



## CORPORATE GOVERNANCE GUIDELINES

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The Board of Directors, as a representative of the stockholders, strives to ensure the achievement of business success and the enhancement of long-term stockholder value with the highest standards of integrity and ethics. In that regard, the Board has adopted the following Guidelines to provide a framework for the governance of Quanta. In recognition of the on-going and energetic discussions about corporate governance, the Board will review and, if appropriate, revise these Guidelines from time to time.

### **DIRECTOR QUALIFICATION STANDARDS**

#### *Director Independence*

The Board believes that the interests of the stockholders are best served by having a mix of independent and non-independent directors, with a majority of directors who meet Quanta's standards for independence. To be considered independent for purposes of these Guidelines, the Board must affirmatively determine that a director has no material relationship with the Company. The following standards, together with relevant commentary set forth in the corporate governance rules of any applicable exchange upon which the Company's securities are listed for trading, shall be followed by the Board in determining director independence:

- (a) A director will not be independent if:
  - (i) the director is or has been within the last three years employed by Quanta, or an immediate family member of the director is or has been within the last three years an executive officer of Quanta;
  - (ii) the director, or an immediate family member of the director, has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from Quanta, other than director and committee fees and pension or other forms of deferred compensation for prior services (provided such compensation is not contingent in any way on continued service), and specifically excluding compensation that need not be considered in determining independence under this test according to relevant commentary set forth in the corporate governance rules of any applicable exchange upon which the Company's securities are listed for trading;
  - (iii) (A) the director is a current partner or employee of a firm that is Quanta's internal or external auditor; (B) the director has an immediate family member who is a current partner of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and personally works on Quanta's audit; or (D) the director

or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on Quanta's audit within that time;

(iv) the director, or an immediate family member of the director, is, or has been within the last three years, employed as an executive officer of another company where any of Quanta's present executive officers at the same time serve or served on that company's compensation committee;

(v) the director is a current executive officer or employee, or an immediate family member of the director is a current executive officer, of a company that has made payments to, or received payments from, Quanta 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 the other company's consolidated gross revenues;

(vi) the director is a current director or executive officer of another company that is indebted to Quanta, or to which Quanta is indebted, and the total amount of either company's indebtedness to the other is more than 2% of the total consolidated assets of the other company; or

(vii) the director serves as an officer, director or trustee of a charitable organization, and Quanta's discretionary charitable contributions to the organization are more than 2% of that organization's total annual charitable receipts.

(b) Quanta shall disclose in its annual proxy statement (or, if it does not file an annual proxy statement, in its annual report on Form 10-K) the name of each of its independent directors and either that the director has no relationships with Quanta (other than being a director and/or shareholder of Quanta) or has only immaterial relationships with Quanta. If a relationship between the director and Quanta exists and the Board has determined that it is categorically immaterial based on the standards in subsection (a) above, Quanta shall describe, by specific category or type, the transactions, relationships or arrangements that were considered by the Board in determining that the director is independent. Furthermore, if an immaterial relationship exists that does not fit within one of the standards in subsection (a), Quanta shall describe such relationship, as well as the basis for the Board's determination that such relationship does not preclude an independence determination.

The Board recognizes that members of the Audit Committee and the Compensation Committee may be subject to more stringent standards of "independence" pursuant to applicable rules and regulations. Any such more stringent standards will be reflected in the Audit Committee charter or the Compensation Committee charter, as applicable.

#### *Director Qualifications*

Directors should possess the highest standards of personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the stockholders. They must have an inquisitive and objective perspective, practical wisdom, mature judgment, the willingness to speak one's mind and the ability to challenge and stimulate management in a constructive manner. The Board endeavors to have a group of directors representing diverse experience at policy-making levels that may come from business, government, education, technology and non-profit organizations, and areas that are relevant to the Company's activities,

and who have demonstrated leadership skills in the organizations with which they are or have been affiliated. The Board also endeavors to have a group of directors representing a diverse background by, among other things, seeking women and minority candidates. In addition, acknowledging that history of service to Quanta offers valuable continuity, stability, industry knowledge and company-specific insight, the Board seeks to have a group of directors with diversity of tenure. Directors must also be willing to devote sufficient time to carrying out their duties and responsibilities effectively and should be committed to serve on the board for an extended period of time.

While the Board acknowledges the value in having directors with significant experience in other businesses and activities, it also understands that effective service requires substantial commitment. Consequently, although the Board has not established specific guidelines regarding a director's non-Quanta activities other than service on boards of public companies, it will take the nature and extent of those activities into account in nomination and renomination considerations. In addition, directors should offer their resignation in the event of any significant change in their personal circumstances, including a change in their principal job responsibilities, if the director's continued service on the Board would not be appropriate under the changed circumstances.

Directors who also serve as CEOs or in equivalent positions with a public company should not serve on more than one board of a public company in addition to the Quanta Board and their own company board, and other directors should not serve on more than three other boards of public companies in addition to the Quanta board. Members of the Quanta Audit Committee should not serve on more than two audit committees of public companies in addition to the Quanta Audit Committee. Current positions in excess of these limits may be maintained unless the Board determines that doing so would impair the director's service on the Quanta Board. The Board does not believe that arbitrary term limits on directors' service are appropriate, nor does it believe that directors should expect to be renominated annually until they reach the mandatory retirement age. Directors will not be nominated for election to the Board if the election is to occur after the director's 73rd birthday, although the full Board may make exceptions and nominate a director that may be elected after his or her 73rd birthday in special circumstances.

#### *Procedures for Handling Unsolicited Recommendations for Board Membership*

All applications, recommendations or proposed nominations for Board membership received by Quanta will be referred to the Governance and Nominating Committee. Nominations made other than by or at the direction of the Board of Directors or the Chief Executive Officer will be made pursuant to the provisions relating to director nominations set forth in Quanta's bylaws.

#### *Majority Voting for Election of Directors*

In accordance with Quanta's bylaws, if none of our stockholders provides Quanta with notice of an intention to nominate one or more candidates to compete with the Board's nominees in a director election, or if our stockholders have withdrawn all such nominations by the tenth day before Quanta submits its notice of meeting to our stockholders, a nominee must receive more votes cast for than against his or her election or re-election in order to be elected or re-elected to the Board. The Board expects a director to tender his or her resignation if he or she fails to receive the required number of votes for re-election. The Board shall nominate for re-election as director only candidates who have tendered an irrevocable resignation that will be effective upon (i) the

failure to receive the required vote for director election at the next annual meeting at which they face re-election and (ii) Board acceptance of such resignation.

If an incumbent director fails to receive the required vote for re-election, the Governance and Nominating Committee will act on an expedited basis to determine whether to accept the director's resignation and will submit such recommendation for prompt consideration by the Board. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation. The Governance and Nominating Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation.

### **DIRECTOR RESPONSIBILITIES**

Management is responsible for the day-to-day business operations of Quanta. The Board oversees and guides Quanta's management and its business. The basic responsibility of the directors is to exercise their business judgment in accordance with their duties of care and loyalty to act in what they reasonably believe to be in the best interests of Quanta and its stockholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of Quanta's senior executives and its outside advisors and auditors unless the circumstances indicate that such reliance is no longer warranted. The Board recognizes that the long-term interests of the stockholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties including employees, customers, suppliers, government officials and the public at large.

Directors are expected to attend Board meetings and meetings of committees on which they serve, to spend the time needed and to meet as frequently as necessary to properly discharge their responsibilities. Directors are encouraged to attend Quanta's annual meeting of stockholders. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting generally should be distributed in writing to the directors before the meeting, and directors are expected to review these materials in advance of the meeting. Directors are encouraged to suggest agenda items to the Chairman at any time. When practicable, management should ensure that materials are distributed sufficiently in advance of the meetings to allow for complete review by the directors.

The Board and each committee shall have full access to independent legal, accounting, financial and other advisors, as it deems necessary or appropriate, to assist the Board or committee in the conduct of its duties.

### **BOARD LEADERSHIP STRUCTURE**

The Board believes that the leadership structure of Quanta's Board should include either an independent non-executive Chairman of the Board or a Lead Director who satisfies Quanta's standards for independence. The Board believes that the appointment of a Lead Director gains many of the benefits that stockholders claim for the separation of the Chairman of the Board from the CEO position. The Board may review its leadership structure from time to time to assess whether it continues to serve the best interests of Quanta and its stockholders. The Board believes that this approach provides flexibility to adapt to changing circumstances, enabling the Board to

fulfill its oversight role and allowing the Board to review the manner in which its leadership is configured with a view toward maintaining a structure that best serves Quanta and its stockholders.

### *Chairman of the Board*

The Board will appoint the Chairman of the Board, who may but need not be an employee of Quanta. The Chairman of the Board will preside over all regular sessions of the Board and the annual meeting of stockholders. With input from the CEO (if the Chairman is an independent director), or in consultation with the Lead Director (if the Chairman is not an independent director), the Chairman will set the agenda for Board meetings, subject to the right of each Board member to suggest the inclusion of item(s) on any agenda. The Chairman of the Board may vote at any meeting of the Board on any matter called to a vote, subject to the legal, fiduciary and governance requirements applicable to all members of the Board.

Additional duties and responsibilities of the Chairman of the Board shall be those established from time to time by the Board or the Governance and Nominating Committee. If the Chairman of the Board is an independent director, the duties and responsibilities of the Chairman of the Board will generally include the following:

- (a) working with the CEO to ensure directors receive timely, accurate, and complete information to enable sound decision making, effective monitoring and advice;
- (b) encouraging active engagement of all directors;
- (c) directing discussions toward a consensus view and summarizing discussions for a complete understanding of what has been agreed;
- (d) encouraging the Board's involvement in strategic planning and monitoring the CEO's implementation;
- (e) coordinating, monitoring and maintaining a record of all meetings of independent directors and discussing Board executive session results with the CEO;
- (f) promoting effective relationships and open communication between the independent directors and the management team;
- (g) coordinating, together with the Compensation Committee, the formal evaluation of the CEO on an annual basis;
- (h) coordinating, together with the Governance and Nominating Committee, the succession plans for the CEO;
- (i) identifying matters specifically reserved for the decision of the Board and ensuring that the Board sets appropriate levels of authority for management;
- (j) coordinating, together with the Governance and Nominating Committee, a process for the annual evaluation of the Board, its members and its committees; and

- (k) reviewing management's investor relations strategy and participating, where appropriate, in its implementation.

### *Lead Director*

In the event the Chairman of the Board is not an independent director, a Lead Director shall be elected exclusively by the independent directors. The Lead Director must be an independent director and will assist the Chairman of the Board and the remainder of the Board in assuring effective corporate governance in managing the affairs of the Board. The Lead Director shall be responsible for ensuring that the quality, quantity and timeliness of the flow of information between management and the Company and the Board enables the Board to fulfill its functions and fiduciary duties in an efficient and effective manner. In addition, the Lead Director will coordinate the activities of the other independent directors, preside over the Board when the Chairman of the Board is not present, consult with the Chairman of the Board as to agenda items for Board and committee meetings, and perform such other duties and responsibilities as the Board deems appropriate.

### **COMMITTEES OF THE BOARD**

The Board has established the following standing committees to assist the Board in discharging its responsibilities: (i) Audit Committee; (ii) Compensation Committee; (iii) Governance and Nominating Committee; and (iv) Investment Committee. Each of these committees is governed by a written charter approved by the full Board, upon the recommendation of the Governance and Nominating Committee. These committee charters are posted to the Quanta website. The Board shall convene other standing or special committees as it deems appropriate.

### **EXECUTIVE SESSIONS OF NON-EMPLOYEE AND INDEPENDENT DIRECTORS**

An executive session of non-employee directors shall be a standing agenda item at every regular board meeting. If the non-employee directors include individuals who are not independent, the independent directors will also separately meet in an executive session at least once per year. The sessions shall be presided over by the Chairman of the Board or, if the Chairman is not independent, by the Lead Director, or in the absence of an independent Chairman or Lead Director, by an independent director who shall be selected by the session participants. The General Counsel shall attend executive sessions as requested by the presiding director. The presiding director is encouraged to review, in summary form, the proceedings and conclusions of each executive session with the CEO in a timely fashion.

### **DIRECTOR ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS**

Directors shall have full and free access to Quanta's management and, as necessary and appropriate, directors may consult with independent legal, financial, accounting and other advisors to assist in their duties to Quanta and its stockholders. Any meetings or contacts with management that a director wishes to initiate should be arranged, where appropriate, through the CEO or the Secretary, so that the appropriate individual(s) within the Company are identified for the director. It is the expectation of the Board that directors will keep the CEO informed of communications between a director and management, as appropriate.

## **DIRECTOR COMPENSATION**

The Governance and Nominating Committee shall have the responsibility for recommending to the Board compensation and benefits for non-employee directors. In discharging this duty, the Committee shall be guided by the following principles: compensation should fairly pay directors for work required; compensation should be appropriate and competitive to ensure Quanta's ability to attract and retain highly-qualified directors; compensation should align directors' interests with the long-term interests of stockholders; and the structure of the compensation should be simple, transparent and easy for stockholders to understand. Directors who also are current employees of Quanta receive no additional compensation for service as directors. The Governance and Nominating Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if Quanta makes substantial charitable contributions to organizations with which a director is affiliated, or if Quanta enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

## **DIRECTOR AND EXECUTIVE STOCK OWNERSHIP**

The Board expects all directors and executive officers to display confidence in Quanta by ownership, after five years of service, of a significant amount of Quanta stock. The Governance and Nominating Committee has established and will periodically review, evaluate and amend, as appropriate, stock ownership guidelines regarding the dollar value or number of shares of Quanta stock that should be held by such individuals.

## **DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

The Governance and Nominating Committee is responsible for ensuring that new directors receive an adequate orientation to Quanta. Directors shall be provided with information regarding corporate governance and the structure and procedures of the Board and the committee(s) on which the directors will serve. Directors shall be encouraged to attend appropriate Company and external continuing director education programs to help ensure that they stay current on corporate governance, best Board practices, financial and accounting practices, ethical issues for directors and management, and similar matters. Each director is expected to maintain the necessary level of expertise to perform his or her responsibilities as a director.

## **MANAGEMENT SUCCESSION PLANNING**

The Board is responsible for and shall work with the CEO to develop as necessary, and shall review at least annually, a succession plan for the CEO, evaluating potential CEO candidates as deemed appropriate. As part of this process, the Board annually reviews management's succession planning and talent development initiatives for potential CEO succession candidates, as well as members of management at the named executive officer level and individuals comprising the executive leadership at key operating units.

## **WORKFORCE DEVELOPMENT**

The Board annually reviews management's talent development initiatives for the organization's workforce, with a view to maintaining a workforce with the critical skills to meet the Company's needs in the future and enabling employees to reach their potential.

## **ANNUAL EVALUATION ASSESSING BOARD AND COMMITTEE PERFORMANCE**

The Governance and Nominating Committee is responsible for managing the evaluation process for the Board and Board committees and for reporting the performance evaluation results to the Board on an annual basis. The purpose of the evaluation is to increase the effectiveness of the Board and Board committees as units, not to focus on the performance of individual directors. However, should the Board find an individual director's performance to be unsatisfactory, the Board will take any corrective action it deems appropriate.

## **CODE OF ETHICS AND BUSINESS CONDUCT; CONFLICTS OF INTEREST**

The Board expects Quanta directors, as well as officers and employees, to act ethically at all times and to adhere to the policies contained within Quanta's Code of Ethics and Business Conduct and any other codes of conduct applicable to the Board. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the Chairman of the Board or the chairman of the Governance and Nominating Committee. If a significant conflict exists and cannot be resolved, the director should resign. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Governance and Nominating Committee of the Board shall resolve any conflict of interest question involving the CEO or any other executive officer, and the CEO shall resolve any conflict of interest issue involving any other Quanta officer.

## **CONFIDENTIALITY, INTERACTION WITH THE INVESTMENT COMMUNITY, PRESS, CUSTOMERS AND OTHER STAKEHOLDERS**

The proceedings and deliberations of the Board and its committees and advisors are confidential. Each Board member is expected to maintain the confidentiality of all information received in connection with his or her service as a director. In addition, the Board believes that it is Company management's responsibility to speak for the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board or the CEO. In those instances in which it is necessary for an individual Board member to speak with outside constituencies, it is expected that he or she will do so only with the knowledge of, and absent unusual circumstances, only at the request of, the Chairman of the Board and CEO.

## **COMMUNICATIONS WITH THE BOARD AND REPORTING OF CONCERNS TO THE AUDIT COMMITTEE**

### *Reporting of Concerns*

Anyone who has a concern about Quanta's conduct, accounting, financial reporting, internal controls or auditing matters, may communicate that concern through Quanta's Ethics HelpLine. Such communications may be confidential or anonymous, and may be emailed (may not be anonymous), submitted in writing or reported by phone to special addresses and a toll-free number published on Quanta's website. All such concerns will be reviewed by Quanta's Chief Compliance Officer, who will report to the Audit Committee as appropriate. Quanta's Code of Ethics and Business Conduct prohibits any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve an integrity concern.

### *Other Communications*

Shareholders and other interested parties may communicate with the Board through Quanta's Corporate Secretary's office. Such communications may be submitted in writing to an address published on Quanta's website. All communications will be reviewed by Quanta's Corporate Secretary, who will forward the communications to the full Board, a committee or group, or an individual director, as appropriate.