

# VERITIV CORPORATION

## CORPORATE GOVERNANCE GUIDELINES

(Effective as of December 20, 2017)

The Board of Directors of Veritiv Corporation (the “Company”) has adopted these Corporate Governance Guidelines with the view that effective corporate governance requires the Board to exercise oversight of the Company’s strategic, operational, financial, compliance and legal risks. The Board is responsible for assuring appropriate alignment of its leadership structure, committees and management with the interests of shareholders, employees and the communities in which the Company operates, and may, pursuant to its By-Laws, establish committees to exercise delegated authority. In delegating certain oversight responsibilities to one or more of its committees and management as it deems appropriate, the Board will ensure that either the Board or one committee has responsibility for coordinating the risk oversight roles exercised by various committees. These Corporate Governance Guidelines are intended to provide the foundation upon which a working system of principled goal-setting, effective decision-making and ethical actions are built, with the objective of establishing a vital, agile corporate entity that provides value to the shareholders who invest in the Company and to the communities in which it operates.

### **1. Board Composition and Director Qualifications**

The Company’s Certificate of Incorporation provides that the Board shall initially be composed of nine members. It also provides that all directors shall be elected annually by majority vote of shareholders. In the event of a vacancy on the Board, the Board may elect to fill such vacancy or reduce the size of the Board. Within those parameters, the Board determines the size and composition of the Board.

The policy of the Board is that it shall be comprised of a majority of independent directors who meet applicable Securities and Exchange Commission (“SEC”) rules and New York Stock Exchange (“NYSE”) Listed Company Manual standards. The Board may, from time to time, adopt specific criteria to assist in its determination of director independence.

The Board has not established specific minimum age, education, years of business experience or specific types of skills for Board members, but, in general, expects director candidates to have ample experience and a proven record of professional success, leadership and the highest level of personal and professional ethics, integrity and values. The Board has adopted criteria which are designed to describe the qualities and characteristics desired for the Board as a whole and for Board members individually.

The Nominating and Governance Committee is responsible for evaluating the qualifications of each director candidate and for recommending the director candidate to the full Board for election. The invitation to join the Board is extended by the Board

itself, acting through the chair of the Nominating and Governance Committee or the CEO and Chairman, except where the Board, for specific reasons, delegates that role to another member.

Annually, the Nominating and Governance Committee will also review the qualifications of all Board members who are standing for election by shareholders at the next Annual Shareholders' Meeting.

The Nominating and Governance Committee shall also address possible and actual conflicts of interest and any other potential issues concerning a director's compliance with the Company's Code of Business Conduct and Ethics, including, but not limited to, compliance with the Related Person Transactions Policy, or such other policies and procedures that may be adopted from time to time as a Board policy.

If any director who at the time of his or her most recent election or appointment to a term on the Board (i) was an officer of the Company ceases to be an officer of the Company during such term as director or (ii) substantially changes his or her principal occupation or business association during such term as director, such director shall promptly tender his or her resignation to the Board and, unless a majority of the Board affirmatively votes to not accept such director's resignation, such director shall no longer remain a director of the Company.

The Board believes that the time commitment required for membership on the Board is such that directors should consult with the CEO and Chairman and the Presiding Director prior to accepting an invitation to serve on another public company board. Additionally, the CEO and Chairman and other executive officers must seek the approval of the Board before accepting membership on other for-profit public or private company boards or similar governing bodies. Generally, directors and executive officers need not advise the CEO and Chairman or the Presiding Director in advance of accepting an invitation to serve as a director or trustee of a non-profit organization, unless such person believes such service would compromise his or her ability to continue to effectively serve the Company in their current role.

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they have the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. A director shall retire effective December 31 of the year in which the director attains the age of 75. Notwithstanding the immediately preceding sentence, the Board, in its discretion, may decide to recommend a retiring director for an additional year of service.

The Board has no policy with respect to the separation of the offices of Chairman and CEO and, currently, the position of Chairman is held by the CEO. In light of the fact that the Chairman is not independent of management, the Board has appointed a Presiding Director whose duties are described below. The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Company for the

Board to make a determination in light of factors and considerations prevailing at that time as to whether the CEO should also serve as Chairman of the Board.

## **2. Director Responsibilities**

Directors are expected to discharge their duties in good faith and in a manner that the director reasonably believes to be in the best interests of the corporation. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors unless the circumstances indicate that such reliance is not warranted.

Directors are expected to attend Board meetings, meetings of committees on which they serve and annual meetings of shareholders, and to spend the time needed to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed or otherwise made available by electronic means to the directors before the meeting, and directors should review these materials in advance of the meeting.

## **3. Board Meetings**

The CEO and Chairman shall have the authority to call, and establish the agenda for, each Board meeting, in consultation with and subject to the authority of the Presiding Director. If the CEO and Chairman is incapacitated, the Presiding Director shall call any such meeting. Each director is welcome to suggest the inclusion of items on the agenda, and to raise at any Board meeting subjects that are not on the agenda for that meeting.

The Board shall have opportunities to meet and interact with senior management, and encourages the CEO and Chairman to invite into Board meetings senior managers who: (a) can provide additional insight into the matters being discussed, and/or (b) would benefit from exposure to the Board.

## **4. Board Committees**

The Company's By-Laws provide that the Board may appoint such committees as they may determine from time to time, and that each committee "shall have such powers as shall be specified by resolution of the Board of Directors." In addition, the Company must satisfy NYSE Listed Company Manual requirements that mandate the establishment of an Audit Committee, a Compensation Committee, and a Nominating/Governance Committee. The current standing committees of the Board are: the Audit and Finance Committee, the Compensation and Leadership Development Committee and the Nominating and Governance Committee.

All of the members of the standing committees will be "independent" as such term is defined from time to time under applicable regulatory requirements and as set forth under director independence standards approved by the Board.

Committee members and committee chairs will be appointed by the Board upon recommendation of the Chairman of the Board and the Nominating and Governance Committee, taking into consideration the desires and qualifications of individual directors. It is the sense of the Board that committee chairs should be rotated periodically, usually every three to five years.

Each committee has its own charter. The charters set forth the purposes, goals and responsibilities of the committees as well as provide for committee structure, including the minimum number of directors, operations and committee reporting to the Board. The charters also provide that each committee will annually evaluate its performance to, among other things, ensure compliance with its charter.

The chair of each committee, in consultation with committee members, determines the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chair of each committee, in consultation with committee members, the CEO and Chairman and certain members of senior management assigned to support each of the Committees, will develop the committee's agenda.

All independent directors are welcome to attend all committee meetings. To that end, the Company will generally provide advance preparatory materials for all committee meetings to all Board members regardless of service on that particular committee.

As reflected in their respective charters, each committee also meets regularly in executive session without management directors present. In the case of the Audit and Finance Committee, this includes separate executive sessions with the independent auditors, the internal audit function and senior management.

## **5. Presiding Director Responsibilities**

- The Presiding Director shall be elected by the independent members of the Board of Directors based on the recommendation of the Nominating and Governance Committee and shall serve in that capacity no less than one year. The Nominating and Governance Committee shall oversee the process for selecting the Presiding Director. It is the sense of the Board that the Presiding Director position should be rotated periodically, usually every three to five years.
- The Presiding Director shall, in consultation with the Nominating and Governance Committee, determine a schedule and agenda for regular executive sessions in which independent directors meet without management participation, and shall preside over those sessions.
- The Presiding Director shall have the authority to call meetings of independent directors.
- The Presiding Director, in consultation with the Compensation and Leadership Development Committee, shall organize the process pursuant to which the

independent directors shall evaluate the performance of the Chief Executive Officer not less than annually.

- Additional duties and responsibilities of the Presiding Director include: (i) presiding at meetings of the Board of Directors where the CEO and Chairman is not present; (ii) coordinating, developing agenda items, moderating and maintaining a record of all meetings of independent directors; (iii) consulting with the CEO and Chairman regarding agenda items and other logistics for Board meetings; (iv) serving as a liaison between non-management directors and the CEO and Chairman and other leadership team members, particularly with respect to sensitive matters; and (v) participating in the director recruitment process along with the CEO and Chairman and the Nominating and Governance Committee.

#### **6. Executive Sessions of the Board**

The independent directors will meet in executive session regularly, not less than twice a year, and the Presiding Director will serve as chair of executive sessions. These executive sessions should generally coincide with regularly scheduled Board meetings, however, the Presiding Director or a majority of the independent directors may call a meeting of the independent directors at any time.

#### **7. Director Access to Officers and Employees**

The Board encourages the CEO and Chairman to invite to Board meetings officers and other key employees who can provide additional insight into the items being discussed, or who the CEO and Chairman believes should be given exposure to the Board. Board members shall have complete access to Company leadership, but it is expected that, absent unusual circumstances, as contemplated by the committee charters, or as may be established by regular course of action, they will advise the CEO and Chairman or the Corporate Secretary in advance of the subject matter of any specific inquiry which relates to the business operations of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO and Chairman or the Corporate Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the CEO and Chairman on any written communications between a director and an officer or employee of the Company.

#### **8. Director Access to Independent Advisors**

The Board and each Committee shall be entitled to retain independent advisors as they deem necessary or appropriate. The Board shall also have full access to the Company's independent legal and financial advisors and independent auditors.

#### **9. Communications and Interactions with Third Parties**

The Board believes that the CEO and Chairman, or, in certain circumstances, an employee designated by the CEO and Chairman, is in the best position to speak publicly

for the Company. Unless legally required, or specifically requested by the CEO and Chairman, directors should refrain from meeting or otherwise communicating with various constituencies of the Company, including shareholders, analysts, reporters or other media representatives, customers, labor representatives, or government officials concerning Company matters. In the event that one or more major shareholders or institutional investors request to communicate, via telephone or other electronic means, or to meet in person with one or more directors, or chairs of committees, such communication or meeting shall be arranged through the Presiding Director with assistance from the Corporate Secretary. To the extent both practical and appropriate, the Corporate Secretary will participate in any such call, or attend such meeting.

#### **10. Director Compensation**

It is the policy of the Company to compensate directors on a competitive basis with other similarly sized U.S. companies. The amount and form of compensation will be reviewed on at least a bi-annual basis, or more frequently as deemed necessary or appropriate by the Nominating and Governance Committee and determined through regular benchmarking with comparable companies. Board members who are employees of the Company receive no compensation for serving on the Board.

The form and amount of director compensation will be recommended by the Nominating and Governance Committee to the full Board for its consideration and approval. The Nominating and Governance Committee shall recommend any changes to director compensation to the full Board for its consideration and approval.

#### **11. Director Orientation and Continuing Education**

All new directors must participate in a director orientation program, which shall be conducted within six months of the annual meeting at which new directors are first elected. This orientation will include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. In addition, the orientation program will include visits to Company headquarters and, to the extent practical, certain of the Company's significant facilities. All other directors are also invited to attend any director orientation program. All directors are encouraged to periodically attend, at Company expense, director continuing education programs offered by various organizations.

#### **12. Chief Executive Officer Selection, Evaluation and Management Succession**

The Board shall select a CEO in a manner that is in the best interests of the Company and its shareholders. The independent directors shall, prior to the beginning of each calendar year, review and approve the corporate goals and performance objectives of the CEO.

The Presiding Director shall establish a process pursuant to which the Compensation and Leadership Development Committee shall meet at least once annually to evaluate and report to the independent directors on the performance of the CEO, taking into account

such factors as leadership, the Company's strategic goals and objectives, planning, and people development. The Compensation and Leadership Development Committee shall consider the compensation of the CEO, and make recommendations to the full Board concerning any adjustments. The independent directors shall determine the compensation of the CEO, based on such recommendation.

To assist the Board in identifying the Company's executive candidates, and reviewing executive succession possibilities, the CEO will report annually regarding the Company's succession planning for all key leadership positions. The CEO shall at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals. The Board shall also be made aware, on a continuing basis, of the CEO's recommendation as to his/her successor if he/she should unexpectedly become unable to function in that role.

### **13. Strategic Planning**

The Board shall hold at least one full day strategic planning meeting per year. The timing and agenda of the strategic planning meeting will be determined by the CEO and Chairman and the Presiding Director. Where possible, the strategic planning meeting should be scheduled well in advance as part of the annual Board calendar.

### **14. Annual Performance Evaluation**

On an annual basis, the Board and each committee will be required to conduct a self-evaluation of its performance. These evaluations will take place under a formal process administered under the direction of the Nominating and Governance Committee. Annually, a portion of the agenda of at least one Board meeting will be devoted to discussing Board and committee effectiveness. This discussion will be focused on the Board's contribution as a whole and will identify specific areas in which improvements should be made. The purpose is constructive criticism in order to enhance the effectiveness of the Board, not to target individual Board members. The Board may also conduct individual peer reviews of Board members, which may be anonymous and confidential.

### **15. Annual Assessment of Guidelines**

It is the intention of the Board that the foregoing Guidelines provide a framework and basis for the governance of the Company and the Board. The Board recognizes, however, that in order to permit the Company to respond effectively to ever changing developments, the foregoing Guidelines are intended to be just that, guidelines, and not rigid rules. Accordingly, exceptions may be made from time to time upon motion by the Nominating and Governance Committee adopted by the Board. These Guidelines will be reviewed on an annual basis by the Nominating and Governance Committee, and the committee will recommend proposed revisions to the Board as appropriate.