



## Corporate Governance Guidelines

**Effective as of July 23, 2019**

### Governance Principles

***Company Leadership:*** The directors, together with management, set our strategic direction, review financial objectives and establish a high ethical tone for our management and leadership.

***Active Board:*** The directors are well informed about us and vigorous in their oversight of management.

***Compliance with Laws and Ethics:*** The directors adopt and oversee enforcement of our Code of Business Conduct (Code) that sets forth the ethical standards for the conduct of our business and requires strict compliance with applicable laws.

***Continuous Improvement:*** The directors remain abreast of new developments in corporate governance, and they suggest new procedures and practices, as they deem appropriate, to be implemented by management.

### Board Responsibilities

Albemarle Corporation's (Company) Board of Directors (Board) and its committees shall:

- Approve major corporate actions and oversee, develop and implement Board policies.
- Review and approve financial plans, objectives and actions, including significant capital allocations and expenditures.
- Stay well informed regarding our businesses and business strategies; management is responsible for providing accurate, timely and complete information to the Board.
- Monitor and assess management's performance and execution of corporate plans and objectives and ask appropriate questions of management to address accountability with established goals.
- Be a partner with management on strategic issues by advising and consulting.
- Oversee our legal compliance programs and procedures.
- Assess the effectiveness of our health, safety and environment programs and initiatives.
- Be proactive in crisis situations.

- Appraise our major risks and oversee that appropriate risk management and control procedures are in place and that management takes the appropriate steps to manage our major risks, with the assistance of the Audit and Finance Committee and support from management.
- Determine through our Audit and Finance Committee that procedures are in place designed to promote integrity and candor in the audit of our financial statements and operations, and in all financial reporting and disclosure.
- Assume responsibility for the selection, evaluation, monitoring, retention, compensation and succession of the Chairperson of the Board (Chair) and the Chief Executive Officer (CEO).
- Recruit effective new members to the Board and recommend director nominees for election by our shareholders; recruiting efforts to be led by the Nominating & Governance Committee with support from management.
- Establish proper governance, which includes a periodic review of these Corporate Governance Guidelines by the Nominating & Governance Committee, the consideration by such Committee of other corporate governance issues and related matters, and any resulting recommendation by such Committee as to the governance issues that should be addressed by the Board.

### **Board Capacities**

The Board as a whole is constituted to be strong in its diversity and collective knowledge of accounting and finance, management and leadership, vision and strategy, business operations, business judgment, crisis management, risk assessment, industry knowledge, corporate governance, and global markets.

The Board's culture is such that the Board can operate timely and effectively in making key decisions and facing major challenges. Board meetings are conducted in an environment of trust, open dialogue, mutual respect, and constructive commentary that are akin to those of a high-performance team.

The Board is informed, proactive, and vigilant in its oversight of our Company and protection of shareholder assets.

### **Board Leadership and Size**

- We believe there are circumstances when the positions of Chair and Chief Executive Officer may be held by the same person (Chair/CEO). When the Board determines that such circumstances exist and one individual performs both of these roles, we adopt a counterbalancing governance structure that includes a designated Lead Independent Director. In addition, at all times, we strive to maintain a substantial majority of independent directors, along with independent Audit and Finance, Nominating & Governance, and Executive Compensation Committees.

- Given the current size of our Company and the nature of its business, a Board consisting of 7 to 13 members is appropriate.

### **Director Independence**

A majority of the directors shall be independent. In order for a director to be considered independent by the Board, he or she must:

- Be free of any relationship that, applying the rules of the New York Stock Exchange, would preclude a finding of independence; and
- Not have a material relationship (either directly or as a partner, shareholder or officer of an organization) with us or any of our affiliates or any executive officer of us or any of our affiliates.

In evaluating the materiality of any such relationship, the Board shall take into consideration whether disclosure of the relationship would be required by the proxy rules under the Securities Exchange Act of 1934, as amended. If such disclosure is required, the Board must make a determination that the relationship is not material as a prerequisite to finding that the director is independent.

### **Lead Independent Director and Nonexecutive Chair**

- When we have combined the positions of Chair/CEO, a Lead Independent Director will be elected annually by the independent directors to preside over executive sessions of the independent directors and non-management directors, facilitate information flow and communications between the directors and the Chair/CEO, coordinate the activities of the other independent directors and perform such other duties specified by the Board and outlined in the Lead Independent Director Profile attached as Annex A hereto, recommended and adopted by the Nominating & Governance Committee and adopted by the Board. If we do not have an elected Lead Independent Director or an independent Chair, the Chair of our Nominating & Governance Committee chairs meetings of the independent directors and the non-management directors.
- When we have a Nonexecutive (Independent) Chair, he or she shall coordinate with the CEO and the rest of Board and have the responsibilities as outlined in the Nonexecutive (Independent) Chair Profile attached as Annex B hereto, recommended and adopted by the Nominating & Governance Committee and adopted by the Board.

### **Board Meetings**

- The Board meets at least four times per year and additional meetings may be called in accordance with our Bylaws. Frequent Board meetings are critical not only for timely decisions but also for directors to be well informed about our operations and issues.

- The Chair and CEO (or the Lead Independent Director and CEO/Chair if the Chair/CEO role is combined) shall confer to develop the agenda for Board meetings and schedules for the Board and committee meetings.
- Committee meetings are normally held in conjunction with Board meetings. Major committee decisions are reviewed and, if appropriate, approved by the Board.
- The non-management directors shall meet as a group in executive session at regularly scheduled Board meetings. If the non-management directors are not all independent directors, the independent directors shall meet separately as a group in executive session following the meeting of non-management directors. At these sessions, the Chair (or the Lead Independent Director) shall lead the meetings. The Chair (or the Lead Independent Director) confers with the CEO regarding any concerns, requests for changes in the Board meetings, or suggestions for future topics of discussion.
- Directors shall receive the agenda and materials for regularly scheduled meetings in advance with the opportunity provided for each director to request additions to the agenda. Meeting materials will be delivered to each director in sufficient time in advance of each regular meeting of the Board to permit a thorough review.
- The Chair and committee chairs are responsible for conducting meetings and informal consultations in a fashion that encourages informed, meaningful, and probing deliberations. Presentations at Board meetings should be concise and focused, and should include adequate time for discussion and decision-making. Directors may ask for additional information from, or meet with, senior managers at any time. Any such requests or meetings shall be coordinated with the CEO.
- The Board's intent is for directors to attend all meetings of the Board, the Company's Annual Meeting of Shareholders and all meetings of committees on which they serve. Regularly scheduled Board and committee meetings and the Annual Meeting of Shareholders are to be attended in person. Telephonic participation is the exception. The decisions by the Board and its committees are recorded in the minutes of their meetings. The Chair (or the Lead Independent Director) will discuss attendance with any member whose attendance falls below 75% to determine if excessive time conflicts are likely to continue and whether the member should continue to serve on the Board.

## **Board Committees**

- To conduct its business the Board maintains five standing committees: Audit and Finance; Executive Compensation; Nominating & Governance; Capital Investment and Health, Safety & Environment. The Board also maintains an Executive Committee. The responsibilities of the committees are set forth in the Bylaws and/or in their respective charters. The Audit and Finance, Executive Compensation, and Nominating & Governance Committees are composed entirely of independent directors. All committees report on their activities to the Board.

- The Nominating & Governance Committee periodically reviews the Board's organization and recommends appropriate changes to the Board. All Board members are welcome to attend any committee meeting.

### **Board and Committee Calendars**

A calendar of regular agenda items for the regularly scheduled Board meetings and all regularly scheduled committee meetings is prepared annually by the CEO in consultation with the Chair (or the Lead Independent Director), committee chairs and all interested directors.

### **Shareholder Communications**

- Shareholders may communicate with the Board by sending written correspondence to the Chair of the Nominating & Governance Committee at our headquarters in Charlotte, North Carolina and by email at [governance@albemarle.com](mailto:governance@albemarle.com). Financial and accounting matters may also be sent directly to the Audit and Finance Committee at [audit\\_chair@albemarle.com](mailto:audit_chair@albemarle.com).
- The Chair of the Nominating & Governance Committee and his or her duly authorized agents shall be responsible for collecting and organizing communications from shareholders. Absent a conflict of interest, the Chair of the Nominating & Governance Committee is responsible for evaluating the materiality of each shareholder communication and determining whether further distribution is appropriate, and, if so, whether to: (i) the full Board, (ii) one or more Committee members, (iii) one or more Board members and/or (iv) other individuals or entities.
- Communication with the press and with investors generally shall be the sole province of the CEO and his designees.

### **Board Contact with Operations and Management**

- Senior managers attend Board meetings and meet informally with directors before and after the meetings.
- Board members have free access to our management at all times through in-person, telephonic, electronic and written means of communication. Any such requests or meetings shall be coordinated with the CEO.
- Visits to our operations will be offered, from time to time, in conjunction with regular Board meetings. The CEO, in consultation with the Chair (or Lead Independent Director), determines the appropriate sites and timing.

### **Chief Executive Officer Performance Review**

- Board members shall communicate to the Chair (or the Lead Independent Director) regarding concerns, suggestions, needs and expectations; . written communication will be provided to the Chair (or the Lead Independent Director) and CEO upon the request of the Board.

- The Executive Compensation Committee shall undertake and provide an annual review of the CEO's performance. Before finalization, this review will be shared with the Board of Directors.

### **Board Compensation and Stock Ownership**

- Non-management directors currently receive compensation in the form of an annual Director Fee and, if applicable, a Chair Fee or a Lead Independent Director Fee. In addition, non-management directors receive an annual restricted stock award. Directors who are officers receive no additional compensation for service as a director. All elements of compensation and the relative mix of the elements shall be recommended by the Nominating & Governance Committee and approved at least annually by the Board.
- Non-management directors are expected to comply with our director stock ownership guidelines. All non-management directors are expected to achieve ownership of our stock equal to shares with a market value equal to five times the annual cash retainer for non-management directors after five years of service as a director. Non-management directors will be deemed to be in compliance with these guidelines even if they are below the required multiple if, in any twelve month period, they sell a number of shares of Company stock in an amount no greater than 50% of the post-tax vesting shares received by such director in such calendar year. Beginning five years following their appointment as a director, non-management directors are permitted to sell no more stock in any calendar year than a number of shares equal to or less than 50% of the post-tax vesting shares received by such director in such calendar year unless, immediately following such sale, he or she meets the multiple of retainer requirements set forth above.

### **Director Candidates**

General criteria for the nomination of director candidates include:

- The highest ethical standards and integrity.
- A willingness to act on and be accountable for Board decisions.
- An ability to provide wise, informed and thoughtful counsel to management on a range of issues.
- A history of achievement that reflects superior standards for themselves and others.
- Loyalty and commitment to driving our success.
- An ability to take tough positions while at the same time working as a team player.
- A diversity of backgrounds and expertise. Whether a director is qualified to serve depends in part on the backgrounds of the other directors, so that the

directors as a whole have an appropriate mix of backgrounds and breadth of experience.

- An ability to fit into the corporate culture to maintain the professionalism, collegiality and effectiveness of the Board and committees.
- An ability to understand financial reports, including balance sheets, income statements, statements of cash flow, and the various methods of measuring return on investments. At least three of the directors shall meet the New York Stock Exchange financial and accounting experience requirements and the heightened independence standards of the U.S. Securities and Exchange Commission (SEC). At least one director shall have sufficient financial experience to qualify as the “audit committee financial expert,” as defined by the SEC.
- Whether an individual has sufficient time to serve diligently is an important consideration in the selection of a nominee for the Board. The Nominating & Governance Committee will review each individual’s commitments to other boards and organizations and discuss with the nominee or existing Board member any concerns regarding such commitments.
- A third-party search firm may be retained to assist in the identification of possible candidates for election to the Board.
- The Nominating & Governance Committee will evaluate all candidates for election to the Board, regardless of the source from which the candidate was first identified, based upon the totality of the merits of each candidate, and not based solely upon minimum qualifications or attributes.

### **Director Service**

- When a director no longer holds the principal position of employment that he or she held when elected to the Board by the shareholders (or appointed by the Board between the Annual Meeting of Shareholders, as applicable), he or she shall tender a letter of resignation to the Chair (or the Lead Independent Director), who will discuss the change with the Nominating & Governance Committee. The Nominating & Governance Committee will make a recommendation to the Board regarding the director’s continued service on the Board.
- The Nominating & Governance Committee will periodically review the desirability of the continuing service of each director. In general, a non-employee director should not stand for re-election in the year in which he or she reaches 72 years of age, although the Board shall have the authority to grant exceptions to this limitation on a case-by-case basis.
- In uncontested elections, any director who does not receive a majority of the votes cast (which means that the number of shares voted “for” a director must exceed the number of shares voted “against” a director) must tender his or her resignation to the Board. The Nominating & Governance Committee will make a

recommendation to the Board on whether or not to accept the tendered resignation.

### **Director Orientation and Education**

- An orientation program is provided to new directors on our mission, values, governance, compliance, and business operations.
- A program of continuing education is periodically provided or made available to incumbent directors.
- Directors are encouraged to take advantage of outside continuing education relating to their duties as a director and to subscribe to appropriate publications at our expense.

### **Other Directorships and Conflicts**

- In order to provide sufficient time for informed participation in Board responsibilities, no director shall serve as a director of more than four other public companies and any director who is employed as chief executive officer of a publicly traded company shall not serve as a director of more than three other public companies (including serving as a director of the Company and on his or her own board of directors). Current positions in excess of these limits may be maintained unless the Board determines that doing so would impair the director's service on the Board.
- A member of the Audit and Finance Committee should serve on no more than three public company audit committees unless the Board has determined that such simultaneous service will not impair such member's ability to effectively serve on such committee, which determination shall be disclosed (as required by NYSE Rules) in the Company's annual Proxy Statement or on its website.
- The Nominating & Governance Committee reviews and the Board approves any requests by the CEO to serve as a director on another public company's board. In no event shall the CEO serve as a director of more than three public companies (including serving as a director of the Company).
- The Nominating & Governance Committee shall be notified of the intention of directors, the CEO and other executive officers to serve on another public company board of directors, the Nominating & Governance Committee shall review the possibility for conflicts of interest and time constraints and the Board shall approve the request to serve on another public company board of directors.
- Each director is required to notify the Chair of the Nominating & Governance Committee of any conflicts or potential conflicts of interest.

### **CEO and Senior Management Succession Planning**

- Succession planning sessions are held annually at a regular Board meeting. The succession planning meeting focuses on the development and succession of not only the CEO (in both ordinary course and emergency scenarios) but also the other senior executives.



- The CEO succession planning process shall include a regular Board review. Any review of possible internal candidates should include:
  - readiness and potential;
  - demonstrated skills and competencies;
  - needed experience and training to fill gaps; and
  - plan for adequate exposure to Board.

### **Board Advisors**

The Board and its committees (consistent with the provisions of their respective charters) may retain their own independent advisors, at the Company's expense, as they determine necessary or appropriate to carry out their responsibilities.

### **Board and Committee Self-Evaluation**

- The Nominating & Governance Committee coordinates an annual evaluation process by the directors of the Board's performance and procedures.
- The Chair (or the Lead Independent Director) informally consults with each of the directors as part of the evaluation. The qualifications and performance of all Board members are reviewed in connection with their re-nomination to the Board.
- The Nominating & Governance Committee, the Audit and Finance Committee, the Health, Safety & Environment Committee and the Executive Compensation Committee each conduct an annual self-evaluation of their performance and procedures, including the adequacy of their charters, and make recommendations, if any, to the Board as to proposed changes to their charter resulting from such review.

### **Posting Requirement**

The Company shall post these Guidelines on the Company's website as required by applicable rules and regulations. In addition, the Company shall disclose in its Proxy Statement that a copy of these Guidelines is available on the Company's website.

## **Annex A**

### Lead Independent Director Profile

When the Board determines that circumstances exist when the same person should hold the position of Chair and CEO (Chair/CEO), the Board considers it appropriate to designate an independent director to serve in a lead capacity to coordinate the activities of the other independent directors and non-management directors and to perform such other duties and responsibilities as the Board may determine. The specific responsibilities of the Lead Independent Director shall include:

1. Assist the Board in assuring effective governance.
2. Ensure that the Board and its committees function independently of management of the Company.
3. Chair Board meetings when the Chair/CEO is not present or when there is any potential conflict.
4. Confer with the Chair/CEO to develop the agenda for the Board of Director meetings and schedules for the Board of Directors and committee meetings.
5. Evaluate and oversee with the Chair/CEO the quality, quantity and timeliness of the information submitted by the Company's management to the independent directors.
6. Retain advisors and consultants at the request of the independent directors.
7. Serve on the Executive Committee of the Board.
8. Call meetings and set agendas for executive sessions of the independent and non-management directors.
9. Act as a liaison among the independent directors and non-management directors and the Chair/CEO and senior management.
10. Confer with the Nominating & Governance Committee Chair and the Chair/CEO as to the membership of the various Board committees and committee chairs.
11. Coordinate with the Nominating & Governance Committee Chair and the Chair/CEO in the performance evaluation of the Board and Board committees.
12. Coordinate with the Executive Compensation Committee Chair in the performance evaluation of the Chair/CEO.
13. Perform such other duties and responsibilities as may be delegated to the Lead Independent Director by the Board from time to time.

**Appointment:** The independent directors shall annually elect the Lead Independent Director from among the independent members of the Board. The Lead Independent Director shall not serve more than three consecutive annual terms.

**Fees:** In addition to the cash and stock retainers paid to all non-employee Directors, the Lead Independent Director shall be paid a fixed amount to be determined by the Nominating & Governance Committee. The Lead Independent Director shall receive additional compensation should he or she chair a committee.

## **Annex B**

### Nonexecutive (Independent) Chair Profile

The responsibilities of the Nonexecutive (Independent) Chair (NEC) shall include:

1. Manage the Board with a focus to improve and maximize the governance process, including:
  - a. Chair Board meetings and executive sessions of non-management and independent directors;
  - b. In coordination with CEO, set Board agenda and determine priorities for meetings; and
  - c. Evaluate and provide feedback to CEO on quality, quantity and timeliness of information received from management.
2. Facilitate communication among the directors and management, including:
  - a. Should a situation arise, the Chair may decide to serve as the spokesperson for the Board;
  - b. Maintain regular communication with other directors;
  - c. Maintain open and frequent communication with CEO; and
  - d. Serve as interface between Board and management, providing feedback to management from Board and from management to Board.
3. Succession planning for CEO and Board, including:
  - a. Lead role in CEO succession planning in conjunction with the Executive Compensation Committee; and
  - b. Active participation in Board succession planning, in coordination with CEO and Nominating & Governance Committee.
4. Board evaluation, development and composition including:
  - a. Lead role in annual evaluation of Board and directors in conjunction with the Nominating & Governance Committee;
  - b. Primary responsibility for director development, including speaking with directors about their strengths and weaknesses, resolving problems and conflicts and enacting changes as needed; and
  - c. Confer with the Nominating & Governance Committee Chair and the CEO as to the membership of the various Board Committees and committee chairs.
5. Retain advisors and consultants at the request of the independent directors.
6. Serve on the Executive Committee of the Board.
7. Coordinate with the Executive Compensation Committee Chair in the performance evaluation of the CEO.
8. Chair the Annual Meeting of Shareholders, including leading the administrative portion of the meeting.
9. Perform such other duties and responsibilities as may be delegated to the NEC by the Board from time to time.

**Appointment:** The independent directors shall annually elect the NEC from among the independent members of the Board.

**Fees:** In addition to the cash and stock retainers paid to all non-employee Directors, the NEC shall be paid a fixed amount to be determined by the Nominating & Governance Committee.