

**Taubman Centers, Inc.  
Corporate Governance Guidelines**

The Board of Directors (the “Board”) of Taubman Centers, Inc. (the “Company”) has adopted the corporate governance guidelines set forth below (“Governance Guidelines”) to assist and guide the Board in the exercise of its responsibilities.

**A. Directors’ Responsibilities**

1. Represent the interests of the Company’s shareholders in maintaining and enhancing the success of the Company’s business, including optimizing long-term returns to increase shareholder value.
2. Select and evaluate a well-qualified Chief Executive Officer (“CEO”) of high integrity, and approve other members of the senior management team.
3. Oversee and interact with senior management with respect to key aspects of the business, including strategic planning (including enterprise risk management), management development and succession, operating performance, financial reporting, annual budget and shareholder returns.
4. Provide general advice and counsel to the Company’s CEO and senior executives.
5. Adopt and oversee compliance with the Company’s Code of Business Conduct and Ethics (the “Code of Conduct”). Promptly disclose any waivers of the Code of Conduct for Directors or executive officers.
6. Hold regularly scheduled executive sessions of independent Directors. Where a Lead Director has been appointed, the Lead Director will preside at such executive sessions and in the event of his or her absence, another designated independent Director will preside.
7. Formally evaluate the performance of the CEO and senior management each year in executive sessions.
8. Regular attendance at Board meetings is expected and attendance at the annual meeting of shareholders is encouraged. Meeting materials should be reviewed in advance.
9. In discharging the duties of a Director, including duties as a Committee member, a Director shall act: (A) in good faith; (B) with care an ordinary prudent person in a like position would exercise under similar circumstances; (C) in a manner he or she believes to be in the best interests of the Company; and (D) without undisclosed and conflicting self-interest.

## **B. Director Qualification Standards**

1. The Nominating and Corporate Governance Committee, with the input of the CEO, is responsible for recommending to the Board, subject to the Company's Articles of Incorporation with respect to the nomination rights of the holders of Series B Non-Participating Convertible Preferred Stock, (A) nominees for Board membership to fill vacancies or newly created positions and (B) the persons to be nominated by the Board for election at the Company's Annual Meeting of Shareholders. The Nominating and Corporate Governance Committee does not solicit Director nominations, but will consider recommendations sent on a timely basis and in accordance with the by-laws of the Company to the Secretary of the Company.
2. Generally, the Nominating and Corporate Governance Committee will consider re-nominating incumbent Directors who continue to satisfy its criteria for membership on the Board, who it believes will continue to make important contributions to the Board, and who consent to continue their service on the Board. In determining whether to recommend a Director for re-election, the Nominating and Corporate Governance Committee also considers the Director's past attendance at meetings, participation in and contributions to the activities of the Board and the Company, the results of Board self-evaluations, any potential or actual conflicts of interest and other qualifications and characteristics set forth in the charter of the Nominating and Corporate Governance Committee. In connection with the selection and nomination process, the Nominating and Corporate Governance Committee shall review the desired experience, mix of skills and other individual and aggregate qualities and attributes to assure appropriate Board composition, taking into account the current Board members, the specific needs of the Company and the Board and the Board's on-going self-evaluations. If a vacancy on the Board occurs, the Board will look for individuals who satisfy the Company's criteria for membership on the Board and who have displayed high ethical standards, integrity, and sound business judgment. The Board and Committee also desire to include highly qualified women and other diverse candidates in the pool of candidates considered for new directorships. The process is designed to ensure that the Board includes members with a diversity of viewpoints, backgrounds, skills and experience, including as to appropriate financial and other expertise relevant to the business of the Company.
3. Independent Directors must comprise a majority of the Board.
4. New York Stock Exchange ("NYSE") Objective Independence Criteria. To be considered an independent Director of the Company in accordance with the NYSE rules and regulations, the Director must, at a minimum, satisfy all of the foregoing criteria:
  - A. The Director has not been an employee, and does not have an immediate family member who has been an executive officer, of the Company within the last three years;

- B. The Director has not received, and does not have an immediate family member who has received, more than \$120,000 in direct compensation from the Company in any 12-month period within the past three years, other than from director and committee fees, and pension or other forms of deferred compensation for prior service (provided such service is not contingent in any way on continued service);
- C. (1) the Director is not a current partner or employee of a firm that is the Company's internal or external auditor; (2) the Director does not have an immediate family member who is a current partner of such a firm; (3) the Director does not have an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or (4) the Director or an immediate family member was not, within the last three years, a partner or employee of such a firm and personally worked on the Company's audit within that time;
- D. Within the past three years, the Director was not employed, and did not have an immediate family member who was employed, as an executive officer of another company where any of the Company's present executives serve on the other company's compensation committee;
- E. The Director is not a current employee, or an immediate family member is not 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 in the last completed fiscal year of such other company; and
- F. The Director does not have any other material relationship with the Company, either directly or as a partner, member, shareholder or officer of an organization that has a relationship with the Company.

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. When applying the look-back provisions above, immediate family members shall not include individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

- 5. NYSE Subjective Independence Determination and Additional Categorical Standards. To be considered an independent Director of the Company in accordance with the NYSE rules and regulations, the Board must also consider all relevant facts and circumstances, including the Director's commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, and such other criteria as the Board may determine from time to time. To assist the Board in this determination, and as permitted by the NYSE's rules and

regulations, the Board has adopted the following categorical standards of relationships that are not considered material for purposes of determining a Director's independence. Any determination of independence for a Director that does not meet these categorical standards will be based upon all relevant facts and circumstances and the Board shall disclose the basis for such determination in the Company's proxy statement.

- A. Equity Ownership. A relationship arising solely from a Director's ownership of an equity or limited partnership interest in a party that engages in a transaction with the Company, so long as such Director's ownership interest does not exceed 5% of the total equity or partnership interests in that other party.
- B. Other Directorships. A relationship arising solely from a Director's position as (i) director or advisory director (or similar position) of another company or for-profit corporation or organization that engages in a transaction with the Company, (ii) a non-paid officer of another company, for which an executive officer of the Company (or any immediate family member) serves as a director, or (iii) director or trustee (or similar position) of a tax exempt organization that engages in a transaction with the Company (other than a charitable contribution to that organization by the Company).
- C. Ordinary Course Business. A relationship arising solely from transactions between the Company and a Director or company of which a Director is an executive officer, employee or owner of 5% or more of the equity of that company, if such transactions are made in the ordinary course of business and on terms and conditions and under circumstances that are substantially similar to those prevailing at the time for comparable transactions, products or services for or with unaffiliated third parties.
- D. Indebtedness. A relationship arising solely from a Director's status as an executive officer, employee or owner of 5% or more of the equity of a company to which the Company is indebted at the end of the Company's preceding fiscal year, so long as the aggregate amount of the indebtedness of the Company to such company is not in excess of 2% of the Company's total consolidated assets at the end of the Company's preceding fiscal year.
- E. Charitable Contributions. A relationship arising solely from a Director's status as an officer, employee, director or trustee of a tax exempt organization, and the discretionary charitable contributions by the Company or an executive officer of the Company (including any immediate family member), directly or through any foundation or similar organization established by the Company or an executive officer of the Company (including any immediate family member), to the organization over the last three completed fiscal years are, in each of such years, less

than the greater of \$1,000,000 or 5% of the organization's consolidated gross revenues (including grants, gains and other support) during the organization's preceding completed fiscal year.

- F. Professional, Social and Religious Organizations and Educational Institutions. A relationship arising solely from a Director's membership in the same professional, social, fraternal or religious association or organization, or attendance at the same educational institution, as an executive officer (or an immediate family member).
  - G. Immediate Family Members. Any relationship or transaction between an immediate family member of a Director and the Company (or an executive officer of the Company) shall not be deemed a material relationship or transaction that would cause the Director not to be independent if the standards in this Section 5 would permit the relationship or transaction to occur between the Director and the Company (or an executive officer of the Company).
6. SEC and NYSE Additional Independence Requirements for Audit Committee Members. In addition to satisfying all of the independent criteria set forth in paragraphs 4 and 5 above, all members of the Audit Committee must also satisfy the following requirements:
- A. Director's fees are the only compensation that members of the Audit Committee may receive from the Company. Audit Committee members may not receive consulting, advisory or other compensatory fees from the Company (other than in his or her capacity as a member of the Audit Committee, the Board of Directors, or any other committee of the Board); and
  - B. No member of the Audit Committee may be an "affiliated person" of the Company or any subsidiary of the Company, as such term is defined by the Securities and Exchange Commission.
7. SEC and NYSE Additional Independence Requirements for Compensation Committee Members. In addition to satisfying all of the independent criteria set forth in paragraphs 4 and 5 above, with respect to all members of the Compensation Committee, the Board must also make an affirmative determination that the Director has no relationship with the Company (directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with the Company) which is material to that Director's ability to be independent from management in connection with the duties of a Compensation Committee member. The Board must consider all factors, including but not limited to:

- A. The source of compensation of the Director, including any consulting, advisory or other compensatory fees paid by the Company to the Director; and
  - B. Whether the Director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.
8. Voting Standard for the Election of Directors. Any nominee for Director who receives a greater number of votes “withheld” from his or her election than votes “for” such election (a “Majority Withheld Vote”) shall promptly tender his or her resignation, conditioned on Board acceptance, following certification of the shareholder vote; provided, however, this voting policy does not apply when the number of individuals nominated for election exceeds the number of Directors to be elected, including as a result of a proxy contest.

The Nominating and Corporate Governance Committee shall consider the resignation offer and, within 60 days following certification of the shareholder vote, recommend to the Board whether to accept such resignation. The Board will act on the Nominating and Corporate Governance Committee’s recommendation within 90 days following certification of the shareholder vote. The Nominating and Corporate Governance Committee in making its recommendation, and the Board in making its decision, may each consider any information that it considers appropriate and relevant. The Board will promptly disclose in reasonable detail its decision and rationale regarding the acceptance or rejection of the resignation, as applicable, in a widely disseminated press release, in a filing with the SEC or by other widely disseminated public announcement. Any Director who tenders his or her resignation pursuant to this provision shall not participate in the Nominating and Corporate Governance Committee recommendation or Board action regarding whether to accept his or her resignation offer. However, if each member of the Nominating and Corporate Governance Committee received a Majority Withheld Vote at the same election, then the independent Directors who did not receive a Majority Withheld Vote shall convene a committee of such independent Directors to consider each resignation offer and recommend to the Board whether to accept such resignation. If the Directors who did not receive a Majority Withheld Vote in the same election constitute three or fewer Directors, all Directors may participate in the action regarding whether to accept each resignation offer.

If a Director’s resignation is accepted by the Board, the Board either may fill the resulting vacancy or may decrease the size of the Board pursuant to the Company’s by-laws.

9. When a Director’s principal occupation or business changes substantially from the position he or she held when originally invited to join the Board, including any change that may affect the independence of a Director or present a potential conflict of interest, the Director shall promptly notify the Nominating and Corporate Governance Committee and should submit a letter of resignation to the

Board to be effective upon acceptance by the Board. The Nominating and Corporate Governance Committee will review whether the new occupation, retirement or other change of the Director is consistent with the rationale for selecting that individual and the guidelines for board membership and will recommend to the Board whether to accept such resignation. It is the Board's view that any such director who offers to resign should not necessarily leave the Board.

10. The Board limits the number of other public company boards on which a Director may serve as set forth below and exceptions to these limits must be approved by the Board. No Director who is an executive officer of a public company may serve as a Director of the Company if he or she serves on more than a total of three public company boards, including the Company's Board. In addition, no Director may serve on more than five public company boards, including the Company's Board. Directors should advise the Chair of the Board and the Chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public company board. For purpose of this requirement, a family of mutual funds will be considered a single public company.
11. The Board has not established term limits for Directors. Although term limits can promote the inclusion on the Board of people with diverse perspectives, the process described in paragraph 2 of this Section achieves the same result. Moreover, term limits have the disadvantage of causing the Company to lose the contributions of Directors who have been able to develop over a period of time, increasing insight into the Company and its operations, thereby increasing their contributions to the Company.

### **C. Board Committees**

1. The Board shall at all times have a Nominating and Corporate Governance Committee, an Audit Committee and a Compensation Committee, each comprised solely of independent Directors.
2. Each such Committee shall have a written charter, approved by the Board, which describes the Committee's general authority and responsibilities. Each such Committee will undertake an annual review of its charter and recommend any proposed revisions to the Board.
3. Each Committee chair shall regularly report Committee actions and any recommendations to the Board.
4. The Board shall evaluate and determine the circumstances under which to form new committees.

#### **D. Independent Lead Director**

1. If the Board does not have an independent Chair, the independent Directors of the Board shall be empowered to elect an independent Lead Director to facilitate the Board's fulfillment of its responsibilities and promote efficient and effective Board performance and functioning.
2. The Lead Director shall have a term of at least one year and serve until his or her successor is appointed or such person's earlier departure from the role.
3. The Lead Director is empowered to:
  - A. support a strong Board culture and encourage Director participation by fostering an environment of open dialogue and constructive feedback among the Directors and facilitating communication across Board committees and among the Chair, the Board as a whole and Board committees;
  - B. serve as a liaison between the Chair and the independent Directors, with the understanding (and expectation) that all Directors will engage with the Chair and vice versa as they deem appropriate;
  - C. act as a sounding board and advisor to the CEO along with other Directors;
  - D. preside at meetings of the Board if the Chair is not present;
  - E. preside at executive sessions of the independent Directors, invite Directors to raise items for discussion at such sessions and coordinate feedback and follow-up with the Chair, the chairpersons of relevant Board committees and other Directors as appropriate, including with respect to the executive sessions for formally evaluating the performance of the CEO and senior management each year;
  - F. call meetings of the independent Directors, establish the agenda of such meetings with the input of other Directors and preside over such meetings;
  - G. be available to meet with major shareholders of the Company as appropriate when the Lead Director is the Chair of the Nominating and Corporate Governance Committee (and if not, then the Chair of the Nominating and Corporate Governance Committee shall be available to so meet as has been the Board's historical practice);
  - H. advise the Chair as to the Board's information needs and work with the Chair as needed to coordinate and provide feedback and input regarding Board meeting agendas, schedules and materials in order to support Board deliberations and enable sufficient time for discussion of all agenda items;

- I. facilitate as appropriate the responsibilities of the Board, the committees of the Board and senior management (including as contemplated by these Governance Guidelines, the various committee charters and the deliberations of the Board);
  - J. perform such other responsibilities as may be designated by the Board from time to time.
4. Where a Lead Director is appointed, his or her identity will be disclosed in the Company's annual proxy statement or published on the Company's website.
  5. The Board's regular self-evaluation is expected to also include an evaluation of the Lead Director role and its functioning.

**E. Directors Compensation Guidelines**

1. Non-Employee Directors, committee members and committee chairs shall receive reasonable compensation for their services, as may be determined from time to time by the Board upon recommendation of the Compensation Committee. Compensation for non-employee Directors, committee members and committee chairs shall be consistent with the market practices of other similarly situated companies but shall not be at a level or in a form that would call into question the Board's objectivity. The Compensation Committee of the Board shall annually review and report to the Board with respect to director compensation and benefits.
2. Directors who are employees receive no additional pay for serving as Directors.
3. Directors who are members of the Audit Committee may receive no compensation from the Company other than the fees they receive for serving as Directors and committee members. Directors who are members of the Compensation Committee generally should not receive any compensation from the Company other than the fees they receive for serving as Directors and committee members.
4. Each non-employee Director is expected to comply with the Company's stock ownership guidelines for non-employee Directors.

**F. Director Access to Management and Independent Advisors**

1. The Board is expected to be highly interactive with senior management. Directors are granted access to the name, location, and phone number of all employees of the Company.
2. It is Board policy that executive officers and other members of senior management who report directly to the CEO be present at Board meetings at the invitation of the Board. The Board encourages such executive officers and senior management to make presentations, or to include in discussions at Board meetings managers and other employees who (A) can provide insight into the matters being

discussed because of their functional expertise and/or personal involvement in such matters and/or (B) are individuals with high potential whom such executive officers and senior management believe the Directors should have the opportunity to meet and evaluate.

3. Directors are authorized to consult with independent advisors, as is necessary and appropriate, without management. The Company shall provide appropriate funding, as determined by the Board or any Committee, to compensate such independent advisors, and to cover the ordinary administrative expenses incurred by the Board and its Committees in carrying out their duties.

#### **G. Director Orientation and Continuing Education**

1. The Board shall implement and maintain an orientation program for newly elected Directors.
2. Directors are required to continue educating themselves with respect to industry practices.

#### **H. Management Succession and CEO Compensation**

1. The Board will develop plans for the succession to the position of Chief Executive Officer and other principal executive officers, including in the event of an emergency or the retirement of the CEO. The Compensation Committee may make recommendations to the Board about succession planning, including in the event of an emergency or the retirement of the CEO.
2. The CEO shall provide an annual report to the Board assessing senior management and their potential to succeed the Chief Executive Officer and other principal executive officers, and such report may be reviewed by the Compensation Committee. The report shall also contain the CEO's recommendation as to his or her successor.
3. The Compensation Committee is responsible for making recommendations to the Board concerning annual and long-term performance goals for the CEO and for evaluating his or her performance against such goals.

#### **I. Annual Performance Evaluation of the Board**

1. The Board and its Committees will conduct a self-evaluation at least annually to determine whether it and its Committees are functioning effectively. The Lead Director or Chair of the Nominating and Corporate Governance Committee shall report the results of all self-evaluations to the Board.

2. The Board will also review the Nominating and Corporate Governance Committee's periodic recommendations concerning the performance and effectiveness of the Board and its Committees.

#### **J. Communications with the Board**

Any shareholder or interested party who desires to communicate with the Board or any specific director, including non-management directors in their capacity as members of the Board or a committee, may write to: Taubman Centers, Inc., Attn: Board of Directors, 200 East Long Lake Road, Suite 300, Bloomfield Hills, Michigan 48304-2324.

Depending on the subject matter of the communication, management will:

- forward the communication to the director or directors to whom it is addressed; in particular, matters addressed to the Chairman of the Audit Committee will be forwarded unopened directly to such Chairman;
- attempt to handle the inquiry directly where the communication does not appear to require direct attention by the Board or an individual member, e.g. the communication is a request for information about the Company or is a stock-related matter; or
- not forward the communication if it is primarily commercial in nature or if it relates to an improper or irrelevant topic.

To submit concerns regarding accounting and auditing matters, employees, shareholders and other interested persons may also call the Company's toll-free, confidential hotline number, contact the Audit Committee Chairman or the Company's General Counsel, or utilize the confidential website, each as set forth in the Code of Business Conduct and Ethics available on the Company's website, [www.taubman.com](http://www.taubman.com), under the Investors - Corporate Governance tab. All reports are confidential and anonymous, unless users choose to identify themselves.

Communications made through the confidential hotline and website, or to the Audit Committee Chairman or the Company's General Counsel, generally will be reviewed by the Audit Committee at each regularly scheduled meeting; other communications will be made available to directors at any time upon their request.

#### **K. Periodic Review**

These Governance Guidelines will be reviewed periodically, and the Board will revise or supplement the same, taking into account any changes in legislative and regulatory requirements, as well as evolving best practices for boards of directors.