

## **GUIDELINES AS TO THE ROLE, ORGANIZATION AND GOVERNANCE OF THE BOARD OF DIRECTORS**

The following guidelines ("Guidelines") have been adopted by the Board of Directors (the "Board") of Cooper Tire & Rubber Company (the "Company") to assist the Board in the exercise of its responsibilities to the Company and its stockholders. These Guidelines should be interpreted in the context of all applicable laws, the Company's Certificate of Incorporation and Bylaws, and other corporate governance documents, and are intended to serve as a framework within which the Board may conduct its business.

### **Role of the Board**

Delaware law provides that all of the authority of the Company shall be exercised by or under the direction of the Board (except where the law, or the Certificate of Incorporation or Bylaws of the Company require stockholder action). The Board may delegate the authority to conduct the affairs of the Company. However, such delegation shall not generally operate to reduce the Board's authority or responsibility to oversee the management of the Company on behalf of the stockholders. In support of this role, the Board shall be expected to serve as a resource and an advisor for the management of the Company.

In discharging their obligations, members of the Board ("Directors") shall be entitled to rely on the honesty and integrity of the Company's senior management, its internal and external auditors and other outside advisors.

### **Selection of Chairman, Chief Executive Officer and Lead Director**

The Board believes that the issue of whether the Chief Executive Officer ("CEO") also serves as Chairman of the Board is part of the succession planning process and that it is in the best interests of the Company for the Board to consider it each time that it elects the Chief Executive Officer and at other times deemed appropriate by the Board. The Board shall determine whether separation of these offices would be in the best interests of the Company and its stockholders.

Whenever the Board determines that the CEO should also serve as Chairman, the Board shall also select a Lead Director, who shall serve as liaison between the independent Directors and the Chairman and Chief Executive Officer, chair executive sessions of the independent Directors and help develop Board meeting agendas. The role and responsibilities of the Lead Director are set forth in the "Lead Director Responsibilities and Qualifications."

### **Committees**

The Board has established the following committees (the "Committees"): Audit, Compensation, and Nominating and Governance. Each Committee's purposes and responsibilities are detailed in its written charter. The Board has the flexibility to form new committees and to disband any current committee. It is the policy of the Board that only independent Directors will serve on the Audit, Compensation, and Nominating and Governance Committees.

### **Assignment and Rotation of Committee Members**

After considering the recommendations of the Nominating and Governance Committee, the Board shall designate the members of the Board Committees, taking into account the needs of the Company, the desires of individual Board members, and the particular expertise of each Director.

It is the sense of the Board that consideration should be given to rotating Committee members and Committee Chairs periodically, but the Board does not feel that such a rotation should be mandated since there may be reasons at a given point in time to maintain an individual Director's Committee membership or Chairmanship for a longer period or to shorten the period. The structure and membership of the Committees of the Board shall be evaluated at least annually by the Nominating and Governance Committee. Based on this evaluation, the Nominating and Governance Committee shall make recommendations to the Board regarding appropriate changes in the structure and membership of the Committees.

### **Frequency and Length of Committee Meetings**

The Chair of each Committee, in consultation with its members and with the appropriate officers of the Company, shall determine the frequency and length of the meetings of the Committee.

### **Committee Agendas**

The Chair of each Committee, in consultation with the appropriate officers of the Company, will develop the Committee's agenda. Reports of the meetings of each Committee shall be provided by the Chair of the Committee to the Board at the next Board meeting following the Committee meeting.

### **Selection of Agenda Items for Board Meetings**

The Chairman will establish the agenda for each Board meeting. The Chairman shall consult with the Lead Director, if there is one, in the preparation of meeting agendas.

Each Board member is encouraged to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting any subjects that are not on the agenda for that meeting.

It shall be the objective of the Board to have continued focus on and detailed discussions regarding management development and succession planning, long-term corporate strategy, and corporate governance. At least one meeting per year shall contain a thorough discussion of such topics. It shall also be the objective of the Board to have sufficient information about the Company provided to it so that the Board members can play a meaningful advisory role, and will have sufficient knowledge about the Company to play a meaningful oversight role. In this regard, the Board members shall be provided with a continuous flow of information about the Company, both at and between meetings of the Board.

### **Board and Committee Materials**

Directors are expected to prepare for, attend, and participate in all Board meetings and meetings of Board Committees on which they serve. Each Director is expected to devote the time necessary

to appropriately discharge their responsibilities, and is expected to ensure that other commitments do not materially interfere with the member's service as a Director.

Information and data important to the Board's understanding of the Company's business and finances (and concerning any matters to be presented to the Board for decision) shall be distributed or made available to the Directors before the Board meets, unless it is impossible or inappropriate to do so. A comparable procedure should be followed by each Committee as to matters falling within its charter. The information provided shall be sufficient for a Board member to fully understand the matter being presented prior to the meeting at which action will be considered. This is intended to facilitate meaningful discussion of the issue being presented at the meeting, which will lead to more informed decision making by the Board.

### **Regular Attendance of Non-Directors at Board Meetings**

The Chairman shall invite senior officers and other key employees to attend Board meetings, either on a regular or an ad hoc basis, both to describe to the Board matters affecting the Company about which they have particular expertise, and to expose such individuals to the Board, for management development and succession planning purposes.

### **Number of Meetings of the Board**

The Board shall hold at least five meetings per year.

An executive session of the non-management Directors will be held in conjunction with each regularly scheduled meeting of the Board. If the Board includes non-management Directors who are not independent, at least one executive session per year will include only the independent Directors. Additional executive sessions may be convened by the Chairman or Lead Director, as applicable, at his or her discretion and will be convened if requested by any other Director. Any non-management Director may raise issues for discussion at an executive session. The Chairman or Lead Director, as applicable, will preside at all executive sessions and the Lead Director (if any) will provide feedback to the Chairman as appropriate.

### **Board Access to Senior Management and Independent Advisors**

Board members shall have complete access to the Company's officers.

Board members will use judgment to be sure that this access is not unnecessarily distracting to the operations of the Company and that it is used in a reasonable fashion and in the best interests of the Company. Except in unusual circumstances, where doing so would compromise the purpose of the communication, the Chief Executive Officer will be informed of any communication from a Board member to any officer.

The Board encourages senior management to bring managers, from time to time, into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) have such future potential that senior management believes that such individuals should be given exposure to the Board.

The Board shall have the right to engage the Company's independent advisors, including legal counsel and independent accountants, with respect to any issue relating to its activities.

## **Board Compensation Review**

It is the policy of the Board to provide Directors with a mix of compensation, including annual cash retainers and annual equity grants for members of the Board.

The Nominating and Governance Committee shall be responsible for reporting to the Board periodically regarding trends in director compensation and the competitiveness of the Company's director compensation practices relative to those of similarly situated companies. Proposed changes in Board compensation shall initially be reviewed by the Nominating and Governance Committee, but any changes in the compensation of Directors shall require the approval of the Board. It shall be the responsibility of the Nominating and Governance Committee to recommend actual Board compensation practices to the full Board.

## **Size of the Board**

The Company's Certificate of Incorporation and Bylaws provide that the number of Directors constituting the entire Board will not be less than 6 nor more than 12, as fixed from time to time by the Board. The Board will annually review the size of the Board based on the recommendation of the Nominating and Governance Committee and any other factors that it deems appropriate.

## **Independent Directors**

At least two-thirds of the members of the Board shall be "independent" under the rules of the New York Stock Exchange and under applicable law. Compliance with the definition of "Independence" should be reviewed at least annually by the Nominating and Governance Committee.

Directors are required to own stock in the Company; however, Director ownership of a substantial amount of Company stock is not a basis for a Director to be considered not independent.

## **Former Chief Executive Officer's Board Membership**

The Board believes that, as a general rule, the Chief Executive Officer should resign from the Board at the same time as his tenure as Chief Executive Officer expires.

A former Chief Executive Officer serving on the Board will not be considered an Independent Director.

## **Board Membership Criteria**

The Nominating and Governance Committee shall be primarily responsible for reviewing with the Board on an annual basis the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board and the governance requirements of the Company. This assessment should include issues of diversity, age and skills (such as understanding of production, marketing, finance, regulation and public policy, corporate strategy, international background, etc.), all in the context of an assessment of the perceived needs of the Board at that point in time. All Directors shall be expected to have an in-depth knowledge of the general business environment and expertise in at least one area vital to the Company's success.

The Nominating and Governance Committee shall be responsible for establishing a selection process for new Directors to identify and attract appropriate candidates for Board membership. This process may include such practices as (i) developing a "target profile" for the Board that will assist in determining the needed qualifications for Director nominees, (ii) obtaining and maintaining, on an ongoing and systematic basis, information on potential Director candidates, (iii) working with search firms retained by the Nominating and Governance Committee and other sources to identify appropriate candidates, and (iv) such other practices that the Nominating and Governance Committee determines to be relevant under the circumstances. The Nominating and Governance Committee shall establish procedures for evaluating individuals who have been identified as candidates for Board membership, and review the qualifications of, and recommend to the Board, candidates for Board membership.

### **Extending the Invitation to a New Potential Director to Join the Board**

An invitation to join the Board will be extended by the Chairman of the Board and the Chair of the Nominating and Governance Committee on behalf of the Board.

### **Assessing the Board's Performance**

The Board shall conduct a self-evaluation at least annually to determine whether it and its Committees are functioning effectively.

The Nominating and Governance Committee shall be responsible for overseeing the evaluation of the performance of the Board, as set forth in the Nominating and Governance Committee's charter and using such criteria as it determines are appropriate. The Nominating and Governance Committee will report its assessment of the Board's performance to the Board at least annually. If the Nominating and Governance Committee so desires, it may seek the assistance of outside advisors in preparing its assessment of the Board's performance. The Committee's report should be discussed by the full Board.

### **Directors Who Change Their Job Responsibility**

It is not the sense of the Board that Directors who retire or incur a change in job status from the position they held when they were last elected to the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, via the Nominating and Governance Committee, to review the continued appropriateness of any such Director's Board membership under these circumstances. As such, the policy of the Board requires that any Director whose job responsibility changes significantly shall submit his or her conditional resignation to the Chairman, and the Board shall then evaluate whether to accept such resignation, in light of all facts existing at that time after considering the recommendation of the Nominating and Governance Committee.

### **Term Limits**

The Board does not believe that it or the Company's stockholders should establish term limits for Directors. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

## **Service on Other Boards**

The Board believes that it is important for a Director to be able to devote sufficient time to the affairs of the Company. While the Board does not believe that it is appropriate to place an arbitrary limit on the number of other boards of directors on which a Director can serve, the Board does believe that the number of boards of directors on which a Director serves is relevant to that Director's ability to properly serve the Company. A Director should advise the Chairman of the Board and the Chair of the Nominating and Governance Committee in advance of accepting an invitation to serve on the board of directors of another company, other than on the board of a subsidiary or joint venture of a company by which the Director is employed or serves as a director. The Board reserves the right to impose limits, either generally or with respect to a particular Director, on the number of boards of directors on which Directors may serve.

Notwithstanding the foregoing, Audit Committee members may serve on no more than three audit committees of public companies (including the Company). The Board may permit an exception to this limitation if the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Company's Audit Committee. The Company shall disclose any such exceptions and determination in its annual proxy statement.

## **Retirement Age**

No Director may stand for election after reaching age 72 unless the Board approves an exception to this guideline on a case by case basis.

## **Formal Evaluation of the Chief Executive Officer**

The Independent Directors will evaluate the performance of the Chief Executive Officer annually, based on criteria established and approved by the Nominating and Governance Committee. The Chairman or Lead Director, as applicable, will discuss the results of this evaluation with the Compensation Committee, and the results will then be communicated to the Chief Executive Officer by the Chair of the Compensation Committee and the Chairman or Lead Director, as applicable. The Compensation Committee will consider the results of this evaluation in the course of its deliberations for purposes of establishing the compensation of the Chief Executive Officer.

## **Succession Planning**

The Board shall select a Chief Executive Officer in a manner that is in the best interests of the Company and in accordance with the selection policies and principles established by the Board. The Chairman shall prepare for the Board a detailed report regarding succession plans and the Company's management development program to be discussed during at least one Board meeting per year. This report shall include policies and principles for (i) the selection of a Chief Executive Officer and (ii) succession in the event of an emergency or the retirement of the Chief Executive Officer.

The Chairman's recommendation as to successor(s) should be available at all times should the Chairman and/or the Chief Executive Officer retire, die or be unexpectedly disabled.

## **Director Orientation and Continuing Education**

New Board members will receive an orientation to the Company prior to or promptly upon becoming Directors of the Company. Such orientation will include (i) meetings with senior executives of the Company, (ii) the presentation of information regarding the Company's businesses, strategic plans, financial condition, principal risks and exposures and key policies and practices and (iii) such other measures as will facilitate the Director's knowledge of the Company and the business environment in which it operates.

Members of the Board shall also participate from time to time in seminars, conferences and other director education programs which foster improved corporate governance practices.

The Board will periodically evaluate the Company's orientation program for new directors and the continuing education program for existing directors.

## **Sundry**

These Guidelines are not intended to, and do not, either enlarge or diminish the responsibilities of the Directors under applicable law. The Board may amend these Guidelines at any time and for any reason.

## **Publication of Guidelines**

Consistent with New York Stock Exchange listing requirements, these guidelines will be included on the Company's website and will be made available upon request to the Company's secretary.

As amended by the Board of Directors on May 6, 2016.