

Prestige Brands Holdings, Inc. Corporate Governance Guidelines

Prestige Brands Holdings, Inc. (the “Company”) is committed to developing effective, transparent and accountable corporate governance practices. These Corporate Governance Guidelines (“Guidelines”) were approved by the Company’s Board of Directors as a set of guiding principles by which the affairs of the Company will be governed. The Guidelines are subject to regular review by the Nominating and Corporate Governance Committee who may recommend to the Board that they be modified or updated, when appropriate.

1. BOARD RESPONSIBILITIES

(a) Responsibilities of the Board

The business of the Company is conducted by management under the direction of the Chief Executive Officer. The Board’s responsibility is to oversee, on behalf of stockholders, the conduct of the Company’s business, to provide advice and counsel to the CEO and senior management, to protect the Company’s best interests and to foster the creation of long-term value for stockholders.

Among other things, the Board’s decision-making responsibilities include:

- (i) Review and approval of the Company’s mission, strategies, objectives and policies, as developed by the CEO and senior management;
- (ii) Approval of director candidates recommended by the Nominating and Corporate Governance Committee for election by stockholders at the Annual Meeting; and
- (iii) Approval of material investments or divestitures, strategic transactions and other significant transactions not in the ordinary course of the Company’s business.

Among other things, the Board’s oversight responsibilities include monitoring:

- (i) The Company’s performance in relation to its mission, strategies, financial and non-financial objectives;
- (ii) The performance and effectiveness of the Company’s management team;
- (iii) Succession and development plans for key Company executives, including the CEO;
- (iv) The Company’s financial reporting processes, internal controls and risk management processes; and

- (v) The Company's compliance with legal and regulatory requirements.

In carrying out their responsibilities, Board members shall exercise their business judgment and act in ways that they reasonably believe will serve the best interests of the Company and its stockholders. As appropriate, the Board may also consider the interests of other stakeholders, including employees, customers and the members of the communities in which the Company operates.

(b) Expectations of Board Members

Board members are expected to:

- (i) Become and remain informed about the Company, its business and its industry;
- (ii) Attend all meetings of the Board and of Board committees on which they serve, having read and considered the pre-reading materials in advance of the meeting. Both incumbent and prospective Board members are also encouraged to attend the Company's Annual Meeting; and
- (iii) Participate constructively in Board and committee meetings, drawing upon their individual experience, knowledge and background, as appropriate, to provide perspectives and insights.

2. BOARD OPERATIONS

(a) Board Size

Subject to the conditions outlined in the Company's bylaws and certificate of incorporation, the number of directors which shall constitute the Board of Directors shall be fixed from time to time by resolution adopted by the affirmative vote of a majority of the total number of directors then in office.

(b) Board Meetings

The Board holds at least four regular meetings each year and may hold additional or special meetings whenever necessary. Regular Board meetings are generally held in person, although Board members may participate by conference call, if necessary. Special meetings may be held either in person or by conference call. The Board may also act by unanimous written consent.

(c) Board Agendas

The Chairman of the Board, if one shall have been elected, will establish the agenda for each Board meeting and distribute it to directors in advance of the meeting. If a Chairman has not been elected, the Chief Executive Officer, if a member of the Board, will establish the agenda for each Board meeting and distribute it to directors in advance of the meeting. If the Chief Executive Officer is not a member of the Board, the Board shall elect one of its members

to establish the agenda for each Board meeting and distribute it to directors in advance of the meeting. Any director may request that a subject be included on the agenda and may raise a subject that is not on the agenda at any Board meeting.

(d) Pre-Reading Materials

Pre-reading materials for the Board and committee meetings are distributed to directors sufficiently in advance of each meeting to permit meaningful review. Materials should be as concise as possible while still providing the information necessary for directors to make an informed judgment on the agenda items. However, it is recognized that certain exigent circumstances may cause the materials to be late or incomplete.

(e) Board Committees

The Board has three standing committees: Audit, Compensation and Nominating and Corporate Governance. The committees' charters are posted on the Company's website. The Nominating and Corporate Governance Committee regularly reviews the Board's committee structure and charters in conjunction with the committee chairmen. Committee charters shall be updated where necessary to ensure compliance with the NYSE rules, and any other applicable laws or regulations.

The Nominating and Corporate Governance Committee makes recommendations to the Board relative to committee members and chairmen consistent with the membership criteria outlined in the applicable committee charter. Committee appointments are subject to approval of the majority of the full Board. The Board may replace any committee chairs or members or add additional members to a Board committee at any time during the year.

(f) Executive Sessions of Non-Management Directors

The non-management directors meet regularly without management present in conjunction with the Board meetings. After the executive session, a designated director will update the CEO on the key items discussed. Non-management directors who are not independent under the NYSE rules may participate in these executive sessions.

3. DIRECTOR QUALIFICATIONS AND BOARD COMPOSITION

(a) Director Criteria

The Company seeks to align Board composition with the Company's strategic direction so that the Board members bring skills, experience and backgrounds that are relevant to the key strategic and operational issues that they will oversee and approve. Director candidates are typically selected based upon their character, track record of accomplishment in leadership roles, as well as their professional and corporate expertise, skills and experience. Criteria that are typically considered by the Board in the selection of directors include:

- (i) the independence, judgment, strength of character, reputation in the business community, ethics and integrity of the individual;

- (ii) the business or other relevant experience, skills and knowledge that the individual may have that will enable him/her to provide effective oversight of the Company's business;
- (iii) the fit of the individual's skill set and personality with those of the other Board members so as to build a Board that works together effectively and constructively; and
- (iv) the individual's ability to devote sufficient time to carry out his or her responsibilities as a director in light of his/her occupation and the number of boards of directors of other public companies on which he or she serves.

(b) Regulatory Requirements

The Nominating and Corporate Governance Committee reviews Board and committee composition at least annually to ensure that compliance with the NYSE and any other regulatory requirements are met. In so doing, the Nominating and Corporate Governance Committee conducts a review of the independence of all members of the Board for the purposes of determining which Board members are deemed independent and which are not. Board members must notify the Chairman of the Nominating and Corporate Governance Committee, as soon as practicable, in the event that their circumstances change in a manner that may impact the committee's view of their independence.

(c) Nominating Process

The nominating process outlined herein applies only with respect to the nomination of director candidates who will be presented to the Company's stockholders for election at the Annual Meeting, if any. Where a third party has the right to nominate one or more directors to the Company's Board, the selection and nomination of such directors need not be subject to this process.

The Nominating and Corporate Governance Committee is responsible for the identification and recruitment of director candidates for election by the stockholders and makes recommendations with respect to the nomination of new Board members, which are subject to a vote of the full Board. In developing recommendations for new Board candidates, the nominating process used by the committee consists of the following steps:

- (i) The Nominating and Corporate Governance Committee reviews current Board composition to determine particular skills or experience to be added or replaced through the recruitment of new Board members. The committee informs members of the Board, members of senior management and any search firm retained by the committee to assist in director recruitment in light of these needs and asks for their help in identifying strong Board candidates who would meet these requirements and the broader director criteria outlined above;

- (ii) Any potential Board candidates identified by the search firm, the network of contacts of the current Board and senior management and any director candidates recommended by stockholders will be reviewed by the Nominating and Corporate Governance Committee against these needs and the broader director criteria and a “short list” of candidates will be prepared from this preliminary review;
- (iii) Reference checks on “short listed” candidates will be conducted, including gathering references and perspectives from any current Board members or members of senior management who may know the candidate. Any search firm retained by the Nominating and Corporate Governance Committee may also assist the committee with the reference checks;
- (iv) Leading candidates from the “short list” who have strong references will be interviewed by one or more members of the Nominating and Corporate Governance Committee, by the CEO and, if appropriate, other Board members or other members of senior management. The Chairman of the Nominating and Corporate Governance Committee will gather feedback from the interviews; and
- (v) The Nominating and Corporate Governance Committee will meet in person or by conference call to discuss and make recommendations to the Board with respect to the candidates. The full Board will then vote on the committee’s recommendations. Those candidates approved by a majority of the Board shall be nominated for election by the Company’s stockholders at the next Annual Meeting.

The Chairman and Chief Executive Officer of the Company will contact any candidate(s) so approved, invite them to attend the Company’s Annual Meeting and to join the Board at its first meeting thereafter, if they are elected by the Company’s stockholders at the Annual Meeting. In the case of a Board candidate appointed between Annual Meetings, the same nominating process will generally apply except that the approved candidate will be invited to join the Board at its next meeting after his/her approval by the Board and will stand for election by stockholders at the first Annual Meeting thereafter.

(d) Director Terms

Directors elected by stockholders shall be elected annually and shall serve for a term of one year, subject to re-nomination on the recommendation of the Nominating and Corporate Governance Committee and approval by the majority of the Board. Directors who are appointed by third parties having the right to appoint one or more Board members shall be subject to the terms of appointment established by such third party pursuant to its legal rights with the Company.

(e) Change of Position

Any director whose primary employment changes from the position that he or she held when becoming a member of the Board will promptly notify the Chairman of the Nominating

and Corporate Governance Committee of this change and submit a written resignation from the Board. The director's resignation shall not become effective unless accepted by the Board.

(f) Limitations on Board Service

The Board does not believe that its members should generally be prohibited from serving on boards and/or committees of other organizations, and the Board has not adopted any guidelines limiting such activities. However, the CEO and other executive officers of the Company must receive the Board's prior approval before accepting any invitation to serve as a director of any other public or private company.

Prior to becoming a director of another public company, a director shall notify the Chairman of the Nominating and Corporate Governance Committee and the Chairman of the Board and Chief Executive Officer in order to avoid potential conflicts of interest and to address whether the aggregate number of directorships held by such director would interfere with his or her ability to carry out his or her responsibilities as a director of the Company. In the event that the Board determines that the additional directorship constitutes a conflict of interest or interferes with such director's ability to carry out his or her responsibilities as a director of the Company, such director, upon the request of the Board, shall either offer his or her resignation or not accept the other directorship.

4. DIRECTOR ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS

(a) Access to Management

Directors shall have full and unrestricted access to any relevant Company records and may request that any officer or other employee of the Company or the Company's outside counsel or accountants meet with any members of, or consultants to the Board or any committee. As a courtesy, directors will exercise their judgment to ensure that this access does not impede or interfere with the conduct of the Company's business and is coordinated, where possible, through the CEO so as not to undermine normal lines of management authority.

(b) Access to Independent Advisors

In their sole discretion, the Board and each of its committees shall have the sole authority and responsibility to select, employ, retain and terminate any financial, legal, executive search, consulting and other professional advisors as they deem necessary or appropriate to assist in the discharge of their responsibilities. The Company shall provide funding to cover the professional fees and reasonable expenses of any such independent advisors retained by the Board or any of its committees.

5. DIRECTOR COMPENSATION

The Compensation Committee shall recommend to the full Board for its approval the amount and form of compensation to be paid to Company directors. In making its recommendations, the Compensation Committee shall consider the director compensation policies and practices at the Company's principal competitors and other comparable companies to ensure that the compensation (both direct and indirect forms) paid to the Company's directors

is reasonable. The Board shall review its directors' compensation practices and levels annually. Members of management who are also members of the Board shall not receive any additional compensation for their service as directors, committee members or committee chairmen.

6. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

(a) Director Orientation

Upon election to the Board by stockholders or appointment by any third party having the right to appoint directors to the Company's Board, new directors participate in an orientation session designed jointly by the Nominating and Corporate Governance Committee, the Chief Executive Officer and the Company's senior management.

(b) Continuing Education

Management shall make presentations to or arrange educational programs for the Board on different aspects of the business of the Company, which may include business strategy, risk management, financial reporting, products and services, industry trends and developments, corporate governance and other relevant topics. Such presentations or sessions may be provided by management on its own initiative or at the request of, or in conjunction with, the Nominating and Corporate Governance Committee. Directors are also encouraged to take advantage of any other available educational opportunities that would further their understanding of the business of the Company and enhance their performance on the Board.

7. EXECUTIVE SUCCESSION PLANNING

The Board receives regular updates and recommendations from the Compensation Committee regarding succession planning for the Chief Executive Officer and other key members of the Company's senior management team. The plan of succession includes an assessment of the experience, performance, skills and planned career paths for possible successors for the CEO position and other key executive roles. The Compensation Committee leads the annual review of CEO performance, in which all Board members provide input, and oversees the CEO's performance review of senior executives for purposes of compensation decisions, succession planning and leadership development.

8. BOARD AND COMMITTEE ASSESSMENT

The Board is committed to continuous improvement and conducts an annual self-assessment of the performance of the Board and each of the Board committees. The assessment process is led and coordinated by the Nominating and Corporate Governance Committee. The self-assessment is designed to identify areas where the Board and its committees are particularly effective and to surface opportunities for further enhancement. When the self-assessments have been completed, the results and any recommendations made by the Nominating and Corporate Governance Committee to further enhance the Board's functioning are discussed by the full Board.

9. STOCKHOLDER ACCESS TO THE BOARD

(a) Communications with Non-Management Directors

Any interested parties who have concerns that they wish to make known to the Company's non-management directors, should send any such communication to the Chair of the Board of Directors Nominating and Corporate Governance Committee in care of the Company's executive offices at 90 North Broadway, Irvington, NY 10533. All such stockholder communication will be reviewed by the Chairman of the Nominating and Corporate Governance Committee and discussed with the committee, which will determine an appropriate response or course of action.

(b) Stockholder Recommendations for Board Candidates

Stockholders wishing to recommend candidates to serve on the Company's Board may do so by sending to the attention of the Chairman of the Nominating and Corporate Governance Committee at the above address the following: The candidate's name, a detailed biography outlining the candidate's relevant background, professional and business experience and other significant accomplishments, an acknowledgement from the candidate that he or she would be willing to serve on the Board, if elected, a statement by the stockholder outlining the reasons why this candidate's skills, experience and background would make a valuable contribution to the Board and a minimum of two references who have either worked with the candidate, served on a Board of Directors or Board of Trustees with the candidate, or can otherwise provide relevant perspective on the candidate's capabilities as a potential Board member.

The number of seats that are subject to stockholder election (which may be zero) and the deadline by which such recommendations must be received by the Chairman of the Nominating and Corporate Governance Committee will be published in the Company's annual proxy statement each year. Stockholder recommendations provided to the Chairman of the Nominating and Corporate Governance Committee within this timeframe will be reviewed by the Nominating and Corporate Governance Committee.

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