

LEXMARK INTERNATIONAL, INC.
Lexington, Kentucky

CORPORATE GOVERNANCE PRINCIPLES OF THE BOARD OF DIRECTORS

FOREWORD

These "Corporate Governance Principles of the Board of Directors of Lexmark International, Inc." are intended to embody the principles by which our Board intends to operate in a single, formal document in order to provide information and direction for those who deal with the Board. This is not intended to be a code of regulations, but rather a statement of intention. This will be a working document which will change from time to time as conditions warrant.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The primary responsibility of this Board of Directors is oversight – defining and enforcing standards of accountability that enable Management to manage well and in the interests of the Corporation and its stockholders. Consistent with that objective, the following are our primary responsibilities:

- Attending Board meetings and evaluating the performance of the Corporation and its Management, which includes: (1) overseeing the conduct of the Corporation's business to evaluate whether it is being effectively managed, (2) selecting and regularly evaluating the Chief Executive Officer, and (3) fixing the compensation of the Chief Executive Officer and other members of Management as deemed appropriate;
- Reviewing and, where appropriate, approving fundamental operating, financial and other corporate strategies, as well as major plans and objectives;
- Providing advice and counsel to the Chief Executive Officer and Management;
- Overseeing Management's efforts to ensure that the assets of the Corporation are safeguarded through the maintenance of appropriate accounting, financial and other controls, and that the business of the Corporation is conducted in compliance with applicable laws and regulations;
- Electing the Chairman of the Board; and
- Annually evaluating the overall effectiveness of the Board of Directors, as well as selecting and recommending to stockholders for election an appropriate slate of candidates for the Board of Directors.

1. NUMBER OF COMMITTEES

The Board has the following standing committees: Executive, Finance and Audit, Compensation and Pension and Corporate Governance and Public Policy. The Board has the flexibility to form a new committee or disband a current committee. It is the policy of the Board that only independent directors serve on the Finance and Audit Committee, Compensation and Pension Committee, and Corporate Governance and Public Policy Committee and that the other standing committees consist of a majority of independent directors.

2. ASSIGNMENT AND ROTATION OF COMMITTEE MEMBERS

The Board, after considering the recommendation of the Corporate Governance and Public Policy Committee with input from the Chairman, designates the members of the committees taking into account their particular experience and knowledge of the Corporation and the preferences of individual Board members.

While rotating committee members should be considered periodically, the Board does not believe rotation should be mandated as a policy since there are significant benefits attributable to continuity, experience gained in service on particular committees, and utilizing most effectively the individual talents of Board members.

3. FREQUENCY AND LENGTH OF COMMITTEE MEETINGS

The Chair of each committee, in consultation with its members and the appropriate officers, determines the frequency and length of the meetings of the committee. The schedule for meetings of each committee will be distributed to the directors by December for the ensuing calendar year, and the Chair may call additional meetings as the need arises.

4. COMMITTEE AGENDA AND REPORTS

There will be a designated corporate officer to assist each standing committee.

The Chair of each committee, taking into account recommendations of committee members and in consultation with the designated corporate officer, is responsible for the agenda for each committee meeting.

Minutes of each committee meeting will be provided to each Board member to assist in keeping the Board apprised of topics discussed and actions taken. The Chair of each committee will also regularly report at Board meetings on committee matters.

5. SELECTION OF AGENDA ITEMS FOR BOARD MEETINGS

By December of each year there will be distributed to the directors a proposed schedule of meetings and Annual Agenda for the ensuing calendar year for input from the Board. Each Board member may recommend agenda items and is encouraged to raise at any Board meeting subjects that are not on the agenda for that meeting. The Chairman has the authority pursuant to the by-laws to change the meetings and call additional meetings as the need arises. A majority of the Board shall have the authority to call special meetings of the Board.

The Chairman will establish the agenda for each Board meeting based upon the Annual Agenda approved by the Board and shall include in the agenda any item requested by the Presiding Director. The Secretary will distribute a preliminary agenda sufficiently in advance of each meeting to assure Board members are apprised of the principal matters to be considered.

6. DISTRIBUTION OF BOARD MATERIALS

It is the sense of the Board that information and data important to the Board's understanding of the business be distributed regularly to the Board. The Management will make every attempt to see that this material is as concise as possible and distributed in a timely manner. Each director is expected to review the materials in advance of each Board meeting.

7. PRESIDING DIRECTOR / EXECUTIVE SESSIONS OF THE BOARD

In the event that the Chairman of the Board and the Chief Executive Officer positions are combined or the Chairman of the Board is not an independent director, the Board shall elect a Presiding Director from the current independent directors with such duties and for such term as the Board may determine from time to time. The Presiding Director shall have the role and responsibilities set forth in Exhibit I to these Corporate Governance Principles. The non-management directors may meet privately in executive session without the presence of Management as frequently as they deem appropriate, but, in any event, no less than once at each regularly scheduled Board meeting. The executive sessions shall be chaired by the Presiding Director. The independent directors shall meet in executive session at least once per year. Following each executive session, the Presiding Director or Chairman will discuss with the Chief Executive Officer, to the extent appropriate, matters emanating from the private meeting(s). In addition, the directors will meet in executive session with the Chairman in conjunction with regular meetings of the Board.

8. BOARD ACCESS TO SENIOR MANAGEMENT

Board members have complete access to the Management and the Corporation's outside counsel and auditors.

The Board encourages the continuation of the long-standing practice of Management to bring managers into Board meetings from time to time who: (a) can provide additional insight into the items being discussed or (b) senior Management believe have future potential as prospective leaders.

The Board may retain and have access to outside counsel and/or consultants of its choice with respect to any issue relating to its activities.

9. BOARD COMPENSATION REVIEW

It is appropriate for the Corporate Governance and Public Policy Committee to review periodically the status of Board compensation in relation to other comparable U.S. companies. The Corporate Governance and Public Policy Committee shall have the authority to retain independent consultants if desired. The Corporate Governance and Public Policy Committee will recommend any changes in compensation to the Board for approval.

The Board believes that a meaningful portion of director compensation should be equity based to further the direct correlation of directors' and stockholders' economic interest. Each director should be encouraged to own at least that number of shares of Lexmark Class A Common Stock having a value of five times the annual retainer payable to a nonemployee Board member. Each director should be encouraged to reach this guideline ownership level within two to four years of becoming a member of the Board. This is a guideline only and it is the belief of the Board that it would be inappropriate, in recognition of an individual director's potential circumstances, to make it a requirement.

10. SIZE OF THE BOARD

It is the sense of the Board that a size of 9 to 12 is about right; the Board would consider a somewhat larger size in order to accommodate the availability of an outstanding candidate(s), but the size is not to exceed 14.

11. MIX OF INDEPENDENT AND NONINDEPENDENT DIRECTORS

A substantial majority of the Board shall be made up of independent directors. The Chief Executive Officer of the Corporation shall be a member of the Board.

On matters of corporate governance, decisions will be made by the independent directors in consultation with the Chief Executive Officer.

12. BOARD DEFINITION OF WHAT CONSTITUTES INDEPENDENCE

The Board has adopted the definitions of "independence" set forth by the Securities and Exchange Commission and New York Stock Exchange. The status of each director as independent under the foregoing definitions is to be reviewed annually by

the Corporate Governance and Public Policy Committee and determined by the Board.

13. FORMER CHIEF EXECUTIVE OFFICER'S BOARD MEMBERSHIP

The Board believes that this is a matter to be decided in each individual instance. When the Chief Executive Officer no longer holds that position, resignation from the Board shall be offered at the same time. Whether the individual continues to serve on the Board is a matter for discussion at that time with the new Chief Executive Officer and the Board, after which the Board will decide whether to accept the resignation.

14. SELECTION OF NEW DIRECTOR CANDIDATES

The Board is responsible, in fact as well as procedure, for selecting its own members. The Board delegates the screening process to the Corporate Governance and Public Policy Committee with the active participation of the Chairman.

15. EXTENDING THE INVITATION TO A NEW POTENTIAL DIRECTOR TO JOIN THE BOARD

The invitation to join the Board should be extended by the Board, through one or more directors designated by the Board.

16. ASSESSING THE BOARD'S PERFORMANCE

The Board, using such resources or methods as it determines, is responsible to annually assess the Board's performance. This assessment should be of the Board's contribution as a whole.

17. OTHER BOARD MEMBERSHIPS

No director shall serve on more than five public company boards in addition to the Corporation's Board. A director will notify the Chairman of the Corporate Governance and Public Policy Committee prior to accepting any new board membership to enable discussions with the Chairman and to enable the Corporate Governance and Public Policy Committee's prior approval of the proposed membership.

The Chief Executive Officer must receive prior Board approval before accepting any new board memberships.

18. CHANGE IN DIRECTOR OCCUPATION / TERM LIMITS/RETIREMENT AGE

When a director's principal occupation or business association changes substantially during his or her tenure as a director, that director shall tender his or her resignation for consideration by the Corporate Governance and Public Policy Committee. The

Corporate Governance and Public Policy Committee will recommend to the Board the action, if any, to be taken with respect to the resignation.

The Board believes it should not establish term limits as this restriction holds the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Corporation and its operations and, therefore, provide an increasing contribution to the Board as a whole.

Although the Board does not believe that term limits are appropriate, the Board does support a mandatory retirement age for directors. Accordingly, a director who was not a director at the time of the 2005 Annual Meeting of Stockholders may not stand for election after he or she reaches the age of 72. The Board, however, may grant an exception from the mandatory retirement age to a director, but such director must resign from the Board upon the election to the Board of his or her replacement.

The Corporate Governance and Public Policy Committee should reaffirm a director's desire to continue as a member of the Board prior to nomination for re-election to the Board.

19. EVALUATION OF THE CHIEF EXECUTIVE OFFICER

The full Board (outside directors) should make this evaluation annually, and the process should be administered by, and its results communicated to the Chief Executive Officer by, the Presiding Director.

20. SUCCESSION PLANNING

There should be an annual report by the Chief Executive Officer to the Board on succession planning for the Corporation's Management. Such report shall include policies regarding the selection and evaluation of a Chief Executive Officer and succession planning in the event of an emergency or the retirement of the Chief Executive Officer.

21. BOARD INTERACTION WITH INSTITUTIONAL INVESTORS, THE PRESS, CUSTOMERS, ETC.

The Board believes that the Management speaks for the Corporation. While individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Corporation, it is expected that Board members would do this only at the request of Management or at the request of the Board with the knowledge of Management.

22. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

Management shall conduct an orientation program for each newly elected director. Information regarding continuing education programs for directors shall be made

available to each director by Management, and he or she shall be encouraged to attend such programs in his or her discretion at the Corporation's expense.

23. EXECUTIVE COMPENSATION RECOVERY

The Board has adopted an Executive Compensation Recovery Policy (the "Policy") applicable to certain executive officers and senior managers of the Corporation. Under this Policy, the Corporation may recover incentive income that was paid based on the achievement of quantitative performance targets and the shares of stock received or gains realized on equity awards if an employee subject to the Policy is believed to have engaged in fraud, gross negligence, or intentional misconduct that resulted in a restatement of the Corporation's financial statements. The employee who is believed to have engaged in the prohibited activity would also forfeit any vested and unvested equity awards. In addition, the Corporation may recover from the Chief Executive Officer, those executives reporting directly to the Chief Executive Officer and the Corporate Controller any incentive income paid in excess of the amount that would have been paid based on the restated financial statements. Incentive income includes income related to annual incentive bonuses, long-term incentive compensation, performance-based equity awards, and any deferral of such amounts. The Policy shall be administered by the Compensation & Pension Committee of the Board, and it has the discretion to reduce or waive the amount of any recovery under the Policy.

24. ADVISORY VOTE ON EXECUTIVE COMPENSATION

Effective with the Corporation's 2010 Annual Meeting of Stockholders, a management proposal related to executive compensation in a form approved by the Board of Directors will be submitted annually to stockholders for a non-binding, advisory vote.

Lexmark International, Inc.

Presiding Director

The Presiding Director coordinates the activities of all of the Board's independent directors. The Presiding Director ensures that the Board has an open, trustful relationship with the Company's CEO and senior management team. In addition to the duties of all Directors, as set forth in the Company's Restated Certificate of Incorporation, By-Laws and Corporate Governance Principles, the specific responsibilities of the Presiding Director are as follows:

- Preside over meetings of independent directors and, as appropriate, provide prompt feedback to the Chairman/CEO. This director presides anytime the Chairman is not present.
- Ensure the full participation and engagement of all Board members in deliberations.
- Lead the Board in all deliberations involving the CEO's terms of employment including hiring, performance evaluations and dismissal.
- Consult with the Chairman on the upcoming Board agenda items.
- Serve as a point of contact for Board members to raise issues not readily addressable directly to the Chairman/CEO by individual Board members. However, this is not intended to replace the vast majority of normal and usual interactions between the Chairman/CEO and members of the Board.
- Keep abreast of key Company activities and advise the Chairman/CEO as to the quality, quantity and timeliness of the flow of information from Company management that is necessary for the directors to effectively and responsibly perform their duties; although Company management is responsible for the preparation of materials for the Board, the Presiding Director may specifically request the inclusion of certain material.
- Engage consultants who report directly to the Board.
- Work in conjunction with the Corporate Governance and Public Policy (“CG&PP”) Committee in compliance with CG&PP Committee processes to interview all Board candidates and make recommendations to the Board.
- Assist the Board and Company officers in assuring compliance with and implementation of the Company's Corporate Governance Principles.

- If needed, call special executive sessions of the Board or of the non-management or independent directors.
- In the case of the Chairman's incapacitation, disqualification or death, take the lead in assuring that the Board carries out its responsibilities and speak on behalf of the Board based on the Board's guidance.
- Serve for the term set by the Board. The CG&PP Committee shall recommend a candidate for the Board's consideration prior to the expiration of the term of Presiding Director or upon a vacancy
- Help set the tone for the highest standards of ethics and integrity.