company.

### 5. Board Compensation Review

Company staff, with the assistance of and/or in consultation with any compensation consultant engaged by the Nominating, Compensation & Governance Committee, shall report annually to the Nominating, Compensation & Governance Committee on the status of the Company's compensation of Board members in relation to comparable U.S. publicly-traded companies. Changes in Board compensation, if any, shall be based upon a recommendation of the Nominating, Compensation & Governance Committee.

### 6. Executive Sessions

Non-employee Directors shall meet periodically in executive session, and the Lead Director shall preside over each such meeting. Independent Directors shall meet periodically, and at least once per year, in executive session, and the Lead Director shall preside over each such meeting.

### 7. Assessing the Board's Performance

The Nominating, Compensation & Governance Committee shall annually assist the Board in conducting a self-assessment of the Board's performance. The Nominating, Compensation & Governance Committee and the Audit Committee shall each assess its performance on an annual basis. The purpose of these assessments is to increase the overall effectiveness of the Board.

## **BOARD RELATIONSHIP WITH SENIOR MANAGEMENT**

### 1. Attendance of Non-Directors at Board Meetings

With the advice and consent of the Chairman of the Board and guidance from the Company's Chief Executive Officer, the Board welcomes attendance at Board meetings by non-Board members who are members of the Company's senior management. The Board encourages management to bring, from time to time, managers into Board meetings who (a) can provide additional insight into the items being discussed because of personal involvement in those areas, and/or (b) represent managers with future potential that the senior management believes should be given access to the Board.

2. Board Access to Senior Management

Board members shall have complete access to Company management. Board members shall ensure, in their judgment, that contact is not distracting to the business operations of the Company.

## **MEETING PROCEDURES**

1. Selection of Agenda Items for Board Meetings

The Chairman of the Board of Directors will establish the agenda for each Board meeting. Each Board member is encouraged to suggest the inclusion of items on the agenda.

2. Distribution of Board Materials in Advance

Information and data important to the Board's understanding of the agenda items should, if feasible, be distributed to the Board in writing prior to the Board meeting. To the extent practicable, presentations on specific subjects should be sent to Board members in advance so that Board meeting time may be as productive as possible. Information too sensitive to be distributed in advance shall be discussed at the Board meeting.

## **COMMITTEE MATTERS**

1. Number, Structure and Independence of Committees

The current committees of the Board are the Executive, Audit and Nominating, Compensation & Governance Committees. The Board, in its discretion, may from time to time elect to form a new committee or disband a current committee. Membership on the Audit and Nominating, Compensation & Governance Committees shall consist only of independent Directors. The Executive Committee shall be comprised of a majority of independent Directors.

2. Assignment of Committee Members

The Nominating, Compensation & Governance Committee, after consultation with the Chairman of the Board, and with consideration of the desires of individual Board members, shall recommend to the Board the members of various committees.

3. Frequency and Length of Committee Meetings

The Chair of each committee, in consultation with committee members and management, shall determine the frequency and length of meetings of that committee.

4. Committee Agendas

The Chair of each committee, in consultation with the Chairman of the Board, the committee members and management, shall develop the agenda for meetings of that committee.

## LEADERSHIP DEVELOPMENT

### 1. Formal Evaluation of the Chief Executive Officer

The Nominating, Compensation & Governance Committee shall oversee an annual evaluation of the Chief Executive Officer. The evaluation shall be based on objective criteria such as the performance of the Company's business, accomplishment of long-term strategic objectives, development of management and such other criteria as the Nominating, Compensation & Governance Committee deems appropriate. The evaluation shall be used by the Nominating, Compensation & Governance Committee when considering the compensation of the Chief Executive Officer.

### 2. Succession Planning

There shall be an annual review of succession planning by the Chief Executive Officer with the Board of Directors. There shall also be available, on a continuing basis, the Chief Executive Officer's recommendation of a successor should he or she be unexpectedly rendered unable to perform the duties of such office.

## OWNERSHIP INTERESTS IN THE COMPANY

### 1. Director and Employee Stock Ownership Guidelines

The Board encourages executive officers and Directors to hold significant equity interests in the Company.

(a) *Executive Officer Stock Ownership Guidelines.* The Board expects each executive officer of the Company to own or to acquire, within five years of appointment to the applicable position, shares of the common stock of the Company having a fair market value of a multiple of his or her base salary as indicated below:

- Chief Executive Officer – 4.0x
- President – 2.5x
- Executive Vice Presidents – 2.0x
- All Other Executive Officers – 1.5x

(b) *Director Stock Ownership Guidelines.* The Board expects each non-employee Director to own or to acquire, within four years of first becoming a Director, shares of the common stock of the Company having a fair market value of at least two times (2.0x) such non-employee Director's annual retainer.

(c) *Qualifying Holdings.* The following will count toward meeting the stock ownership guidelines:

- Shares purchased on the open market;
- Shares owned outright by the individual, or by members of his or her immediate family residing in the same household, whether held individually or jointly;

- Restricted stock (including those shares granted in satisfaction of performance share awards and those shares granted in connection with a non-employee Director's annual retainer) received pursuant to the Company's stock option and restricted stock plans, whether or not vested;
  - Shares acquired upon the exercise of stock options awarded pursuant to the Company's stock option plans;
  - Shares held in trust for the benefit of the individual or his or her immediate family, or by a family limited partnership or other similar arrangement; and
  - Shares acquired through the Company's Employee Stock Purchase Plan.
- (d) *Determination of Guidelines.* For purposes of determining the stock ownership guideline applicable to each individual subject to the foregoing, the fair market value of the Company's common stock shall be the 365-day average closing price of the Company's common stock, as reported by the New York Stock Exchange, as of the applicable determination date. The determination of an individual's stock ownership requirement will be made as of the date such person is first subject to these guidelines (or the date of a change in the applicable guideline resulting from a change in appointment) and will be made based on the individual's base salary or annual retainer, as applicable, as of such date.

Once established, an individual's guideline generally will not change as a result of changes in base salary or annual retainer, as applicable, and/or fluctuations in the Company's common stock price. In addition, the Nominating, Compensation & Governance Committee may, from time to time, reevaluate and revise individual guidelines to give effect to changes in the Company's common stock price or capitalization.

The Company's Human Resources Department will be responsible for communicating these guidelines (and the number of shares of the Company's common stock corresponding to each individual's guideline) to applicable individuals.

- (e) *Compliance with the Guidelines.* Once achieved, ownership of the guideline amount should be maintained for as long as an individual is subject to these stock ownership guidelines. The Nominating, Compensation & Governance Committee has the authority to review each applicable individual's compliance (or progress towards compliance) with these stock ownership guidelines from time to time and, in its sole discretion, to impose such conditions, restrictions or limitations on any individual subject to these stock ownership guidelines as such Committee determines to be necessary or appropriate in order to achieve the purposes of these stock ownership guidelines.

For example, with respect to executive officers, the Nominating, Compensation & Governance Committee may mandate that an officer retain (and not transfer) all or a portion of any shares delivered to such officer through the Company's stock option and restricted stock plans. Failure to meet, or in unique circumstances to show sustained progress toward meeting, these ownership guidelines, may result in a reduction in future long-term incentive grants and/or payment of future annual incentive payments in the form of stock. With respect to non-employee Directors, the Nominating, Compensation & Governance Committee may, for example, mandate that a non-employee Director retain (and not transfer) all or a portion of any shares delivered to such Director in connection with such Director's annual retainer (or otherwise require such Director to obtain all of such Director's annual retainer in the form of restricted stock).

(f) *Exceptions.* The Board recognizes that exceptions to this policy may be necessary or appropriate in individual cases and the Chairman of the Nominating, Compensation & Governance Committee may approve such exceptions from time to time as he or she deems appropriate.

2. Holding Periods for Stock Acquired Upon Exercise of Stock Options and Lapse of Restrictions on Restricted Stock

(a) *Holding Periods.* The Board believes that in furtherance of executive officers and Directors meeting the ownership guidelines above, with the exception of funds necessary for payment of the exercise price of stock options and/or reasonably expected to be required for satisfaction of applicable taxes, it is inappropriate for executive officers or Board members to immediately sell stock acquired with the exercise of options or lapse of restrictions on restricted stock. For any individual who has not satisfied and/or does not continue to satisfy his or her applicable ownership guideline above, the Board has established a holding period of one year for stock acquired by executive officers or Directors upon the exercise of options or lapse of restrictions on restricted stock, net of funds necessary to pay the exercise price of stock options and/or reasonably expected to be required for satisfaction of applicable taxes.

(b) *Notification of Holding Periods.* The Nominating, Compensation & Governance Committee shall be responsible, together with the Company's Human Resources Department, for communicating these holding periods, from time to time, to applicable individuals.

3. Hedging and Pledging of Company Stock

Directors and executive officers may not use puts, calls, equity swaps or other derivative securities or engage in any other transaction that would have the effect of hedging the economic risk of ownership of the common stock of the Company. Directors and executive officers may not pledge common stock of the Company as collateral for a loan or for any other purpose.

Transactions in Company stock by Directors and executive officers are also subject to the restrictions set forth in the Company's insider trading policy, as may be in effect from time to time.