

# **LOEWS CORPORATION CORPORATE GOVERNANCE GUIDELINES**

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## **Introduction**

The following Corporate Governance Guidelines have been adopted by the Board of Directors to assist the Board in the exercise of its responsibilities. These Guidelines reflect the Board's commitment to monitor the effectiveness of policy and decision making both at the Board and management levels, with a view to enhancing shareholder value over the long term.

These Guidelines set forth certain goals and expectations of the Board but are not intended to bind the Board in any particular circumstance or to affect the Board's obligations or authority under the Company's charter or by-laws, stock exchange rules or applicable laws or regulations.

## **Composition of the Board**

The Board shall from time to time review the manner in which the Board and its leadership are configured, with a view toward maintaining a structure that will best serve the Company and its shareholders.

The Board has no fixed policy with respect to combining or separating the offices of Chairman of the Board and Chief Executive Officer. These have been at times combined and at times separated. The Board has exercised discretion in combining or separating the positions as it has deemed appropriate in light of prevailing circumstances and the Board continues to reserve the right to make this determination.

## **Director Qualification Standards**

A majority of the members of the Board must be "independent" directors, as determined in accordance with stock exchange rules and applicable laws and regulations. The Board will act to fill any vacancy created by the departure of an independent director as necessary to restore or maintain such majority.

The Board is responsible for selecting candidates for Board membership, with assistance from the Nominating and Governance Committee. Candidates are selected for their character, judgment, business experience and areas of expertise, among other relevant considerations, such as the requirements of stock exchange rules and applicable laws and regulations. The Board recognizes that the needs of the Board, in terms of the relative experience and other qualifications of its members, may change over time. Consistent with its charter, the Nominating and Governance Committee is responsible for screening candidates, for developing and recommending to the Board criteria for nominees and for recommending to the Board a slate of nominees for election to the Board at the annual meeting of shareholders. Final approval of any candidate shall be determined by the Board.

Each director is expected to provide advance notice to the Chief Executive Officer of his or her acceptance of an invitation to serve on the board of directors or the audit committee or compensation committee of any other public company. Directors are also expected to report changes in their business or professional affiliations or responsibilities to the Chief Executive Officer.

The Board does not believe it is advisable to establish a term limit for directors because such a limit may deprive the Company and its shareholders of the contribution of directors who have been able to develop valuable insights into the Company and its operations over time.

### **Director Responsibilities**

*Standard of care for directors.* Directors should exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders in a manner consistent with their fiduciary duties. In considering the best long-term and short-term interests of the Company, directors may consider the needs of employees, suppliers and customers of the Company and its subsidiaries, communities in which the Company and its subsidiaries conduct business and other pertinent factors in addition to the objective of maximizing shareholder value.

Directors shall be provided with information about the Company's business, performance and prospects, as well as any matters submitted for Board action. Such information will be made available to the directors periodically and, in any event, within a reasonable period of time before meetings where the subject matter of such information is on the meeting agenda. Information should be relevant, concise and timely. Requests for action by the Board should include the recommendation of management and be accompanied by data sufficient for the directors to make a determination as to the advisability of the matter.

Directors should regularly attend meetings of the Board and all committees upon which they serve. To prepare for meetings, directors should review the materials that are sent to them in advance of those meetings and otherwise spend the necessary time and effort to discharge their responsibilities appropriately.

*Meetings of the Board.* The Board expects that it will meet approximately six times a year. Additional meetings (or actions to be taken by unanimous consent) may be scheduled as necessary or appropriate in light of circumstances. The Company's Secretary shall prepare an annual schedule of meetings for the Board and the Audit, Compensation and Nominating and Governance Committees. To the extent practicable, the schedule shall be designed to accommodate discussion of agenda subjects that are generally of a recurring nature and are expected to be discussed during the ensuing year. Certain matters shall be addressed by the Board at least annually, including a review of the Company's strategic plan or objectives, business and financial performance for the prior year and compliance with applicable law and NYSE listing standards.

Meetings of the Board shall be chaired by the Chairman of the Board. The Company's Chief Financial Officer, General Counsel and Secretary should also attend all meetings of the Board, subject to the Board's discretion to excuse one or more of these officers from all or portions of any meeting.

The Chairman of the Board, with advice from the Chief Executive Officer and the Secretary, shall set the agenda of each meeting of the Board. Any director may suggest agenda items and may raise at meetings other matters that they consider worthy of discussion. Directors must disclose to the other directors any potential conflicts of interest they may have with respect to any matter under discussion and, if appropriate, refrain from participating in such discussion and from voting on a matter in which they may have a conflict. Directors shall preserve the confidentiality of confidential material given or presented to the Board.

*Lead Independent director.* The non-management directors shall select a Lead Independent Director whose role would be to chair meetings of the non-management directors, facilitate the ability of the non-management directors to fulfill their responsibilities, and provide a structure for communicating any concerns of the non-management directors to the Company's executive management.

*Non-management directors.* The Board shall schedule regular executive sessions where non-management directors shall meet without management participation. The Lead Independent Director shall preside at each executive session.

### **Communications with Directors**

Interested parties, including shareholders, may communicate directly with the Company's directors, including non-management directors, individually or as a group, by writing to the following address:

[The Board of Directors]  
[The Lead Independent Director]  
[Non-Management Directors] or  
[Name of individual Director(s)]  
c/o Corporate Secretary  
Loews Corporation  
667 Madison Avenue  
New York, NY 10065

### **Committees of the Board**

The Board will maintain a standing Audit Committee, Compensation Committee and Nominating and Governance Committee, as well as such other standing or *ad hoc* committees as the Board deems appropriate. Each committee shall have the authority and responsibilities delineated in the resolutions creating the committee and any applicable committee charter, subject to the Company's charter and by-laws, stock exchange rules and applicable laws and regulations. The Board shall have the authority to disband any *ad hoc* or standing committee when it deems it appropriate to do so.

Members of the Audit, Compensation and Nominating and Governance Committees and their chairpersons shall be appointed by the Board each year at the annual meeting of the Board. It is the Board's policy that only non-management directors shall serve on such committees and that committee members meet the independence and other requirements of stock exchange rules and applicable laws and regulations.

Each of the Audit, Compensation and Nominating and Governance Committees shall have a written charter approved by the Board. Committee charters shall be reviewed by the relevant committee at least annually in light of the activities of the committee, changes in stock exchange rules, applicable laws or regulations and other relevant considerations. Suggested revisions to such charters shall be presented to the Board for approval.

The chairpersons of the various committees, in consultation with their committee members, shall determine the frequency and length of committee meetings. The chairperson of each committee, in consultation with appropriate Company officers, will establish the agenda for each committee meeting. Committee members and other directors may suggest additional agenda items for committee meetings upon reasonable notice to the committee chairperson.

To the extent practicable, information regarding matters to be considered at committee meetings shall be distributed to committee members a reasonable period of time before the meeting. Following a meeting the committee chairperson shall report to the Board on the committee's activities, and minutes of committee meetings shall be distributed to all directors for their information.

### **Director Access to Management and Independent Advisors**

The Company shall provide each director with complete access to management and management information, subject to reasonable advance notice and reasonable efforts to avoid disruption to the business. The Board and, to the extent set forth in the applicable committee charter, Board committees, have the right to consult and retain independent legal and other advisors at the expense of the Company. Management shall be responsive to requests for information from Board members. The Board encourages the Chairman of the Board and the Chief Executive Officer to invite members of management to make presentations at Board meetings in order to provide insights into the Company's business or to provide individuals with exposure to the Board for purposes of management development. Directors may suggest possible guests to the Chairman or the Chief Executive Officer.

### **Director Compensation**

From time to time the Board or a designated committee of the Board will review the form and amount of compensation, including cash, equity-based awards and other compensation, paid to directors and committee members. In this regard, the Compensation Committee may request that management report to it periodically on the status of the Board's compensation in relation to other similarly situated companies. The Board continues to believe that an alignment of director interests with those of shareholders is important.

In evaluating director compensation and independence, the Board shall consider whether the Company has made substantial charitable contributions to organizations with which a director is affiliated, or has entered into consulting contracts with (or provided other indirect forms of compensation to) an independent director.

## **Director Orientation and Continuing Education**

The Board, in consultation with management, will establish or direct management to establish an appropriate orientation program for newly elected directors either prior to or within a reasonable period of time after their nomination or election as a director. The orientation program shall address the Company's strategic plans, significant risk exposures and compliance programs (including its Code of Business Conduct and Ethics) and may include presentations by management, the internal auditors and the independent accountants.

## **Management Succession**

The Board or the Compensation Committee on behalf of the Board will conduct an annual review of the performance and compensation of the Chief Executive Officer.

The Board will establish and review such formal or informal policies and procedures, consulting with the Nominating and Governance Committee, the Chief Executive Officer and others, as it considers appropriate, regarding succession planning for the office of Chief Executive Officer.

## **Communications with Public and Others**

The Board believes that management speaks for the Company. Directors are expected to refrain from communicating with institutional investors, other stockholders, governmental or community officials, analysts or the press regarding the business of the Company.

## **Reliance on Management and Outside Advice**

In performing its functions, the Board and each Board committee is entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. The Board shall have the authority to retain and approve the fees and retention terms of its outside advisors.

## **Annual Performance Evaluation of the Board**

The Board will conduct a self-evaluation annually to determine whether it and its committees are functioning effectively. The Board will discuss the evaluation to determine what, if any, action could improve Board and committee performance. The Board, with the assistance of the Nominating and Governance Committee, shall review these Guidelines on an annual basis to determine whether any changes are appropriate.

## **Website Posting**

The Company shall make these Guidelines available on or through its website. The Company shall disclose in its annual proxy statement that these Guidelines are available on or through its website and provide the website address.

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