



## Governance Guidelines

(As updated August 2, 2018)

### **I. Board of Directors; Chairman**

Tredegar's directors are elected by its shareholders to oversee management and to act in accordance with each director's good faith business judgment of the best interests of the corporation. Tredegar's Board of Directors has a Chairman who is not part of Tredegar's management and whose duties and responsibilities are separate and distinct from those of Tredegar's Chief Executive Officer. The Chairman's responsibility is to Tredegar's shareholders and the Board of Directors.

### **II. Ethical Business Principles**

- Integrity and ethical behavior are core values of Tredegar. Tredegar's Board, officers and employees shall reflect such principles in the conduct of business. The Board is responsible for providing the best example of these values and should reinforce their importance at appropriate times.
- The Nominating and Governance Committee periodically reviews Tredegar's Code of Conduct, its Conflict of Interest Policy (as set forth in the Code of Conduct) and its Investment Conflict of Interest Policy. The Committee is responsible for evaluating the adequacy of those policies in addressing situations in which business opportunities arise that may potentially give the appearance of impropriety. The Committee has management confirm periodically that employees are aware of these policies and that the policies are enforced.

### **III. Board Composition/Qualifications**

- In determining Board size, directors should consider the nature, size and complexity of Tredegar's operations and the cohesiveness and effectiveness of the Board.
- The Board should exhibit a diversity of backgrounds and expertise. Moreover, directors should be persons of the utmost integrity who possess the highest standards of business and professional conduct. Directors should also possess the skills, judgment, commitment and time necessary to discharge their responsibilities. These characteristics are emphasized in the evaluation and recruitment of new directors.



- A majority of the Board of Directors shall be persons who are determined by the Board to be considered independent under the independence standards established by the New York Stock Exchange and the Securities and Exchange Commission as in effect from time to time. To be considered independent under these standards, the Board of Directors must affirmatively determine that a director does not have a material relationship (direct or indirect) with Tredegar. The Independence Determination Guidelines attached to these guidelines as Appendix 1 have been established to assist the Board of Directors in making these independence determinations.
- The Nominating and Governance Committee recommends a slate of directors for shareholders to elect at each Annual Meeting of Shareholders. The Board of Directors then nominates a slate of directors for election at such Annual Meeting of Shareholders. In an uncontested election, each director shall be elected by a vote of the majority of the votes cast with respect to that director-nominee's election at a meeting of shareholders for the election of directors at which a quorum is present. If there are more nominees for election than the number of directors to be elected, a director-nominee shall be elected by a plurality of the votes cast in such election.

Any incumbent director nominated for re-election as director who is not re-elected in accordance with Article III, Section A.2(b)(1) of Tredegar's Amended and Restated Articles of Incorporation, as amended from time to time, shall tender his or her resignation to the Nominating and Governance Committee for its consideration promptly following certification of the election results. The Nominating and Governance Committee will consider the tendered resignation and make a recommendation to the Board of Directors as to whether to accept the tendered resignation. The Board of Directors will consider all factors it deems relevant to the best interests of Tredegar, make a determination and publicly disclose (by press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the tendered resignation and, if such resignation is rejected, the rationale behind the decision within 90 days after certification of the election results.

Any director who tenders his or her resignation pursuant to this provision shall not participate in the Nominating and Governance Committee's recommendation or the Board of Directors' action regarding whether to accept the tendered resignation. However, if each member of the Nominating and Governance Committee fails to receive a sufficient vote for re-election, then the independent directors who did receive a sufficient vote shall appoint a committee amongst themselves to consider the tendered resignations and recommend to the Board of Directors whether to accept them. However, if the only directors who receive a sufficient vote for re-election constitute three or fewer directors, then all directors may participate in the action regarding



whether to accept the tendered resignations. If a tendered resignation is accepted or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors may fill the resulting vacancy pursuant to Article II, Section 3 of Tredegar's Amended and Restated Bylaws or decrease the size of the Board of Directors.

#### **IV. Director Retirement Age/Resignation**

A director who is 72 years or older at the time of the expiration of his or her term will not be nominated for reelection, except as otherwise recommended by the Nominating and Governance Committee and approved by the Board. Such director shall not participate in the Nominating and Governance Committee's recommendation or Board's action regarding whether to nominate such director for reelection. If the Board determines that continued service by such director is in the best interests of the Company, the Board has the discretion to nominate the director for reelection.

A director shall submit to the Chairman of Tredegar's Nominating and Governance Committee a letter offering to resign subject to Board approval if (i) his or her principal occupation or business association changes substantially during his or her tenure as a director, or (ii) he or she becomes affiliated with a third party whereby such affiliation creates a potential conflict of interest with Tredegar. The Nominating and Governance Committee will review and recommend to the Board the action, if any, to be taken with respect to the offer of resignation. Any director who offers his or her resignation pursuant to this policy shall not participate in the Nominating and Governance Committee's recommendation or Board's action regarding whether to accept the resignation. If the Board determines that continued service by such director is in the best interests of the Company, the Board has the discretion not to accept the offer of resignation.

#### **V. Board Meetings and Attendance; Private Sessions**

- There shall be a minimum of four Board meetings per year.
- Meeting agendas are set by the Chairman and the Chief Executive Officer and distributed prior to meetings. Board members may request that items be added to agendas, and such requested items shall be included on the agenda for the next Board meeting unless the Chairman of the Board and the Lead Director (or if there is not both a Chairman and Lead Director, the Chairman and the Chair of the Nomination and Governance Committee) determine in good faith that such requested agenda item is not appropriate for Board discussion; provided, however, if any two Board members request the inclusion of such agenda item, then it shall be so included.



- Board meeting materials are distributed to Board members sufficiently in advance of meetings to allow for thorough prior review.
- Attendance
  - Directors are expected to attend all Board and Committee meetings
  - Attendance that falls below 75% should be discussed with the Chairman to determine if excessive time conflicts are likely to continue
- The non-management members of the Board meet from time to time in private session (i.e., without any member of management present). The chair at these sessions is the Chairman.
- The independent members of the Board meet at least annually in private session (i.e., without any member of management or any non-independent director present). The chair at these sessions is the Lead Director.
- The Board has unanimously approved a process, described in Tredegear's annual proxy statement, for shareholders to communicate directly to the Board and individual Board members.

## **VI. Committees**

- Current Committees of the Board are the Audit Committee, the Executive Committee, the Nominating and Governance Committee and the Executive Compensation Committee. The Board may, from time-to-time, create other committees. Each member of the Audit Committee, the Nominating and Governance Committee and the Executive Compensation Committee shall be a person who is determined by the Board to be considered independent under the independence standards established by the New York Stock Exchange and the Securities and Exchange Commission as in effect from time to time.
- Upon the recommendation of the Nominating and Governance Committee, the Board appoints annually the chair and members of each Committee.
- There are no limits on terms for service on standing Committees; the Board may replace Committee members as appropriate.



## VII. Responsibilities of the Board of Directors

As part of the statutory obligation that the business and affairs of the Company be managed under the direction of the Board of Directors, the Board of Directors is responsible for performing the following functions directly or through one or more committees:

- Approve major corporate decisions and oversee the development and implementation of broad corporate policies;
- Review and oversee the Company's management of risks;
- Engage in full and open discussion of issues related to the Company and its business;
- Monitor and assess performance and ask appropriate questions of management to address accountability with established goals;
- Represent the interests of Tredegar's shareholders in maintaining and enhancing the success of the Company's business and in the creation of long term shareholder value;
- Understand, review and monitor Tredegar's strategic plans and the implementation thereof;
- Oversee and interact with senior management with respect to other key aspects of Tredegar's business including operating performance, financial reporting, capital allocation, compliance, risk assessment and mitigation, senior management development and succession, and the creation of long-term shareholder value;
- Provide general advice and counsel to the Company's CEO and senior management;
- Stay well-informed regarding Tredegar businesses; management is responsible for providing accurate information to Board members, who should carefully review that information in advance of Board meetings;
- Oversee the quality and integrity of Tredegar's accounting, reporting, and financial control practices and Tredegar's legal compliance programs, processes and procedures;
- Select, evaluate, terminate and set the compensation of the CEO;
- Develop succession plans for the CEO and review succession plans for other Executive Officers;



- Establish and maintain proper corporate governance practices, which include, but are not limited to, an annual review of these Governance Guidelines;
- Recommend to the Board director candidates for shareholder approval and recruit highly qualified new Board members; and
- Perform the duties required of the Board under the applicable laws of the Commonwealth of Virginia, the rules of the Listed Company Manual of the New York Stock Exchange and other applicable laws and regulations.

### **VIII. Responsibilities of the Lead Director**

The independent directors of the Board of Directors shall annually elect one independent director to be the Lead Director. The Lead Director is identified in Tredegar's proxy statement and on its website. The Lead Director's responsibilities are to:

- Preside over executive sessions of the independent directors and at all meetings at which the Chairman is not present;
- Call meetings of the independent directors as he or she deems necessary;
- Serve as a liaison between the Chairman and the independent directors; and
- Be available for consultation and communication if requested by major shareholders.

### **IX. Board Relationship with General Counsel**

The CEO shall appoint the General Counsel for Tredegar. Although the CEO has the power to hire and fire the General Counsel and the General Counsel reports to the CEO, the General Counsel shall also have, and shall be entitled to have, a direct relationship with the Board of Directors, the Chairman of the Board and the Chairs of the various Board committees. In its role relative to the Board, the General Counsel shall:

- Consult with the Board regarding ethical issues related to Tredegar and/or senior management;
- Respond to Board requests for information necessary to create a transparent Board decision making process;



- Advise the Board on governance issues and issues regarding legal or compliance risks.

## **X. Director Compensation/Stock Ownership**

- Directors are expected to comply with Tredegar's stock ownership reporting and trading policies.
- A meaningful portion of director compensation is in the form of Tredegar stock in order to align the interests of directors with the long-term interests of Tredegar's shareholders. Consequently, non-employee directors receive reasonable and customary compensation in the form of an annual retainer consisting of cash and Tredegar stock. The annual retainer is paid quarterly or as otherwise determined by the Nominating and Governance Committee. The Chairman, each Committee chairperson and each non-chair member of a Committee who is a non-employee director also receive an additional annual cash retainer, which is paid quarterly, or as otherwise determined by the Nominating and Governance Committee.
- To further align the interests of directors and shareholders, Tredegar has stock ownership guidelines for its directors and executives.

## **XI. Hedging and Pledging of Tredegar Stock**

Directors and executive officers of Tredegar shall not, directly or indirectly:

- Purchase any financial instrument or enter into any transaction that is designed to hedge or offset any decrease in the market value of Tredegar's common stock or other equity securities (including, but not limited to, prepaid variable forward contracts, equity swaps, collars or exchange funds); or
- Except with the prior approval of the Nominating and Governance Committee, pledge, hypothecate, or otherwise encumber shares of Tredegar's common stock or other equity securities as collateral for indebtedness, including, without limitation, holding such shares in a margin account. In its discretion, the Nominating and Governance Committee will consider the number of shares requested to be pledged, the proportion of pledged shares to the director's or officer's total Tredegar stockholdings and such other factors as deemed relevant by the Nominating and Governance Committee. The Nominating and Governance Committee will not approve any pledging transaction that it believes is significant.



## **XII. Board Performance Review**

- At each meeting, Board members are encouraged to comment upon the Board's performance during the meeting and offer suggestions on how the Board may further enhance its effectiveness at future meetings.
- The Chairman oversees an annual performance evaluation of the Board. The Chairman reports to the Board the conclusions of the annual evaluation at the regular Board meeting immediately following completion of the evaluation.

## **XIII. Access to Management, Information and Advisors**

- Tredegar will perform best, and the Board of Directors will best be able to assess and oversee performance by the Company and the CEO, if there is a full and free flow of information to the Board of Directors at all times. Tredegar recognizes that each member of the Board of Directors must have sufficient information to make an independent judgment about the affairs of the Company.
- Executive officers and other members of senior management who report directly to the CEO shall be present at meetings of the Board of Directors, at the invitation of the Board or CEO. The CEO is encouraged to, and at the direction of the Board shall, cause such executive officers and senior management to make presentations to the Board, and include in discussions at Board meetings any direct or indirect reports who: (a) can provide insight into the matters being discussed because of their functional expertise and/or personal involvement in such matters; or (b) are individuals with high potential whom such executive officers and senior management believe the Board should have the opportunity to meet and evaluate.
- Board members shall have full and free access to management and other officers and employees of Tredegar at all reasonable times. Any meetings or contacts that a Director wishes to initiate may be arranged through Tredegar's CEO or directly by the Director. The Directors will use their judgement to ensure that any such contact is not disruptive to the business operations of Tredegar.
- Board members shall have the right to inspect the books and records of the Company at all reasonable times, and to request additional information reasonably necessary to exercise informed oversight and make careful decisions.
- The Company shall perform annually a Company-wide Employee Survey that rates employee views on key criteria including safety, morale, communication, etc. Such





survey shall solicit written comments, as appropriate. The survey results will be provided to the Board.

- At one or more meetings per year, as the Board requests, the Board shall meet with such members of Tredegear management as the Board requests, without the presence of the CEO, to discuss such matters regarding the business as the Board or such members of management desire to discuss.
- As they deem necessary and appropriate to consider particular matters, the Board and its Committees have the right to retain independent financial, legal and other advisors, at the Company's expense, without consulting with or obtaining the approval of management in advance of such retention.
- Board members, or the Board as a whole, are welcome at all times to visit Company sites and meet with site managers and employees. If the Board so requests, one Board meeting per year shall be held at or near a Tredegear production or R&D site and shall include a tour of such site.

#### **XIV. Continuing Education/Orientation**

- Board members must be knowledgeable about Tredegear's businesses, the duties and responsibilities of directors of publicly traded companies and general governance principles.
- Continuing education opportunities include presentations on Tredegear's businesses at Board meetings, periodic site visits, full access to management and other similar opportunities.
- New Board members shall receive an appropriate orientation introducing them to Tredegear's businesses, the functions of the Board, the duties and responsibilities of directors of publicly traded companies and general governance principles.
- Board members are encouraged to attend conferences and other continuing education programs designed for directors of publicly traded companies.



## **XV. CEO Performance Review**

- During private sessions of regular Board meetings (i.e., sessions without management present), the Chairman solicits from the Board comments and/or issues concerning CEO performance (among other matters). The Chairman (or, at the Chairman's request, the Chairman of the Executive Compensation Committee) reviews with the CEO the comments and issues raised by Board members during private sessions.
- Through the Executive Compensation Committee, the Board formally evaluates CEO performance annually. The Chairman (or, at the Chairman's request, the Chairman of the Executive Compensation Committee) communicates the conclusions of each such evaluation to the CEO and to the Board.
- Written communication will be provided to the CEO upon the request of the Board.
- The CEO, Executive Officers, Business Unit Presidents and all managers reporting to the CEO shall participate annually in a 360 review. The results of such reviews will be provided to the Board.

## **XVI. CEO Succession**

- The CEO succession planning process includes a regular Board review and assessment of potential successors. This review contemplates both emergencies and CEO normal retirement. For each candidate, the reviews include, but are not limited to, each of the following:
  - Readiness and potential
  - Demonstrated skills and competencies
  - Needed experience and training to fill gaps
  - Independent assessment information
  - Summary of any recent 360 review
  - Plan for adequate exposure to Board
  - Organization's response to leadership



## Appendix 1

### Independence Determination Guidelines

A director shall not be independent if he or she satisfies any one or more of the following criteria:

1. A director who is, or who has been within the last three years, an employee of Tredegar, or whose immediate family member is, or has been within the last three years, an executive officer, of Tredegar. Employment as an interim Chairman or CEO or other executive officer shall not disqualify a director from being considered independent following that employment.
2. A director who has received or who has an immediate family member, serving as an executive officer, who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from Tredegar (excluding director and committee fees and pension/other forms of deferred compensation for prior service that is not contingent in any way on continued service). Compensation received by a director for past service as an interim Chairman, CEO or other executive officer need not be considered in determining independence under this guideline.
3. (A) A director who is or whose immediate family member is a current partner of a firm that is Tredegar's internal or external auditor; (B) a director who is a current employee of such a firm; (C) a director who has an immediate family member who is a current employee of such a firm and who personally works on Tredegar's audit; or (D) a director who was or whose 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 Tredegar's audit within that time.
4. A director who is or has been within the last three years, or whose immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of Tredegar's present executives at the same time serves or served on that company's compensation committee.
5. A director who is a current employee, or whose immediate family member is a current executive officer, of a company that has made payments to, or received payments from, Tredegar 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 (as reported for the last completed fiscal year).

The Board shall also consider a director's charitable relationships. A director who is an officer, director, or trustee of a charitable or non-profit organization shall not be considered to have a material relationship with Tredegar that impairs the director's independence so long as Tredegar's contributions to the entity in any of the last three fiscal years (excluding amounts contributed by Tredegar under its employee matching gift program) are less than \$1,000,000 or 2% of such entity's consolidated gross revenues as reported for the last completed fiscal year (whichever is greater).