

# **Synovus Financial Corp.**

## **Corporate Governance Guidelines**

### **Statement of Corporate Governance Philosophy**

The role of the Board of Directors is to effectively govern the affairs of the Company for the benefit of its shareholders and other constituencies, which include the Company's employees, customers and the communities in which it does business. The Board will strive to ensure the success and continuity of the Company's business through the election of qualified management and through on-going oversight to assure the Company's activities are conducted in a legal, responsible and ethical manner.

### **1) Director Qualifications and Selection of New Director Candidates**

The Corporate Governance and Nominating Committee has the responsibility of identifying, reviewing the qualifications of and recommending to the Board nominees for membership on the Board and reviewing and recommending with respect to any shareholder nominees. In discharging this responsibility, the Committee receives input from other Board members. In its review, the Committee considers such criteria and factors as:

- Whether the director/potential director possesses personal and professional integrity, sound judgment, forthrightness and has sufficient time and energy to devote to the affairs of the Company;
- Whether the director/potential director possesses a willingness to challenge and stimulate management and the ability to work as part of a team in an environment of trust;
- The extent of the director's/potential director's educational, business non-profit or professional acumen and experience;
- Whether the director/potential director assists in achieving a mix of Board members that represents a diversity of background, perspective and experience, including with respect to age, gender, race, place of residence and specialized experience;
- Whether an existing director has reached retirement age;
- Whether the director/potential director meets the independence requirements of the New York Stock Exchange Listing Standards;
- Whether the director/potential director has the financial acumen or other professional, educational or business experience relevant to an understanding of the Company's business;

- Whether the director/potential director would be considered a “financial expert” or “financially literate” as defined in the NYSE Listing Standards or applicable law;
- Whether the director/potential director, by virtue of particular technical expertise, experience or specialized skill relevant to the Company’s current or future business, will add specific value as a Board member;
- The extent of the director’s /potential director’s ownership of shares of the Company or willingness to become an owner of shares consistent with the Company’s Director Stock Ownership Guidelines;
- Whether the director/potential director is free from conflicts of interest with the Company; and
- Any factors related to the ability and willingness of a new director to serve, or an existing director to continue his/her service.

## **2) Board Independence**

A majority of the Board of Directors will be directors that the Board of Directors has affirmatively determined meet the criteria for independence required by the NYSE and these Corporate Governance Guidelines.

### *A. Categorical Standards for Director Independence*

The Corporate Governance and Nominating Committee will make recommendations to the Board annually as to the independence of directors as defined by the NYSE. To be considered independent under the NYSE Listing Standards, the Board must determine that a director does not have any direct or indirect material relationship with the Company. The Board has established the following standards to assist it in determining director independence. A director is not independent if:

- The director is, or has been within the last three years, an employee of the Company or an immediate family member is, or has been within the last three years, an executive officer of the Company.
- 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).

(Compensation received by an immediate family member for service as an employee of the Company (other than an executive officer) is not taken into consideration under this independence standard).

- (A) The director is a current partner or employee of a firm that is the Company's internal or external auditor; (B) the director has an immediate family member who is a current partner of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or (D) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time.
- The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.
- 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. (The principal amount of loans made by the Company to any director or immediate family member shall not be taken into consideration under this independence standard; however, interest payments or other fees paid in association with such loans would be considered payments.)

The following relationships will not be considered to be material relationships that would impair a director's independence:

- The director is a current employee, or an immediate family member of the director is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services (including financial services) in an amount which, in the prior fiscal year, is less than the greater of \$1 million, or 2% of such other company's consolidated gross revenues. (In the event this threshold is exceeded, and where applicable in the standards set forth below, the three year "look back" period referenced above will apply to future independence determinations).
- The director or an immediate family member of the director is a partner of a law firm that provides legal services to the Company and the fees paid to such law firm by the Company in the prior fiscal year were less than the greater of \$1 million, or 2% of the law firm's total revenues.

- The director or an immediate family member of the director is an executive officer of a tax exempt organization and the Company's contributions to the organization in the prior fiscal year were less than the greater of \$1 million, or 2% of the organization's consolidated gross revenues.
- The director received less than \$120,000 in direct compensation from the Company during the prior twelve month period, 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).
- The director's immediate family member received in his or her capacity as an employee of the Company (other than as an executive officer of the Company), less than \$250,000 in direct compensation from the Company in the prior fiscal year, 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).
- The director or an immediate family member of the director has, directly, in his or her individual capacities, or, indirectly, in his or her capacity as the owner of an equity interest in a company of which he or she is not an employee, lending relationships, deposit relationships or other banking relationships (such as depository, trusts and estates, private banking, investment banking, investment management, custodial, securities brokerage, insurance, cash management and similar services) with the Company provided that:
  - 1) Such relationships are in the ordinary course of business of the Company and are on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons; and
  - 2) With respect to extensions of credit by the Company's subsidiaries:
    - (a) such extensions of credit have been made in compliance with applicable law, including Regulation O of the Board of Governors of the Federal Reserve, Sections 23A and 23B of the Federal Reserve Act and Section 13(k) of the Securities Exchange Act of 1934; and
    - (b) no event of default has occurred under the extension of credit.

For relationships not described above or otherwise not covered in the above examples, a majority of the Company's independent directors, after considering all of the relevant circumstances, may make a determination whether or not such relationship is material and whether the director may therefore be considered independent under the NYSE

Listing Standards. The Company will explain the basis of any such determinations of independence in the next proxy statement.

For purposes of these independence standards an “immediate family member” includes a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person’s home.

For purposes of these independence standards “Company” includes any parent or subsidiary in a consolidated group with the Company.

*B. Additional Criteria for Independent Audit Committee and Compensation Committee Members*

In addition to being independent as determined under the Categorical Standards for Independence set forth in “A” above,

- members of the Audit Committee shall not (a) accept directly or indirectly any consulting, advisory, or other compensatory fee from the Company or any of its subsidiaries other than directors’ fees or (b) be an “affiliated person” of the Company or any of its subsidiaries, all as set forth in Rule 10A-3 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and
- members of the Compensation Committee (a) shall not have any relationship to the Company that is material to such director’s ability to be independent from the Company’s management in connection with the duties of a Compensation Committee member, after taking into consideration all factors specifically relevant to the relationship pursuant to NYSE Listing Standard 303A.02(a)(ii) and the criteria set forth in Rule 10C-1(b)(1) promulgated under the Exchange Act and (b) must qualify as “outside directors” as such term is defined under Section 162(m) of the Internal Revenue Code of 1986, as amended, and “non-employee directors” as such term is defined under Rule 16b-3 promulgated under the Exchange Act.

**3) Size of Board**

In accordance with the Company’s Bylaws, the Board shall consist of not less than 8 nor more than 25 members. It is the sense of the Board that this is the appropriate size range for the Board at the present time, allowing the Board to consider increasing or decreasing the size of the Board within this range if appropriate in the future to give the Board the flexibility to appoint interim directors during the periods between the Company’s Annual Meetings should outstanding candidates come to its attention.

#### **4) Voting for Directors**

In accordance with the Company's Bylaws, if none of the shareholders provides the Company notice of an intention to nominate one or more candidates to compete with the Board's nominees in a director election, or if the Company's shareholders have withdrawn all such nominations by the day before the Company mails its notice of meeting to its shareholders, a nominee must receive more votes cast for than against his or her election or re-election in order to be elected or re-elected to the Board. If any nominee for director does not receive the required vote for election or re-election, the Board expects such person to promptly tender his or her resignation following certification of the shareholder vote. The Board shall nominate for election or re-election as director only candidates who agree to tender, promptly following such person's failure to receive the required vote for election or re-election at the next meeting at which such person would face election or re-election, an irrevocable resignation that will be effective upon board acceptance of such resignation. In addition, the Board shall fill director vacancies and new directorships only with candidates who agree to tender promptly following their appointment to the Board, the same form of resignation tendered by other directors in accordance with this corporate governance guideline.

The Corporate Governance and Nominating Committee will promptly consider the resignation offer and recommend to the Board whether to accept or reject it. In considering whether to accept the resignation, the Corporate Governance and Nominating Committee will consider all factors deemed relevant by members of the Corporate Governance and Nominating Committee.

The Board will act on the Corporate Governance and Nominating Committee's recommendation no later than 90 days following certification of the shareholder vote. In considering the Corporate Governance and Nominating Committee's recommendation, the Board will consider the factors considered by the Corporate Governance and Nominating Committee and such additional information and factors the Board believes to be relevant.

The Company will promptly disclose the Board's decision whether to accept the director's resignation offer in a Form 8-K filed with the Securities and Exchange Commission.

To the extent that one or more directors' resignations are accepted by the Board, the Corporate Governance and Nominating Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

Any director who tenders his or her resignation pursuant to this provision will not participate in the Corporate Governance and Nominating Committee recommendation or Board action regarding whether to accept the resignation offer.

If a majority of the members of the Corporate Governance and Nominating Committee did not receive the required vote for election or re-election at the same election, then the independent directors who did receive the required vote will appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept or reject them. This Board committee may, but need not, consist of all of the independent directors who received the required vote for election or re-election or those independent directors who were not standing for election.

This corporate governance guideline will be summarized or included in each proxy statement relating to an election of directors of the Company.

### **5) Directors Who Change Their Job Responsibilities; Other Board Relationships**

Individual directors who change the job responsibility they held when they were elected to the Board shall submit a letter of resignation for consideration by the Board. It is not a requirement that in every instance the directors who retire or change from the position they held when they were elected to the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, via the Corporate Governance and Nominating Committee, to review the continued appropriateness of Board membership under these circumstances. Directors should not serve on more than three other boards of publicly traded companies in addition to the Company's Board. Directors should also advise the Chairman of the Board and Chairman of the Corporate Governance and Nominating Committee in advance of accepting an invitation to serve on the board of another publicly traded company.

### **6) Term Limits**

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold a 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.

### **7) Retirement Age**

The current retirement age for individual directors is 72, with the point of determination being the age of the director on the day immediately preceding the date of the Company's annual shareholder meeting for any year.

### **8) Selection of Chairman and Chief Executive Officer**

The Board does not have a policy, one way or the other, on whether or not the role of the Chairman and Chief Executive Officer should be separate and, if it is to be separate, whether the Chairman should be selected from the non-employee directors or be an employee.

## 9) Lead Director

In the event the Chairman of the Board is not an independent director, as defined under the NYSE Listing Standards, the Corporate Governance and Nominating Committee will nominate an independent director to serve as a Lead Director, who shall be approved by a majority of the independent directors. The responsibilities of the Lead Director include:

- Building and maintaining a productive relationship with the Chief Executive Officer;
- Providing leadership to ensure the Board works in an independent, cohesive fashion;
- Working with the Chairman of the Board, Board and Corporate Secretary to set the agenda for Board Meetings;
- Having the authority to call meetings of the independent and non-management directors, as needed;
- Ensuring Board leadership in times of crisis;
- Developing the agenda for and chairing executive sessions of the independent directors and executive sessions of the non-management directors;
- Acting as liaison between the independent directors and the Chairman of the Board on matters raised in such sessions;
- Chairing Board meetings when the Chairman of the Board is not in attendance;
- Attending meetings of the committees of the Board, as necessary or at his/her discretion, and communicating regularly with the Chairs of the principal standing committees of the Board;
- Working with the Chairman of the Board to ensure the conduct of the Board meeting provides adequate time for serious discussion of appropriate issues and that appropriate information is made available to Board members on a timely basis;
- Performing such other duties as may be requested from time-to-time by the Board, the independent directors or the Chairman of the Board; and
- Availability, upon request, for consultation and direct communication with major shareholders.



## **10) Executive Sessions of Directors**

The Board will meet in executive session after regularly scheduled Board meeting and at such other times as may be requested by the Chairman of the Board or any director, from which all employees of the Company, other than employees who also serve as directors, will be excluded. The session will be presided over by the Chairman of the Board.

## **11) Executive Sessions of Non-Management Directors**

Non-management directors of the Board will meet in executive session after regularly scheduled Board meeting and at such other times as may be requested by any non-management director. Matters relating to CEO compensation, management development and succession planning and other more sensitive areas are discussed at these sessions. The session will be presided over by the Lead Director, or in the event the Chairman of the Board is independent, by the Chairman of the Board.

## **12) Executive Sessions of Independent Directors**

Independent directors of the Board will meet in executive session at least once a year. The session will be presided over by the Lead Director, or in the event the Chairman of the Board is independent, by the Chairman of the Board.

## **13) Number and Independence of Committees; Availability of Committee Charters**

The Board has determined that the current committee structure of the Company is appropriate. There will, from time to time, be occasions on which the Board may want to form a new committee or disband a current committee depending upon the circumstances. The current principal five committees are Audit, Compensation, Corporate Governance and Nominating, Risk and Executive. All committee charters are available on the Company's website. Except for the Executive Committee, committee membership will consist of only independent directors. The Executive Committee will be comprised of (1) Chairpersons of the principal standing committees of the Board of Directors and the Board of Directors of Synovus Bank, (2) the Chief Executive Officer of the Company, (3) the Chairman of the Board, if different from the Chief Executive Officer, and (4) the Lead Director. The Chief Executive Officer shall serve as Committee Chair.

## **14) Assignment and Removal of Committee Members; Operation of Committees**

The Board is responsible, after taking into consideration the recommendation of the Corporate Governance and Nominating Committee and with consideration of the desires of individual Board members, for the assignment of Board members to various committees and removing Board members from committees.

Generally, the Audit, Compensation, Risk and Corporate Governance and Nominating Committees meet periodically in conjunction with the regular meetings of the full Board. The Executive Committee meets on an as-needed basis. Additional meetings of the Audit Committee are held in conjunction with the filing of the Company's periodic reports with the Securities and Exchange Commission. Additional meetings of all committees are held if circumstances create the need for a special meeting. The Committee Chairs report the highlights of their meetings to the full Board following each meeting of the respective committees.

## **15) Management and Director Responsibilities**

The Company's business is conducted by its employees and officers, under the direction of the Chief Executive Officer and the oversight of the Board, to enhance the long-term value of the Company for its shareholders. The Board of Directors is elected by the shareholders to oversee management and to assure that the long-term interests of the shareholders are being served. In addition to its general oversight of management, the Board also performs a number of specific functions, including, but not limited to:

- Providing counsel and oversight on the selection, evaluation, development and compensation of the Chief Executive Officer and executive management and overseeing Chief Executive Officer succession planning;
- Reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
- Providing oversight of the Company's risk management processes, including receipt of reports from the Chief Risk Officer and the assessment of major risks facing the Company and reviewing options for their mitigation; and
- Providing oversight to ensure that processes are in place for maintaining the integrity of the Company, including the integrity of the financial statements, the integrity of compliance with law and ethics and the integrity of relationships with customers and shareholders.

## **16) Board Meetings**

The Board shall hold at least six scheduled Board meetings a year and at least one scheduled Board meeting in each quarter. Additional meetings may be held if circumstances create the need for a special meeting. Directors are expected to attend all scheduled Board and Committee meetings. The Chairman of the Board will establish the agenda for each Board meeting after consultation with the Chief Executive Officer and the Lead Director. Each Board member is free to suggest the inclusion of item(s) on the agenda.

## **17) Board Materials Distribution and Review**

The Board is provided with materials in advance of each meeting that Board members are expected to review and study. Members of management, depending upon items to be considered at the meeting, compile most material. Additional information from other sources can be requested at the discretion of management or the Board. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting.

## **18) Board Access to Management**

Directors shall have access to members of the Company's management. Selected members of management of the Company may attend all or a portion of each Board meeting at the invitation of the Board.

## **19) Director Compensation**

The Compensation Committee will be responsible for recommending to the Board compensation and benefit programs for directors and for periodically reviewing the appropriateness of such programs. In making this recommendation, the Committee will take into consideration compensation paid to directors at corporations that are comparable to the Company. A portion of the director's compensation may be in the form of cash retainers and a portion may be in the form of equity. Directors will be permitted to defer the receipt of their cash compensation. The structure of the compensation of directors should be transparent and easy for shareholders to understand.

## **20) Assessing Board Performance**

The Corporate Governance and Nominating Committee is responsible for overseeing the process of conducting an annual self-evaluation of the performance of the Board, including an evaluation of the Audit Committee, Compensation Committee, Risk Committee and Corporate Governance and Nominating Committee. Each Committee will conduct its own self-evaluation and each Committee Chair will report the performance evaluation results to the Board. The Chair of the Corporate Governance and Nominating Committee will report the performance evaluation results of the Board to the Board.

## **21) CEO Performance Review**

The Compensation Committee shall establish performance measures and objectives to be used to evaluate Chief Executive Officer performance. The Compensation Committee shall perform the annual evaluation of Chief Executive Officer performance and report such evaluation to an executive session of non-management directors. The Compensation Committee uses its evaluation results in the course of its deliberations when considering the compensation of the Chief Executive Officer.

## **22) Succession Planning and Management Development**

The Chief Executive Officer will discuss with the non-management directors in executive session, no less frequently than on an annual basis, the Company's management development and executive succession activities. There should be available to the Lead Director, or in the event the Chairman of the Board is independent, to the Chairman of the Board, the Chief Executive Officer's recommendation as a successor in the event of an emergency or his or her disability.

## **23) Access to Outside Advisors**

The Board and its Committees shall have the right to retain independent outside financial, legal or other advisors at the expense of the Company.

## **24) Stock Ownership Guidelines; Hedging and Pledging of Company Stock**

Each director should have a substantial investment in the Company. A holding of a number of shares of Company stock equal in value to five times the amount of a director's annual retainer is recommended for each director. Directors will have five years to attain their total share ownership threshold and should attain a share ownership threshold of one times the amount of a director's annual retainer within three years.

Hedging and monetization of Company stock by directors and executive officers is prohibited under these Corporate Governance Guidelines. In addition, effective March 1, 2013, pledging of Company stock by directors and executive officers is prohibited under these Corporate Governance Guidelines. Any director or executive officer who has shares of Company stock pledged as of March 1, 2013 shall have two years to unwind any pledging transactions secured by Company stock. Shares of Company stock subject to any pledging arrangement shall not be considered for purposes of determining compliance with the Company's stock ownership guidelines for directors and executive officers.

## **25) Director Orientation and Continuing Education**

All new directors will be provided with an orientation process to enable them to become familiar with the Company's vision, strategic direction, core values, financial matters, corporate governance practices and other key policies and practices through a review of background material, meetings with senior management and visits to the Company's facilities. The Board also recognizes the importance of continuing education for its directors and is committed to providing such education through continuing educational programs including reviewing the Company's strategic plans, its key policies and practices, its financial statements and other materials on subjects that would assist directors in discharging their duties. The Company will reimburse each director for up to \$5,000 per annual term of service for tuition and reasonable travel expenses incurred in

connection with attendance at a director education seminar provided by a third-party vendor.

## **26) Ethics and Conflicts of Interest**

The Board expects the Company's directors as well as officers and employees to act ethically at all times and to adhere to the Company's Code of Business Conduct and Ethics. If an actual or potential conflict of interest arises for a director, the director shall promptly notify the General Counsel's Office. If a significant conflict exists and cannot be resolved the director should resign. For purposes of these Guidelines and the Company's Code of Business Conduct, if, on or after October 24, 2013, a loan made to, or guaranteed by, any Company director or his/her affiliates (as defined in Regulation O of the Board of Governors of the Federal Reserve) is assigned a rating of "criticized", "special mention", "substandard" or "doubtful" (as such terms are defined in the Company's loan policy), and such loan is not restored to a "pass" rating within twelve months after the date of such adverse classification, the director shall be deemed to have a conflict of interest that requires such director to resign from the Board. All directors shall recuse themselves from discussion or decisions affecting their business or personal interests.

## **27) Reporting of Concerns to Non-Management Directors or the Audit Committee**

Anyone who has a concern about the Company's conduct, or about the Company's accounting, internal accounting controls or auditing matters, may communicate that concern to the non-management directors through the Lead Director, or in the event the Chairman of the Board is independent, through the Chairman of the Board, or to the Audit Committee through the Committee Chair. Such communications may be confidential or anonymous, and may be submitted in writing or reported by phone to a special address and a toll-free phone number that are published on the Company's website. Concerns relating to accounting, internal accounting controls or auditing matters will be forwarded to the Chair of the Audit Committee. Other concerns will be forwarded to the Lead Director, or in the event the Chairman of the Board is independent, to the Chairman of the Board. The Company's Code of Business Conduct and Ethics prohibits the Company and any of its employees from retaliating against employees and officers for raising a concern.