

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: December 2, 2003
(Date of earliest event reported)

MACK-CALI REALTY CORPORATION
(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation)

1-13274
(Commission File No.)

22-3305147
(I.R.S. Employer
Identification No.)

11 Commerce Drive, Cranford, New Jersey 07016
(Address of Principal Executive Offices) (Zip Code)

(908) 272-8000
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Item 5. Other Events and Required FD Disclosure

On December 2, 2003, the Board of Directors of Mack-Cali Realty Corporation (the "Company") approved and adopted the following charters and codes effective as of January 1, 2004:

- Mack-Cali Realty Corporation Executive Compensation and Option Committee Charter;
- Mack-Cali Realty Corporation Nominating and Corporate Governance Committee Charter;
- Mack-Cali Realty Corporation Code of Business Conduct and Ethics; and
- Mack-Cali Realty Corporation Corporate Governance Principles.

In addition to the foregoing, on March 4, 2003 the Board of Directors of the Company approved and adopted the Mack-Cali Realty Corporation Amended and Restated Audit Committee Charter, which was previously filed as Annex A to the Company's proxy statement for its Annual Meeting of Stockholders held on May 13, 2003.

In connection with the foregoing, the Company hereby files the following documents:

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits

Exhibit No. Description

- | Exhibit No. | Description |
|-------------|---|
| 99.1* | Mack-Cali Realty Corporation Executive Compensation and Option Committee Charter. |
| 99.2* | Mack-Cali Realty Corporation Nominating and Corporate Governance Committee Charter. |
| 99.3* | Mack-Cali Realty Corporation Code of Business Conduct and Ethics. |
| 99.4* | Mack-Cali Realty Corporation Corporate Governance Principles. |
| 99.5 | Mack-Cali Realty Corporation Amended and Restated Audit Committee Charter (filed as Annex A to the Company's proxy statement for its Annual Meeting of Stockholders held on May 13, 2003 and incorporated herein by reference). |

* filed herewith.

SIGNATURES

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

MACK-CALI REALTY CORPORATION

Date: January 5, 2004

By: /s/ Roger W. Thomas

Roger W. Thomas
Executive Vice President,
General Counsel and Secretary

EXHIBIT INDEX**(c) Exhibits****Exhibit No. Description**

99.1*	Mack-Cali Realty Corporation Executive Compensation and Option Committee Charter.
99.2*	Mack-Cali Realty Corporation Nominating and Corporate Governance Committee Charter.
99.3*	Mack-Cali Realty Corporation Code of Business Conduct and Ethics.
99.4*	Mack-Cali Realty Corporation Corporate Governance Principles.
99.5	Mack-Cali Realty Corporation Amended and Restated Audit Committee Charter (filed as Annex A to the Company's proxy statement for its Annual Meeting of Stockholders held on May 13, 2003 and incorporated herein by reference).

* filed herewith.

MACK-CALI REALTY CORPORATION

EXECUTIVE COMPENSATION AND OPTION COMMITTEE CHARTER

Status

The Compensation Committee (the “Committee”) is a committee of the Board of Directors of Mack-Cali Realty Corporation (the “Company”).

Membership

The Committee shall consist of three or more directors all of whom, in the judgment of the Board of Directors, shall be independent. In this regard, a person may serve on the Committee only if the Board of Directors determines that he or she: (i) is a “Non-employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended; (ii) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended; and (iii) is “independent” in accordance with the listing standards of the New York Stock Exchange.

Members of the Committee shall be appointed by the Board of Directors and may be removed by the Board in its discretion. The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate, provided any such subcommittee is composed entirely of independent directors as defined under the listing standards of the New York Stock Exchange.

Meetings

The Committee shall meet as often as its members deem necessary to perform the Committee’s responsibilities, but shall not meet less than twice per year. The Committee may meet in person or telephonically and at such times and places as the Committee shall determine. The Committee shall make regular reports to the Board regarding the activities of the Committee.

Purpose

The primary purposes of the Committee are (i) to assist the Board of Directors in discharging its responsibilities in respect of compensation of the Company’s Chief Executive Officer (CEO), (ii) to discuss with the CEO the compensation of other senior executives; (iii) to review and administer the Company’s compensation and benefit programs and (iv) to produce an annual report on executive compensation for inclusion in the Company’s annual proxy statement or annual report that complies the rules and regulations of the Securities and Exchange Commission, the New York Stock Exchange and any other applicable rules and regulations.

Duties and Responsibilities

The Committee is responsible for (i) establishing and reviewing annual and long-term corporate goals and objectives relevant to compensation of the Company’s CEO; (ii) evaluating the performance of the CEO in light of the approved performance goals and objectives; (iii) having sole authority to determine and approve the compensation level of the CEO based upon the evaluation of the performance of the CEO; and (iv) to review with the CEO compensation of the other executive officers. In determining the long-term incentive component of the CEO’s compensation, the Committee shall consider the Company’s performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the Company’s CEO in past years.

The Committee’s additional functions are:

- to make recommendations to the Board of Directors with respect to non-CEO compensation, incentive-based compensation plans and equity-based plans;
- to establish criteria for the granting of options and other equity compensation to the CEO, and to review with the CEO the criteria for the granting of options and other equity compensation to the other executive officers and other employees and review and approve the granting of options and other equity compensation in accordance with such criteria;
- to review director compensation levels and practices, and recommend, from time to time, changes in such compensation levels and practices to the Board;
- to review periodically the Company’s compensation practices and compare them, relative to corporate performance, with those of other similar businesses; and
- to perform any other activities consistent with this Charter, the Company’s by-laws and governing law as the Committee or the Board deems appropriate.

Performance Evaluation

The Committee shall conduct an annual performance evaluation of itself.

Committee Resources

The Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting, financial or other advisors. Without limiting the foregoing, the Committee shall have the authority, to the extent it deems necessary or appropriate, to retain a compensation consultant to assist in the evaluation of director or CEO compensation, or to review with the CEO compensation of the other executive officers. The Committee shall have sole authority to retain and terminate any such consulting firm, including sole authority to approve the firm’s fees and other terms of retention. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any consulting firm or other advisors employed by the Committee.

Committee Charter

The Committee shall review at least annually the adequacy of this Charter and recommend any changes to the Board for approval. This Charter shall be made available on the Company’s website.

MACK-CALI REALTY CORPORATION

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

Status

The Nominating and Corporate Governance Committee (the “Committee”) is a committee of the Board of Directors of Mack-Cali Realty Corporation (the “Company”).

Membership

The Committee shall consist of directors all of whom, in the judgment of the Board of Directors, shall be independent in accordance with the listing standards of the New York Stock Exchange. Members of the Committee shall be appointed by the Board of Directors and may be removed by the Board in its discretion. The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate, provided any such subcommittee is composed entirely of independent directors as defined under the listing standards of the New York Stock Exchange.

Meetings

The Committee shall meet as often as its members deem necessary to perform the Committee’s responsibilities. The Committee may meet in person or telephonically and at such times and places as the Committee shall determine. The Committee shall make regular reports to the Board regarding corporate governance matters and the activities of the Committee.

Purpose and Responsibilities

The Committee is responsible for considering and making recommendations to the Board of Directors concerning the appropriate size, functions and needs of the Board of Directors. These responsibilities include:

- assisting the Board with the establishment of criteria for Board membership;
- identifying individuals qualified to become Board members;
- considering, recommending and recruiting candidates to fill new positions on the Board;
- reviewing candidates recommended by shareholders;
- conducting the appropriate and necessary inquiries into the backgrounds and qualifications of possible Board candidates; and
- recommending the director nominees for approval by the Board and the shareholders.

The Committee’s additional functions are:

- to consider questions of possible conflicts of interest of Board members and of the Company’s senior executives;
- to monitor and recommend the functions of the various committees of the Board;
- to oversee the evaluation of the Board and its committees and the Company’s senior executives;
- to recommend members of the various committees of the Board;
- to advise on changes in Board compensation;
- to make recommendations on the structure of Board meetings;
- to recommend matters for consideration by the Board;
- to consider matters of corporate governance and to develop and recommend to the Board a set of Corporate Governance Principles applicable to the Company, and review and assess the adequacy of such guidelines annually and recommend to the Board any changes deemed appropriate;
- to review and recommend to the Board retirement and other tenure policies for directors;
- to review the outside activities of the Board and the Company’s senior executives and such persons’ membership on outside boards of directors;
- to review periodically with the Chief Executive Officer of the Company the potential succession plans relating to positions held by executive management; and
- to perform any other activities consistent with this Charter, the Company’s by-laws and governing law as the Committee or the Board deems appropriate.
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Performance Evaluation

The Committee shall conduct an annual performance evaluation of itself.

Committee Resources

The Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting, financial or other advisors. The Committee shall have sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve such search firm's fees and other terms of retention. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any consulting firm or other advisors employed by the Committee.

Committee Charter

The Committee shall review at least annually the adequacy of this Charter and recommend any changes to the Board for approval. This Charter shall be made available on the Company's website.

MACK-CALI REALTY CORPORATION
CODE OF BUSINESS CONDUCT AND ETHICS

Introduction

All employees, officers and directors of Mack-Cali Realty Corporation (the “Company”) are responsible for conducting themselves in compliance with this Code of Business Conduct and Ethics (the “Code”), other policies of the Company and applicable laws, rules and regulations. The Company adopted the Code in order to assist the Company and its employees, officers and directors with the Company’s goals of conducting its business and affairs in accordance with applicable laws, rules and regulations and maintaining the highest standards of ethical conduct, fair dealing and honesty.

The Company also expects that any consultants or other service providers it retains will adhere to the Code. In addition, for purposes of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules of the Securities and Exchange Commission (the “Commission”) promulgated thereunder, Sections I through IV of the Code shall constitute the Company’s code of ethics for “Senior Financial Officers” (as defined in Section I below).

I. Compliance and Reporting

Employees, officers and directors should strive to identify and raise potential issues before they lead to problems for the Company and should ask about the application of the Code whenever there is a question as to whether a violation of the Code has occurred or will occur. Any employee or officer who becomes aware of any existing or potential violation of the Code should promptly notify the appropriate supervisor. Should the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Principal Accounting Officer (collectively, the “Senior Financial Officers”) or any director become aware of an existing or potential violation of the Code, he or she should promptly notify the Company’s General Counsel. The Company shall take such disciplinary, corrective or preventative action as it deems appropriate to address any existing or potential violation of this Code brought to its attention.

Confidentiality regarding those who make compliance reports and those potentially involved is maintained to the extent possible during a compliance investigation. The Company does not tolerate retribution, retaliation or adverse personnel action of any kind against any person for lawfully reporting a situation of potential noncompliance with the Code, or providing to the Company or any law enforcement or other governmental agency any information or assistance relating to the commission or possible commission of any federal or state offense.

The Senior Financial Officers have a responsibility to create an environment within the Company in which compliance with the Code is treated as a serious obligation and in which violations of the Code are not tolerated. The Senior Financial Officers will establish and, if necessary, modify the procedures by which violations of the Code are to be reported.

II. Conflicts of Interest

All business decisions must be made in the Company’s best interest. A “conflict of interest” arises when an individual’s judgment is or may be influenced by considerations of improper personal gain or benefit to the individual or another person. Even if no actual conflict of interest occurs, situations that create the appearance of a conflict may harm the Company’s public relations or cause other problems damaging to the Company, and, as such, also should be avoided. Conflicts of interest are prohibited as a matter of Company policy, unless they have been approved in advance by the Company.

For example, an employee, officer or director must never use or attempt to use his or her position at the Company to obtain any improper personal benefit for himself or herself, for his or her family members or for any other person, including loans or guarantees of obligations, from any other person or entity. In this regard, service to the Company should never be subordinated to personal gain and advantage. To the extent possible, conflicts of interest always should be avoided. Any employee, officer or director who is aware of a material transaction or relationship that could reasonably be expected to give rise to a conflict of interest should promptly discuss the matter with the General Counsel.

Transactions with outside firms must be conducted within a framework established and controlled by the executive level of the Company. Business dealings with outside firms should not result in unusual gains for those firms or their employees. Unusual gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit either the outside firm, its employee, or both. Promotional plans that could be interpreted to involve unusual gain require specific executive-level approval.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of the Company’s business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

No “presumption of guilt” is created by the mere existence of a relationship with outside firms. However, if employees have any influence on transactions involving purchases, contracts, or leases, it is imperative that they disclose to an officer of the Company as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee or relative has an ownership interest in a firm with which the Company does business, but also when an employee or relative receives any kickback, bribe, substantial gift or special consideration from any Company tenant, customer or vendor (for example, a contractor or supplier) or a potential tenant, customer or vendor. Any employee who receives a gift from a tenant, customer or vendor or potential tenant, customer or vendor must advise his or her supervisor immediately. If the supervisor determines that the gift is of a normal and customary nature (e.g., not excessively expensive), the employee may retain the gift. If the gift is determined by the supervisor to be excessive, the employee must return the gift with a brief explanation that it is against the Company’s policy for employees to accept gifts of an excessive nature. Employees who do not report the receipt of gifts to their immediate supervisor will be subject to disciplinary action up to and including termination. In addition, employees who solicit gifts will be subject to disciplinary action, up to and including termination.

In addition, as a result of their close relationships to the Company and its business, the Senior Financial Officers have a special responsibility to:

- refrain, without the approval of the Board of Directors, from transacting business with the Company through any entity in which the officer or a member of his or her immediate family owns all or a controlling interest;
- refrain, without the approval of the Board of Directors, from participating in other employment or serving as a director for other organizations if such activity reasonably could be expected to interfere with the officer’s ability to act in the best interests of the Company or reasonably could be expected to require the officer to use proprietary, confidential or non-public information of the Company;

- refuse gifts, favors or hospitality that would influence or appear to influence the recipient to act other than in the best interests of the Company; and
- report to the Audit Committee or to the Board of Directors any existing or potential director positions they hold, including positions on non-profit or charitable organization boards of directors.

III. Public Disclosure

It is the Company's policy that the information in its public communications and disclosures, including its filings with the SEC, be full, fair, accurate, timely and understandable. All employees, officers and directors who are involved in the Company's disclosure process, including the Senior Financial Officers, are responsible for acting in furtherance of this policy. Specifically, these individuals are required to maintain familiarity with the disclosure requirements applicable to the Company and are prohibited from knowingly misrepresenting, omitting or causing others to misrepresent or omit, material facts regarding the Company to others, whether within or outside the Company, including the Company's independent accountants. In addition, any employee, officer or director who has a supervisory role in the Company's disclosure process has an obligation to diligently discharge his or her responsibilities.

The Senior Financial Officers, in particular, must act in good faith and with due care and diligence in connection with the preparation of the Company's public disclosures. The Senior Financial Officers must ensure that the financial statements and reports submitted to the SEC are full, fair, accurate, timely and understandable. The Senior Financial Officers must also promptly report any irregularities or deficiencies in the Company's internal controls for financial reporting to the Audit Committee or the Board of Directors.

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IV. Compliance with Laws, Rules and Regulations

As noted, it is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each employee, officer and director to adhere to the standards and restrictions imposed by those laws, rules and regulations.

It is both illegal and against Company policy for any employee, officer or director who is aware of material, nonpublic information relating to the Company, any of the Company's customers or clients or any other private or governmental issuer or securities to purchase or sell any securities of those issuers, or recommend that another person purchase, sell or hold the securities of those issuers.

In general, information is "material" if it could affect a person's decision to purchase, sell or hold a company's securities. Material information includes, for example, a company's anticipated earnings, plans to acquire or sell significant assets and changes in senior executives. Employees, officers and directors should try to limit transactions to times when it can reasonably be assumed that all material information about a company has been disclosed. All employees, and officers and directors of the Company in particular, should consult with the General Counsel regarding the safest times to trade in the Company's securities.

In addition, employees, officers and directors may not disclose material, nonpublic information about the Company or another company to any person (i) inside the Company, unless they need to know the information for legitimate business purposes, or (ii) outside of the Company, unless prior approval is obtained from management in consultation with the General Counsel. Bear in mind that this information belongs to the Company and no person may misappropriate it for anyone's benefit. Providing a "tip" based on material, nonpublic information is unethical and illegal, and is prohibited, even if you do not profit from it. All employees must obtain clearance from the General Counsel prior to trading in the Company's securities.

More detailed rules governing the trading of Company securities by employees, officers and directors are set forth in the Company's Insider Trading Policy most recently dated September 4, 2003. You may obtain a copy of this policy by contacting the General Counsel.

Other laws, rules, regulations and Company policies to which employees, officers and directors are subject relate to business practices. For example, employees, officers and directors may not misrepresent facts, contractual terms or Company policies to a stockholder, service provider or regulator. Even if done inadvertently, you must correct the misrepresentation as soon as possible after consulting with the General Counsel. In addition, employees, officers and directors must adhere to appropriate procedures governing the retention and destruction of the Company's records, consistent with applicable laws, regulations, Company policies and business needs. No person should destroy, alter or falsify any document that may be relevant to a threatened or pending lawsuit or governmental investigation. You should consult with, and follow the instructions of, the General Counsel in these situations.

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Employees, officers and directors must also comply with the U.S. Foreign Corrupt Practices Act, which prohibits American businesses, and in many cases their foreign subsidiaries, from offering, paying or authorizing payment to foreign government officials, political parties or their officials, or political candidates.

The Senior Financial Officers, in particular, have a responsibility to ensure compliance with the applicable rules and regulations of federal, state and local governments and of appropriate public and private regulatory agencies or organizations. In addition to adhering to established Company policies and procedures, these individuals must take steps to ensure that other employees and officers follow such policies and procedures.

Any employee, officer or director who is uncertain about the legal rules and regulations to which he or she or the Company is subject should consult with the General Counsel.

V. Employment Practices

In making employment and personnel decisions, the Company Employment decisions must be based only on an employee's or applicant's qualifications, demonstrated skills and achievements without regard to race, color, sex, religion, national origin, age, disability, veteran status, citizenship, sexual orientation, gender identity or marital status.

All employees are entitled to be treated with respect and dignity. Management must not tolerate harassment of, or by, any employee in situations involving another employee, stockholder, service provider or business associate. Employees, officers and directors must not engage in conduct that could be construed as sexual harassment, which may include, for example, unwelcome sexual advances, offensive touching, sexually suggestive statements, offensive jokes, requests for sexual favors or other verbal or physical conduct of a sexual nature.

Any person who believes he or she has been harassed in the course of performing his or her employment with the Company should notify the General Counsel. Company policy prohibits retaliation against any individual who complains of, or reports an instance of, harassment or participates in an investigation of a harassment complaint.

More detailed information governing the Company's employment practices is set forth in the Company's Employee Handbook. You may obtain a copy of this handbook by contacting the General Counsel.

VI. Corporate Opportunities

Employees, officers and directors owe a duty to the Company to advance the Company's legitimate business interests when the opportunity to do so arises. In this regard, employees, officers and directors are prohibited from (i) taking for themselves personally (or directing to a third party) business opportunities that are discovered through the use of Company property, information or position (unless the Company has already been offered the opportunity and rejected it); (ii) using Company property, information or position for improper personal gain; and (iii) competing with the Company.

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It may be difficult to decipher whether or not a particular personal benefit is proper, as sometimes both personal and Company benefits may be derived from certain activities. The best course of action in these circumstances is to consult with the General Counsel.

VII. Confidentiality

In carrying out the Company's business, employees, officers and directors may learn confidential or proprietary information about the Company or third parties. Employees, officers and directors must maintain the confidentiality of all information entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information includes, for example, any nonpublic information concerning the Company, including its business, properties, financial performance, results or prospects, and any nonpublic information provided by a third party with the expectation or contractual agreement that the information will be kept confidential and used solely for the business purpose for which it was conveyed. Employees, officers and directors are required to secure from unauthorized access and public view documents under their control that contain confidential or proprietary information. When such information is discarded, appropriate steps must be taken to ensure proper and complete destruction.

In addition, employees, officers and directors are prohibited from taking confidential or proprietary information with them upon termination of employment with the Company or from using or disclosing such information for any purpose elsewhere, including with a different employer or company. Any confidential or proprietary information must be promptly returned to the Company upon termination of employment or affiliation with the Company.

VIII. Fair Dealing

Company policy is to conduct business fairly through honest business competition and the Company does not seek competitive advantages through unethical or illegal business practices. Each employee, officer and director should endeavor to deal fairly with the Company's stockholders, service providers, competitors and employees. No employee, officer or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation or omission of material facts or any other practice involving unfair dealing.

IX. Protection and Proper Use of Company Assets

All employees, officers and directors should protect the Company's assets and ensure their efficient use. It is important to bear in mind that theft, carelessness and waste have a direct impact on the Company's profitability. Thus, all assets of the Company should be used only for legitimate business purposes.

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X. Waivers of the Code

The Company may elect to waive certain provisions of the Code on a case-by-case basis. Any employee, officer or director who would like to request a waiver of one or more of the Code's provisions must discuss the matter with the General Counsel. Waivers for executive officers and directors of the Company only may be granted by the Board of Directors or a committee of the Board.

XI. Specific Written Agreements

To the extent there is any conflict or inconsistency between the provisions of this Code of Business Conduct and Ethics and any specific written agreements with the Company (which agreements are, have been or will be approved by the Company's board of directors), the terms of such written agreements will control the conduct of the parties and such conduct will not be considered to be in conflict with any provisions of this Code of Business Conduct and Ethics.

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MACK-CALI REALTY CORPORATION

CORPORATE GOVERNANCE PRINCIPLES

Role and Composition of the Board of Directors

I. Role

The Board of Directors (the “Board”) of Mack-Cali Realty Corporation (the “Company”), which is elected by the shareholders, is the ultimate decision-making body of the Company except with respect to those matters reserved to the shareholders. It selects the senior management team, which is charged with the conduct of the Company’s business. Although management is responsible for the day-to-day business operations of the Company, having selected the senior management team, the Board acts as an advisor and counselor to senior management and ultimately monitors its performance. The Board, and each committee of the Board, has complete access to management. In addition, the Board and each committee of the Board has access to independent advisors as each deems necessary or appropriate. The function of the Board in monitoring the performance of the senior executives of the Company is largely fulfilled by the presence of outside directors of stature who have a substantive knowledge of the Company’s business.

The Board provides oversight with respect to the strategic direction and key policies of the Company. The Board approves major initiatives, advises on significant financial and business objectives and monitors progress with respect to such matters.

The Board also plans for succession to the position of Chief Executive Officer (CEO), as well as certain other senior management positions. To assist the Board, the CEO periodically provides the Board with an assessment of executive management and potential succession plans.

In discharging their obligations, directors are entitled to rely on the honesty and integrity of the Company’s executives and its internal and external advisors and auditors. The directors also shall be entitled to have the Company purchase reasonable directors’ and officers’ liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company’s certificate of incorporation and by-laws, and to exculpation as provided by applicable law and the Company’s certificate of incorporation.

II. Composition; Membership

Size; Qualifications.

The Board’s optimum size is seven to thirteen members. It is the policy of the Company that the Board consist of a majority of independent directors, who shall satisfy the independence requirements of the New York Stock Exchange, and that the number of directors not exceed a number that can function efficiently as a body. Directors of the Company should be ethical individuals of proven judgment and competence, possessing professional experience and skills that are complementary to the needs of the Company. In addition, directors should have demonstrated the ability to exercise sound business judgment and be willing to devote sufficient time to fulfill their obligations to the Company and its shareholders.

Term.

The Board does not favor term limits for directors, but believes that it is important to monitor overall Board performance.

Selection of Directors; Resignation.

The Nominating Committee, in consultation with the Chairman and the CEO, considers and makes recommendations to the Board concerning the appropriate size and needs of the Board. The Nominating Committee considers candidates to fill new positions created by expansion and vacancies that occur by resignation, by retirement or for any other reason. Candidates are selected for their character, judgment, business experience and acumen. Final approval of a candidate is determined by the full Board. The Nominating Committee and the Executive Compensation and Option Committee (the “Compensation Committee”) annually review the compensation of directors. If a director’s principal occupation or business association changes substantially during his or her tenure as a director, that director shall tender his or her resignation for consideration by the Nominating Committee. The Nominating Committee will recommend to the Board the action, if any, to be taken with respect to the resignation.

Board Action; Committees; Orientation.

It is the general policy of the Company that all major decisions be considered by the Board as a whole. As a consequence, the committee structure of the Board is limited to those committees considered to be basic to, or required for, the operation of a publicly owned company. Currently, these committees are the Executive Committee, Audit Committee, Compensation Committee and Nominating Committee. The members of these committees are recommended to the Board by the Nominating Committee in consultation with the CEO. The Audit Committee, Compensation Committee and Nominating Committee are made up of only independent directors. The membership of these three committees is rotated from time to time.

In furtherance of its policy of having major decisions made by the Board as a whole, the Company has a full indoctrination and continuing education process for Board members that includes extensive materials, meetings with key management and visits to Company properties. The Company’s orientation program for each new director includes, among other things, a review of the Company’s business, financial condition, strategy, ethical obligations, key issues and other relevant topics.

CEO Evaluation

The Compensation Committee is responsible for setting annual and long-term performance goals for the CEO and for evaluating his or her performance against such goals. The Compensation Committee meets annually with the CEO to receive his or her recommendations concerning such goals. The Compensation Committee then meets with the CEO to evaluate his or her performance against such goals. The Compensation Committee also is responsible for setting annual and long-term compensation for the CEO. These decisions are approved or ratified by action of the independent directors of the Board at a meeting or executive session of that group.

The CEO is responsible for establishing effective communications with the Company’s stakeholder groups, *i.e.*, shareholders, customers, company associates, communities, suppliers, creditors, governments and corporate partners. It is the policy of the Company that management speaks for the Company. This policy does not preclude outside directors from meeting with shareholders, but it is suggested that any such meetings be held in the presence of management.

Functioning of the Board of Directors and its Committees

I. Board Meetings

Schedule and Agenda.

The Board sets the annual schedule of Board and committee meetings. The Board shall hold a minimum of four meetings per year. Committee schedules are recommended by each committee in order to meet the responsibilities of that committee.

The Chairman of the Board sets the agenda for Board meetings with the understanding that certain items pertinent to the advisory and monitoring functions of the Board be brought to it periodically by the CEO for review. For example, the annual corporate budget is reviewed by the Board. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with that committee. Any member of the Board may request that an item be included on the agenda.

Distribution of Materials; Director Attendance.

Board materials related to agenda items are provided to Board members sufficiently in advance of Board meetings where necessary to allow the directors to prepare for discussion of the items at the meeting. Directors are expected to attend all meetings and to have reviewed, prior to the meetings, all written materials distributed to them in advance.

Senior Management Presence.

At the invitation of the Board, members of senior management recommended by the CEO attend Board meetings or portions thereof for the purpose of participating in discussions. Generally, presentations of matters to be considered by the Board are made by the executive responsible for that area of the Company's operations. In addition, Board members have free access to all other members of management and employees of the Company and, as necessary and appropriate, Board members may consult with the Company's independent legal, financial and accounting advisors to assist in their duties to the Company and its shareholders.

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Executive Sessions of Non-Management Directors.

The Company believes that regular scheduling of meetings of non-management directors is important in order to foster better communication among non-management directors. Accordingly, it is company policy that the non-management directors shall meet at regular executive sessions without management present. These meetings shall be held at least four times per year in conjunction with each regularly scheduled meeting of the Board.

In order for interested parties to be able to make their concerns known to the non-management directors, the Company will, as soon as practicable after the adoption of these Corporate Governance Principles, disclose a method for such parties to communicate directly with the non-management directors.

Assessing Board and Committee Performance.

The Board shall conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. Each committee also shall conduct its own annual self-evaluation.

II. Functioning of Committees

Committee Composition; Meetings.

As noted, the current committees of the board are the Audit Committee, Compensation Committee, Executive Committee and Nominating Committee. The Audit, Compensation and Nominating Committees consists only of "independent" directors, as such term is defined under the listing standards of the New York Stock Exchange. In addition, members of the Audit Committee must satisfy the independence requirements of Section 10A of the Securities Exchange Act of 1934, as amended.

The length and agenda of meetings of each of the committees are determined by the committees. Sufficient time to consider the agenda items is provided. Materials related to agenda items are provided to the committee members sufficiently in advance of the meeting where necessary to allow the members to prepare for discussion of the items to be considered at the meeting.

Committee Charters.

The Audit, Compensation and Nominating Committees shall each have appropriate written charters. The committee charters will be made available on the Company's website.

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Duties and Responsibilities of Committees.

Executive Committee. The Executive Committee acts for the Board in between regularly scheduled meetings of the Board, within certain parameters prescribed by the Board.

Audit Committee. The Audit Committee has the authority and responsibilities set forth in its charter, which is available on the Company's website. In general, the Audit Committee authorizes and approves the engagement of the independent accountants, reviews with the independent accountants the scope and results of the audit engagement, approves professional audit and permissible non-audit services provided by the independent accountants, reviews the independence of the independent accountants, considers the range of audit and non-audit fees and reviews the adequacy of the Company's internal accounting controls.

Compensation Committee. The Compensation Committee has the authority and responsibilities set forth in its charter, which is available on the Company's website. In general, the Compensation Committee establishes remuneration levels for executive officers of the Company and implements incentive programs, including the Company's employee and director stock option plans.

Nominating Committee. The Nominating Committee has the authority and responsibilities set forth in its charter, which is available on the Company's website. In general, the Nominating Committee makes recommendations for nominees to the Board, oversees the evaluation of the Board and its committees and the Company's senior executives and advises on changes in Board compensation.

Conduct and Ethics Standards for Directors

Directors (as well as officers and employees) are subject to applicable provisions of the Company's Code of Business Conduct and Ethics. Among other things, directors must conduct themselves in a manner that avoids actual or apparent conflicts of interest and that protects the Company's reputation. A conflict of interest occurs where a director's private interests interfere, or appears to interfere, in any way with the interests of the Company.

In addition, directors owe a duty to the Company and its shareholders to advance the Company's legitimate interests when an opportunity to do so arises. Accordingly, directors are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position. Similarly, directors are prohibited from using corporate property, information or position for personal gain and from competing with the Company.

Periodic Review; Disclosure

These Corporate Governance Principles are reviewed by the Board from time to time. These Corporate Governance Principles will be made available on the Company's website.