

**VERITIV CORPORATION**  
**DIRECTOR QUALIFICATION CRITERIA AND INDEPENDENCE STANDARDS**  
**(Effective as of December 17, 2019)**

**I. DIRECTOR QUALIFICATION CRITERIA**

Veritiv Corporation's ("Veritiv" or the "Company") Certificate of Incorporation provides that, subject to any special rights of the holders of any class or series of stock to elect directors, the Board of Directors (the "Board") shall determine the size and composition of the Board.

The Nominating and Governance Committee of the Board (the "Committee") is responsible for evaluating the qualifications of each director candidate and of those directors who are to be nominated for election by shareholders at each annual shareholders' meeting, and for recommending duly qualified director nominees to the full Board for election. The qualification criteria set forth herein are designed to describe the qualities and characteristics desired for the Board as a whole and for Board members individually.

**A. Director Qualification Review Procedures**

A determination of a director's qualifications to serve on the Board shall be made by the Board, upon the recommendation of the Committee, prior to nominating said director for election at the Company's next annual meeting. In addition, with respect to each director candidate considered for election to the Board between annual meetings, prior to such election, the Committee shall evaluate each director candidate and recommend to the Board any duly qualified director candidates for election to the Board.

The Committee shall evaluate each director and director candidate under the Director Qualification Criteria set forth herein.

**B. General Director Qualification Criteria**

The Board has not established specific minimum age, education, years of business experience or specific types of skills for Board members, but, in general, expects qualified directors to have ample experience and a proven record of professional success, leadership and the highest level of personal and professional ethics, integrity and values.

In its evaluation, the Committee shall consider the Board size and composition of the Board according to the following guidelines:

- With respect to Board composition as a whole, the Board will maintain a majority of directors who qualify as "independent" pursuant to applicable rules and the Independence Standards set forth below;
- With respect to Audit and Finance Committee composition, (1) all members must be "independent" pursuant to applicable Securities and Exchange Commission ("SEC") rules and the Independence Standards set forth below; (2) all members must be "financially literate"; and (3) at least one Board member shall be an "Audit Committee

- Financial Expert” as such term is defined by SEC rules and New York Stock Exchange Listed Company Manual (the “NYSE rules”)<sup>1</sup>;
- With respect to Compensation and Leadership Development Committee composition, all members must qualify as “independent” pursuant to applicable Internal Revenue Service (“IRS”) rules and SEC Rules and the Independence Standards set forth below; and
- With respect to Nominating and Governance Committee composition, all members must qualify as “independent” pursuant to the Independence Standards set forth below.

**C. Additional Qualification Review Criteria**

The Committee shall also consider whether each director candidate and each director possesses the following:

- The highest level of personal and professional ethics, reputation, integrity and values;
- An appreciation of the Company’s mission and purpose, and loyalty to the interests of the Company and its shareholders;
- The ability to exercise objectivity and independence in making informed business decisions;
- The willingness and commitment to devote the extensive time necessary to fulfill his/her duties;
- The ability to communicate effectively and collaborate with other board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including a willingness to listen and respect the views of others; and
- The skills, knowledge and expertise relevant to the Company’s business, with experience at a senior leadership level including, but not limited to, relevant experience in distribution, international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing.

The Committee shall also consider its policies with respect to mandatory retirement age, change in employment status, as well as all other relevant facts and circumstances in making its recommendations to the Board.

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<sup>1</sup> An “audit committee financial expert” must have the following:

- Understands U.S. generally accepted accounting principles (“GAAP”), financial statements, internal controls and procedures, and audit committee responsibilities
  - Able to assess general application of GAAP in accounting for estimates, accruals and reserves
  - Experience preparing, auditing, analyzing, or evaluating financial statements comparable in breadth and complexity to the Company’s breadth and complexity, or actively supervising persons who have such experience
- Acquired such attributes through:
- Principal financial or accounting officer, controller, public accountant, auditor, or similar position
  - Active supervision of financial officers, etc.
  - Oversight role for companies or accountants in preparing, auditing or evaluating financial statements
  - Other relevant experience – such as Chief Executive Officer or similar position.

## II. INDEPENDENCE STANDARDS

The Board has established the following independence review procedures and criteria to assist it and the Committee evaluate the independence of directors who have been nominated for election at each annual meeting and of director candidates prior to their appointment to the Board.<sup>2</sup> A director is independent if the Board affirmatively determines that the director does not have a direct or indirect material relationship with Veritiv, including its affiliates<sup>3</sup> or any member of Veritiv senior management. These Standards, which conform to or are more exacting than the independence requirements in the NYSE Rules, shall be used in the determination of a director's independence. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relative to a director's independence.

### A. Independence Review Procedures

#### 1. Annual Review

Determinations of director independence will be made by the Board for each director on an annual basis upon the recommendation of the Committee.

#### 2. Individual Director Independence Determinations

If a director nominee is considered for election to the Board between annual meetings, a determination of independence, upon the recommendation of the Committee, shall be made by the Board prior to such appointment.

All determinations of independence shall be made on a case-by-case basis for each director after consideration of all the relevant facts and circumstances and the standards set forth herein. The Board reserves the right to determine that any director is not independent even if he or she satisfies the criteria set forth in Section B, Paragraphs 1 and 2 below.

A determination of whether a director is independent shall be made by the Board.

#### 3. Notice of Change of Circumstances

Each director has an affirmative obligation to notify the Committee of any change in circumstances that may put his or her independence at issue. If so notified, the Committee shall reevaluate such director's independence, as promptly as practicable, and make a recommendation to the Board with respect to such director's independence.

### B. Independence Review Criteria

1. A director will not be independent if:

- a. The director is, or has been within the last three years, an employee of the Company, or an immediate family member<sup>4</sup> is, or has within the past three years, an executive officer of the Company.

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<sup>2</sup>As set forth in Paragraph I.B "General Director Qualification Criteria," with respect to Board composition as a whole, the Board will maintain a majority of directors who qualify as "independent" pursuant to applicable rules and these Independence Standards.

<sup>3</sup>"Affiliate" shall mean any corporation or other entity that controls, is controlled by, or is under common control with the Company, evidenced by the power to elect a majority of the Board of Directors or comparable governing body of such entity.

<sup>4</sup>For purposes of these standards, "immediate family member" shall mean a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone else sharing the director's home (other than domestic employees); provided, that any such persons who no longer have any such relationship as of the relevant measurement date as a result of legal separation, divorce, death or incapacitation shall not be considered immediate family members.

- b. The director has received, or has an immediate family member who has received,

- during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);<sup>5</sup>
- c. The director is a current partner or employee of a firm that is the Company's independent auditor; the director has an immediate family member who is a current partner of such firm; the director has an immediate family member who is a current employee of such firm and personally works on the Company's audit; the director or an immediate family member was within the last three years a partner or employee of such firm and personally worked on the Company's audit within that time;
  - d. The director is an executive officer, partner, employee or holder, directly or indirectly, of 1% or more of the total number of outstanding shares of an entity that supplies any banking, legal or accounting services to the Company or any other services with the exception of services provided on an occasional or minimal basis; provided, however, the Board has determined that a relationship between the Company and an entity where a director is a non-management director of the other entity or serves on an advisory board or similar non-compensated body of the other entity is not material;
  - e. An executive officer serves as director on another company's compensation committee which company employs, or within the last three years employed, a director of the Company, or his or her immediate family member; or
  - f. The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

2. The following relationships shall not be considered material relationships that would impair a director's or director candidate's independence, unless otherwise determined by the Committee after considering all relevant facts and circumstances:

- a. The director or an immediate family member of the director is a current executive officer, partner, or employee of, or has an ownership interest in, another company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of such other company's last three fiscal years, is less than the greater of \$1 million or 2% of such other company's consolidated gross revenues;
- b. The director or an immediate family member is employed as an executive officer of a non-profit organization, foundation or university to which the Company made discretionary contributions (excluding for this purpose matching funds paid by the Company as a result of contributions by the Company's directors or employees) which, in any of such other entity's last three fiscal years, is less than the greater of \$1 million or 2% of such entity's consolidated gross revenues;

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<sup>5</sup> For purposes of calculating the amount of payments received by the director or his immediate family members, the following items may be disregarded: (a) director and committee fees, (b) pension or other deferred compensation for prior service (provided that such compensation was not contingent in any way on continued service) and (c) compensation received by an immediate family member for service as an employee of the Company (other than as an executive officer).

- c. A relative of a director (other than an immediate family member) has a relationship

with the Company that would preclude a determination that the director is independent under the NYSE Rules or these Standards if such relative were an immediate family member of the Director;

- d. The director is a member of, serves on, or is involved or affiliated with any educational, social, fraternal, charitable, professional or similar organization or institution with which any executive officer, employee or affiliate of the Company may also be involved or affiliated; or
- e. The director currently serves as an executive officer of another company which is indebted to the Company or to which the Company is indebted, and the total amount of either entity's indebtedness to the other in any of the last three years is less than the greater of \$1 million or 2% of such entity's consolidated gross revenues of the indebted company; for purposes of this category, service, membership or other non-compensated position on an advisory board or similar body of such other company is not considered to be an executive officer of such other company and shall not impair a director's independence regardless of the size of the total amount of either entities indebtedness.

Any relationship not described in Paragraph 2(a)-(e) above will be presumed not to be material to the director's independence unless: (i) the relationship was not entered into on terms substantially similar to those that would be offered to non-affiliated persons or entities in comparable circumstances; (ii) with respect to any extension of credit by the Company or one of its subsidiaries, such extension of credit was not made in compliance with applicable law, including Regulation O of the Board of Governors of the Federal Reserve System and Section 13(k) of the Securities Exchange Act of 1934; or (iii) in exercising its judgment in light of all the applicable facts and circumstances, the Board determines that the relationship should be considered material.

### **C. Committee Independence Analysis**

Additional independence standards shall be applied for the following committees:

#### **1. Audit and Finance Committee**

With respect to Audit and Finance Committee composition, all members must be "independent" pursuant to applicable SEC regulations.<sup>6</sup>

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<sup>6</sup> SEC regulations define "independent" directors for purposes of audit committee members as restricting the following:

- No consulting, advisory or other compensatory fees from the Company (excluding director fees);
- Is not an "affiliated person" of the Company. An "affiliated person" includes:
  - an executive officer of an affiliate;
  - a director who is also an employee of an affiliate;
  - a general partner of an affiliate; and
  - managing member of an affiliate.

An "affiliate" is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or under common control with the person specified.

1. Compensation and Leadership Development Committee

With respect to Compensation and Leadership Development Committee composition, all members must qualify as “independent” pursuant to heightened independence criteria for compensation committee members under the NYSE Rules<sup>7</sup> and applicable SEC regulations,<sup>8</sup> and any applicable IRS regulations.<sup>9</sup>

**D. Disclosure**

The Board’s independence determinations will be disclosed in the Company’s proxy statement, and a specific explanation will be provided of any determination of independence for a director the Board determines satisfies the NYSE Rules as independent even though he or she does not satisfy all of the Company’s independence guidelines. Any determination of independence for a director who does not meet the criteria set forth in these Independence Standards must be specifically explained in the Company’s next annual proxy statement.

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<sup>7</sup> The NYSE Rules state that in affirmatively determining the independence of any director who will serve on the Compensation and Leadership Development Committee, the Board must consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director’s ability to be independent of management in connection with the duties of a compensation committee member, including, but not limited to:

- The source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and
- Whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

<sup>8</sup> Under applicable SEC regulations, a member of a compensation committee that approves the grant of equity awards must not:

be an officer or otherwise employed by the Company or any of its subsidiaries, receive compensation, either directly or indirectly, from the Company or any of its subsidiaries for services rendered as a consultant or in any capacity other than as a director, except for an amount that does not exceed \$120,000, or possess an interest in any other transaction for which disclosure would be required pursuant to Item 404(a) of Regulation S-K.

<sup>9</sup> IRS regulations restrict compensation committee membership for Section 162(m) purposes as follows:

- No current employees of the Company
- No former officers (including acquired company officers) of the Company
- No former employees who receive compensation from the Company other than pension
- No one who receives remuneration from the Company other than director fees (i.e., consultants)