



## MEAD JOHNSON NUTRITION COMPANY CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of Mead Johnson Nutrition Company (the “Company”), which is elected by the stockholders, has responsibility for fostering the Company’s long-term success, consistent with the Board’s fiduciary duty to the Company’s stockholders. The Board establishes broad corporate policies and selects the senior management team that is responsible for the day to day operations of the Company. The Board also acts as an advisor to senior management, providing oversight and ultimately monitoring its performance.

### **Composition and Structure of the Board**

1. **Size of the Board.** The Nominating and Corporate Governance Committee will periodically assess the appropriate size of the Board and make any recommendations for changing the number of directors serving on the Board.
2. **Independence of Directors.** At least a majority of the directors shall meet the New York Stock Exchange (“NYSE”) Listing Standards’ “independence” requirements. At least annually, the Nominating and Corporate Governance Committee reviews all relevant information and makes recommendations to the Board concerning the independence of the directors. Based upon those recommendations, the Board makes an affirmative determination as to the independence of each director. The Board has established categorical standards to assist in making such determinations. Such standards are set forth in Annex A hereto.
3. **Annual Election of Directors; Director Resignation Policy.** The Company’s stockholders elect all directors annually. The Nominating and Corporate Governance Committee recommends a slate of directors for stockholders to elect at the Annual Meeting of Stockholders. The Board then nominates a slate of directors for election. Each director shall be elected by a plurality of the votes cast in such election.

Any nominee for Director in an uncontested election who receives a greater number of votes “withheld” from his or her election than votes “for” such election shall submit his or her offer of resignation for consideration by the Nominating and Corporate Governance Committee within 90 days from the date of the election. The Nominating and Corporate Governance Committee shall consider all of the relevant facts and circumstances and recommend to the Board the action to be taken with respect to such offer of resignation.

4. **Board Membership Criteria.** The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate criteria for membership to the Board. Directors will be selected based on, among other things, diversity of backgrounds and experience, integrity, independence, wisdom, an inquiring mind, vision, a proven record of accomplishment and an ability to work with others. The full Board will determine the final approval of any candidate.

5. **Lead Director.** The Board may, in its discretion, select a Lead Director to assume the following specific duties and responsibilities:
- being available to stockholders and other stakeholders as may be necessary;
  - presiding over meetings of the independent directors;
  - standing in for the Chairman of the Board when he is not present (or recuses himself due to a conflict of interest); and
  - organizing the performance assessment of the Chairman of the Board.

In the absence of a Lead Director, the Chairman of the Board shall carry out these duties and responsibilities.

6. **Change in Director Occupation.** When a director's principal occupation or business association changes substantially during his or her tenure as a director, the director shall tender a letter of resignation for consideration by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will recommend to the Board the action, if any, to be taken with respect to the resignation.
7. **Other Directorships.** The Board encourages independent directors to limit the number of other boards on which they serve. Directors may not serve on more than three additional public company boards. Further, no director who is a chief executive officer of a public company may serve on more than two public company boards apart from their own. Directors must seek the approval of the Chairman (in consultation with the Chair of the Nominating and Corporate Governance Committee) in advance of accepting an invitation to serve on any additional boards. The Nominating and Corporate Governance Committee and the full Board will take into account the nature of and the time involved in a director's service on other boards in evaluating the suitability of individual directors and in making recommendations to stockholders.

Due to the demanding nature of service on the Audit Committee, a member of the Audit Committee may not serve on the audit committees of the boards of directors of more than two other public companies at the same time as they are serving on the Audit Committee, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee.

8. **Term Limits.** The Board's policy is not to establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have a unique insight into the business of the Company.
9. **Board Compensation; Stock Ownership Requirement; Prohibition on Hedging Activity.** The Nominating and Corporate Governance Committee is responsible for reviewing and recommending to the Board, on an annual basis, the compensation for non-employee directors. The Nominating and Corporate Governance Committee periodically benchmarks non-employee director compensation against the Company's peer group and general industry data, considers the appropriateness of the form and amount of non-employee director compensation, and makes recommendations to the Board concerning such compensation with a view toward attracting and retaining qualified directors. The Board believes that a substantial portion of non-employee director compensation should be equity based to assist in aligning directors' interests with stockholders' long-term interests. Employees of the Company who serve as directors receive no additional compensation for such service.

Stock ownership guidelines further align the interests of directors with those of the Company's stockholders. The Company's non-employee directors are expected to hold Company common stock in an amount equal to four times the annual Board retainer. Directors are expected to attain that ownership level within four years of becoming a director. Directors may not sell such common stock until such time as the director has achieved the retention amount (except to satisfy tax withholding requirements). If a director holds the retention amount, such director may elect to sell any shares above that amount upon vesting. If a director departs from the Board, such director may not sell the retention amount until six months after such director's date of departure from the Board.

The Company's securities trading policy prohibits directors, officers and employees from engaging in any transaction in which they may profit from short-term speculative swings in the value of the Company's securities. The policy further prohibits the Company's directors, officers and employees from holding Company securities in margin accounts or pledging Company securities as collateral for loans, except as set forth therein.

10. **Retirement Age.** The Board's policy is that non-employee directors should retire as a director at the Annual Meeting of Stockholders following his or her 75th birthday unless agreed otherwise by a majority of the independent members of the Board.

### **Board Responsibilities**

1. **Duties of Directors.** The basic responsibility of the directors is to exercise their business judgment to act in the best interests of the Company and its stockholders. In carrying out this responsibility, the Board also considers the concerns of its other stakeholders and interested parties, including its employees, customers, suppliers, partners, local communities, and the public at large. The directors rely on the honesty and integrity of the Company's officers, employees, and outside advisors in making Board decisions. The directors are also responsible for acting as advisors to the senior management team.
2. **Attendance at Meetings.** Directors are expected to regularly attend Board meetings and meetings of committees on which they serve. Directors should spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Directors are expected to review meeting materials prior to Board and committee meetings. Directors are encouraged to ask questions and communicate concerns at any time.
3. **Continuing Director Education.** The Nominating and Corporate Governance Committee will make available orientation programs for new directors and from time to time continuing education programs for directors, when appropriate. Directors are encouraged to take advantage of continuing education opportunities that enhance their ability to fulfill their responsibilities. The Company reimburses directors for reasonable costs incurred in connection with such continuing education.
4. **Director Communications with Third Parties.** The Board believes that management speaks for the Company and should be the sole source of communication with stockholders, analysts, the press, media and other constituencies. An individual director should not communicate with the Company's various constituencies unless requested to do so by management.
5. **Stockholder and Interested Party Communications with the Board.** Stockholders and other interested parties may write to independent directors at The Board of Directors, Mead Johnson Nutrition Company, 2701 Patriot Boulevard, Glenview, Illinois 60026, Attention: Corporate Secretary. The independent directors established procedures for handling such communications and directed the Company's Secretary to act as their agent in processing such communications. The Company's

Secretary forwards communications relating to matters within the Board's purview to the independent directors, communications relating to matters within a Board committee's area of responsibility to the chair of the appropriate committee, and communications relating to ordinary business matters, such as suggestions, inquiries and consumer complaints, to the appropriate Company executive. The Company's Secretary does not forward solicitations, junk mail and obviously frivolous or inappropriate communications, but makes them available to any independent director who requests them.

6. **Evaluating the Board's Performance.** The Nominating and Corporate Governance Committee is responsible for facilitating the Board's annual evaluation of its performance for the purpose of increasing the effectiveness of the Board. This evaluation should be of the Board's contribution as a whole and specifically review areas in which the Board and/or management believe improvement may be desirable.
7. **Compliance, Ethics and Conflicts of Interest.** The Board and its Committees are responsible for oversight of the processes designed by senior management regarding compliance, including the Company's Code of Business Conduct and Ethics for Directors, Code of Ethics of Senior Financial Officers and Standards of Business Conduct and Ethics. These Codes communicate the Company's commitment to the highest standards of moral and ethical behavior in all of its business activities and its commitment to compliance with all applicable laws and regulations. Each of these Codes is available on the Company's website.

Any waiver of these Codes by directors and executive officers may be made only by the Board of Directors or a Board Committee and must be promptly disclosed to stockholders. Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company. If any actual or potential conflict of interest arises for a director, the director shall promptly inform the Chairman and the Chair of the Nominating and Corporate Governance Committee. If a significant conflict exists and cannot be resolved, the director shall resign. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests.

8. **Risk Oversight.** The Board is responsible for oversight of the Company's enterprise risk management processes designed by senior management. The Audit Committee also provides specific oversight of the Company's financial risk exposures. The Chief Executive Officer informs the Board of the Company's major risk exposures and describes the steps taken by senior management to monitor and control such exposures. Senior management, with Board oversight, is responsible for daily oversight of the Company's risk management processes and sets the Company's tone at the top. In addition to prioritizing risks based on the magnitude and probability of occurrence, senior management monitors significant risks and responses and ensures that the Company's overall business strategy is risk-responsive.

### **Board Meeting Procedures**

1. **Frequency of Meetings.** The Board has approximately 5 regularly scheduled meetings per year, as required to attend to the business of the Company, with in-person meetings being supplemented by teleconference meetings as required. At the Board's annual organizational meeting, the Board appoints Board committee members and committee chairs as well as the Company's officers. In addition, special meetings may be called from time to time as determined by the needs of the Company's business.
2. **Selection of Agenda Items for Board Meetings.** The Chairman, with advice from the Chief Executive Officer and Secretary, shall establish the agenda items for each Board meeting. In addition,

an annual Board and Board Committee agenda is determined by this group and provided to all Directors for their input. The agenda will be distributed in advance of the meeting to each director.

3. **Board Materials Distributed in Advance.** Information, data and presentation materials that are important to the Board's understanding of the business will be distributed in writing to the Board before the Board meets. Management will make every attempt to ensure that the materials being distributed are as concise as possible while giving directors sufficient information to make informed decisions. Under certain circumstances, written materials may be unavailable to directors in advance of a meeting, and certain items of an extremely sensitive nature will not be distributed in advance if the distribution of materials would be inappropriate.

### **Involvement of Senior Management**

1. **Attendance of Non-Directors at Board Meetings.** The Board welcomes the attendance at Board meetings of non-Board members who are present for the purpose of making presentations, responding to questions by the directors or providing counsel on specific matters within their area of expertise.
2. **Board Access to Management and Outside Advisors.** Board members have complete access to the Company's management and outside advisors. Board member contact with such individuals shall be handled in a manner that would not be disruptive to the business operation of the Company. Any such contact that is in writing should be copied to the Chairman, as appropriate.

Furthermore, the Board encourages management to bring executives into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are executives with future potential that the senior management believes should be given exposure to the Board.

### **Committee Matters**

1. **Number, Structure and Independence of Committees.** Pursuant to the Company's By-laws, the Board may establish committees from time to time to assist it in the performance of its responsibilities. The Board currently has five committees: Audit, Compensation and Management Development, Nominating and Corporate Governance, Nutrition Science and Technology and Risk Management & Compliance.

#### ***Audit Committee:***

The committee monitors the Company's financial reporting processes and systems of internal accounting control, the independence and the performance of the independent auditors, and the performance of the internal auditors.

#### ***Compensation and Management Development Committee:***

The committee oversees the Company's executive compensation, including determining the compensation of the Chief Executive Officer, producing an annual Compensation and Management Development Committee report on executive compensation to be included in the Company's Proxy Statement in accordance with applicable rules and regulations of the Securities and Exchange Commission (the "SEC"), and reviewing the succession plans for the Chief Executive Officer and other senior executives.

***Nominating and Corporate Governance Committee:***

The committee is responsible for identifying and vetting individuals qualified to become Board members, recommending a slate of nominees for election at each Annual Meeting of Stockholders, making recommendations to the Board concerning the appropriate size, function, needs and composition of the Board and its committees, developing and recommending to the Board the Company's corporate governance principles and overseeing the evaluation of the Board and its committees and management.

***Nutrition Science and Technology Committee:***

The committee assists the Board in its oversight of the Company's research and development ("R&D") activities and medical and scientific risk management processes, as well as interacting with and evaluating the performance of the Company's internal R&D function.

***Risk Management & Compliance Committee:***

The committee is responsible for providing oversight of the Company's risk management and compliance programs.

From time to time, the Board may want to form a new committee or disband a current committee depending upon the circumstances. The Nominating and Corporate Governance Committee is responsible for evaluating and recommending to the Board the responsibilities of the Board committees, including the structure, operations and the authority to delegate subcommittees.

The committee charters are available at [www.mjn.com](http://www.mjn.com).

2. **Membership and Chairs of Committees.** Based upon the Nominating and Corporate Governance Committee's recommendation, the Board appoints the committee members and chairs. Audit Committee, Compensation and Management Development Committee and Nominating and Corporate Governance Committee members shall meet the NYSE's independence requirements as well as the additional requirements for committee membership established by the NYSE and any other applicable laws, rules and regulations and the applicable committee charter. At least one Audit Committee member shall be an "audit committee financial expert" as defined in the SEC's regulations. Generally, the Board does not favor mandatory rotation of committee assignments or chairs, believing that experience and continuity are more important. However, from time to time, as the Board composition changes, the Nominating and Corporate Governance Committee may recommend rotation of committee and committee chair assignments.
3. **Assignment of Committee Members.** The Nominating and Corporate Governance Committee is responsible, after consultation with the Chairman of the Board and with consideration of the desires of individual Board members, for the assignment of Board members to various committees, including evaluating and selecting Board committee chairpersons. Consideration should be given to rotating committee members periodically at about a five year interval, but the Board does not have a firm policy mandating rotation of committee assignments since there may be reasons to maintain an individual director's committee membership for a longer period.
4. **Frequency and Length of Committee Meetings.** The committee chair, in consultation with committee members, will determine the frequency and length of the meetings of the committee. The committee chair will report the highlights of their meetings to the full Board following each meeting.

5. **Committee Agendas.** The committee chair, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. Any director, however, may recommend the inclusion of a specific agenda item for any committee meeting, regardless of whether the director is a member of such committee.

### **Leadership Development**

1. **Annual Evaluation of the Chief Executive Officer.** The Board is responsible for performing an annual evaluation of the Chief Executive Officer. The evaluation should be based on objective criteria including performance of the business, accomplishment of long-term strategic objectives and development of management succession. The evaluation will be used in the course of its deliberations when considering the compensation of the Chief Executive Officer.
2. **Approving CEO Compensation.** The Compensation Committee is responsible for evaluating annually the Chief Executive Officer's performance against the approved performance goals and objectives.
3. **Succession Planning.** The Chief Executive Officer should provide to the Board an annual report on succession planning. There should also be available, on a continuing basis, the Chief Executive Officer's recommendation as a successor should he/she be unexpectedly disabled. This topic should be addressed regularly in Executive Session.
4. **Management Development.** The Chief Executive Officer should provide to the Board, on an annual basis, an assessment of persons considered potential successors to certain senior management positions, including a review of any management programs recommended for such individuals.

### **Periodic Review**

1. The Board has the authority to amend these guidelines. The Nominating and Corporate Governance Committee is responsible for annually reviewing these principles, as well as considering other corporate governance principles that may, from time to time, merit consideration by the Board.

**Annex A to**  
**Mead Johnson Nutrition Company**  
**Corporate Governance Guidelines**

**Categorical Standards of Director Independence**

A director is considered independent if the Board makes an affirmative determination after a review of all relevant information that the director has no material relationship with the Company or any of its subsidiaries. The Board has established the categorical standards set forth below to assist it in making such determinations. A director will not be considered independent if the director:

- is, or within the last three years has been, employed by the Company or any of its subsidiaries;
- has an immediate family member who is, or within the last three years has been, employed as an executive officer of the Company or any of its subsidiaries;
- receives, or during any 12-month period within the last three years has received, more than \$120,000 per year in direct compensation from the Company or its subsidiaries other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent on continued service);
- has an immediate family member who receives, or during any 12-month period within the last three years has received, more than \$120,000 per year in direct compensation as an executive officer of the Company or any of its subsidiaries other than pension or other forms of deferred compensation (provided such compensation is not contingent on continued service);
- is a current partner or current employee of the independent auditors of the Company or any of its subsidiaries;
- has an immediate family member who is a current partner of the independent auditors of the Company or any of its subsidiaries, or is a current employee of such firm and personally works on the Company's audit;
- was within the last three years (but is no longer) a partner or employee of the independent auditors of the Company or any of its subsidiaries and personally worked on the audit of the Company or any of its subsidiaries within that time;
- has an immediate family member who was within the last three years (but is no longer) a partner or employee of the independent auditors of the Company or any of its subsidiaries and personally worked on the audit of the Company or any of its subsidiaries within that time;
- is, or within the last three years has been, employed as an executive officer of another company where any of the current executive officers of the Company or any of its subsidiaries serve, or within the last three years have served, on such other company's compensation committee;
- has an immediate family member who is, or within the last three years has been, employed as an executive officer of another company where any of the current executive officers of the Company or



any of its subsidiaries serve, or within the last three years have served, on such other company's compensation committee;

- is a current employee of a company that makes payments to, or receives payments from, the Company or its subsidiaries in an amount which, in any single fiscal year for the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues; or
- has an immediate family member who is a current executive officer of a company that makes payments to, or receives payments from, the Company or its subsidiaries in an amount which, in any single fiscal year for the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

The Board will consider the materiality of the following factor in making an independence determination but is not precluded from finding a director to be independent if the director:

- is, or within the last three years has been, an executive officer of a charitable organization that receives contributions from the Company or any of its subsidiaries in an amount which, in any single fiscal year, exceeds the greater of \$1 million or 2% of such charitable organization's consolidated gross revenues.