

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **August 19, 2016**

**Simpson Manufacturing Co., Inc.**  
(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation)

**1-13429**

(Commission file number)

**94-3196943**

(I.R.S. Employer Identification  
No.)

**5956 W. Las Positas Boulevard, Pleasanton, CA 94588**  
(Address of principal executive offices)

(Registrant's telephone number, including area code): **(925) 560-9000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-2)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## NOTE ABOUT FORWARD-LOOKING STATEMENTS

*This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements relating to events or results that may occur in the future, including but not limited to, statements regarding any expiration, termination or amendment to be effective after the date of this Current Report on Form 8-K, the Company's future executive compensation arrangements or plans, the Company's future stockholder rights plans or similar arrangements, the Company's future policies, future amendments to the Company's bylaws or other corporate governance documents, and their projected impact on the Company's future business, financial condition and results of operations, are forward-looking statements. Forward-looking statements generally can be identified by words such as "expect," "will," "change," "to," "future," and similar expressions. These statements are based on numerous assumptions and involve known and unknown risks, uncertainties and other factors that could significantly affect the Company's operations and may cause the Company's actual actions, results, financial condition, performance or achievements to be substantially different from any future actions, results, financial condition, performance or achievements expressed or implied by any such forward-looking statements. Those factors include, but are not limited to, (i) general economic and construction business conditions; (ii) changes in market conditions; (iii) changes in regulations; (iv) actual or potential takeover or other change-of-control threats; (v) the effect of merger or acquisition activities; (vi) changes in the Company's plans, strategies, targets, objectives, expectations or intentions; and (vii) other risks, uncertainties and factors indicated from time to time in the Company's reports and filings with the U.S. Securities and Exchange Commission (the "SEC") including, without limitation, most recently the Company's Annual Report on Form 10-K for the period ended December 31, 2015, under the heading "Item 1A - Risk Factors" and the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Company does not intend, and undertakes no obligation to update or publicly release any revision to any such forward-looking statements, whether as a result of the receipt of new information, the occurrence of subsequent events, the change of circumstance or otherwise. Each forward-looking statement contained in this Current Report on Form 8-K is specifically qualified in its entirety by the aforementioned factors.*

*You are hereby advised to carefully read this Current Report on Form 8-K in connection with the important disclaimers set forth above prior to reaching any conclusions or making any investment decisions.*

## EXPLANATORY NOTE AND EXECUTIVE SUMMARY

During 2015 and the first half of 2016, the Board of Directors (the “Board”) and management of Simpson Manufacturing Co., Inc. (the “Company”) conducted extensive stockholder outreach as part of a comprehensive review of the Company’s executive compensation program and governance practices. As a result of feedback received from stockholders, the Board approved significant changes to the executive compensation program, incentive structure, and governance practices.

### *Shareholder Engagement and Board Responsiveness*

Following our 2016 Annual Meeting in which our advisory vote on executive compensation received 58% stockholder support, our Board undertook an extensive review of our compensation program with the support of Mercer LLC, our independent compensation consultant. Stockholder feedback was a key component of this review. During 2015 and 2016, we held discussions or attempted to have discussions with stockholders representing approximately 51% of shares outstanding. These stockholder engagement efforts were led by the Board and senior management and were focused on seeking feedback on our compensation and governance practices. The Chairman of the Board and member of the Compensation and Leadership Development Committee (the “Committee”) participated in all discussions and feedback was relayed to the full Board as part of the governance and compensation program review.

### *Compensation Program Changes*

We received clear feedback from our stockholders on how we could enhance our general compensation practices and incentive structures. This feedback directly influenced significant short and long-term changes in our program, several of which have been implemented for 2016.

The table below summarizes the feedback received on our compensation program, the changes the Board, at the recommendation of the Committee, made in response, and when each of the changes will be implemented.

	What We Heard		How the Board Responded	Implementation
Philosophy	– Revise current benchmarking	✓	<b>Revised current benchmarking.</b> Pay positioning strategy amended to target the 50th percentile of the peer group for medium performance (See Item 5.02 below)	2017
Cash Profit Sharing Plan (CPS)	– Performance period of CPS was too short	✓	<b>Lengthened CPS Performance Period.</b> Transitioned from a quarterly measurement to a mix of annual (50%) and quarterly measurement (50%) (See Item 5.02 below)	2017
	– Percentage of total compensation delivered through CPS was too high	✓	<b>Established new cap on CPS payment.</b> CPS awards will be paid in cash and capped at two times target award (See Item 5.02 below)	2017
Long-Term Incentive Plan (LTIP)	– Company-performance measurement period for LTIP was too short	✓	<b>Lengthened company-performance measurement period of performance-based stock units (PSUs) from one year to three years</b> <ul style="list-style-type: none"> <li>Applied to CEO and CFO 2016 performance awards; new performance measures used for 2nd and 3rd year of the performance-based vesting period (See Item 5.02 below)</li> </ul>	2016
	– Percentage of performance-based awards was too low	✓	<b>Shifted equity mix to 80% PSUs and 20% RSUs</b> (Mix will be 50% PSUs and 50% RSUs in 2017) (See Item 5.02 below)	2018
	– Metrics underlying CPS and LTIP were overlapping	✓	<b>Eliminated overlapping CPS and PSU metrics - Changed PSU metrics to revenue growth and return on invested capital (ROIC)</b> <ul style="list-style-type: none"> <li>Applied to CEO and CFO 2016 performance awards; new performance measures used for 2nd and 3rd year of the performance-based vesting period (See Item 5.02 below)</li> </ul>	Applied to 2016 awards for CEO and CFO); For all NEOs in 2017

Governance	– Insufficient compensation risk policies	✓ ✓	<b><i>Adopted a clawback policy</i></b> (See Item 7.01 below) <b><i>Adopted robust anti-hedging and anti-pledging policies</i></b> (See Item 7.01 below)	Immediate
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The Board wanted certain changes to take effect immediately and approved changes to the CEO's and CFO's 2016 equity awards, such that the performance metrics approved for the new PSU awards would be applied to the 2<sup>nd</sup> and 3<sup>rd</sup> year of the three-year performance measurement period (See Item 5.02 below).

The Board and Mercer LLC also conducted a review of the peer group as part of the compensation program review. As a result, the Board approved changes to the peer group to maintain a suitable group of comparator companies, based on size, industry and where we compete for talent. The new peer group is disclosed below and will be used for comparative purposes beginning in 2017 to target the 50th percentile of the peer group for medium performance (See Item 5.02 below).

### ***Governance Changes***

As part of a broad review of our governance structure and in direct response to feedback we heard from stockholders, the Board approved two significant governance changes:

- **Repealed Shareholder Rights Plan:** Board repealed the shareholder rights plan ahead of its scheduled expiration date of June 14, 2019. (See Item 7.01 below)
- **Decreased Director Term Limit:** In order to facilitate refreshment and ensure a balance of perspectives, the Board approved decreasing the director term limit from 20 years to 15 years for new directors subject to the Board's ability to waive the application of such limit. (See Item 7.01 below)

### ***Continued Stockholder Engagement***

Members of our Board and management team will continue their strong stockholder engagement program and look forward to discussing these changes with stockholders in advance of the 2017 Annual Meeting.

The foregoing paragraphs include a summary of the disclosures under this Current Report on Form 8-K. Such summary does not purport to be complete and is qualified in its entirety by reference to the respective Items below.

## **Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

At its meeting on October 19, 2016, the Board of Directors (the "Board") of Simpson Manufacturing Co., Inc. (the "Company") approved several changes to the Company's executive compensation arrangements to (1) position the total compensation of the Company's named executive officers at the median level within a group of designated peer companies (discussed below) when the Company has a medium performance; and (2) set the framework for the Company's future short-term non-equity incentive and long-term equity incentive compensation programs. The Board and its Compensation and Leadership Development Committee (the "Committee") have been assessing the advice of the Company's compensation consultant, Mercer LLC, the latest guidelines from proxy advisors (such as Institutional Shareholder Services, Inc. and Glass, Lewis & Co.), peer companies' practices and other issues and considerations in approving such changes, based on stockholder feedback conducted in late 2015 and 2016 as described in the Company's 2016 proxy statement.

### ***Designation of New Peer Companies***

At its meeting on October 19, 2016, the Board, at the recommendation of the Committee, authorized updating the 14 peer companies as last identified in the "*Comparative Market Information*" section of the Company's 2016 proxy statement with a group of 17 companies for the purposes of setting suitable compensation for the Company's named executive officers. Those 17 companies are:

1.	Masonite International Corporation
2.	Ply Gem Holdings, Inc.
3.	NCI Building Systems, Inc.
4.	Summit Materials Inc.*
5.	Eagle Materials Inc.
6.	Gibraltar Industries, Inc.
7.	U.S. Concrete, Inc.
8.	Apogee Enterprises, Inc.
9.	Patrick Industries, Inc.
10.	Headwaters Incorporated
11.	American Woodmark Corporation
12.	Quanex Building Products Corporation
13.	Insteel Industries, Inc.
14.	Trex Company, Inc.*
15.	Continental Building Products, Inc.*
16.	PGT, Inc.*
17.	AAON, Inc.*

*\*Denotes peer companies that have been added after the Company's 2016 annual meeting. Builders FirstSource, Inc. and Griffon Corporation were removed from the list of peer companies compared to the Company's 2016 proxy statement.*

#### *Amendments to the Company's Executive Officer Cash Profit Sharing Plan*

At its meeting on October 19, 2016, the Board, at the recommendation of the Committee, authorized amending the Company's Executive Officer Cash Profit Sharing Plan (the "Plan Amendments").

The Board adopted the Executive Officer Cash Profit Sharing Plan on January 14, 2003, and stockholders of the Company approved it on March 31, 2003. The Board amended the Executive Officer Cash Profit Sharing Plan on February 25, 2008, and stockholders of the Company re-approved it on April 23, 2008 as well as on April 23, 2013.

The Company expects to submit the Plan Amendments for stockholder approval during the Company's 2017 annual meeting and include the Plan Amendments in the Company's 2017 proxy statement. In the event that the Company's stockholders do not approve the Plan Amendments, the Company's current Executive Officer Cash Profit Sharing Plan, last amended on February 25, 2008, will continue in effect with respect to awards to be made after the end of fiscal year 2016. If the Company's stockholders approve the Plan Amendments, the amended Executive Officer Cash Profit Sharing Plan will apply to awards to be made after the end of fiscal year 2016. The first award under the amended Executive Officer Cash Profit Sharing Plan is expected to be made after the first quarter of fiscal year 2017. The Plan Amendments do not affect any of the awards made under the Executive Officer Cash Profit Sharing Plan for 2016, including the awards for the fourth quarter of 2016 (which, if earned, will be paid out in early 2017).

The Company has maintained a Cash Profit Sharing Plan for qualified employees. The Executive Officer Cash Profit Sharing Plan was adopted to (i) parallel the Company's Cash Profit Sharing Plan and provide cash awards for named executive officers of the Company and, (ii) meet, at the same time, the requirements of section 162(m) of the Internal Revenue Code of 1986 for the cash awards to be fully deductible as "performance-based compensation" in excess of the \$1,000,000 limit for each of the "covered employees" under the section 162(m) and regulations and interpretations promulgated thereunder.

The Board has delegated the administration of the Executive Officer Cash Profit Sharing Plan to the Committee. The Committee determines the amount of the award that each of the named executive officers, is eligible to receive under the Executive Officer Cash Profit Sharing Plan. The Committee has discretion to reduce or eliminate any award under the Executive Officer Cash Profit Sharing Plan.

As a result of the Plan Amendments, instead of making fixed quarterly awards, the amended Executive Officer Cash Profit Sharing Plan allows the Committee to decide when awards will be made to the covered employees thereunder with respect to a fiscal year. The Committee bases the determination of periodic awards to a covered employee on an individual percentage of

the amount (the “Qualified Financial Measures”) by which net profit, operating income or other objectively determinable financial reporting measures of the entire company, or a branch or subsidiary thereof (applicable to such employee) for a particular period, exceed a qualifying level for the entire company, the employee’s relevant branch or the subsidiary, respectively, set by the Committee for that period. The Committee determines the qualifying level (currently based on operating income) and each covered employee’s individual percentage with respect to a specific period and bases the covered employees’ individual percentages on their then-current job functions. With respect to each fiscal year, the Committee also sets a targeted level for the entire company, the branch or the subsidiary, respectively, and a named executive officer’s individual percentage of the amount by which the annual targeted level exceeds the annual qualifying level is such officer’s targeted annual compensation under the Executive Officer Cash Profit Sharing Plan (the “Targeted Annual Payout”).

In addition, the Plan Amendments add an additional restriction that, with respect to a particular fiscal year, no award in excess of two times any covered employee’s Targeted Annual Payout for that year will be paid to such employee under the Executive Officer Cash Profit Sharing Plan. Any award under the Executive Officer Cash Profit Sharing Plan will be paid at such time as determined by the Committee; provided that all awards thereunder with respect to periods within a fiscal year shall be paid by March 31 of the succeeding fiscal year.

At its meeting on October 19, 2016, the Board also determined that, subject to the approval of the Plan Amendments by the Company’s stockholders at the Company’s 2017 annual meeting, with respect to fiscal year 2017, the awards under the Executive Officer Cash Profit Sharing Plan will be made through five payments, with each of the first four payments to be made quarterly and the last payment to be made at the end of 2017 (or thereafter by March 31, 2018). For each of the four quarters in 2017, a covered employee will receive the awards based on 50% of his or her applicable individual percentage of the respective quarterly Qualified Financial Measures. As for the last payment, the covered employee will receive the awards based on 50% of his or her applicable individual percentage of the annual Qualified Financial Measures for 2017. The net effect of such five payments is to reduce the amount of quarterly awards and proportionately increase the amount of awards to be made following the end of the year, with the year-end awards contingent upon achieving the Qualified Financial Measures for the entire year.

#### *Amendments to the Company’s 2016 Performance-Based RSU Agreements with CEO and CFO*

At its meeting on October 19, 2016, the Board, at the recommendation of the Committee, authorized amending the performance-based RSU agreements (in relation to “strategic RSUs” referred to in the Company’s 2016 proxy statement) that the Company entered into in 2016 with the Company’s principal executive officer and principal financial officer in relation to certain outstanding restricted stock units (the “RSUs”) granted under the Company’s 2011 Incentive Plan, adopted on April 26, 2011 and amended and restated on April 21, 2015 (the “2011 Incentive Plan”) with respect to 50% of the initially-targeted shares underlying such RSUs awarded for the achievement of the Company’s revenue and operating income goals for 2015 (the “Performance-Based RSU Amendments”). The Performance-Based RSU Amendments will be effective with respect to a 2016 performance-based RSU agreement after being executed by the Company and the respective recipient thereunder. The Performance-Based RSU Amendments do not affect the Company’s 2016 time-based RSU agreements (in relation to “performance RSUs” referred to in the Company’s 2016 proxy statement) with its principal executive officer and principal financial officer, where the other 50% of the initially-targeted shares underlying the RSUs awarded to such officers in 2016 are not subject to performance goals and are expected to continue to vest over the three years from the effective date of the award.

The original 2016 performance-based RSU agreements have a three-year cliff-vesting period starting on the effective date of the award, and according to their terms, on the day that the RSUs become fully vested, the number of shares initially awarded under the RSUs will be adjusted pursuant to a set of differentiated performance goals based on the Company’s relative performance on the S&P Small Cap 600 Index in terms of total stockholder return (the “Original Performance Goals”), before being used to settle the RSUs. As a result, the number of shares of the Company’s common stock, which will eventually vest in favor of the respective recipient under an original performance-based RSU agreement, are between 80% and 120% of the performance-based RSU shares initially targeted at the Company having a three-year total stockholder return at the 50<sup>th</sup> percentile of all companies on the S&P Small Cap 600 Index (“100% TSR”).

Pursuant to the Performance-Based RSU Amendments, the initially-awarded unadjusted shares will still be subject to the Original Performance Goals but will be measured against such goals for a one-year period starting on January 1, 2016 and ending on December 31, 2016, instead of the original three-year period. At the end of 2016, the initially-awarded unadjusted shares will be adjusted between 80% and 120% of the number of the performance-based RSU shares initially targeted at 100% TSR, depending on the fair value of the Original Performance Goals’ achievement at that time, to become the after-adjustment shares.

In addition, pursuant to the Performance-Based RSU Amendments, the after-adjustment shares will continue to be subject to a set of differentiated performance goals to be determined by the Committee (the “New Performance Goals”), which will consist

of one set of goals based on the Company revenue growth (the “Revenue Growth Goals”) and another set of goals based on return on invested capital at the Company (the “ROIC Goals”). The after-adjustment shares will be measured against such New Performance Goals for a two-year period starting on January 1, 2017 and ending on December 31, 2018. During the two-year period, 50% of the after-adjustment shares will be subject to the Revenue Growth Goals, and the other 50% of the after-adjustment shares will be subject to the ROIC Goals. As a result, the number of shares of the Company’s common stock, which will eventually vest in favor of the respective recipient under an amended 2016 performance-based RSU agreement will be between 0% and 200% of the number of the after-adjustment shares, depending on the extent to which the New Performance Goals will have been achieved at the end of 2018. The New Performance Goals will be determined in the coming weeks by the Committee. The net effect of the Performance-Based RSU Amendments is to lengthen the company-performance measurement period from one year to three years.

#### *Changes to the Company’s Potential RSU Awards in 2017*

If and after the Company achieves its revenue and operating income goals for 2016, the Company may grant RSU awards to its named executive officers in 2017, at which point 50% of the number of the initially-targeted shares (the “2017 RSU Shares”) underlying the RSUs awarded to a named executive officer are expected to be subject to future performance goals and the other 50% of the 2017 RSU Shares will not be subject to future performance goals and are expected to vest over the three years from the effective date of the award. If the Company exceeds its revenue goals for 2016, the percentage of the 2017 RSU Shares that will be subject to future performance goals is expected to increase relative to the time-based 2017 RSU Shares.

At its meeting on October 19, 2016, the Board, at the recommendation of the Committee, authorized changing the performance goals for the performance-based RSU awards in 2017. The performance-based 2017 RSU awards will be subject to the New Performance Goals and will be measured against such goals for a three-year cliff-vesting period starting on January 1, 2017 and ending on December 31, 2019. The number of the performance-based RSU shares, which will eventually vest in favor of a named executive officer, following the end of 2019, will be between 0% and 200% of the performance-based RSU shares calculated based on achieving the revenue goal for 2016 adjusted for fair value at modification, depending on the extent to which the New Performance Goals will have been achieved at the end of 2019. The New Performance Goals will be determined in the coming weeks by the Committee.

#### *Setting the Framework for the Company’s Potential RSU Awards in 2018 and Beyond*

In 2018 or any of the following years, the Company may grant RSU awards to its named executive officers, at which point 20% of the number of the initially-targeted shares (the “2018 and Beyond RSU Shares”) underlying the RSUs awarded to a named executive officer will be granted to such officer if and after certain criteria set by the Committee are met. Once granted, this 20% will not be subject to future performance goals and is expected to vest over the three years from the effective date of the award. The other 80% of the 2018 and Beyond RSU Shares are expected to be subject to future performance goals.

At its meeting on October 19, 2016, the Board, at the recommendation of the Committee, authorized setting the performance goals for the performance-based RSU awards in 2018 and beyond. Such performance-based RSU awards will be subject to the New Performance Goals and will be measured against such goals for a three-year cliff-vesting period starting on the first day of the fiscal year during which the awards are made and ending on the last day of the third year. The number of the performance-based RSU shares, which will eventually vest in favor of a named executive officer, following the end of the three-year period, will be between 0% and 200% of the performance-based RSU shares initially targeted, depending on the extent to which the New Performance Goals will have been achieved at the end of the third year. The New Performance Goals will be determined in the future by the Committee.

At its meeting on October 19, 2016, the Board, at the recommendation of the Committee, authorized setting the vesting period of the time-based 2018 and Beyond RSU Shares. As a result, 20% of the time-based 2018 and Beyond RSU Shares are expected to vest after one year from the effective date of the award, 40% of the time-based 2018 and Beyond RSU Shares are expected to vest after two years from the effective date of the award and 40% of the time-based 2018 and Beyond RSU Shares are expected to vest after three years from the effective date of the award.

#### *Section 162(m) related Limits under the 2011 Incentive Plan*

To the extent the Company intends any RSUs awarded to a named executive officer of the Company to qualify for the performance-based exception from the tax deductibility limitations of Internal Revenue Code section 162(m), the maximum aggregate number of the shares underlying any and all RSU awards issuable or deliverable to such officer in any calendar year cannot exceed 100,000 shares under the 2011 Incentive Plan.

## **Item 5.03            Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

At its meeting on October 19, 2016, the Board voted to amend the Company's Bylaws to (1) provide in Article IX that the Company shall not provide indemnification or reimbursement with respect to any recovery made pursuant to the Compensation Recovery Policy, adopted by the Board at the same meeting, as described in Item 7.01 below (the "Indemnification Limitation Provision"); and (2) enhance the advance-notice provision provided in Section 5 of Article I, by, among other things, requiring a proposing stockholder to comply with applicable securities laws and regulations and a stockholder-proposed director nominee to make certain qualification representations (the "Enhanced Advance Notice Provision").

The Indemnification Limitation Provision was adopted so that the Company's Bylaws, as amended, are consistent with the purposes of the Compensation Recovery Policy.

The Enhanced Advance Notice Provision was adopted in order to ensure that the Company's and its stockholders' resources will not be fruitlessly wasted. Stockholder proposals will be permitted to be considered at a stockholder meeting only if they are made in compliance with the Enhanced Advance Notice Provision. Nominees proposed by stockholders will be eligible for election as the Company's directors only after meeting qualification and other requirements under the Enhanced Advance Notice Provision. The Enhanced Advance Notice Provision also requires a proposing stockholder to timely update its notices of business proposals or director nominees if there has been any material change in the information provided, and provides a mechanism for the proposing stockholder to provide notice through the Company's annual proxy statements.

The aforementioned amendments were effective immediately upon approval by the Board. The Company's Bylaws, as so amended, are attached hereto as Exhibit 3.2, a blackline document showing the amended Bylaw sections is attached hereto as Exhibit 3.3, and each of the two exhibits is incorporated herein by this reference. The foregoing paragraphs are a summary of the terms of the amendments. Such summary does not purport to be complete and is qualified in its entirety by reference to the Company's Bylaws, as so amended.

## **Item 7.01            Regulation FD Disclosure.**

### *Adoption of Anti-Hedging and Anti-Pledging Policy and Compensation Recovery Policy*

At its meeting on October 19, 2016, the Board voted to adopt (1) an Anti-Hedging and Anti-Pledging Policy and (2) a Compensation Recovery Policy (collectively, the "Policies") for the Company.

Pursuant to the Anti-Hedging and Anti-Pledging Policy, from and after October 19, 2016, directors, officers, and employees of the Company or any parent or subsidiary of the Company, and their designees, are prohibited from: (a) purchasing any financial instruments or engaging in any transactions that are designed to hedge or offset or have the effect of hedging or offsetting any decrease in the market value of equity securities of the Company or any parent or subsidiary of the Company; and (b) pledging equity securities of the Company or any parent or subsidiary of the Company as collateral for a loan, purchasing such securities on margin, or holding such securities in a margin account except for equity securities, pledged, purchased on margin, or held in a margin account prior to October 19, 2016, that have been fully disclosed to the Company by then and do not increase in quantity afterwards.

Pursuant to the Compensation Recovery Policy, from and after October 19, 2016, in the event the Company is required to prepare an accounting restatement due to material noncompliance with any financial reporting requirement under the securities law, the Company has the right to recover from a person covered by this policy, including any current or former executive officer, regardless of fault or responsibility, that portion of incentive-based compensation, received by such a covered person during the three preceding fiscal years (and, in case the Company has changed its fiscal year end during such period, the transition period between the fiscal years not exceeding nine months), in excess of what would have been paid to the covered person under the accounting restatement, and shall not provide indemnification or reimbursement with respect to any recovery made pursuant to this policy.

The Board has broad discretion to administer and enforce the Policies.

The Policies are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively, and are incorporated herein by this reference. The foregoing are summaries of the terms of the Policies. Such summaries do not purport to be complete and each is qualified in its entirety by reference to the corresponding policy filed herewith.



## *Board Approval for Termination of Stockholder Rights Plan*

At its meeting on October 19, 2016, the Board voted to terminate the Company's current stockholder rights plan. As a result of this decision, the Board approved an amendment to the Amended and Restated Rights Agreement dated June 15, 2009, between the Company and Computershare Trust Company, N.A., a national banking association, as rights agent (the "Rights Agent") (the "Rights Agreement Amendment"). The Rights Agreement Amendment, when fully executed, will change the definition of "Final Expiration Date" from June 14, 2019 to an imminent date to be agreed with the Rights Agent (the "New Expiration Date") and thus accelerate the final expiration of the rights to purchase the Company's series A participating preferred stock (collectively, the "Rights") issued to the Company's stockholders pursuant to the Amended and Restated Rights Agreement.

A full description of the Rights is set forth in the Amended and Restated Rights Agreement (including its exhibits), and such description is incorporated herein by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 15, 2009.

Upon the full execution of the Rights Agreement Amendment by the Company and Rights Agent, from and after New Expiration Date, the Company's stockholders will no longer be able to exercise the Rights.

Following its execution, the text of the Rights Agreement Amendment will be filed with the Securities and Exchange Commission as an exhibit to a Current Report on Form 8-K.

## *Amendments to the Company's Director Term Limit*

At its meeting on October 19, 2016, the Board voted to amend the Company's Governance Guidelines so that, instead of 20 years, no outside director will be nominated for re-election after 15 years of board service except for directors who have already served on the Board by December 31, 2016, provided, however, that the Board, or its Governance and Nominating Committee, may waive the application of such term limit from time to time on a case-by-case basis, in their sole discretion.

The Company's Governance Guidelines are attached hereto as Exhibit 99.3, and are incorporated herein by this reference. The foregoing summary of the Company's director term limit does not purport to be complete and is qualified in its entirety by reference to the Company's Governance Guidelines filed herewith.

## **Item 9.01 Financial Statements and Exhibits**

The following exhibits, filed or furnished with this Current Report on Form 8-K (as indicated below), are incorporated by reference into this Current Report on Form 8-K.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
3.2	Bylaws of Simpson Manufacturing Co., Inc., as amended through October 19, 2016, is filed with this Current Report on Form 8-K.
3.3	A blackline document showing the sections of Bylaws of Simpson Manufacturing Co., Inc. amended on October 19, 2016 is filed with this Current Report on Form 8-K.
99.1	Anti-Hedging and Anti-Pledging Policy of Simpson Manufacturing Co., Inc. is filed with this Current Report on Form 8-K.
99.2	Compensation Recovery Policy of Simpson Manufacturing Co., Inc. is filed with this Current Report on Form 8-K.
99.3	Governance Guidelines of Simpson Manufacturing Co., Inc. as amended through October 19, 2016, is filed with this Current Report on Form 8-K.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Simpson Manufacturing Co., Inc.**

(Registrant)

**DATE:** October 25, 2016

By /s/BRIAN J. MAGSTADT

Brian J. Magstadt

Chief Financial Officer

**BYLAWS  
OF  
SIMPSON MANUFACTURING CO., INC.  
(AS AMENDED THROUGH OCTOBER 19, 2016)**

Article I

Section 1. Registered Office

The initial registered office of the Corporation in Delaware shall be The Corporation Trust Company, 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801.

Section 2. Additional Offices

The Corporation may also have offices at such other places, either within or without the State of Delaware, as the Board of Directors of the Corporation (the "Board of Directors") may from time to time designate or the business of the Corporation may require.

Article II

Stockholders

Section 1. Place of Meetings.

Meetings of the stockholders may be held at any place within or without the State of Delaware which may be designated by the Board of Directors. In the absence of any such designation, stockholders' meetings shall be held at the principal executive office of the Corporation in California.

Section 2. Annual Meeting.

The annual meeting of the stockholders shall be held at a place and time designated by the Board of Directors. At each such annual meeting, the stockholders shall elect the successors to the class of directors whose term expires at such meeting, and any other business properly brought before the meeting, in accordance with the provisions of the Certificate of Incorporation and these Bylaws, may be transacted.

Section 3. Special Meetings.

Special meetings of the stockholders for any purpose or purposes may be called at any time by the Board of Directors.

Section 4. Notice of Meetings.

Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote thereat. Such notice shall state the place, date and hour of the meeting. In the case of a special meeting, such notice shall specify the general nature of the business to be transacted and no other business may be transacted at such meeting. In the case of the annual meeting, the notice shall specify those matters which the Board of Directors, at the time of the mailing of the notice, intends to present for action by the stockholders. The notice of any meeting at which directors are to be elected shall include the names of the nominees intended at the time of the notice to be presented by the Board of Directors for election. Any such notice shall also state any other matters required by statute.

Notice of a stockholders' meeting or any report shall be given either personally or by mail or other means of written, telegraphic, facsimile or electronic communication authorized by the Delaware General Corporation Law, postage or fees prepaid, addressed to each stockholder at the address of such stockholder appearing on the books of the Corporation or given by such stockholder to the Corporation for the purpose of notice, or, if no such address appears or is given, at the place where the principal executive office of the Corporation is located, if any, or, if none, at the place where the principal business office of the Corporation

is located, or by publication at least once in a newspaper of general circulation in the county in which such office is located; provided that the Corporation may give such notice by any other means permitted by Section 14 of and Regulation 14A under the Securities Exchange Act of 1934, as heretofore or hereafter amended, or any successor statute or regulation, and authorized by the Delaware General Corporation Law, or any other applicable state law. The notice or report shall be deemed to have been given at the time when delivered personally or deposited in the mail or provided by other means of written, telegraphic, facsimile or electronic communication. If any notice or report addressed to a stockholder at the address of such stockholder appearing on the books of the Corporation is returned to the Corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice or report to such stockholder at such address, all future notices or reports shall be deemed to have been duly given without further mailing, until such stockholder shall have notified the Corporation in writing of such stockholder's address for the purpose of notice, if the same shall be available for such stockholder on written demand at such office for a period of one year from the date of the giving of the notice or report to all other stockholders.

When a stockholders' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. If the adjournment is for more than forty-five days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting.

#### Section 5. Advance Notice of Stockholder Business and Nomination of Directors by Stockholders.

(A) *Notice of Business (other than Director Nominations).* At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business, other than the nomination of persons for election to the Board of Directors of the Corporation, must be (x) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (y) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (z) otherwise properly brought before the meeting by a stockholder who is a stockholder of record at the time of giving a notice required by this Section 5(A), who shall be entitled to vote at such meeting and who complies with all applicable requirements of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as heretofore or hereafter amended, or any successor statute, rule or regulation, and the notice procedures set forth in this Section 5(A), and this clause (z) shall be the exclusive means for a stockholder to submit other business (other than matters properly brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and included in the Corporation's notice of meeting) before an annual meeting of stockholders. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than seventy-five days nor more than ninety days prior to the meeting; provided, however, that in the event that less than eighty-five days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting:

(1) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting;

(2) the name and address of the stockholder proposing such business and any Stockholder Associated Person (defined below);

(3) (a) the class and number of shares of the Corporation that are held of record or beneficially owned (as that term is defined in Section 13 of and Rule 13d-3 under the Securities Exchange Act of 1934, as heretofore or hereafter amended, or any successor statute or rule) by such stockholder and by any Stockholder Associated Person with respect to the Corporation's securities and (b) any derivative positions held or beneficially held by the stockholder and any Stockholder Associated Person and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding has been made, the effect or intent of which is to increase or decrease the voting or economic power of, such stockholder or any Stockholder Associated Person with respect to the Corporation's securities;

(4) any material interest of the stockholder or any Stockholder Associated Person in such business; and

(5) a representation that the stockholder giving notice (or a Qualified Representative of the stockholder) intends to appear in person or by proxy at the annual meeting to bring such business before the meeting. For purposes of this

Section 5, to be considered a Qualified Representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting.

Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at any annual meeting except in accordance with the procedures set forth in this Section 5(A). The Chairman of the annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 5(A), and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

For purposes of this Section 5, "Stockholder Associated Person" with respect to any stockholder means (1) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (2) any beneficial owner (as that term is defined in Section 13 of and Rule 13d-3 under the Securities Exchange Act of 1934, as heretofore or hereafter amended, or any successor statute or rule) of shares of stock or other securities of the Corporation owned of record or beneficially by such stockholder, whether or not having any voting rights, and (3) any affiliate (as that term is defined in Rule 405 under the Securities Act of 1933, as heretofore or hereafter amended, or any successor rule) of such stockholder or any of such stockholder's Stockholder Associated Persons.

(B) *Nomination of Directors.* Only persons who are nominated in accordance with the procedures and in compliance with the requirements set forth in this Section 5(B) shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders (x) by or at the direction of the Board of Directors or (y) by any stockholder of the Corporation who is a stockholder of record at the time of giving notice provided for in this Section 5(B), who shall be entitled to vote for the election of directors at the meeting and who complies with all applicable requirements of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as heretofore or hereafter amended, or any successor statute, rule or regulation, and the notice procedures and the nominee-qualification, appearance and other requirements set forth in this Section 5(B), and this clause (y) shall be the exclusive means for a stockholder to nominate any person for election as a director before or at an annual meeting of stockholders. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than seventy-five days nor more than ninety days prior to the meeting; provided, however, that in the event that less than eighty-five days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. Such stockholder's notice shall set forth:

(1) as to each person whom the stockholder proposes to nominate for election or re-election as a director:

(a) the name, age, business address and residence address of such person;

(b) the principal occupation or employment of such person;

(c) the class and number of shares of the Corporation that are beneficially owned (as that term is defined in Section 13 of and Rule 13d-3 under the Securities Exchange Act of 1934, as heretofore or hereafter amended, or any successor statute or rule) by such person;

(d) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as heretofore or hereafter amended, or any successor regulation (including, without limitation, such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and

(e) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and Stockholder Associated Person, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 or any other provision of Regulation S-K, as heretofore or hereafter amended, or any successor regulation, if the stockholder making the nomination and any Stockholder Associated Person on whose behalf the nomination is made, or any affiliate

or associate thereof or person acting in concert therewith, were the “registrant” for purposes of such Regulation S-K and the nominee were a director or executive officer of such registrant; and

(2) as to the stockholder giving the notice:

(a) the name and address of such stockholder and any Stockholder Associated Person; and

(b) (i) the class and number of shares of the Corporation that are held of record or are beneficially owned (as that term is defined in Section 13 of and Rule 13d-3 under the Securities Exchange Act of 1934, as heretofore or hereafter amended, or any successor statute or rule) by such stockholder and by any Stockholder Associated Person and (ii) any derivative positions held by the stockholder and any Stockholder Associated Person and whether and the extent to which any hedging or other transaction or transactions have been entered into by or on behalf of, or any other agreement, arrangement or understanding has been made, the effect or intent of which is to increase or decrease the voting or economic power of, such stockholder or any Stockholder Associated Person with respect to any of the Corporation’s securities.

To be eligible to be a nominee for election or reelection as a director of the Corporation, each person whom a stockholder proposes to nominate for election as director must have previously delivered (in accordance with the time periods prescribed for delivery of notice under this Section 5(B)) to the Secretary of the Corporation at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such proposed nominee (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in form provided by the Secretary upon written request) that such proposed nominee (i) genuinely intends to serve, once elected, as a director of the Corporation for the entire term for which he or she is standing for election, (ii) is not and will not become a party to (x) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a “Voting Commitment”) that has not been disclosed to the Corporation or (y) any Voting Commitment that limit or interfere with such proposed nominee’s ability to comply, if elected as a director of the Corporation, with such proposed nominee’s fiduciary duties under applicable law, (iii) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with candidacy, service or action as a director that has not been disclosed to the Corporation and (iv) if elected as a director of the Corporation, will comply with all applicable corporate governance, conflict of interest, confidentiality, compensation recovery, stock ownership, and hedging, pledging and trading policies and guidelines of the Corporation.

Notwithstanding the foregoing provisions of this Section 5(B), if the stockholder (or a Qualified Representative of the stockholder) does not appear at the meeting to present the proposed nomination, such proposed nomination shall not be considered (unless otherwise required by law to be considered), notwithstanding that proxies in respect of such vote may have been received by the Corporation.

At the request of the Board of Directors any person nominated by the Board of Directors for election as a director shall furnish to the Secretary of the Corporation that information required to be set forth in a stockholder’s notice of nomination which pertains to the nominee. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures and in compliance with the requirements set forth in this Section 5(B). The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by the Bylaws, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

(C) *Obligation to Update and Providing Notice through Annual Proxy Statement.* A stockholder providing notice of business or director nominees proposed to be brought before a meeting of stockholders shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 5 shall be true and correct as of the record date for determining the stockholders entitled to receive notice of such meeting and such update and supplement shall be received by the Secretary of the Corporation at the principal executive offices of the Corporation not later than ten days after the record date for determining the stockholders entitled to receive notice of such meeting. The foregoing notice requirements of this Section 5 shall be deemed satisfied by a stockholder if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with the applicable rules and regulations promulgated under the Securities Exchange Act of 1934 (as heretofore or hereafter amended, or any successor statute, rule or regulation) and such stockholder’s proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

## Section 6. Quorum and Required Vote.

The presence of holders of the shares of stock having a majority of the votes that could be cast by the holders of all outstanding shares of stock entitled to vote at any meeting, in person or represented by proxy, shall be necessary and sufficient to constitute a quorum. Without limiting the generality of the preceding sentence, for purposes of determining whether a quorum is present at any meeting, there shall be included as present in person or represented by proxy at such meeting all holders of shares of stock that (a) are not the beneficial owners of such shares, (b) are prohibited by rules of any national securities exchange from voting such shares on one or more matters to come before such meeting unless the beneficial owners of such shares shall have instructed such holders on the voting of such shares on such matter or matters, and (c) are present in person or represented by proxy and entitled to vote without any such instructions on any other matter to come before such meeting.

If a quorum is present at a meeting, the affirmative vote of the majority of the votes cast on a matter (other than as provided in Section 7 of this Article II regarding the election of Directors and other than as provided in Article VIII regarding amendments) at such meeting, or such greater number of votes as may be required for such matter by these Bylaws, the Certificate of Incorporation or applicable law, shall be the act of the stockholders on such matter; provided that, if any such matter calls for votes on more choices than the affirmative and the negative, the choice receiving the largest number of votes, whether or not a majority of the votes cast, shall be the act of the stockholders on such matter. Notwithstanding any of the foregoing provisions of this paragraph to the contrary, no votes shall be deemed to have been cast on any such matter by any holder of shares of stock that is present in person or represented by proxy at such meeting to the extent that such holder (a) abstains from voting on such matter or (b) does not vote such shares on such matter because such holder (i) is not the beneficial owner of such shares, (ii) is prohibited by rules of any national securities exchange from voting such shares on such matter unless the beneficial owners of such shares shall have instructed such holder on the voting of such shares on such matter, and (iii) shall not have received such voting instructions from such beneficial owners on such matter.

The stockholders present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough stockholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

In the absence of a quorum, any meeting of stockholders may be adjourned from time to time by a majority of the votes entitled to be cast at such meeting represented either in person or by proxy.

## Section 7. Voting Rights.

Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote of stockholders. Any holder of shares entitled to vote on any matter, other than elections to office, may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if any stockholder fails to specify the number of shares such stockholder is voting affirmatively, it will be conclusively presumed that such stockholder's approving vote is with respect to all shares such stockholder is entitled to vote.

Every person entitled to vote shares may authorize another person or persons to act by proxy with respect to such shares. No proxy shall be valid after the expiration of one year from the date thereof unless otherwise provided in the proxy. A proxy shall be irrevocable if it states that it is irrevocable and if and only so long as, it is coupled with an interest sufficient in law to support an irrevocable proxy. Subject to the foregoing and to the express terms and conditions of any proxy, every proxy shall continue in full force and effect until revoked by the person executing it, which revocation must be prior to the vote. Such revocation may be effected by a writing delivered to the Corporation stating that the proxy is revoked or by a subsequent proxy executed by the person executing the prior proxy and presented to the meeting or, as to any meeting, by attendance at such meeting and voting in person by the person executing the proxy. A proxy is not revoked by the death or incapacity of the maker unless, before the vote is counted, written notice of such death or incapacity is received by the Corporation.

Every stockholder entitled to vote at any election of directors may cumulate such stockholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such stockholder's shares are normally entitled, or distribute such stockholder's votes on the same principle among as many candidates as such stockholder thinks fit; provided, that no stockholder shall be entitled so to cumulate votes or cast for any candidate a number of votes greater than the number of votes which such stockholder normally is entitled to cast unless such candidate's or candidates' name(s) have been placed in nomination in accordance with these Bylaws and such stockholder has given notice in writing to the Secretary of the Corporation of his intention to cumulate his votes not less than sixty-five days prior to the meeting. If proper notice of an intent to cumulate votes has been received by the Secretary and not withdrawn by the stockholder by the

sixtieth day preceding the meeting date, the Corporation shall so indicate in the notice of meeting sent to all stockholders pursuant to Section 4 of this Article II. If any one stockholder has given such notice, all stockholders may cumulate their votes for any candidate duly nominated in accordance with these Bylaws.

In any election of directors, any form of proxy in which the directors to be voted on are named therein as candidates and which is marked by a stockholder "withhold," "abstain" or otherwise marked in a manner indicating that the authority to vote for the election of any director is withheld, shall not be voted for the election of such director.

A director is elected if the votes cast "for" such director's election exceed the votes cast "against" such director's election (a "majority vote"); provided that, in any election of directors, if a stockholder has properly nominated a person for election to the Board of Directors in compliance with Section 5 of this Article II, the candidates receiving the highest numbers of affirmative votes of the shares entitled to be voted for them up to the number of directors to be elected by such shares are elected (a "plurality vote"). If directors are elected by plurality vote, votes against the directors and votes withheld shall have no legal effect.

#### Section 8. Determination of Stockholders of Record.

So that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting or entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty nor less than ten days before the date of such meeting; and (2) in the case of any other action, shall not be more than sixty days prior to such other action.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto, or the sixtieth day prior to the date of such other action, whichever is later.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting, but the Board of Directors shall fix a new record date if the meeting is adjourned for more than forty-five days from the date set for the original meeting.

Stockholders at the close of business on the record date are entitled to notice and to vote or to receive the dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after the record date, except as otherwise provided in the Certificate of Incorporation or by agreement.

### Article III

#### Board of Directors

##### Section 1. Powers and Duties.

Subject to the Delaware General Corporation Law and any limitations in the Certificate of Incorporation and these Bylaws as to action to be authorized or approved by the stockholders, the business affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors.

A director shall perform the duties of a director, including duties as a member of any committee of the Board of Directors on which a director may serve, in good faith, in a manner such director believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

##### Section 2. Chairman of the Board.

The Board of Directors shall elect one of its members to serve as the Chairman of the Board. The Chairman of the Board shall hold office at the pleasure of the Board of Directors and shall serve until a successor shall have been duly elected and qualified. Unless otherwise determined by the Board of Directors, the Chairman of the Board shall, when present, preside at



all meetings of the Board of Directors, shall, when present, preside at all meetings of the stockholders, shall serve as a liaison between the officers of the Corporation and the Board of Directors and shall perform such other duties as the Board of Directors may prescribe from time to time.

### Section 3. Number.

The authorized number of directors shall be fixed from time to time by resolution of the Board of Directors, approved by at least a majority of the directors then in office.

### Section 4. Election and Term.

The Board of Directors (other than those directors elected by the holders of any series of Preferred Stock voting separately from the holders of Common Stock in any election of directors, as may be provided for or fixed pursuant to the Certificate of Incorporation) shall be divided into three classes, designated Class I, Class II and Class III, as nearly equal in number as possible, and the term of office of directors of one class shall expire at each annual meeting of stockholders, and in all cases as to each director until his successor shall be elected or until his earlier resignation, removal from office, death or incapacity. Additional directorships resulting from an increase in number of directors shall be apportioned among the classes as equally as possible. All directors of one (and only one) class of directors shall be elected at each annual meeting of stockholders for a term expiring at the third succeeding annual meeting of stockholders after their election. If a director resigns as such on failing to obtain a majority vote required by Section 7 of Article II and if the Board of Directors accepts such resignation, a director elected by the Board of Directors pursuant to Section 5 of this Article III to fill the vacancy created thereby shall be elected to serve in the same class as the director who shall have resigned.

Subject to Section 5 of this Article III, directors, including directors elected to fill vacancies, shall be elected by the holders of shares empowered to vote therefor pursuant to the Delaware General Corporation Law, the Certificate of Incorporation and these Bylaws. At or before an annual meeting of the stockholders at which directors are to be elected by a majority vote pursuant to Section 7 of Article II, each nominee for election (who is an incumbent director) at such meeting shall tender to the Board of Directors his or her resignation as a director, which resignation shall become effective only if such nominee does not receive at such meeting the majority vote required by Section 7 of Article II and the Board of Directors accepts such resignation within ninety days after such meeting. The Governance and Nominating Committee of the Board of Directors shall promptly consider such resignation and make a recommendation to the Board of Directors whether to accept or reject such resignation. The Board of Directors may accept or reject such resignation after due consideration of the facts and circumstances it considers relevant. Such director shall not participate in the consideration by such Committee or by the Board of Directors of the acceptance or rejection of his or her resignation.

### Section 5. Vacancies.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in the event of the death, resignation or removal of any director or in the event of an increase in the authorized number of directors.

Unless otherwise provided in the Certificate of Incorporation or these Bylaws and except for a vacancy created by the removal of a director, vacancies on the Board of Directors may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director.

### Section 6. Removal of Directors.

Directors may not be removed, except for cause.

### Section 7. Meetings.

Immediately following each annual meeting of the stockholders, a regular meeting of the Board of Directors of the Corporation shall be held at the place of said annual meeting or such other place as shall have been designated by the Board of Directors for the purpose of organization, appointment of officers and the transaction of other business. Other regular meetings of the Board of Directors shall be held without call on such date and time and in such place, within or without the State of Delaware as may be fixed by the Board of Directors; provided, however, that should any such day fall on a legal holiday, then said meeting shall be held at the same time on the next day thereafter ensuing which is not a legal holiday. No notice of regular meetings of the Board of Directors need be given; provided, that notice of any change in the time or place of any such regular meeting shall be given to all of the directors in the same manner as notice for special meetings of the Board of Directors.

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairman of the Board or President or, if both the Chairman of the Board and the President are absent or are unable or refuse to act, by any Vice President or by any two directors. Notice of the time and place of special meetings shall be delivered personally or by telephone to each director or sent by first-class mail or telegram or facsimile transmission, charges prepaid, addressed to such director's address as it appears on the records of the Corporation or, if it is not so shown on the records and is not readily ascertainable, at the place at which the meetings of the directors are regularly held. In case such notice is mailed, it shall be deposited in the United States mail at least four days prior to the time of the holding of the meeting. In case such notice is telegraphed or sent by facsimile transmission, it shall be delivered to a common carrier for transmission to the director or actually transmitted by the person giving the notice by electronic means to the director at least forty-eight hours prior to the time of the holding of the meeting. In case such notice is delivered personally or by telephone as above provided, it shall be so delivered at least twenty-four hours prior to the time of the holding of the meeting. Any notice given personally or by telephone may be communicated either to the director or to a person at the office of the director whom the person giving the notice has reason to believe will promptly communicate it to the director. Such deposit in the mail, delivery to a common carrier, transmission by electronic means or delivery, personally or by telephone, as above provided, shall be due, legal and personal notice to such director. The notice need not specify the place of the meeting if the meeting is to be held at the principal executive office of the Corporation, if any, or, if none, at the principal business office of the Corporation in California, and need not specify the purpose of the meeting.

Notice of a meeting need not be given to any director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Meetings of the Board of Directors may be held at any place within or without the state which has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, designated in the Bylaws or by resolution of the Board of Directors.

Members of the Board of Directors may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this section constitutes presence in person at such meeting.

#### Section 8. Quorum.

A majority of the authorized number of directors constitutes a quorum of the Board of Directors for the transaction of business.

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless otherwise provided by law or unless a greater number be required by the Certificate of Incorporation or these Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

#### Section 9. Action Without a Meeting.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors.

#### Section 10. Fees and Compensation.

Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement for expenses, as may be fixed or determined by resolution of the Board of Directors.

## Section 11. Committees.

The provisions of this Article III shall also apply, with necessary changes in points of detail, to committees of the Board of Directors, if any, and to actions by such committees (except that special meetings of a committee may be called at any time by any two members of the committee), unless otherwise provided by these Bylaws or by the resolution of the Board of Directors designating such committees. For such purpose, references to "the Board of Directors" shall be deemed to refer to each such committee and references to "directors" and "members of the Board" shall be deemed to refer to members of the committee. Committees of the Board of Directors may be designated and shall be subject to limitations on their authority as provided in Section 141 of the Delaware General Corporation Law.

## Article IV

### Officers

#### Section 1. Designation of Officers.

The Board of Directors shall appoint the officers of the Corporation, including the President, the Secretary, and the Chief Financial Officer. The Corporation may also have such other officers as may be appointed by the Board of Directors with such titles and duties as may be determined by the Board of Directors and as may be necessary to enable it to sign instruments and share certificates. If the Board of Directors shall name one or more persons as Vice Presidents, the order of their seniority shall be in the order of their appointment, unless otherwise specified by the Board of Directors. Any number of offices may be held by the same person. All officers of the Corporation shall hold office from the date appointed to the date of the next succeeding regular meeting of the Board of Directors following the meeting of stockholders at which the Board of Directors is elected and until their successors are appointed; provided, that any officers may be removed at any time with or without cause by the Board of Directors. On the removal, resignation, death or incapacity of any officer, the Board of Directors may declare such office vacant and fill such vacancy. Any officer may resign at any time on written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. The salary and other compensation of the officers shall be fixed from time to time by resolution of the Board of Directors.

#### Section 2. President.

Subject to the control of the Board of Directors, the President shall be the general manager and chief executive officer of the Corporation, shall have general supervision, direction and control of the business and officers of the Corporation and shall perform all the duties customarily incident to that office. In the absence of the Chairman of the Board or if there be no Chairman of the Board, the President shall preside at all meetings of the stockholders.

#### Section 3. Vice Presidents.

If the Board of Directors shall appoint one or more Vice Presidents, the Vice Presidents, in the order of their seniority, may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall have such titles, perform such other duties, and have such other powers as the Board of Directors may prescribe from time to time.

#### Section 4. Secretary.

The Secretary shall attend all meetings of the stockholders, the Board of Directors and any committee appointed pursuant to Section 11 of Article III of these Bylaws and shall keep or cause to be kept at the principal executive office or such other place as the Board of Directors may order, a minute book of all such meetings, containing all acts and proceedings thereof, the time and place of holding thereof, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at directors' or committee meetings and the number of shares present or represented at stockholders, meetings. The Secretary shall give notice, in conformity with these Bylaws, of all meetings of the stockholders, the Board of Directors or any such committee requiring notice. The Secretary shall keep or cause to be kept at the principal executive office, if any, or, if none, the principal business office in California, or at the office of the Corporation's transfer agent a share register or a duplicate share register showing the names of the stockholders and their addresses, the number and classes of shares held by each, the number and date of certificates issued for same, and the number and date of cancellation of every certificate surrendered for cancellation. The Secretary shall perform such other duties and have such other powers as the Board of Directors may prescribe from time to time. The President may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary.

and each Assistant Secretary shall perform such other duties and have such other powers as the Board of Directors may prescribe from time to time.

#### Section 5. Chief Financial Officer.

The Chief Financial Officer shall keep or cause to be kept the books of account of the Corporation in a thorough and proper manner, and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board of Directors. The Chief Financial Officer, subject to the direction of the Board of Directors, shall have the custody of all funds and securities of the Corporation. The Chief Financial officer shall perform all other duties customarily incident to that office and shall perform such other duties and have such other powers as the Board of Directors may prescribe from time to time. The President may direct any Deputy Financial Officer to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer and each Deputy Financial Officer shall perform such other duties and have such other powers as the Board of Directors may prescribe from time to time.

### Article V

#### Execution of Corporate Instruments and Exercise of Rights Under Securities Owned by the Corporation

##### Section 1. Execution of Corporate Instruments.

The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers or other person or persons to execute any corporate instrument or document, or to sign the corporate name without limitation, except where otherwise provided by law, and such execution or signature shall bind the Corporation.

Unless otherwise required by law, any note, mortgage, evidence of indebtedness, contract, share certificate, conveyance or other instrument in writing, and any assignment or endorsement thereof, executed or entered into between the Corporation and any other person, when signed by the President or any Vice President and the Secretary, any Assistant Secretary, the Chief Financial Officer or any Deputy Financial Officer of the Corporation, is not invalidated as to the Corporation by any lack of authority of the signing officers in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same.

All checks and drafts drawn on banks or other depositories of funds to the credit of the Corporation, or in special accounts of the Corporation, shall be signed by such person or persons as the Board of Directors shall authorize so to do.

##### Section 2. Securities Owned by Corporation.

All securities of other corporations or other entities owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted, all proxies and other powers with respect thereto shall be executed, and all rights appurtenant or pursuant thereto shall be exercised on behalf of the Corporation by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the President or any Vice President.

### Article VI

#### Shares of Stock

##### Section 1. Form of Certificates.

Every holder of shares in the Corporation shall be entitled to have a certificate signed in the name of the Corporation by the President or a Vice President, and by the Chief Financial Officer, a Deputy Financial officer, the Secretary or any Assistant Secretary, certifying the number and class or series of shares owned by such stockholder. Any or all of the signatures on any such certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, the issuance of such certificate by the Corporation shall have the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

If the shares of the Corporation are classified or if any class of shares is divided into two or more series, any certificate representing such shares shall bear conspicuously on its face, or on the reverse thereof with conspicuous reference thereto on its

face, one of the following: (a) a statement of the rights, preferences, privileges and restrictions granted to or imposed on the class or series of shares represented by such certificate and on the holders thereof; (b) a summary of such rights, preferences, privileges and restrictions with reference to the provisions of the Certificate of Incorporation and any Certificate of Determination establishing the same; or (c) a statement setting forth the office or agency of the Corporation from which stockholders may obtain, on request and without charge, a copy of the statement prescribed by clause (a) of this paragraph.

Each such certificate shall also bear, conspicuously on its face or on the reverse thereof with conspicuous reference thereto on its face, any of the following, to the extent applicable: (a) that the shares are subject to restrictions on transfer; (b) that the shares are assessable or are not fully paid, including, in the case of partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon; (c) that the shares are subject to a close corporation voting agreement or an irrevocable proxy or restrictions on voting rights contractually imposed by the Corporation; (d) that the shares are redeemable; and (e) that the shares are convertible and the period for conversion.

When the Certificate of Incorporation is amended in any way affecting the statements contained in certificates representing outstanding shares, or it becomes desirable for any reason, in the discretion of the Board of Directors, to cancel any outstanding certificate representing shares and issue a new certificate therefor conforming to the rights of the holder, the Board of Directors may order any holders of outstanding certificates representing shares to surrender and exchange them for new certificates within a reasonable time to be fixed by the Board of Directors.

#### Section 2. Transfer of Shares.

Shares of stock of the Corporation may be transferred in any manner permitted or provided by law. Before any transfer of stock is entered on the books of the Corporation, or any new certificate issued therefor, the outstanding certificate properly endorsed shall be surrendered and canceled, unless such outstanding certificate has been lost, stolen or destroyed.

#### Section 3. Lost Certificates.

The Corporation shall issue a new certificate representing shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed; provided, that, prior and as a condition to the issuance of such new certificate, the Board of Directors may require the owner of the lost, stolen or destroyed certificate or the owner's legal representative to give the Corporation a bond (or other adequate security) sufficient to indemnify it against any claim that may be made against it (including any expense or liability) on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate and may require such owner to furnish to the Corporation such other affidavits, certificates or other documents as the Board of Directors may deem necessary or advisable.

#### Section 4. Electronic Securities Recordation.

Notwithstanding the provisions of Sections 1, 2 and 3 of this Article VI, the Corporation may adopt a system of issuance, recordation and transfer of its shares by electronic or other means not involving any issuance of certificates, provided the use of such system by the Corporation is permitted by and in accordance with applicable law.

### Article VII

#### Corporate Seal

The corporate seal shall consist of a circular die bearing the name of the Corporation and the state and date of its incorporation and shall be kept and used by the Secretary or any Assistant Secretary as the Secretary may direct. If and when authorized by the Board of Directors, a duplicate of the corporate seal may be kept and used by such officer or person as the Board of Directors may designate. Failure to affix the corporate seal does not affect the validity of any instrument of the Corporation.

### Article VIII

#### Amendments

New Bylaws may be adopted or these Bylaws may be amended or repealed by the affirmative vote or written consent of a majority of the outstanding shares entitled to vote, except as otherwise provided by law or the Certificate of Incorporation. Subject

to such right of the stockholders to adopt, amend or repeal Bylaws, and except as otherwise provided by law or the Certificate of Incorporation, Bylaws may be adopted, amended or repealed by the Board of Directors.

## Article IX

### Indemnification of Agents

The Corporation shall indemnify each Corporate Servant (as hereinafter defined) to the maximum extent that the Corporation is permitted or empowered to do so under Section 145 of the Delaware General Corporation Law. In addition, the Corporation shall indemnify any person who is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director or officer of a foreign or a domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation, and the Corporation shall hold such director or officer harmless, from and against any and all claims, liabilities, damages and expenses suffered or incurred by such director or officer as a result of or in connection with any act or omission or transaction of such director or officer in his or her capacity as such director or officer; provided that no such director or officer shall be indemnified by the Corporation for any acts or omissions or transactions from which a director may not be relieved of liability pursuant to the Delaware General Corporation Law, or for any acts, omissions or transactions for which indemnity is expressly prohibited thereby.

Notwithstanding the foregoing, the Corporation shall not indemnify any Corporate Servant against, or reimburse any Corporate Servant for, any compensation recovery made pursuant to the Corporation's Compensation Recovery Policy then in effect or any comparable or successor policy of the Corporation.

As used in this Article IX, "Corporate Servant" shall mean any natural person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, manager, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other organization or enterprise, nonprofit or otherwise, including an employee benefit plan.

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## Article II

### Stockholders

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#### Section 5. Advance Notice of Stockholder Business and ~~Stockholder Nominees~~ Nomination of Directors by Stockholders.

(A) *Notice of Business (other than Director Nominations)*. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business, other than the nomination of persons for election to the Board of Directors of the Corporation, must be (~~1x~~) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (~~2y~~) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (~~3z~~) otherwise properly brought before the meeting by a stockholder who is a stockholder of record at the time of giving a notice required by this Section 5(A), who shall be entitled to vote at such meeting and who complies with all applicable requirements of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as heretofore or hereafter amended, or any successor statute, rule or regulation, and the notice procedures set forth in this Section 5(A), and this clause (~~3z~~) shall be the exclusive means for a stockholder to submit other business (other than matters properly brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and included in the Corporation's notice of meeting) before an annual meeting of stockholders. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than seventy-five days nor more than ninety days prior to the meeting; provided, however, that in the event that less than eighty-five days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting:

(1) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting;

(2) the name and address of the stockholder proposing such business and any Stockholder Associated Person (defined below);

(3) (a) the class and number of shares of the Corporation that are held of record or beneficially owned (as that term is defined in Section 13 of and Rule 13d-3 under the Securities Exchange Act of 1934, as heretofore or hereafter amended, or any successor statute or rule) by such stockholder and by any Stockholder Associated Person with respect to the Corporation's securities and (b) any derivative positions held or beneficially held by the stockholder and any Stockholder Associated Person and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding has been made, the effect or intent of which is to increase or decrease the voting or economic power of, such stockholder or any Stockholder Associated Person with respect to the Corporation's securities; ~~and~~

(4) any material interest of the stockholder or any Stockholder Associated Person in such business: and

(5) a representation that the stockholder giving notice (or a Qualified Representative of the stockholder) intends to appear in person or by proxy at the annual meeting to bring such business before the meeting. For purposes of this Section 5, to be considered a Qualified Representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered

by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting.

Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at any annual meeting except in accordance with the procedures set forth in this Section 5(A). The Chairman of the annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 5(A), and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

For purposes of this Section 5, “Stockholder Associated Person” with respect to any stockholder means (1) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (2) any beneficial owner (as that term is defined in Section 13 of and Rule 13d-3 under the Securities Exchange Act of 1934, as heretofore or hereafter amended, or any successor statute or rule) of shares of stock or other securities of the Corporation owned of record or beneficially by such stockholder, whether or not having any voting rights, and (3) any affiliate (as that term is defined in Rule 405 under the Securities Act of 1933, as heretofore or hereafter amended, or any successor rule) of such stockholder or any of such stockholder’s Stockholder Associated Persons.

(B) *Nomination of Directors.* Only persons who are nominated in accordance with the procedures and in compliance with the requirements set forth in this Section 5(B) shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders (~~1x~~) by or at the direction of the Board of Directors or (~~2y~~) by any stockholder of the Corporation who is a stockholder of record at the time of giving notice provided for in this Section 5(B), who shall be entitled to vote for the election of directors at the meeting and who complies with all applicable requirements of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as heretofore or hereafter amended, or any successor statute, rule or regulation, and the notice procedures and the nominee-qualification, appearance and other requirements set forth in this Section 5(B), and this clause (~~2y~~) shall be the exclusive means for a stockholder to nominate any person for election as a director before or at an annual meeting of stockholders. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder’s notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than seventy five days nor more than ninety days prior to the meeting; provided, however, that in the event that less than eighty five days’ notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. Such stockholder’s notice shall set forth:

(~~51~~) as to each person whom the stockholder proposes to nominate for election or re-election as a director:

(a) the name, age, business address and residence address of such person;

(b) the principal occupation or employment of such person;

(c) the class and number of shares of the Corporation that are beneficially owned (as that term is defined in Section 13 of and Rule 13d-3 under the Securities Exchange Act of 1934, as heretofore or hereafter amended, or any successor statute or rule) by such person;

(d) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as heretofore or hereafter amended, or any successor regulation (including, without limitation, such person’s written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and

(e) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and Stockholder Associated Person, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 or any other provision of Regulation S-K, as heretofore or hereafter amended, or any successor regulation, if the stockholder making the nomination and any Stockholder Associated Person on whose behalf the nomination is made, or any affiliate or associate thereof or person acting in concert therewith, were the “registrant” for purposes of such Regulation S-K and the nominee were a director or executive officer of such registrant; and



(62) as to the stockholder giving the notice:

(a) the name and address of such stockholder and any Stockholder Associated Person; and

(b) (i) the class and number of shares of the Corporation that are held of record or are beneficially owned (as that term is defined in Section 13 of and Rule 13d-3 under the Securities Exchange Act of 1934, as heretofore or hereafter amended, or any successor statute or rule) by such stockholder and by any Stockholder Associated Person and (ii) any derivative positions held by the stockholder and any Stockholder Associated Person and whether and the extent to which any hedging or other transaction or transactions have been entered into by or on behalf of, or any other agreement, arrangement or understanding has been made, the effect or intent of which is to increase or decrease the voting or economic power of, such stockholder or any Stockholder Associated Person with respect to any of the Corporation's securities.

To be eligible to be a nominee for election or reelection as a director of the Corporation, each person whom a stockholder proposes to nominate for election as director must have previously delivered (in accordance with the time periods prescribed for delivery of notice under this Section 5(B)) to the Secretary of the Corporation at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such proposed nominee (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in form provided by the Secretary upon written request) that such proposed nominee (i) genuinely intends to serve, once elected, as a director of the Corporation for the entire term for which he or she is standing for election, (ii) is not and will not become a party to (x) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (y) any Voting Commitment that limit or interfere with such proposed nominee's ability to comply, if elected as a director of the Corporation, with such proposed nominee's fiduciary duties under applicable law, (iii) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with candidacy, service or action as a director that has not been disclosed to the Corporation and (iv) if elected as a director of the Corporation, will comply with all applicable corporate governance, conflict of interest, confidentiality, compensation recovery, stock ownership, and hedging, pledging and trading policies and guidelines of the Corporation.

Notwithstanding the foregoing provisions of this Section 5(B), if the stockholder (or a Qualified Representative of the stockholder) does not appear at the meeting to present the proposed nomination, such proposed nomination shall not be considered (unless otherwise required by law to be considered), notwithstanding that proxies in respect of such vote may have been received by the Corporation.

At the request of the Board of Directors any person nominated by the Board of Directors for election as a director shall furnish to the Secretary of the Corporation that information required to be set forth in a stockholder's notice of nomination which pertains to the nominee. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures and in compliance with the requirements set forth in this Section 5(B). The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by the Bylaws, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

(C) *Obligation to Update and Providing Notice through Annual Proxy Statement.* A stockholder providing notice of business or director nominees proposed to be brought before a meeting of stockholders shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 5 shall be true and correct as of the record date for determining the stockholders entitled to receive notice of such meeting and such update and supplement shall be received by the Secretary of the Corporation at the principal executive offices of the Corporation not later than ten days after the record date for determining the stockholders entitled to receive notice of such meeting. The foregoing notice requirements of this Section 5 shall be deemed satisfied by a stockholder if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with the applicable rules and regulations promulgated under the Securities Exchange Act of 1934 (as heretofore or hereafter amended, or any successor statute, rule or regulation) and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

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## ARTICLE IX

### Indemnification of Agents

The Corporation shall indemnify each Corporate Servant (as hereinafter defined) to the maximum extent that the Corporation is permitted or empowered to do so under Section 145 of the Delaware General Corporation Law. In addition, the Corporation shall indemnify any person who is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director or officer of a foreign or a domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation, and the Corporation shall hold such director or officer harmless, from and against any and all claims, liabilities, damages and expenses suffered or incurred by such director or officer as a result of or in connection with any act or omission or transaction of such director or officer in his or her capacity as such director or officer; provided that no such director or officer shall be indemnified by the Corporation for any acts or omissions or transactions from which a director may not be relieved of liability pursuant to the Delaware General Corporation Law, or for any acts, omissions or transactions for which indemnity is expressly prohibited thereby.

Notwithstanding the foregoing, the Corporation shall not indemnify any Corporate Servant against, or reimburse any Corporate Servant for, any compensation recovery made pursuant to the Corporation's Compensation Recovery Policy then in effect or any comparable or successor policy of the Corporation.

As used in this Article IX, "Corporate Servant" shall mean any natural person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, manager, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other organization or enterprise, nonprofit or otherwise, including an employee benefit plan.

**Exhibit 99.1** Anti-Hedging and Anti-Pledging Policy of Simpson Manufacturing Co., Inc.

**Effective Date:** October 19, 2016

**1. Introduction and Purpose:**

The Board of Directors (the “Board”) of Simpson Manufacturing Co., Inc. (the “Company”) believes that it is inappropriate and undesirable for directors, officers or employees of the Company to engage in hedging or pledging transactions that lock in the value of holdings in equity securities of the Company or its affiliated entities. Such transactions, by allowing the insiders to own equity securities of the Company without the full risks and rewards of ownership, potentially separate the insiders’ interests from the public holders of such securities. The Board has therefore adopted this policy which establishes certain prohibitions against hedging or pledging transactions involving equity securities of the Company (or its affiliated entities) by directors, officers, and employees of the Company as well as their designees in accordance with the terms herein (the “Policy”).

**2. Administration:**

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation & Leadership Development Committee of the Board (the “Compensation Committee”), in which case references herein to the Board shall be deemed references to the Compensation Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

**3. Prohibitions:**

As of the date this Policy is adopted by the Board as indicated above (the “Effective Date”), directors, officers, and employees of the Company or any parent or subsidiary of the Company, and their designees, are prohibited from: (a) purchasing any financial instruments or engaging in any transactions that are designed to hedge or offset or have the effect of hedging or offsetting any decrease in the market value of equity securities of the Company or any parent or subsidiary of the Company, including, without limitation, prepaid variable forward contracts, equity swaps, collars, exchange funds and transactions with economic consequences comparable to the foregoing financial instruments; and (b) pledging equity securities of the Company or any parent or subsidiary of the Company as collateral for a loan, purchasing such securities on margin, or holding such securities in a margin account; provided, however, that prohibition (b) does not extend to equity securities, pledged, purchased on margin, or held in a margin account prior to the Effective Date, that have been fully disclosed to the Company no later than the Effective Date and do not increase in quantity on or after the Effective Date.

**4. Consequences:**

Any violation of this Policy may result in disciplinary action by the Company, including suspension without pay, loss of pay or bonus, demotion or other sanctions, dismissal for cause, and loss of severance benefits. Furthermore, the Company may initiate or cooperate in civil or criminal proceedings against any employee relating to, or arising from, any such violation. It is essential to avoid even the appearance of impropriety. Anyone is welcome to report suspected violations of this Policy to the Company.

**5. Interpretation and Compliance:**

The Board has sole and absolute discretion with respect to interpretation and enforcement of this Policy. This Policy will be interpreted and enforced, and appropriate disclosures and filings will be made, in a manner that is consistent with any applicable rules or regulations adopted by the Securities and Exchange Commission pursuant to Section 14(j) of the Securities Exchange Act of 1934, as amended, and any other applicable law (collectively, the “Applicable Rules”). To the extent the Applicable Rules require the Company to disclose hedging or pledging transactions in additional circumstances besides those specified above, nothing in this Policy shall be deemed to restrict the right of the Company to prohibit any such transactions. This Policy shall be deemed to be automatically amended, as of the date the Applicable Rules become effective with respect to the Company, to prohibit transactions that would require the Company to disclose, other than such prohibition itself, under the Applicable Rules.

**6. General:**

Nothing in this Policy in any way limits any obligations that those subject to them have under law or pursuant to employment or other agreements with the Company or its affiliated entities. The Company may, in any employment agreement, equity award agreement or similar agreement entered into with it on or after the Effective Date, as a condition to the grant of any benefit thereunder, require a recipient of such benefit to agree to abide by the terms of this Policy. Any employee who has a question about this Policy or its application to any proposed transaction may obtain additional guidance from the Chief Financial Officer of the Company. The Board may amend or terminate this Policy at any time.

## **Exhibit 99.2 Compensation Recovery Policy of Simpson Manufacturing Co., Inc.**

**Effective Date:** October 19, 2016

### **1. Introduction and Purpose:**

The Board of Directors (the “Board”) of Simpson Manufacturing Co., Inc. (the “Company”) believes that it is in the best interests of the Company and its stockholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company’s pay-for-performance compensation philosophy. The Board has therefore adopted this policy which permits the recoupment of certain executive compensation in accordance with the terms herein (the “Policy”).

### **2. Administration:**

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation & Leadership Development Committee of the Board (the “Compensation Committee”), in which case references herein to the Board shall be deemed references to the Compensation Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

### **3. Policy Statement:**

As of the date this Policy is adopted by the Board as indicated above (the “Effective Date”), the Company has the right to recover from (x) any current or former executive officers and (y) any other employees who have been designated by the Board or the Compensation Committee as being subject to this Policy (each of such officers or employees, a “Covered Person”), regardless of fault or responsibility, that portion of incentive-based compensation, received by a Covered Person during any Covered Period (defined below) in excess of what would have been paid to a Covered Person during the Covered Period under the accounting restatement. A Covered Period under this Policy shall mean (i) the three completed fiscal years preceding the date on which the Company is required to prepare an accounting restatement due to material noncompliance with any financial reporting requirement under the securities law; and (ii) in case the Company has changed its fiscal year end during the three-year period, the transition period between the new fiscal year that resulted from the change and the prior fiscal year not exceeding nine months. If, after the Company makes a reasonable attempt to recover, the Board determines that the direct costs of seeking recovery would exceed the recoverable amount, the Company may decide not to seek recovery. The Board will decide the manner in which the Company seeks and enforces recovery. If the Board determines to seek a recovery pursuant to this Policy, the Company will make a written demand for repayment from a Covered Person and, if a Covered Person does not within a reasonable period of time tender repayment in response to such demand, or if the Board determines that a Covered Person is unlikely to do so, the Company may seek a court order against a Covered Person for such repayment and take any other remedial and recovery action permitted by law, which may include, without limitation: (a) offsetting from any cash compensation otherwise owed by the Company, and (b) cancelling any outstanding equity awards made by the Company, whether vested or unvested. The Company shall not provide indemnification or reimbursement with respect to any recovery made pursuant to this Policy.

### **4. Interpretation and Compliance:**

The Board has sole and absolute discretion with respect to interpretation and enforcement of this Policy. This Policy will be interpreted and enforced, and appropriate disclosures and filings will be made, in a manner that is consistent with any applicable rules or regulations adopted by the Securities and Exchange Commission and the New York Stock Exchange pursuant to Section 10D of the Securities Exchange Act of 1934, as amended, and any other applicable law (collectively, the “Applicable Rules”). To the extent the Applicable Rules require the Company to recover incentive-based compensation in additional circumstances besides those specified above, nothing in this Policy shall be deemed to restrict the right of the Company to recover incentive-based compensation to the fullest extent required by the Applicable Rules. This Policy shall be deemed to be automatically amended, as of the date the Applicable Rules become effective with respect to the Company, to allow the Company to recover incentive-based compensation to the extent required for this Policy to comply with the Applicable Rules.

### **5. General:**

The Company may, in any incentive plan, compensation program, employment agreement, equity award agreement or other similar arrangement or agreement entered into with it on or after the Effective Date, as a condition to the grant of any benefit thereunder, require a recipient of such benefit to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company under law or pursuant to the terms of any employment agreement, equity award agreement or similar agreement. The Board may amend or terminate this Policy at any time.

**6. Answers to Frequently Asked Questions (subject to the Applicable Rules and any changes thereof and the Board's broad discretion in administering, interpreting and enforcing this Policy):**

Q: Who is covered by this Policy?

A: Any executive officer as defined under the Applicable Rules is always subject to this Policy (see next Q&A for more information). In addition, from time to time, the Board or the Compensation Committee may designate other employees of the Company and its affiliated entities, who have participated in the Company's equity incentive plans and/or cash incentive plans, as being subject to this Policy.

Q: Who qualifies as an "executive officer" under the Applicable Rules?

A: An "executive officer" generally includes the Company's CEO, president, principal financial officer, principal accounting officer (or controller), any vice-president of the Company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Executive officers of the Company's parent or subsidiary entities shall be deemed executive officers of the Company if they perform such policy making functions for the Company.

Q: Does compensation recovery pursuant to this Policy require fault or responsibility on the part of a Covered Person?

A: No. The Company has the right to recover excess incentive-based compensation from a Covered Person even if such person did not engage in misconduct or have any role in preparing the Company's financial statements that required restatement.

Q: What is an "accounting restatement"?

A: An "accounting restatement" is a required revision of previously issued financial statements to reflect the correction of one or more errors that are material to those financial statements. An accounting restatement is "required" on the earlier of the date (a) the Company (through the Board, a committee thereof or an authorized officer) concludes, or reasonably should have concluded, that the Company's previously issued financial statements contain a material error or (b) the date a court, regulator or other legally authorized body directs the Company to restate its previously issued financial statements to correct a material error.

Q: What is "incentive-based compensation"?

A: "Incentive-based compensation" means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a financial reporting measure. A "financial reporting measure" means:

- i. a measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, such as revenue, income, assets, earnings or cash flow,
- ii. a measure derived wholly or in part from a measure described in (i), or
- iii. a measure of stock price or total stockholder return.

For example, equity awards that are granted or vest based on achieving a financial reporting measure, such as awards of restricted stock units that are earned by exceeding a certain level of operating income and/or whose vesting is subject to adjustment based on stock price and/or total stockholder return, are covered by this Policy. In contrast, equity awards that are time-vested and whose granting and vesting are not tied, in whole or in part, to the attainment of financial reporting measures, such as equity awards that are granted on a periodical basis and vest only according to a time-based vesting schedule, generally are not incentive-based compensation. Also excluded are equity awards that are granted based only upon the attainment of strategic measures (e.g., a merger) or operational measures (e.g., increase in market share or customer satisfaction) and whose vesting is pursuant to a time-based vesting schedule and/or is contingent upon completing a certain project.

Q: What is the recoverable "portion" of incentive-based compensation?

A: The amount of incentive-based compensation subject to recovery under this Policy shall be the amount of incentive-based compensation received by a Covered Person that exceeds the amount of incentive-based compensation he or she otherwise should have received had his or her compensation been determined based on the required accounting restatement. Such amount also shall be computed without regard to any taxes paid.

Q: How long is the look-back period?

A: Three completed fiscal years preceding the date on which the Company is required to prepare an accounting restatement, provided that if the Company has changed its fiscal year during the three-year period, the look-back period includes the transition period unless such transition period is longer than nine months. For example, if the Company, continuing to report its financial condition and operating results based on calendar fiscal years, concludes in November 2018 that a restatement of previously issued financial statements is required and files the restated financial statements in January 2019, this Policy would apply to incentive-based compensation received by Covered Persons in 2015, 2016 and 2017.

Q: Could the Company provide protection against compensation recovery?

A: No. The Company will not provide indemnification or reimbursement with respect to any recovery made pursuant to this Policy.

Q: Will the Company indiscriminately enforce this Policy?

A: Yes. While the Board has a broad discretion with respect to the manner in which the Company seeks and enforces recovery, the Company will always enforce this Policy, irrespective of any Covered Person's status within the Company, with very limited exceptions where the recovery is impracticable, including after the Company makes a reasonable attempt to recover, the Board determines that the direct costs of seeking recovery would exceed the recoverable amount.

## **Exhibit 99.3** Governance Guidelines of Simpson Manufacturing Co., Inc.

October 19, 2016

### **1. Director Qualification Standards**

Simpson Manufacturing Company, Inc. (the “Company”) seeks as directors persons of reputation, integrity and accomplishment - individuals who bring to board issues a range of talents, useful experience, information and insights. A majority of outside directors must be independent. To be independent, an outside director must have no financial, family or close personal ties to the Company or its executive officers and must meet the NYSE regulatory standard of independence. Within three years of becoming a director, an outside director is expected to own Company stock, including options (valued using Black- Scholes), having a value at least equal to the annual board retainer. No outside director will be nominated for re-election after 15 years of board service except for directors who have already served on the Company’s Board of Directors by December 31, 2016, provided that the Board of Directors, or its Governance and Nominating Committee, may waive the application of such term limit from time to time on a case-by-case basis, in their sole discretion.

### **2. Key Director Responsibilities**

Directors are expected to attend all board meetings and meetings of the committees on which they are members, be well-prepared by studying in advance meeting materials and analysts' reports and by staying abreast of trends and issues that affect Company performance. In all meetings, directors are expected to assure that the agenda includes items they deem important and to evaluate, add value and, as appropriate, act on agenda items. Directors review operating plans, approve budgets, and monitor the implementation of Company strategy and financial performance. Directors oversee the Company's risk profile and monitor its control environment. Outside directors compose the Compensation and Leadership Development Committee, which sets compensation for the executive officers and regularly reviews succession plans. Directors are expected to both challenge and support management. They are expected to encourage critique and discussion, to work together in a healthy atmosphere of give and take, and, when necessary, to take tough, constructive stands.

### **3. Director Access to Management and, as Necessary and Appropriate, Independent Advisors**

Senior Company managers who are not board members are invited to attend board meetings both to make presentations and to serve as a resource for questions and discussion. Independent directors have ready access to management as needed for their board or committee duties. The charters for the four basic board committees of the Board of Directors - Audit, Compensation and Leadership Development, Governance and Nominating and Acquisition and Strategy - authorize them to retain such independent, outside advisors as committee members decide are necessary for their work.

### **4. Compensation of Directors**

We pay each of our directors whom we do not compensate as an officer or employee an annual retainer of \$65,000. We pay the Independent Chairman of the Board of Directors an additional annual fee of \$56,500 and we pay the Chair of each of the Audit Committee, the Compensation and Leadership Development Committee, the Acquisition and Strategy Committee and the Governance and Nominating Committee an additional annual fee of \$10,000. The annual retainer is paid quarterly and the fees for the Chairman of the Board of Directors and each committee Chair are paid at the time of the annual meeting of stockholders each year, and are not prorated. Outside directors will also receive \$2,000 for every day in excess of 12 during a single calendar year that the Board of Directors and/or committee meetings are held.

We also reimburse outside directors for expenses that they incur to attend Board of Directors and committee meetings, to visit our facilities and to participate in educational programs. We pay each outside director \$3,000 per day and reimburse his or her expenses when he or she visits our facilities to observe operations.

Each of our outside directors, whether newly appointed or continuing his or her service, is eligible to receive an award of restricted stock units under our 2011 Incentive Plan each year. The value of the award approximates the value of the annual cash retainer. The awards are made at the time of the annual meeting of stockholders and restrictions on 100% of the restricted stock units lapse on the award date.

In February 2015, the Compensation and Leadership Development Committee imposed stock ownership guidelines for each of our directors whom we do not compensate as an officer or employee. The guideline counts only common stock owned and does not include stock options or restricted stock units. Each Director has 5 years to comply with these guidelines. The guideline for stock ownership for each of our Directors is computed as 3 times their annual cash retainer (\$195,000).

5. Director Orientation and Continuing Education

New directors are oriented to the Company's business and governance through meetings with Company officers and directors and site visits. The Secretary of the Company is responsible for arranging the orientation program for new directors. The Company supports and pays for participation in continuing education programs to assist directors in performing their board responsibilities.

6. Officer Performance

Annually, the Compensation and Leadership Development Committee reviews the Chief Executive Officer and other senior officers of the Company. The Chair of the Compensation and Leadership Development Committee reports on that evaluation to the outside directors. The annual performance review is based on the following Chief Executive Officer rating factors: leadership, strategic planning, financial results, succession planning, human resources, communication, external relations and board relations.

7. Officer Succession

On a regular basis, the outside directors meet with the Chairman of the Board of Directors and the Chief Executive Officer to review succession planning. During the Chief Executive Officer's absence or inability to act, the Chairman of the Board of Directors assumes the Chief Executive Officer's duties on a temporary basis, until the permanent Chief Executive Officer returns, or the Board of Directors, using the criteria established for Chief Executive Officer evaluation, appoints a new Chief Executive Officer.

8. Chairman Presiding at Board Meetings and Rotation of Committee Chairs

When directors meet in executive session, the Chairman of the Board of Directors presides at the meeting. The Chair of each board committee is not routinely rotated. Through annual review, a policy of gradual rotation is in place.