

**American Eagle Outfitters, Inc.**  
**Corporate Governance Guidelines**  
**December 15, 2020**

## **Introduction**

Strong corporate governance practices are critically important, and help ensure American Eagle Outfitters, Inc.'s (the "Corporation", "we", "us" or "our") commitment to excellence, integrity and accountability across our Corporation. We have established these Corporate Governance Guidelines (these "Guidelines"), which provide a framework for our governing principles. These Guidelines are subject to future refinement or changes as the Corporation's Board of Directors ("Board") may find necessary or advisable.

## **Role of the Board**

The primary responsibilities of the Board are oversight, counseling and direction to the management of the Corporation ("Management") in the interest and for the benefit of the Corporation's stockholders, with appropriate consideration of the interests of other stakeholders, including employees, customers, suppliers, and the communities in which the Corporation operates. The Board's responsibilities, which are to be executed in the Board's reasonable business judgment and which may be delegated to appropriate committees of the Board (each a "Committee" and collectively, the "Committees"), include:

- (a) Selecting, regularly evaluating the performance of, and approving the compensation of the Chief Executive Officer and, other senior executives;
- (b) Planning for succession with respect to the position of Chief Executive Officer and monitoring management's succession planning for other senior executives;
- (c) Reviewing and, where appropriate, approving the Corporation's major financial objectives, as well as its strategic and operating plans and actions;
- (d) Overseeing the Corporation's risk-management program, including, without limitation, social and environmental risks; and
- (e) In general, evaluating whether the Corporation's business is being properly managed.

The Board has delegated to the Chief Executive Officer, working with the other executive officers of the Corporation, the authority and responsibility for managing the business of the Corporation in a manner consistent with the established policies of the Corporation, and in accordance with any specific plans, instructions or directions of the Board. The Chief Executive Officer and Management are responsible for seeking the advice and, in appropriate situations, the approval of the Board with respect to certain actions to be taken by the Corporation.

## **Composition and Qualifications of the Board of Directors**

- (a) *Size of the Board.* Under the Corporation's Certificate of Incorporation, the size of the Board is fixed from time to time by action of the Board at not less than three members and not more than 15 members. The Nominating, Governance and Corporate Social Responsibility Committee periodically reviews the appropriate size of the Board and makes recommendations to the Board.
- (b) *Mix of Management and Independent Directors.* In accordance with Section 303A of the NYSE Listed Company Manual (the "NYSE Rules"), there will be at least a majority of independent

directors on the Board. The Board utilizes the definition of an "independent" director as specified in Section 303A.02 of the NYSE Rules.

(c) *Board Membership Criteria and Diversity.* The Nominating, Governance and Corporate Social Responsibility Committee is responsible for reviewing from time to time the appropriate skills and characteristics required of Board members in the context of the background of existing members and in light of the perceived needs for the future development of the Corporation's business. This assessment includes issues of diversity and experience in different substantive areas such as retail operations, marketing, technology, distribution, real estate, and finance. The Board seeks the best director candidates based on the skills and characteristics required without regard to race, color, national origin, religion, disability, marital status, age, sexual orientation, gender, gender identity and expression, or any other basis protected by federal, state or local law. The Nominating, Governance and Corporate Social Responsibility Committee and any search firm that it engages, includes women and minority candidates in the pool from which the Nominating, Governance and Corporate Social Responsibility Committee selects director candidates. Board diversity is valued and provides many benefits, including creativity, variety in approaches to problem solving, and the ability to work effectively in our various markets.

(d) *Meeting Preparation and Attendance.* Board members are expected to prepare for, attend, and participate in all Board and applicable Committee meetings. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as an outstanding director. These other commitments will be considered by the Nominating, Governance and Corporate Social Responsibility Committee when reviewing Board candidates and in connection with the Board's annual self-assessment process.

Board members are also encouraged to attend annual meetings of stockholders.

(e) *Selection of New Director Candidates.* The Board is responsible for overseeing the director nomination process. The Board delegates the screening process to the Nominating, Governance and Corporate Social Responsibility Committee for recommendation to the full Board in accordance with the Nominating, Governance and Corporate Social Responsibility Committee Charter. The Nominating, Governance and Corporate Social Responsibility Committee will review candidates recommended by stockholders. All candidates are reviewed in the same manner, regardless of the source of the recommendation. Stockholders wishing to suggest director candidates should submit their suggestions in writing to the attention of the Corporate Secretary of the Corporation in accordance with the provisions of the Corporation's Bylaws.

(f) *Majority Voting.* Pursuant to Article II, Section 11 of the Corporation's Bylaws, Board members in an uncontested election are elected by a majority of the votes cast as set forth in the procedures established in Article II, Section 11 of the Bylaws. An incumbent director who does not receive a majority of the votes cast in an uncontested election will promptly tender his or her resignation to the Board, and the Nominating, Governance and Corporate Social Responsibility Committee will then make a recommendation to the Board on whether to accept or reject the resignation or take other action in accordance with the procedures in the Corporation's Bylaws.

## **Education and Evaluation of the Board of Directors**

(a) *New Director Orientation.* The Chief Executive Officer, in conjunction with Management, is responsible for new director orientation programs. The orientation programs, which take place over the first six months of board service, are designed to familiarize new directors with the Corporation's businesses, strategies, and challenges, as well as its corporate governance policies and procedures. We provide this initial information through a combination of reference materials, formal meetings with business leaders and tours of our facilities/store locations.

(b) *Continuing Education.* The Board encourages all directors to participate in third-party continuing education programs to assist in developing and maintaining skills necessary or appropriate for the performance of their responsibilities, and we reimburse directors for their expenses associated with this participation. Directors may also attend professional development forums and industry-leading conferences convened by the NACD, external accounting firms and retail/brand organizations focused on topics that are relevant to their duties as a director.

(c) *Formal Evaluation of the Board.* The Nominating, Governance and Corporate Social Responsibility Committee manages the Board's process for annual director self-assessment and evaluation of the performance of the full Board and its Committees. The Board may also engage a third party to conduct assessments of the Board and its Committees as it deems necessary.

## **Board of Directors Guidelines**

(a) *Limits on Outside Board Memberships.* Board members who are executive officers of other publicly-traded companies should not serve on more than two public company boards at one time and Board members who are retired from full-time employment should not serve on more than four public company boards. If a director desires to serve on the board of another public company, the additional position must first be approved by the Chairperson of the Nominating, Governance and Corporate Social Responsibility Committee. The Chief Executive Officer should not serve on more than one other public company board, unless otherwise determined by the Nominating, Governance and Corporate Social Responsibility Committee, and must consult with the Chairperson of the Nominating, Governance and Corporate Social Responsibility Committee before accepting an appointment to an outside public company board. In the event that the Chairperson of the Nominating, Governance and Corporate Social Responsibility Committee 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 Corporation, such director shall either offer his or her resignation or not accept the other directorship. Service on private company, charitable or educational boards does not count towards this limit. The Nominating, Governance and Corporate Social Responsibility Committee is responsible for oversight of these limits and has discretion to make individual exceptions as it deems appropriate.

(b) *Directors Who Change Their Present Job Responsibility.* Any director who retires or changes employment or other position from those held when first elected to the Board shall notify the Chairperson of the Nominating, Governance and Corporate Social Responsibility Committee and submit an offer letter of resignation for consideration by the Nominating, Governance and Corporate Social Responsibility Committee and the full Board. The Nominating, Governance and Corporate Social Responsibility Committee will consider the director's offer of resignation and will recommend to the full Board the action to be taken. Directors who are employees of the Corporation shall offer their resignation from the Board at the same time they leave active employment with the Corporation, which shall be subject to acceptance by the Board.

(c) *Term Limits.* The Board has no term limits. The Board believes term limits arbitrarily force the loss of contributions from directors who have developed significant institutional knowledge, experience and insight into the Corporation and its operations and, therefore, provide a valuable and increasing contribution to the Board.

(d) *Director Retirement Policy.* The Board does not believe that arbitrary age limits on directors' service are appropriate for the same reason it does not believe it should establish term limits.

(e) *Stock Ownership.* Each director shall, within five years of joining the Board, hold stock of the Corporation worth at least five times the annual base retainer then in effect. The following forms of equity interests in the Corporation count towards the stock ownership requirement:

- Shares purchased on the open market;

- Shares obtained through stock option exercise;
- Shares held as deferred stock units;
- Shares held in benefit plans;
- Shares held in trust for the economic benefit of the director or spouse or dependent children of the director; and
- Shares owned jointly or separately by the spouse or dependent children of the director.

Unexercised stock options and unvested restricted stock do not count towards the stock ownership requirement.

## **Board Communications**

Any interested party may communicate with the Board, its Committees, or its individual members by sending an email to [boardofdirectors@ae.com](mailto:boardofdirectors@ae.com) or writing to the following address: American Eagle Outfitters, Inc., 77 Hot Metal Street, Pittsburgh, PA 15203. Depending on the nature of the communication, either the correspondence will be forwarded to the director(s) named or the matter will be presented in a periodic report to the Board. Notwithstanding the foregoing, the Corporate Secretary may determine not to forward or report items that are unrelated to a director's duties and responsibilities as a Board member, including, without limitation, solicitations and advertisements, junk mail, product-related communications, routine customer complaints, job referral materials such as resumes and surveys, and material that is determined to be illegal or otherwise inappropriate.

The Chairperson of the Board or Lead Independent Director (as defined below), if requested by major stockholders, are available for consultation and direct communication, if appropriate. Non-employee directors should not communicate with the media or analysts regarding the Corporation unless requested or approved in advance by the Corporation's Chief Executive Officer or the Board.

## **Compensation of the Board of Directors**

As a general policy, Board compensation is a mix of cash and equity-based compensation. The Compensation Committee, in consultation with the Nominating, Governance and Corporate Social Responsibility Committee, reviews and recommends to the full Board the level and mix of compensation for directors, based upon the advice of compensation consultants retained by the Compensation Committee. Directors who are employees of the Corporation are not paid for Board service beyond their regular employee compensation.

## **Board Committees**

(a) *Number of Committees.* The Board has three standing Committees: the Audit Committee, Compensation Committee, and Nominating, Governance and Corporate Social Responsibility Committee. The Board may establish Committees or eliminate existing Committees as it deems appropriate, consistent with the Corporation's Bylaws, and applicable laws or regulations.

(b) *Committee Composition and Practices.* Each Committee (1) is composed entirely of independent directors; (2) has a written charter, approved by the Board, which describes the Committee's general authority and responsibilities; (3) reviews its charter annually, and works with the Nominating, Governance and Corporate Social Responsibility Committee and the Board to make appropriate revisions and updates as necessary; (4) has the authority to engage outside experts, advisors and counsel to the extent it considers appropriate to assist the Committee in its work; and (5) regularly reports to the Board concerning the Committee's activities.

(c) *Assignment and Term of Service of Committee Members.* The Board, upon recommendation of the Nominating, Governance and Corporate Social Responsibility Committee, appoints Committee

members. A director may serve on more than one Committee. Board Committee assignments are reviewed each year by the Nominating, Governance and Corporate Social Responsibility Committee and approved by the Board. The members of a Committee appoint by a majority vote the Chairperson of such Committee annually.

(d) *Frequency and Length of Committee Meetings and Committee Agenda.* The Committee Chairperson determines the frequency and length of the Committee meetings and develops the Committee's agenda in collaboration with the other Committee members. The Committee meeting minutes are shared with the full Board, and other non-employee directors are welcome to attend Committee meetings.

## **Meetings and Materials**

(a) *Scheduling and Selection of Agenda Items for Board Meetings.* Board meetings are scheduled in advance for each quarter. In addition to regularly scheduled meetings, additional Board meetings may be called, upon appropriate notice, at any time to address specific needs of the Corporation. The Board may also take action from time to time by unanimous written consent.

The Chief Executive Officer and the Corporate Secretary, in collaboration with the Lead Independent Director and other members of the Board, draft the agenda for each meeting and distribute it in advance to the Board. Each director may at any time propose agenda items, request the presence of or a report by any member of the Corporation's Management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

(b) *Board Material Distributed in Advance.* Information and meeting materials that are important to the Board's understanding of the business or matters set forth on the agenda are distributed to the Board in writing and in advance of the meeting, except in those circumstances when it is not practical to do so. Supplemental written materials are provided to the Board on a periodic basis and at any time upon a director's request.

As a general rule, materials on specific subjects are sent to the Board members sufficiently in advance of each meeting so that directors can prepare for the meeting and that, at the meeting, directors may focus on questions and discussions regarding the issues raised by the materials. Sensitive subject matters may be discussed at the meeting with or without written materials being distributed in advance or at the meeting.

(c) *Access to Employees and Board Presentations.* The Board has complete access to contact and meet with any employee of the Corporation, as necessary. The Board encourages the Chief Executive Officer to schedule select employees to make presentations at Board meetings to provide information, insights and opinions regarding agenda items being discussed, or to simply update and educate the Board regarding developments in the Corporation's business.

(d) *Meetings of Independent Directors.* The Board's policy is to have the independent directors meet separately in executive session in connection with each regularly scheduled Board meeting (at least four times annually). During each meeting of the independent directors, the Lead Independent Director will lead the discussion.

## **Leadership**

(a) *Chairperson of the Board.* The Chairperson of the Board shall have duties and responsibilities including, but not limited to, the following:

- Providing leadership to the Board;

- Presiding over meetings of the Board;
- Reviewing and advising on information to be sent to the Board, setting meeting agendas, and meeting schedules in collaboration with the Lead Independent Director, as well as determining whether there are major risks upon which the Board should focus at the meeting(s);
- Facilitating communication among directors; and
- Providing strategy insight and guidance to the Corporation.

The Board believes that whether to have the same person occupy the offices of Chairperson of the Board and Chief Executive Officer should be decided by the Board, from time to time, in its business judgment after considering relevant factors, including the specific needs of the business and the best interests of the Corporation and its stockholders. Whenever the Chairperson of the Board is also the Chief Executive Officer, or any other officer of the Corporation, a non-employee director who has served on the Board for at least one year shall be appointed by a majority vote of the independent directors (the “Lead Independent Director”).

(b) *Lead Independent Director.* The Lead Independent Director is appointed by the independent directors annually. The Lead Independent Director is responsible for:

- Presiding over the meetings of independent directors;
- Serving as a liaison between the Chairperson of the Board and the independent directors;
- Having input on information sent to the Board;
- Collaborating with the Chairperson of the Board and/or Chief Executive Officer on meeting agendas for the Board; and
- Approving meeting schedules to assure that there is sufficient time for discussion of all agenda items.

The Lead Independent Director also has the authority to call meetings of independent directors, and if requested by major stockholders, is available, if appropriate, for consultation and direct communication.

If the Lead Independent Director is unable, at any time, to continue to serve in such role, a Chairperson of one of the three standing Committees shall serve as the Lead Independent Director on a temporary, interim basis until a new Lead Independent Director is selected by a majority of the independent directors.

(c) *Formal Evaluation of Chief Executive Officer.* The independent directors perform the annual performance evaluation of the Chief Executive Officer as a part of the Corporation’s annual performance review process for all full-time employees.

(d) *Succession Planning and Management Development.* The Nominating, Governance and Corporate Social Responsibility Committee reviews succession planning for the Chief Executive Officer (including in the event of emergency or retirement of the Chief Executive Officer), and the Chief Executive Officer reviews succession planning for the other members of senior management, with the Board on an annual basis. The Corporation’s succession plan for the Chief Executive Officer and other members of senior management includes identifying potential candidates. The Nominating, Governance and Corporate Social Responsibility Committee and the Chief Executive Officer report on succession planning to the Board, and the Board reviews succession planning at least annually.

## **Integrity and Conduct**

Members of the Board shall act at all times in accordance with the requirements of the Corporate Code of Ethics, which applies to all employees (including executive officers) and each director in connection with

activities relating to the Corporation. This obligation includes, without limitation, adherence to the Corporation's policies with respect to conflicts of interest, confidentiality, protection of the Corporation's assets, ethical conduct in business dealings and respect for and compliance with applicable law. Any waiver of the requirements of the Corporate Code of Ethics with respect to any individual director or executive officer must be reported to, and be subject to the approval of, the Board and will be disclosed as required by law.

### **Annual Review**

The Nominating, Governance and Corporate Social Responsibility Committee reviews these Guidelines on an annual basis and reports to the Board with any recommendations for amendment or revision for approval by the full Board.