

## Definition of Director Independence

The independence of the Board from the management of the Company is an important principle to maintain and reinforce in the structure and governance of The Guardian's Board. The term "Independent Directors" includes only those Directors who are not Officers or employees of the Company or of any entity controlling, controlled by, or under common control with such Company. In addition, with regard to independence, a Board member is not independent if:

- a. The Board affirmatively determines that the Director has a material relationship with the Company;
- b. the Director is, or has been within the last three years, an employee of the Company, or an immediate family member is, or has been within the last three years, an executive officer of the Company;
- c. the Director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than Director and Committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
- d.
  - i. the Director is a current partner or employee of a firm that is the Company's internal or external auditor;
  - ii. the Director has an immediate family member who is a current partner of such a firm;
  - iii. the Director has an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or
  - iv. the Director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time;
- e. the Director or an immediate family member is, or has been with the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee; or
- f. the Director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

For the purposes of this definition, an "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home. In addition, references to the Company include subsidiaries and other affiliates of the Company.