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## **James Campbell Company LLC**

### **Governance Guidelines**

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As part of a shared commitment to good corporate governance, the Board of Directors (“Board”) and Management of James Campbell Company LLC (the “Company” or “JCCLLC”) have adopted a set of principles to promote effective functioning of the Board activities and to ensure a common set of expectations as to how the Board, its committees, individual Directors and Management should perform their functions. The following Governance Guidelines (“Guidelines”) do not purport to be all encompassing. Rather, they are designed with the Company’s current business operations, ownership, capital structure, and economic conditions in mind and will continue to evolve with changing circumstances. These Guidelines have been approved by the Board of Directors and, in conjunction with the Operating Agreement of James Campbell Company LLC, Bylaws and Board Committee Charters, form the framework for the corporate governance of the Company.

#### **I. Role of the Board and Management**

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The roles of the Board and Management are related, but distinct. Management proposes the Company’s strategy and revises the strategy after the Board’s input before presenting a final strategy for Board approval. Management also implements the Company’s strategy in the day-to-day operation of its business, reporting regularly to the Board or its Committees on significant events, issues and risks which may materially affect the Company’s financial performance or the achievement of its strategic goals. The Board is elected by the shareholders to oversee their interest in the long-term health and the overall success of the business and its financial strength. The Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with the shareholders. In discharging that obligation, the Directors recognize that the long-term interests of the shareholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties including employees, customers, suppliers, government officials and the public at large.

#### **II. Functions of the Board**

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The Board has a duty to oversee the affairs of the Company for the benefit of the shareholders. In addition to its general oversight of management, the Board also performs a number of specific functions to include the following, which will be discharged either directly by the Board or through appropriate committees, including:

- Selecting, evaluating and compensating the President & Chief Executive Officer and overseeing succession planning;
- Providing counsel and oversight on the selection, evaluation, development and compensation of senior management;
- Reviewing, evaluating and, where appropriate, approving, the Company's major strategies, long-term plans, annual operating plans and budgets;

- Overseeing Company performance against broad financial objectives;
- Overseeing the Company's risk policies and procedures (including market, credit and operational risks), assessing major risks facing the Company and reviewing options for their mitigation;
- Providing advice and counsel to the President & Chief Executive Officer and other senior management;
- Overseeing the integrity of the Company's financial reporting process and the adequacy of accounting, financial and internal controls; and
- Evaluating the overall effectiveness of the Board and its committees, as well as evaluating and recommending appropriate candidates for election as Directors.

### **III. Composition of the Board**

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#### **A. Size of Board**

The size of the Board should facilitate substantive discussions of the whole Board in which each Director can participate meaningfully. The Board is currently comprised of eight Directors. The Company's Operating Agreement and Bylaws permit the Board to change its size to not less than seven Directors and not more than nine Directors.

#### **B. Selection of Directors and Board Composition**

Directors are elected each year by the Company's shareholders at the annual meeting of shareholders. The Board recommends to the shareholders a slate of nominees for election at the annual meeting. Between annual meetings, the Board may elect replacement Directors to fill vacancies on the Board until the next annual meeting of shareholders. The Nominating & Governance Committee, with input from the President & Chief Executive Officer, selects and recommends to the Board Director candidates for inclusion in the Board's slate of nominees at the annual meeting or for election by the Board between annual meetings. Shareholder(s) holding at least 15 percent of the outstanding shares of the Company may also nominate persons for election as Directors. The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, backgrounds and relationships useful to the Company's business. Members of the Board should have the highest professional, business and personal ethics and values. Members of the Board should be committed to achieving sustainable long-term growth and Ordinary Net Income to enhance the Company's diversified real estate portfolio.

**C. Director Independence**

A majority of the Directors shall be “Independent.” A Director is “Independent” if he or she satisfies the requirements for Director independence established by the Operating Agreement of the James Campbell Company LLC.

**D. Director Expectations and Qualification Standards**

The primary responsibility of the Directors is to exercise their business judgment in the best interests of the shareholders of the Company. The Board has developed a number of specific expectations of Directors to promote the accomplishment of this responsibility and the efficient conduct of the Board’s business.

1. Attendance

All Directors should make every effort to attend every meeting of the Board and every meeting of committees of which they are members.

2. Participation in Meetings

Each Director should be sufficiently familiar with the business of the Company, including its assets, liabilities, capital structure, risks and the competition it faces, to ensure active and effective participation in the deliberations of the Board and each committee on which he or she serves. Directors should also study the materials provided by Management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

3. Service on Other Boards

The Board does not have a policy limiting the number of other boards of directors upon which a Director may sit; provided, however, that sitting on another company’s board of directors should not create a conflict of interest or impair the Director’s ability to devote sufficient time to carry out his or her duties as a Director of the Company. All Directors should consult with the Nominating & Governance Committee prior to joining the board of another company (other than boards of not-for-profit entities). The Nominating & Governance Committee will periodically review all Directors’ outside board memberships.

4. Change in Job Responsibility

Directors who experience a material change in their job responsibility shall offer to resign from the Board. The Nominating & Governance Committee, after reviewing the appropriateness of continued Board service under these

circumstances, and with input from the President & Chief Executive Officer, will recommend whether the Board should accept such resignation.

5. Retirement

Pursuant to the Company's Bylaws, a Director is required to retire from the Board after he or she reaches age 70, except that, upon reaching age 70, a Director may serve his or her remaining term.

6. Resignation of Employee Directors

The President & Chief Executive Officer shall offer to resign from the Board when he or she ceases to be an employee of the Company. The Nominating & Governance Committee, after reviewing the appropriateness of continued Board service under these circumstances, will recommend whether the Board should accept such resignation. Any other employee Director shall resign from the Board when he or she ceases to be an employee of the Company.

7. Contact with Management

All Directors are invited to contact the President & Chief Executive Officer at any time to discuss any aspect of the Company's business. The Board expects that there will be frequent opportunities for Directors to meet with the President & Chief Executive Officer and other members of Management, either in Board and committee meetings, or in informal events organized by the President & Chief Executive Officer. Directors will also have complete access to other members of Management and should use judgment to be sure that contacts with other members of Management are not distracting to the business operations of the Company.

8. Access to Independent Advisors

The Board and each committee are entitled to retain, at the Company's expense, such independent counsel and other advisors as it may deem necessary or advisable to carry out its duties.

9. Confidentiality

The proceedings and deliberations of the Board and its committees are confidential. Each Director has a fiduciary obligation to maintain the confidentiality of information received in connection with his or her service as a Director.

**E. Chair of the Board**

The Board elects the Chair of the Board. The Company's Bylaws provide that the President & Chief Executive Officer shall be the Chair until such time as the Board

shall determine otherwise. The Board has no policy with respect to the separation or combination of the Chair and President & Chief Executive Officer offices.

#### **IV. Committees of the Board**

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##### **A. General**

The Board shall, at all times, have an Audit Committee, Compensation Committee and Nominating & Governance Committee. The Board, from time to time, may establish such additional committees as it deems appropriate. Each committee has a charter setting forth its purpose, authority and responsibilities, as well as the qualifications for committee membership.

##### **B. Committee Membership**

The Chairman of the Board shall appoint the Chairs of the Committees who shall be Independent Directors. The Board of Directors shall appoint the remaining members of the Committee, upon the recommendation of the Nominating & Governance Committee.

#### **V. Conduct of Meetings**

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##### **A. Meeting Schedule and Agenda**

The Chair of the Board will establish a schedule of Board meetings. Special Board meetings may be called at any time in the manner set forth in the Bylaws. The Chair of the Board will develop the agenda for each meeting. Any Director may place an item on the Board agenda at any time.

The Chair of each committee, in consultation with the committee members and the appropriate members of management, will establish a schedule of committee meetings. Special committee meetings may be called at any time in the manner set forth in the committee Charters. The Chair of each committee, in consultation with the appropriate members of management, will develop the agenda for each committee meeting. Any Director may place an item on the agenda of any committee at any time.

##### **B. Advance Distribution of Materials**

Board and committee meeting materials will, whenever possible, be distributed to the Directors in advance of the meetings in ample time for review, and Directors are expected to review these materials prior to the meeting.

**C. Executive Sessions of Non-Management Directors**

The non-management Directors will meet in executive sessions as frequently as necessary to properly discharge their responsibilities. These non-management executive meetings may be called at the request of any Director to the Chair of the Nominating & Governance Committee. Executive Sessions shall be presided over by a "presiding Director." The Chair of the Nominating & Governance Committee shall serve as the "presiding Director" unless another Director is so designated by a majority of the non-management Directors present at the Executive Session. In the absence of the Chair of the Nominating & Governance Committee, a majority of the non-employee Directors present at the Executive Session shall designate the "presiding Director." The attendees at an Executive Session may invite others to participate in all or part of their meetings, including outside advisors or members of management. Formal deliberations or decisions concerning the business and affairs of the Company shall occur only during regular or special meetings of the Board, and not at Executive Sessions.

**VI. Board Interaction with Customers, Community Members, Press, Etc.**

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The Board believes that management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that Board members would do this with the knowledge of management and, in most cases, only at the request of management.

**VII. Business Plan**

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The Board will review the Company's Business Plan budgets and strategies on at least an annual basis and periodically review individual business unit plans and strategies.

**VIII. Annual Performance Evaluation**

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The Board and each of its committees will conduct an annual self-evaluation of its performance. The Nominating & Governance Committee is responsible for oversight of the evaluation process.

**IX. Director Compensation**

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The independent Directors, upon recommendation of the Compensation Committee, determine the form and amount of Director compensation.

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

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The Company provides a Director orientation program for each new, non-management Director. All Directors receive Company briefings on current topics, and are provided opportunities to attend Directors' education programs.

## **XI. Management Succession**

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The Board maintains a succession plan for the President & Chief Executive Officer. Each year, the President & Chief Executive Officer reviews with the non-management Directors the succession plans for other members of senior management.

## **XII. Periodic Review of These Guidelines**

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These Guidelines will be reviewed annually by the Nominating & Governance Committee and may be amended by the Board from time-time.