BARINGTON

Environmental, Social and Governance Policy Statement

This statement summarizes the environmental, social and governance ("ESG") policy of Barington Capital Group, L.P. and its affiliated entities (collectively, "Barington"). Barington has long recognized that ESG issues can impact investment performance. We therefore integrate ESG considerations into our investment analysis and ownership practices as discussed below.

I. Overview of Barington's Investment Approach

Barington is a value-oriented activist investment firm established by James A. Mitarotonda in January 2000. Our strategy is to invest in publicly traded companies that we believe are fundamentally undervalued and can appreciate significantly in value when substantive improvements are made to their operations, corporate strategy, capital allocation and corporate governance. With assistance from our network of industry experts, we develop detailed plans to improve the long-term performance of these companies. After formulating a value creation plan and taking a sizeable position in a company, we will then seek to collaborate with its board of directors and management team over a multi-year period to help implement our recommended initiatives.

II. Barington's ESG Analysis and Decision-Making Process

As part of our investment processes, we conduct an extensive, "bottom-up" analysis of a company prior to investing. Among other things, we will analyze a company's strengths, weaknesses, organizational structure, competitors, costs, customers and suppliers. During this analysis, we also carefully review a company's corporate governance as well as environmental and social concerns that can potentially impact the financial performance, reputation or long-term sustainability of the company. When an ESG issue is identified, our general practice is to (a) analyze the relative importance of, and the risks posed by, the ESG issue, (b) identify various remedial measures to address the ESG issue, and estimate the costs and benefits to the company and its shareholders of such measures, and (c) assess our ability to convince the company to implement the measures we believe are necessary.

We incorporate the results of the foregoing analysis in our investment decision-making process, including our overall determination of whether to pursue an investment. Should we decide to proceed with an investment, this analysis is also used to determine what ESG improvements we will recommend in our value creation plan. All decisions with respect to ESG matters are made in accordance with our fiduciary obligations to our investors and our goal of improving long-term shareholder value.

III. The Important Role of Corporate Governance in our Activist Investments

Corporate governance plays an important role in virtually all of our activist investments. We are staunch advocates of good corporate governance practices, as we believe that a strong corporate governance framework helps facilitate long-term value creation and the proper functioning of a publicly traded company.[1] This underlying belief is the reason that we carefully analyze a company's corporate governance framework as part of our investment analysis process and incorporated governance improvements in our value creation plans, and have done so since the inception of our firm.

It is important to note that the companies we invest in have typically underperformed their peers and the market as a whole for an extensive period of time prior to our involvement.[2] We have found that virtually all of these companies – in addition to needing to take steps to improve their long-term performance – have corporate governance weaknesses that have likely hindered their ability to address their performance issues on their own. In order to facilitate the likely success of our recommended initiatives to improve the long-term performance of such companies, we will strongly advocate that these corporate governance weaknesses be redressed. Examples of corporate governance improvements that we have recommended are set forth on <u>Schedule A</u>.

IV. Environmental and Social Issues

Barington recognizes that environmental and social issues can also impact investment performance. Environmental and social issues can present operational, regulatory and reputational risks, as well as impact the long-term sustainability of a company's business model. Therefore, we regularly assess environmental and social issues as part of our bottom-up analysis of a company to ensure that we identify, account for and manage these risks and externalities.

Examples of environmental issues that we may consider include: air and water pollution, environmental impact of product usage, energy efficiency, hazardous material and waste management, and chemical safety. Examples of social issues that we may analyze include: data protection, community relations, workplace conditions, employee safety, labor relations, labor standards, bribery and corruption, product safety, workplace diversity, relative compensation levels and fair wages.

It is our belief that being a good corporate steward and operating in a socially responsible manner are good business practices for any company. Nevertheless, we recognize that environmental and social issues can, at times, be highly subjective. We therefore consider these matters on a case-by-case basis and make investment decisions consistent with our fiduciary obligations to our investors and our goal of improving long-term value for shareholders.

---

[1] Barington was named as having the best activist investor corporate governance team in the United States in 2016 by Capital Finance International (CFI.co). In announcing the award, CFI.co stated "Barington has helped improve corporate governance and transparency at numerous publicly traded companies and is one of the first activist investment funds to recognize that strengthening a company's corporate governance helps facilitate the introduction and implementation of new measures to improve long-term performance." See http://cfi.co/awards/finance/2017/barington-capital-group-best-activist-investor-corporate-governance-team-united-states-2016

[2] On average, the companies we have taken public activist positions in since January 2009 have underperformed their peers and the market as a whole for over 7.5 years prior to the public announcement of our investment.

V. Active Engagement

As an activist investor, we are an "active owner" and routinely share our views with company representatives, including with respect to ESG issues. Once we complete our research with respect to a company and formulate a value creation plan, we will typically pursue an active engagement with representatives of the senior management team and the board of directors to present our recommendations. We seek to function as a constructive, "value added" investor who partners with companies to help implement initiatives to improve long-term value for the benefit of all shareholders.

In meetings with company representatives where ESG matters are discussed, we will typically seek to improve ESG practices by raising awareness of pertinent ESG issues and presenting the benefits of ESG reform. Our preference is to engage with companies privately. However, we may also elect to share our views publicly if deemed necessary. We may also seek board representation which provides us with the opportunity to advocate for improvements to ESG practices and other shareholder interests inside the boardroom. Other ways that we may seek to influence a company to make ESG improvements is through proxy voting and the filing of shareholder resolutions.

VI. Reporting

Barington expects public companies to foster a corporate culture that promotes integrity, transparency and accountability. To facilitate this end, we encourage companies to provide fulsome disclosure to shareholders regarding ESG issues. We are also generally supportive of shareholder resolutions promoting ESG reporting in our proxy voting.

Barington will provide its investors with details of its progress in facilitating positive change at companies in its investment portfolio with respect to ESG matters. From time to time, we may also elect to publicly report on a company's progress in addressing certain material ESG issues that we have raised with its representatives.

VII. Review of ESG Policy

Barington recognizes that its views regarding ESG matters, as well as industry best practices, may evolve over time. Barington will therefore review its ESG policy from time to time and may update or amend this policy as it deems appropriate.

Schedule A

Examples of corporate governance improvements that we have recommended include the following:

- Measures to Better Align Management and Shareholder Interests and Establish an "Ownership Mentality" at the Company
  - Executive Compensation: modifications to executive compensation plans to better tie executive pay to performance and to emphasize long-term value creation for shareholders; ensure that appropriate peer companies are used for benchmarking purposes
  - Long-Term Incentives: advocate the use of long-term performance-vested equity awards utilizing performance metrics appropriate for the business that are measured over multi-year performance periods
  - Minimum Equity Ownership Requirements: establish minimum equity ownership requirements for directors and executive officers

- Measures to Improve Board Responsiveness to Shareholder Concerns
  - Repeal classified boards
  - Implement a majority voting standard (with a resignation policy) for uncontested director elections
  - Terminate "poison pill" shareholder rights agreements not approved by shareholders
  - Remove inappropriate supermajority voting requirements
  - Add the right of shareholders to call a special meeting at a reasonably attainable voting threshold

- Measures to Improve Transparency
  - Increase communication with shareholders
  - Augment disclosure of corporate strategy and ESG matters
  - Improve disclosure of related party transactions, conflicts of interest, board diversity and compensation practices

- Measures to Ensure Shareholders are Represented by Experienced Independent Directors focused on Shareholder Interests
  - Add qualified independent directors to the board with relevant backgrounds, skills and experiences
  - Ensure that directors are independent of the company and the CEO and appropriately focused on shareholder interests
  - Improve board diversity
  - Appoint an independent chairman of the board
  - Annual election for all directors