

Clear Channel Outdoor Holdings, Inc.  
Board of Directors Governance Guidelines

## **1. Director Qualifications**

The Board of Directors (the “Board”) of Clear Channel Outdoor Holdings, Inc. (the “Company”) seeks members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. Directors should have experience in positions with a high degree of responsibility; be leaders in the organizations with which they are affiliated; have the time, energy, interest and willingness to serve as a member of the Board; and be selected based upon contributions they can make to the Board and management.

## **2. Independent Directors**

A majority of the Board shall be composed of “independent” directors, as that term is defined in Appendix A, except to the extent that the rules and regulations of the New York Stock Exchange (“NYSE”) permit the Board to have fewer than a majority of its members be independent directors during the first year following the initial listing of the Company’s common stock on the NYSE.

## **3. Director Responsibilities**

The basic responsibility of a director is to exercise his or her business judgment and act in what he or she reasonably believes to be in the best interests of the Company and its shareholders. In discharging that obligation, a director should be entitled to rely on the honesty and integrity of the Company’s senior executives and the Company’s outside advisors and auditors.

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

## **4. Size of the Board**

The Board will be comprised of up to 12 members, none of whom need be shareholders or residents of the State of Texas. It is generally expected that the Board will consist of between six and ten members. As provided in the Company’s bylaws, the precise number of directors will be determined from time to time by the affirmative vote of a majority of directors in office at the time of the vote.

## **5. Selection of New Directors**

Directors may be selected by the Board or by shareholders in accordance with the Company’s bylaws. The Board will review all director nominees with direct input from the Chairman of the Board (“Chairman”) and the chief executive officer of the Company

(“CEO”) and make Company director nominations in accordance with the Company’s bylaws.

## **6. Stock Ownership by Directors and Executive Officer**

It is the policy of the Board that all directors and executive officers, consistent with their responsibilities to the shareholders of the Company as a whole, hold a significant equity interest in the Company. Toward this end, the Board expects that all directors and executive officers own, or acquire within three years of first becoming a director or executive officer, shares of common stock of the Company having a market value of at least \$100,000.

The Board recognizes that exceptions to this policy may be necessary or appropriate in individual cases, and may approve such exceptions from time to time as it deems appropriate in the interest of the Company’s shareholders.

## **7. Annual Performance Evaluation**

### *Board Effectiveness Review*

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. In connection with its evaluation, the Board will receive comments from all directors and assess the Board’s performance and make any appropriate recommendations following each such review. All directors are free to make suggestions on improvement of the Board’s practices at any time and are encouraged to do so. The purpose of this review is to increase the effectiveness of the Board as a whole, not to discuss the performance of individual directors.

### *Director Evaluation*

The Board will be responsible for reviewing, on an annual basis, the requisite skills and characteristics of prospective Board members as well as the composition of the Board as a whole. This assessment will include members’ qualification as independent, as well as consideration of diversity, age, skills and experience in the context of the needs of the Board. The Board should effect changes in incumbent directors if, in its opinion, such changes are deemed appropriate.

## **8. Meetings of the Board**

As provided in the Company’s bylaws, the Board meets regularly on previously determined dates and conducts special meetings on the call of the Chairman, the CEO or a majority of the Board.

## **9. Board Meeting Agendas**

The Chairman establishes the agenda for each Board meeting. Board members are encouraged to suggest items for inclusion on the agenda.

#### **10. Board Materials Distributed in Advance**

The agenda for each meeting is provided to the directors in advance of the meeting together with written materials on certain matters to be presented for consideration. Management should endeavor to provide material that is concise and informative. Directors are expected to review these materials before the meeting.

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

Non-management directors will meet periodically in executive session without management participation.

#### **12. Director Compensation**

The Board sets the level of compensation for directors, based on the recommendation of the Compensation Committee. From time to time the Compensation Committee reviews the amount and form of compensation paid to directors, taking into account the compensation paid to directors of other companies in its peer group and other large U.S. companies of similar size. The Compensation Committee's review may be conducted with the assistance of outside experts in the field of executive compensation.

#### **13. Board Access to Senior Management**

Board members have complete access to the Company's management, employees and its independent advisers for purposes of discharging their duties and responsibilities as directors. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or any other executive officer of the Company. Directors should use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent appropriate, copy the CEO on any written communications between a director and any officer or employee of the Company. The Board and its committees will have the right at any time, at the expense of the Company, to retain independent outside financial, legal or other advisors.

#### **14. Board Access to Independent Advisors**

The Board and its committees will have the right at any time, at the expense of the Company, to retain independent outside financial, legal or other advisors.

#### **15. Director Tenure**

The Board believes that term limits on director service and a predetermined retirement age impose arbitrary restrictions on Board membership. Instead, the Board believes directors who, over a period of time, develop an insight into the Company and its

operations provide an increasing contribution to the Company as a whole. The Board annual performance evaluation described above will be the primary determinant for board tenure.

#### **16. Directors Who Change Their Current Job Responsibilities**

A director who changes the nature of the job he or she held when he or she was elected to the Board shall promptly notify the Board of the change. This does not mean that such director should necessarily leave the Board. There should, however, be an opportunity for the Board to review the continued appropriateness of Board membership under these circumstances.

#### **17. Service on Multiple Boards**

To enable the Board to assess a director's effectiveness, any director who serves on more than three other public company boards must advise the Chairman in advance of accepting an invitation to serve as a member of another public company board.

#### **18. Attendance of Non-Directors at Board Meetings**

The Board believes it is important for directors to know the Company's key senior officers. The Board welcomes the regular attendance at Board meetings of non-Board members who are in the most senior management positions in the Company. The Chairman will extend such invitations.

#### **19. Board Committees**

The Board may from time to time establish committees to assist the Board in overseeing the affairs of the Company. The Board will have, at a minimum, the following two standing committees: Audit and Compensation. Each of the Audit and Compensation Committees will have its own charter in compliance with NYSE requirements. These charters will set forth the purpose, composition, and responsibilities of each committee. Each committee may form subcommittees as circumstances warrant.

#### **20. Committee Agendas**

The chair of each committee, in consultation with committee members and appropriate members of management, will determine committee agendas. Each committee chair will also determine the length and frequency of committee meetings consistent with any applicable requirements set forth in the committee's charter, applicable NYSE Rules, the Company's bylaws and its articles of incorporation.

#### **21. Membership of Board Committees**

The Board, in consultation with and in consideration of the wishes and qualifications of the individual directors, will determine the membership of each committee, consistent

with the requirements of the committee's charter, applicable NYSE Rules, the Company's bylaws and its articles of incorporation.

## **22. Service on Multiple Audit Committees**

If an Audit Committee member simultaneously serves on the audit committee of more than three public companies, the Board will determine whether such simultaneous service would impair the ability of such member to effectively serve on the Company's Audit Committee and will disclose such determination in the Company's annual proxy statement.

## **23. Rotation of Committee Assignments**

The Board believes that committee assignments should be based on each director's knowledge, interests and areas of expertise. The Board believes experience and continuity are more important than rotation and that Board members should only be rotated if rotation is likely to improve committee performance or facilitate the work of the committee.

## **24. Formal Evaluation of Chairman**

The Compensation Committee annually reviews and evaluates the performance of the Chairman. The review is based upon objective criteria, including the performance of the business and accomplishments of objectives previously established in consultation with the Chairman.

The Compensation Committee chairman reports to the Board on the evaluation in executive session.

The results of the review and evaluation are communicated to the Chairman by the chairman of the Compensation Committee and are used by that committee and the Board when considering the compensation of the Chairman.

## **25. Management Development and Succession Planning**

The CEO will report regularly to the Board on management development and succession planning. As part of this review, the CEO will advise the Board as to his recommendation for a successor should he unexpectedly become disabled.

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

Each new non-management director will participate in the Company's orientation program, which is conducted as soon as practicable after the new director is elected to the Board. This orientation will include presentations by senior management to familiarize new directors with the Company's strategic plans; its significant financial, accounting and risk management issues; its compliance programs; its corporate governance policies;

and its principal officers. All other directors will be invited to attend the orientation program. The Company will make education opportunities available from time to time for the Board in the areas of corporate governance, financial reporting, executive compensation and other areas of interest or concern to the Board.

## **Appendix A**

### **Director Independence Standards**

A member of the Board will be deemed to be “independent” if the Board affirmatively determines that the director meets each of the following standards:

1. A director must not be, or have been within the last three years, an employee of the Company. In addition, a director’s immediate family member (“immediate family member is defined to include a person’s spouse, parents, children, siblings, mother and father-in-law, sons and daughters-in-law and anyone (other than domestic employees) who shares such person’s home) must not be, or have been within the last three years, an executive officer of the Company.
2. A director or immediate family member must not have received, during any twelve month period within the last three years, more than \$100,000 per year in direct compensation from the Company, other than director or committee fees and pension or other forms of deferred compensation for prior service (and no such compensation may be contingent in any way on continued service).
3. A director must not be a current partner of a firm that is the Company’s internal or external auditor or a current employee of such a firm. In addition, a director must not have an immediate family member who is a current employee of such a firm and who participates in the firm’s audit, assurance or tax compliance (but not tax planning) practice. Finally, a director or immediate family member must not have been, within the last three years, a partner or employee of such a firm and personally worked on the Company’s audit within that time.
4. A director or an immediate family member must not be, or have 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 serve or served on that company’s compensation committee.
5. A director must not be a current employee, and no director’s immediate family member may be a current executive officer, of a material relationship party (“material relationship party” is defined as any company that has made payments to, or received payments from, the Company (together with its consolidated subsidiaries) 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).
6. A director must not own, together with ownership interests of his or her family, ten percent (10%) or more of a material relationship party.
7. A director or immediate family member must not be or have been during the last three years, a director, trustee or officer of a charitable organization (or hold a similar position), to which the Company (together with its consolidated subsidiaries) makes contributions in an amount which, in any of the last three

fiscal years, exceeds the greater of \$50,000, or 5% of such organization's consolidated gross revenues.

8. A director must be "independent" as that term is defined from time to time by the rules and regulations promulgated by the Securities and Exchange Commission, by the listing standards of the NYSE and, with respect to members of the compensation committee, by the applicable provisions of, and rules promulgated under, the Internal Revenue Code.