



ADT Inc.

Board Governance Principles

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ADT VISION AND VALUES

ADT's Board of Directors (the "Board") is responsible for directing, and providing oversight of, the management of ADT's business in the best interests of the stockholders and consistent with good corporate citizenship. In carrying out its responsibilities, the Board selects and monitors top management, provides oversight for financial reporting and legal compliance, determines ADT's governance principles and implements its governance policies. The Board, together with management, is responsible for establishing the firm's operating values and code of conduct and for setting strategic direction and priorities.

While ADT's strategy and leadership evolve in response to its changing market conditions, the company's vision and values are enduring. So too are five governance principles, and along with the company's vision and values, they constitute the foundation upon which the company's governance policies are built.

ADT believes that good governance requires not only an effective set of specific practices but also a culture of responsibility throughout the firm, and governance at ADT is intended to optimize both. ADT also believes that good governance ultimately depends on the quality of its leadership, and it is committed to recruiting and retaining directors and officers of proven leadership and personal integrity. To further these goals, the Board has adopted these board governance principles. The Board intends that these principles serve as a flexible framework within which the Board may conduct its business, not as a set of binding legal obligations.

ADT Mission: Why We Exist and the Essence of Our Business

Our mission is to help our customers protect and connect to what matters most – their families, homes and businesses. This mission, in conjunction with committing to the highest standards of business practices, will lead to ADT's long-term growth, value, and success.

ADT Values: What Matters Most at ADT

Trust: We earn trust everyday and never take it for granted.

- We never forget that we help save lives for a living
- We're proud that people count on us and our integrity is assumed
- We follow through on our commitments
- We don't make promises we can't keep to each other, our customers, our partners, or our communities
- We consistently create positive experiences in all our relationships and act in ways we can all admire

Collaboration: Together we do great things.

- Across every function, we're passionate and proud about the work we do
- We ask questions, actively listen, and incorporate feedback
- We depend on each other to bring our best selves and our best ideas
- We can be counted on

- We succeed when individual performance strengthens collective performance
- We respect and value our teammates' opinions
- We build strong relationships with the people we work with
- We help foster an open and inclusive environment
- We are considered to be the “partner of choice”

Service: We deliver excellent service in every experience.

- We get it right the first time
- We treat our customers the way we would treat family
- We always look for ways to improve our customers' experience
- We strive to exceed expectations in every interaction
- We give back to the communities where we live and work
- We have pride in our partnership with first responders
- We deliver value to investors by growing the business
- We treat our colleagues with respect and care

Innovation: We think ahead to stay ahead.

- We are always looking for better ways of doing things
- We pioneer new technologies to differentiate ourselves and advance our industry leadership position
- We learn from both our successes and our failures
- We need to be nimble and agile so we can be proactive and seize opportunities
- We celebrate our successes and challenge ourselves to move to new heights of achievement
- We promote new ideas and encourage creativity
- We are willing to let go of old habits and test new ideas

ADT CULTURE OF RESPONSIBILITY AND CODE OF CONDUCT

ADT's company culture is built on the premises that the company seeks to draw the best from its employees, and that every employee, without exception, is responsible for the conduct and success of the enterprise. This includes full, accurate, candid, and timely disclosure of information, and compliance with all laws and regulatory standards. Employee responsibilities are elaborated in our Code of Conduct. The Board is responsible for setting the ethical tenor for management and the company. That ethical tenor works on the expectation that employees understand where the lines are that they should not cross and stay widely clear of those lines. The Code of Conduct is reviewed periodically by all directors, officers and other employees, and they affirm in writing that they understand it and are fully in compliance with it. All senior executives, including the chief executive, are evaluated and compensated in part on proactively promoting integrity and compliance.

THE ADT BOARD OF DIRECTORS

Mission of the Board of Directors: What the Board Intends to Accomplish

The mission of ADT's Board of Directors (the "Board") is to promote the long-term value and health of the company in the interests of the stockholders, its employees and its other stakeholders and set an ethical "tone at the top." To this end, the Board provides management with strategic guidance, and also ensures that management adopts and implements procedures designed to promote both legal compliance and the highest standards of honesty, integrity and ethics throughout the organization.

Governance Principles: How the Board Oversees the Company

1. **Active Board:** The directors are well informed about the company and vigorous in their oversight of management.
2. **Company Leadership:** The directors, together with management, set ADT's strategic direction, review financial objectives, and establish a high ethical tone for the management and leadership of the company.
3. **Compliance with Laws and Ethics:** The directors ensure that procedures and practices are in place designed to prevent and identify illegal or unethical conduct and to permit appropriate and timely redress should such conduct occur.
4. **Inform and Listen to Investors and Regulators:** The directors take steps to see that management discloses appropriate information fairly, fully, timely, and accurately to investors and regulators, and that the company maintains a two-way communication channel with its investors and regulators.
5. **Continuous Improvement:** The directors remain abreast of new developments in corporate governance, and they implement new procedures and practices as they deem appropriate.

Board Responsibilities

The Board is responsible for:

- Reviewing and approving management's strategic and business plans.
- Reviewing and approving financial plans, objectives, and actions including significant capital allocations and expenditures.
- Monitoring management execution of corporate plans and objectives.
- Recommending director candidates for election by stockholders.
- Appraising the company's major risks and overseeing that appropriate risk management and control procedures are in place.

- Selecting, monitoring, evaluating, compensating, and if necessary replacing the CEO and other senior executives, and seeing that management development and succession plans are maintained for these executive positions.
- Determining the CEO’s compensation based on performance in meeting pre-determined standards and objectives.
- Determining that procedures are in place designed to ensure compliance with laws and regulations and setting an ethical “tone at the top.”
- Determining that procedures are in place designed to ensure compliance with laws and to promote integrity and candor in the audit of the company’s financial statements and operations, and in all financial reporting and disclosure.
- Designing and assessing the effectiveness of its own governance practices and procedures.
- Periodically monitoring and reviewing shareholder communications sent to the company.

Board Risk Management

The Board is responsible for appraising the company’s major risks and for determining that appropriate risk management and control procedures are in place and that senior executives take the appropriate steps to manage all major risks.

Board Capacities

The Board as a whole is constituted to be strong in its collective knowledge and diversity of accounting and finance, management and leadership, vision and strategy, business operations, business judgment, crisis management, risk assessment, industry knowledge, corporate governance, and global markets.

The culture of the Board is such that it can operate swiftly and effectively in making key decisions when facing major challenges. Board meetings are conducted in an environment of trust, open dialogue, mutual respect, and constructive commentary that are akin to those of a high-performance team.

The Board is informed, proactive, and vigilant in its oversight of the company and protection of stockholder assets.

- The business of the company is managed under the direction of the Board, in the interest of the stockholders.
- The Board delegates its authority to management for managing the everyday affairs of the company.
- The Board requires that senior management review major actions and initiatives with the Board prior to implementation.

Board Committees

- To conduct its business, the Board maintains four standing committees: Executive, Audit, Compensation, and Nominating and Governance. The Board may, in its discretion, establish additional committees. Assignments to, and chairs of, the Audit and Compensation Committees are recommended by the Nominating and Governance Committee and selected by the Board. All committees report on their activities to the Board.
- The Chairman may convene a “special committee” to review certain material matters being considered by the Board. The special committee will report their activities to the Board.
- The Board determines the number of directors up to a maximum of 15 directors, with the goal of ensuring effective discussion and decision making while at the same time having a sufficient number of qualified directors for its committees. Subject to the company’s certificate of incorporation, the number of directors shall be fixed by resolution by the Board, and the remaining directors have the authority to fill any vacancy that may arise in the Board at any time.
- The Nominating and Governance Committee reviews the Board’s organization annually and recommends appropriate changes to the full Board.

Director Independence

Since funds affiliated with or controlled by Apollo Global Management, LLC control more than 50% of our combined voting power, we are considered a “controlled company” for the purposes of the New York Stock Exchange’s rules and corporate governance standards. As a “controlled company,” we are permitted to, and we elect not to comply with corporate governance requirements that (1) require our Board to have a majority of independent directors, (2) require that we establish a compensation committee composed entirely of independent directors and with a written charter addressing the committee’s purpose and responsibilities and (3) require we have a nominating and corporate governance committee comprised entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities, or otherwise ensure that the nominees for directors are determined or recommended to our board of directors by the independent members of our board of directors pursuant to a formal resolution addressing the nominations process and such related matters as may be required under the federal securities laws.

As required by the applicable rules and regulations of the SEC and the New York Stock Exchange, our Audit Committee consists entirely of independent directors and our Board makes affirmative determinations that all members of our Audit Committee have no material relationships with the company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company) and are independent. Independent directors are required to meet a stringent definition of independence, including all requirements of the SEC and the New York Stock Exchange, and for those directors that meet this definition, the Board will make an affirmative determination that such directors have no material relationships with the company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company) and are independent.

Independent directors:

- Are not, nor have been within the last three years, an employee of the listed company, or an immediate family member is, or has been within the last three years, an executive officer, of the listed company;
- Have not received, nor has an immediate family member who has received, during any twelvemonth period within the last three years, more than \$120,000 in direct compensation from the listed company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
- (a) Are not a current partner or employee of a firm that is the listed company's internal or external auditor; (b) does not have an immediate family member who is a current partner of such a firm; (c) does not have an immediate family member who is a current employee of such a firm and personally works on the listed company's audit; or (d) were not, and do not have an immediate family member who was, within the last three years, a partner or employee of such a firm and personally worked on the listed company's audit within that time;
- Are not, and do not have an immediate family member who is, or have been within the last three years, employed as an executive officer of another company where any of the listed company's present executive officers at the same time serves or served on that company's compensation committee;
- Are not a current employee, or an immediate family member are not a current executive officer, of a company that has made payments to, or received payments from, the listed company 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 such other company's consolidated gross revenues;
- Do not accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the issuer or any subsidiary thereof.

Charitable Contributions

The Board understands that its members, or their immediate family members, serve as directors, trustees, executives, advisors, and in other capacities with a host of other organizations. If ADT directs a charitable donation to an organization in which an ADT director, or their immediate family member, serves as a director, trustee, executive, advisor, or in other leadership capacities with the organization, the Board must approve the donation. Any such donation approved by the Board will be limited to an amount that is less than one percent of that organization's annual consolidated gross revenues, and less than five percent of ADT's total annual charitable contributions. Any commercial and charitable relations of ADT with the directors' outside organizations are publicly reported, consistent with the regulatory requirements.

Board Meetings

- The Board meets at least four times annually, and additional meetings may be called in accordance with ADT's By-laws. Frequent Board meetings are critical not only for timely decisions but also for directors to be well informed about company operations and issues. Board members are encouraged to be in attendance at the annual meeting in person or via exception, by telephone.
- The Chairman, in consultation with the CEO, is responsible for setting meeting agendas with input from the directors.
- Committee meetings are held in conjunction with Board meetings. Certain committee decisions are reviewed and approved by the Board.
- The Board chair and committee chairs are responsible for conducting meetings and informal consultations in a fashion that encourages informed, meaningful, and probing deliberations. Presentations at Board meetings are concise and focused, and they include adequate time for discussion and decision-making.
- Directors receive the agenda and materials for regularly scheduled Board and committee meetings in advance. Best efforts will be made to make materials available as soon as one week in advance. When practical, the same applies to special meetings of the Board. Directors may ask for additional information from, or meet with, senior managers at any time.
- The non-management directors of the Company meet in executive sessions without management on a regular basis. The Chairman presides at such executive sessions (the "Presiding Director"). In the absence of the Presiding Director, the non-management directors will designate another director to preside over such executive sessions.
- Strategic planning and succession planning sessions are held annually at a regular Board meeting. The succession planning meeting focuses on the development and succession of not only the chief executive but also the other senior executives.
- The Board's intent is for directors to attend all regularly scheduled board and committee meetings.
- Regularly scheduled Board and committee meetings are to be attended in person. Telephonic participation is the exception. The decisions by the Board and its committees are recorded in the minutes of their meetings, and copies of the minutes are forwarded promptly to all directors after each Board and committee meeting.

Board and Committee Calendars

A calendar of regular agenda items for the four regularly scheduled board meetings and all regularly scheduled committee meetings is prepared annually, by the Chairman in consultation with the committee chairs, and all interested directors.

Board Communication

Management speaks on behalf of the company, and the Board normally communicates through management with outside parties, including ADT stockholders, business journalists, equity analysts, rating agencies, and government regulators. Stockholders and interested parties can directly raise issues with the non-management directors via email at directors@adt.com. The Board will periodically review all pertinent shareholder communications.

Board Contact with Operations and Management

- Aspire to visit company operations are made at least annually in conjunction with the Board's review of enterprise risks and mitigation plans. Directors are encouraged to visit company operations at any time, noting that coordination through the Chief Legal Officer is desirable.
- In his or her discretion, the Chairman arranges for senior managers to attend Board meetings and meet informally with directors before and after the meetings.
- Directors may contact members of senior management from time to time, as they deem necessary.

Board Advisors

The Board and its committees (consistent with the provisions of their respective charters) may retain their own advisors, at the expense of the company, as they determine necessary to carry out their responsibilities.

Auditor Rotation

The Audit Committee of the Board will ensure that the lead audit partner and the audit review partner be rotated every five (5) years or as otherwise required by the rules of the SEC.

Board Self-Evaluation

The Nominating and Governance Committee coordinates an annual evaluation process by the directors of the Board's performance and procedures, including an evaluation of individual directors. This self-evaluation leads to a full Board discussion of the results.

- The Chairman informally consults with each of the directors as part of the evaluation.
- The qualifications and performance of all Board members are reviewed in connection with their re-nomination to the Board.
- The Nominating and Governance Committee, Audit Committee, and Compensation Committee each conduct an annual self-evaluation of their performance and procedures, including the adequacy of their charters.

Board Compensation and Stock Ownership

- The Compensation Committee, in collaboration with the Nominating and Governance Committee, periodically reviews the directors' compensation and recommends changes in the level and mix of compensation to the full Board.
- To help align Board and stockholder interests, directors are encouraged to own, at a minimum, ADT stock or stock units equal to five times their annual retainer within five years of joining the Board. Once a director satisfies the minimum stock ownership recommendation, the director will remain qualified, regardless of market fluctuations, under the guidelines as long as the director does not sell any stock. A majority of the directors' annual compensation is provided as equity.
- Directors who are company officers receive no additional compensation for service as members of the Board.

Director Candidates

General criteria for the nomination of director candidates include:

- A reputation for integrity, honesty and adherence to high ethical standards.
- Demonstrated business acumen, experience and ability to exercise sound judgments in matters that relate to the current and long-term objectives of the Company and willingness and able to contribute positively to the decision-making process of the Company.
- A commitment to understand the Company and its industry and to regularly attend and participate in meetings of the Board and its committees.
- Interest and ability to understand the sometimes conflicting interests of the various constituencies of the Company, which include stockholders, employees, customers, governmental units, creditors and the general public and to act in the interests of all stockholders.
- No conflict of interest, nor the appearance of a conflict of interest, that would impair the nominee's ability to represent the interests of all the Company's stockholders and to fulfill the responsibilities of a director.
- Individual backgrounds that provide a portfolio of experience and knowledge commensurate with the company's needs.

Invitations to director nominees to become a member of the Board will be extended by the Chair of the Nominating and Governance Committee after discussion with the Chairman and the CEO and agreement by the other members of the Board. The Board will consider nominations submitted by stockholders.

Director Service

- The Board is divided into three classes (each as nearly as equal as possible and with directors in each class serving staggered three-year terms).
- Directors shall tender their resignation from the Board at the annual meeting following their 75th birthday. The Board may ask the director to continue service on the Board when it is deemed to be in the best interest of the company.
- The Nominating and Governance Committee is responsible for the review of all directors, and where necessary will take action to remove a director for performance, which requires the unanimous approval of the full Board. This unanimous approval does not include the approval of the director whose removal is sought.
- Directors inform the Nominating and Governance Committee of any significant change in their employment or professional responsibilities.

Director Orientation and Continuing Education

- A formal orientation program is provided for new directors by the Chief Legal Officer on ADT's mission, values, governance, compliance, and business operations.
- A program of continuing education is annually provided to incumbent directors, including an annual review of the company's Code of Conduct.
- Directors are encouraged to take advantage of outside continuing education opportunities relating to their duties as a director and to subscribe to appropriate publications at the company's expense.

Other Directorships and Conflicts

- In order to provide sufficient time for informed participation in their Board responsibilities nonmanagement directors, who are employed as CEO of a publicly traded company, are required to limit their external directorships of other public companies to two; non-management directors, who are otherwise fully employed, are required to limit their external directorships of other public companies to three; and non-management directors, who are not fully employed, are required to limit their external directorships of other public companies to five. 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 Board.
- The chief executive may serve on no more than two other public company boards.
- The Nominating and Governance Committee is notified of the intention of directors, the chief executive and other senior managers to serve on another board, and the committee reviews the possibility for conflicts of interest or time constraints.

- Each director is required to notify the chair of the Nominating and Governance Committee of any conflicts.