

**AOL Inc.**  
**Corporate Governance Policy**  
**(Revised as of January 23, 2013)**

**A. Introduction**

This Corporate Governance Policy (the "Policy") describes the principles and practices that the Board of Directors of AOL Inc. (the "Board") will follow in carrying out its responsibilities. In this policy, AOL Inc. is referred to as the "Corporation"; the Corporation and its consolidated subsidiaries are collectively referred to as the "Company." This policy supplements the Corporation's Amended and Restated By-laws and the charters of the Board's committees.

**B. Board Composition**

1. Size of the Board

The Amended and Restated By-laws provide that the Board may determine the size of the Board from time to time, and that the Nominating and Governance Committee may recommend to the Board changes in the size of the Board.

In determining the size of the Board, the Nominating and Governance Committee and Board will be guided by the following principles:

- a) The Board should generally have no fewer than 7 nor more than 11 directors.
- b) The number of directors at any time will depend upon several factors, including resignations, retirements, and the availability of appropriate, qualified candidates.

2. Director Independence

The Board shall be composed of a substantial majority of independent directors. The Board shall make an affirmative determination at least annually as to the independence of each director. In order to determine that a director is independent, the Board shall make an affirmative determination that the director satisfies the New York Stock Exchange rules regarding independence, which require that the director has no material relationship with the Company. In making this determination, the Board shall consider all relevant facts and circumstances, including commercial, charitable and familial relationships that exist between the director and the Company, or between entities with which the director is affiliated and the Company.

To supplement the annual process described above, it shall be the responsibility of each director to inform fully and promptly the Corporate Secretary of any development that may affect the director's independence.

### 3. Selection and Election of Directors

The Nominating and Governance Committee shall identify, review and recommend candidates for the Board based on criteria established by the Board. The Committee and the Board shall take the following minimum factors into consideration, including such other factors as the Board may determine:

- a) **Regulatory Requirements.** They will assure that the Board has directors who meet the applicable criteria for committee or Board membership established by regulatory entities including the New York Stock Exchange, the Securities and Exchange Commission, the Federal Trade Commission and the Internal Revenue Service.
- b) **Independence.** They will consider questions of independence and possible conflicts of interest of members of the Board and executive officers, and whether a candidate has special interests or a specific agenda that would impair his or her ability to effectively represent the interests of all stockholders.
- c) **Overall Board Composition.** They will consider the Board's overall composition in light of current and future needs. Among the characteristics the Committee may consider are: professional skills and background, experience in relevant industries, financial expertise (including expertise that would qualify a director as a "financial expert," as that term is defined under the rules and regulations of the Securities and Exchange Commission), age, diversity and geographic background.
- d) **Performance.** They will review and make recommendations to the full Board regarding whether members of the Board should stand for re-election. They will consider matters relating to the retirement of members of the Board, including whether to establish term limits and/or age limits.

In regard to incumbent directors, they will consider past performance. Directors are expected: (a) to have regular attendance at Board and committee meetings; (b) to stay informed about the Company and its business; (c) to participate in the discussions of the Board and its committees; (d) to provide advice and counsel to the Chairperson and CEO; (e) to interact as necessary or desired with management; and (f) to comply with, as applicable, this Policy or Standards of Business Conduct, and the Related Person Transactions Policy.

- e) **Other Criteria.** Particularly with regard to new directors, they will also assess the backgrounds and qualifications of possible candidates and determine whether the candidates have the qualities expected of all

directors, including integrity, judgment, acumen, familiarity with the Company's business, independence of thought, an ability to work collegially and the time and ability to make a constructive contribution to the Board. In order to help assure that directors have sufficient time to devote to their responsibilities, non-employee directors shall not serve on more than a total of five other public company boards or two other public company audit committees. In addition, Directors who also serve as CEOs or in equivalent positions of public companies shall not serve on more than two public company boards, including the Corporation's Board, in addition to their employer's board. Directors are required to offer a resignation promptly upon a significant change in their primary professional responsibilities, and the Nominating and Governance Committee shall make a recommendation to the Board as to whether to accept such offer of resignation.

#### 4. Board Leadership

The Board shall consider from time to time whether the role of Chairperson and CEO should be separate or combined and, if it is to be separate, whether the Chairperson should be selected from the independent directors.

The Nominating and Governance Committee and Board periodically should review the Board's leadership structure based on the Company's circumstances.

The Board has determined that combining the roles of Chairperson and CEO is the appropriate leadership structure for the Company at this time. In addition, the Board has a Lead Independent Director who is elected annually by the independent members of the Board. The Lead Independent Director has responsibilities, including: presiding at executive sessions of the non-employee and independent Directors and at meetings of the Board at which the Chairperson is not present; serving as the liaison between the Chairperson of the Board and the independent Directors; approving the schedule, agenda, and information for Board meetings (including having the ability to include specific items on those agendas); providing leadership and serving as temporary Chairperson of the Board and CEO in the event of the inability of the Chairperson of the Board or CEO to fulfill his role due to crisis or any other event or circumstance that would make leadership by existing management inappropriate or ineffective, in which case the Lead Independent Director or the Corporate Secretary shall convene a meeting of the Board within 24 hours of such event or as soon as otherwise practicable; advising the Chairperson of the Board with respect to consultants who may report directly to the Board; convening executive sessions of the non-employee and independent Directors when necessary and appropriate; and being available, as appropriate, for communication with the Corporation's stockholders.

## 5. Term

As set forth in the Corporation's Amended and Restated By-laws, directors shall hold office until the next annual stockholders meeting and their successors have been duly elected and qualified. Thus, directors will generally have terms of one year.

## 6. Director Compensation

The Nominating and Governance Committee will review, at least annually, the compensation for non-employee directors and will make recommendations to the Board for its approval. As part of its review, the Committee will receive from management information on compensation provided to non-employee directors at a peer group or groups of companies.

## 7. Stock Ownership

It is expected that each non-employee director shall own shares of the Corporation's stock equal in value to three times the annual Board cash retainer within five years from the latter of election to the Board or the date of effectiveness of the guidelines. Stock owned outright and unvested restricted stock units count toward satisfaction of the threshold. Outstanding vested or unvested options do not count toward satisfaction of the threshold.

### C. Board Responsibilities

#### 1. General

The Board's primary responsibility is to maximize long-term stockholder value for the Corporation's stockholders. The Board serves as the ultimate decision-making body of the Corporation, except for those matters reserved to or shared with stockholders. The Board selects the senior management of the Corporation (who are charged by the Board with conducting the business of the Corporation), monitors senior management and the Company's performance, and provides advice and counsel to senior management. The Board is responsible for overseeing the Company's legal and regulatory compliance and the Company's processes for assessing and managing risk.

#### 2. Specific responsibilities

The Board's responsibilities include, but are not limited to, the following:

a) **Strategy, Business Plan and Budget.** The Board shall review the Company's long-term strategy at least annually. It shall also approve a business plan, operating budget, and financing plan annually.

b) **Management Performance.** The Nominating and Governance Committee will review the performance of the Chairperson and CEO at least annually

and, as appropriate, provide its evaluation to the Compensation Committee, which is responsible for establishing the compensation of the Chairperson and CEO. The Chairpersons of the Nominating and Governance Committee and of the Compensation Committee will review their committee's respective conclusions in regard to the performance of the Chairperson and CEO in executive session with the Board. Further, the Compensation Committee will review the performance of other members of senior management at least annually in connection with establishing their compensation.

c) **CEO Succession.** The full Board will be responsible for selecting the CEO. The Nominating and Governance Committee will review succession plans for the CEO position and will report on this subject to the Board. In addition, the CEO will propose to the Nominating and Governance Committee an emergency succession plan to provide for one or more individuals to fulfill the CEO's responsibilities on an interim basis in the event that the CEO is disabled or otherwise incapacitated, which shall be the Lead Independent Director as set forth in Section B.4 above. The Committee will review such emergency succession plan and, as appropriate, recommend such plan to the full Board for its approval.

d) **Board and Committee Performance Evaluations.** Under the oversight of the Nominating and Governance Committee, the Board and each of the Audit and Finance Committee, the Compensation Committee and the Nominating and Governance Committee shall conduct a self-evaluation of their performance at least annually, which will address its composition, responsibilities, structure, processes, and effectiveness.

e) **Other actions.** The Board (or a committee designated by the Board) may review and approve other transactions not included in the business plan or budget, as set forth in guidelines adopted by the Board.

### 3. Communication with Stockholders and Third Parties

The Board believes that it is, in general, the responsibility of management to speak for the Company in communications with outside parties, such as investors, the press, and industry associations. Directors should only engage in such communications at the request of or with the knowledge of management. This policy does not preclude Directors, including the Lead Independent Director, from meeting with stockholders, but it is suggested that, in most cases, any such meetings be held with management present.

Anyone who would like to communicate with, or otherwise make his or her concerns known directly to the chairperson of any of the Audit and Finance, Nominating and Governance and Compensation Committees, or to the non-management or independent Directors as a group, may do so by (1) addressing such communications or concerns to the General Counsel and Corporate Secretary of the Company, 770 Broadway, New York, NY 10003, who will forward such communications to the

appropriate party, or (2) sending an e-mail to corporatesecretary@teamaol.com. Such communications may be done confidentially or anonymously.

4. Annual Stockholders' Meeting

Directors are encouraged and expected to attend the Corporation's annual stockholders' meeting.

**D. Board Meetings**

1. Schedule and Agendas for Board Meetings

The Board shall hold at least four meetings each year.

The Chairperson of the Board and CEO, with the approval of the Lead Independent Director, sets the agenda for each Board meeting. Any directors may suggest agenda items.

2. Briefing Materials and Presentations

To the extent possible and appropriate, management should provide directors with an agenda and written briefing materials in advance of the Board meetings (including financial reports in advance of any regularly scheduled Board meetings).

At each regularly scheduled Board meeting, the Board should receive reports on the overall financial and operating performance of the Company as a whole. In addition, management is encouraged to provide the Board with other presentations on important aspects of the business and business/regulatory environment.

3. Access to Management and Advisors

Directors shall have access to members of management and employees of the Company, as appropriate. Directors shall coordinate such access through the Chairman of the Board or the Corporate Secretary. Each committee established by the Board shall have the authority to retain independent advisors. Further, by a majority vote, the Board, non-employee directors, or independent directors may also retain independent advisors. The cost of such advisors shall be paid by the Corporation. Directors, in particular those on the Audit and Finance Committee, should have complete access to the Company's independent auditors and internal auditor.

4. Executive Sessions

Non-employee directors shall meet by themselves, without management or employee-directors present, at every regularly scheduled Board meeting. In addition, independent directors shall meet together without any other directors or management present at least once a year. Non-employee directors and independent directors may

hold other such sessions at the request of any non-employee director or independent director.

Executive sessions (whether of the non-employee directors or independent directors) will be led by the Lead Independent Director.

**E. Board Committees**

1. Number of Committees

The Board has four standing committees: Audit and Finance; Compensation; Executive; and Nominating and Governance. The Board may create additional committees as it deems appropriate; and the Board or committees may create subcommittees as they deem appropriate.

2. Committee Purpose and Responsibilities

The purpose and responsibilities of each committee are set forth in the committee's charters or Board resolutions pertaining to such committees. Each committee will evaluate its performance, including its charter, at least annually. Any changes to those charters must be approved by the full Board. Each committee chairperson (or designee) shall report on the committee's deliberations to the full Board.

3. Committee Membership

The Nominating and Governance Committee will, after consultation with the Chairperson and CEO (and others as the Committee may see fit), recommend committee assignments (including chairpersonships) for each committee to the Board for its approval.

Except as otherwise provided under the applicable requirements of the New York Stock Exchange, only independent directors (as determined by the Board (see item B.2 above)) may serve on the Audit and Finance Committee, the Compensation Committee, or the Nominating and Governance Committee. In addition, committee members shall meet applicable requirements set forth in the respective committee charters. The chairpersonships and memberships of committees shall be rotated periodically.

4. Committee Meetings, Schedules and Agendas

Each committee will determine the schedule for its meetings. Committee chairpersons will determine the agendas for the committee meetings. Committee members are encouraged to suggest items for agendas.

**F. Director Orientation and Continuing Education**

1. Director Orientation

The Corporate Secretary shall assure that each individual, upon joining the Board, is provided with an orientation regarding the Board and the Company's business, strategies and operations. As part of this orientation, each new director shall have an opportunity to meet with members of senior management of the Corporation.

2. Continuing Education

The Board shall, from time to time, receive presentations by senior management regarding their respective areas. In addition, the Corporation shall reimburse directors for reasonable expenses relating to ongoing director education.

**G. Corporate Governance Review and Disclosure**

The Nominating and Governance Committee shall review this Policy no less than annually and shall recommend any changes to the Board for its approval. As part of its review, the Committee will consider whether the principles and practices have been, and are likely to continue to be, effective in enabling the Board to fulfill its responsibilities. The Committee may also compare current practices to the expectations of stockholders (including institutional investors); changes in the law or regulations; and the practices of boards of other leading companies. This Policy shall be posted on the Corporation's website.