

**GENUINE PARTS COMPANY**  
**CORPORATE GOVERNANCE GUIDELINES**

**A. THE ROLE AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

**1) Direct the Affairs of GPC for the Benefit of Its Shareholders**

The Board of Directors of Genuine Parts Company (“GPC”) represents the shareholders’ interest in perpetuating and increasing the value of the business enterprise, including optimizing long-term financial returns. The Board believes that the primary responsibility of directors is to oversee the affairs of GPC for the benefit of its shareholders. The Board agrees that day-to-day management of GPC is the responsibility of GPC’s executive officers and that the role of the Board is to oversee management’s performance of that function. The responsibility of each director is to exercise his or her business judgment to act in what he or she reasonably believes to be in the best interests of GPC and its shareholders.

**2) Review of Financial Goals and Performance**

The Board approves the annual operating plan at the start of the fiscal year and reviews financial performance periodically during the year, including actual performance and performance in comparison to the plan.

GPC’s management, under the oversight of the Board and its Audit Committee, has the responsibility to produce financial statements that fairly present GPC’s consolidated financial position, results of operations and cash flows. The Audit Committee has the responsibility to engage an independent accounting firm, which will audit the financial statements prepared by management and issue an opinion on those statements based on Generally Accepted Accounting Principles. The Board, the Audit Committee, and management must be vigilant to ensure that no actions are taken by GPC or its employees that compromise the independence of the independent auditors.

**3) Ethical Business Environment**

The Board believes that GPC’s long-term success is dependent upon the maintenance of an ethical business environment that focuses on adherence to both the letter and the spirit of regulatory and legal mandates, as well as GPC’s Code of Conduct and Ethics. The Board expects management to conduct operations in an ethical manner consistent with applicable laws, rules and regulations and GPC’s Code of Conduct and Ethics.

#### **4) Transactions with Related Persons**

Procedures for the review and approval or ratification of related person transactions are set forth in the policy attached hereto as Appendix A.

#### **5) Risk**

The Board should periodically assess the major risks facing GPC and review options for monitoring and controlling these risks. The Board delegates the role of overseeing GPC's risk management to the Audit Committee.

### **B. SELECTION OF THE BOARD**

#### **1) Board Membership Criteria**

The Compensation, Nominating and Governance Committee should annually review the appropriate experience, skills and characteristics required of Board members in the context of the current membership of the Board. This assessment should include, among other relevant factors, in the context of the perceived needs of the Board at that time, issues of experience, education, reputation, judgment, diversity and skills.

#### **2) Selection of New Directors**

The Board should be responsible for selecting its own nominees and recommending them for election by the shareholders. The Board delegates the screening process necessary to identify qualified candidates to the Compensation, Nominating and Governance Committee, including consultation with the Chairman of the Board and the Chief Executive Officer.

The Compensation, Nominating and Governance Committee, in consultation with the Chairman of the Board, shall periodically examine the skills, experience, diversity and other characteristics of each individual director and assess whether these individual characteristics contribute to the composition of a well-rounded and diversified Board. In connection with this examination, the Compensation, Nominating and Governance Committee, in consultation with the Chairman of the Board, shall determine whether the Board would better serve its purposes with the addition of one or more Directors possessing skills and experiences that would complement the current Board. If the Compensation, Nominating and Governance Committee determines that adding a new director is advisable, the Committee shall initiate the search, working with other Directors, management and, if it deems appropriate or necessary, a search firm retained to assist in the search. The Compensation, Nominating and Governance Committee shall consider all appropriate candidates proposed by management, directors and shareholders. Information regarding potential candidates shall be presented to the Compensation, Nominating and Governance Committee, and the Committee shall evaluate the candidates based on the needs of the Board at that time and the criteria listed in these Guidelines. Potential candidates will be evaluated according to the same criteria, regardless of whether the candidate was recommended by shareholders, the Compensation, Nominating and Governance committee, another director, Company management or another third party. In any formal search for Board candidates, the

Committee shall consider candidates who reflect diverse backgrounds, including diversity of gender and race and/or ethnicity, and in cases where a search firm is retained by the Committee, the Committee will direct the search firm to include in its initial slate of candidates qualified candidates who reflect diverse backgrounds, including diversity of gender and race and/or ethnicity. The Compensation, Nominating and Governance Committee shall then meet to consider the selected candidate(s), and submit the approved candidate(s) to the full Board of Directors for approval and recommendation to the shareholders.

### **3) Shareholder Recommendations of Board Nominees**

Shareholders may recommend a nominee for election to the Board of Directors by submitting notice of such recommendation in compliance with the requirements of GPC's By-Laws.

### **4) Orientation and Continuing Education**

New directors will be provided with an orientation program regarding GPC's business and operations. As a part of GPC's continuing education efforts, supplemental information on GPC and its business and operations will be provided to directors from time to time.

## **C. SELECTION OF CHAIRMAN AND CEO**

The Board has the responsibility to fill the positions of Chairman and CEO as it deems best for GPC and its shareholders from time to time. While internal candidates are always being trained and developed for potential succession into the CEO role, it is the Company and the Board's policy, that if an external search firm is used for assistance with CEO succession planning, the Board or Compensation, Nominating, and Governance Committee will instruct the search firm to include in its initial slate of candidates qualified people who reflect diverse backgrounds, including diversity of gender and race and/or ethnicity.

## **D. BOARD COMPOSITION AND PERFORMANCE**

### **1) Size of the Board**

GPC's Restated Articles of Incorporation, as amended, provides for between nine and fifteen members of the Board, with the exact number to be fixed from time to time by resolution of the Board. The Board will determine the number of members of the Board needed to ensure that all of the necessary or desirable core competencies are possessed by the Board as a whole.

### **2) Director Independence**

GPC shall have at all times a majority of independent directors, as such term is defined by the New York Stock Exchange. At least once per year, the Board will review each relationship that exists with a director and his or her related interests for the purpose of determining whether the director is independent. This information shall be initially reviewed by the Compensation, Nominating and Governance Committee or, in the case of members of that committee, the full Board.

The Board shall consider all relevant facts and circumstances when making a determination of independence. The Board should consider the issue not merely from the standpoint of a director, but also from that of persons or organizations with which the director has a significant affiliation. An independent director should be free of any relationship with GPC or its management that may impair the director's ability to make independent judgments.

### **3) Service on Other Boards of Directors**

Prior to accepting an invitation to serve on another public company board of directors, directors should advise the Chairman of the Board and the Chairman of the Compensation, Nominating and Governance Committee. In deciding whether to serve on another public company board, the Board believes that directors should consider potential board attendance, participation and effectiveness on all boards.

### **4) Directors Who Change Their Present Job Responsibility – Mandatory Offer of Resignation**

A Director who retires from employment, changes employers or who has a significant change in professional roles and responsibilities from that held when initially elected shall promptly tender an offer of resignation to the Chairman of the Board and Chairman of the Compensation, Nomination and Governance Committee that shall be subject to acceptance by the Board of Directors. The Compensation, Nomination and Governance Committee shall review any such offer to resign and make a recommendation to the Board regarding acceptance of the offer. This policy provides an opportunity for the Board, through the Compensation, Nomination and Governance Committee, to review the continued appropriateness of Board membership under the changed circumstances.

### **5) Term Limits**

The Board has determined not to establish formal term limits. However, the Compensation, Nominating and Governance Committee, in conjunction with the Chief Executive Officer, will formally review each director's continuation on the Board shortly before the end of such director's then current term. This review shall be conducted in connection with the consideration of nominations to the Board at the annual shareholders' meeting at which such director's term shall expire.

### **6) Retirement Age**

GPC's bylaws require that any director, who has attained the age of seventy-two (72) years on or before the first day of January preceding the next annual meeting of shareholders, shall serve only to the date of that annual meeting of shareholders and shall not be eligible to serve as a director thereafter, even though the director may have been elected for a term which would extend beyond such annual meeting of shareholders.

### **7) Board Compensation**

The Board believes that the level of director compensation generally should be competitive with that paid to directors of other corporations of similar size and complexity. Periodically, management shall report to the Compensation, Nominating and Governance Committee the status of GPC Board compensation in relation to other comparable U.S. companies.

Changes in the compensation of directors, if any, should come at the suggestion of the Compensation, Nominating and Governance Committee, but with full discussion and approval by the Board.

#### **8) Executive Sessions of Non-Management Directors**

The independent directors shall appoint one independent director to act as the Presiding Independent Director, who shall preside over executive sessions of non-management and/or independent directors. The independent directors shall meet at regularly scheduled executive sessions, at least annually, to discuss management succession and other issues. Any non-management director or the Presiding Independent Director may call an executive session of non-management directors at any time.

#### **9) Board Interaction with Institutional Investors and Other Shareholders.**

The Board believes that management speaks for GPC. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman. Shareholders who wish to communicate with the Board, a Board Committee, the Presiding Independent Director, non-management directors as a group, or other individual directors may do so by sending written communications addressed to: Board of Directors of Genuine Parts Company, c/o Corporate Secretary, Genuine Parts Company, 2999 Wildwood Parkway, Atlanta, Georgia 30339. All communications will be compiled by the Corporate Secretary and submitted to the Board at its next regularly scheduled meeting.

#### **10) Assessing the Board's Performance**

The Board shall conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Compensation, Nominating and Governance Committee shall oversee this self-evaluation process.

This assessment should review the Board's contribution as a whole and the areas in which the Board believes a better contribution is possible. A similar review and assessment should be undertaken with respect to each of the Board's committees.

#### **11) Stock Ownership Requirements**

Each non-employee director is required to own shares of Company common stock valued at five times his or her annual cash retainer for the prior fiscal year measured against the average stock price for the preceding three fiscal years. Directors will have five years from the date of election to the Board to attain such a level of ownership. Shares counted toward this

requirement will be based on shares beneficially owned by such Director (as defined by the SEC's rules and regulations) including restricted stock units and director deferred compensation shares but excluding unexercised options. The Board will evaluate whether exceptions should be made for any director on whom this requirement would impose a financial hardship.

## **E. BOARD ACCESS TO SENIOR MANAGEMENT AND ADVISORS**

Board members have access to GPC's senior management. Furthermore, the Board encourages senior management, from time to time, to bring officers and managers into Board meetings who: (a) can provide additional insight because of personal involvement in the areas being discussed, or (b) are officers and managers with future potential that the senior management believes should be given exposure to the Board. As necessary and appropriate, Board members shall also have access to independent legal, accounting and other professional advisors to assist them in carrying out their duties and responsibilities as GPC directors.

## **F. MEETING PROCEDURES**

### **1) Selection of Agenda Items for Board Meetings**

The Chairman of the Board and the Chief Executive Officer will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each director is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

### **2) Attendance at Board Meetings and Review of Board Materials**

Each director is expected to attend all meetings of the Board and committees on which the director serves, and is expected to attend GPC's Annual Meeting of Shareholders. In advance of each Board meeting, a proposed agenda and, to the extent feasible or appropriate, information and data that is important to an understanding of the business to be discussed, will be distributed. Each director is requested to review these materials prior to the Board meeting.

## **G. BOARD COMMITTEES**

### **1) Number, Structure and Independence of Committees**

Currently, GPC has an Executive Committee, Audit Committee, and Compensation, Nominating and Governance Committee. All members of the Audit Committee and the Compensation, Nominating and Governance committee shall be "independent", as such term is defined by the New York Stock Exchange and the applicable rules of the Securities and Exchange Commission.

## **2) Assignment of Committee Members**

The Compensation, Nominating and Governance Committee shall, after consultation with the Chief Executive Officer and with consideration of the desires of individual Board members, recommend to the full Board the assignment of Board members to committees.

## **3) Frequency and Length of Committee Meetings**

Committee Chairmen, in consultation with committee members, will determine the frequency and length of committee meetings. Each committee shall meet as frequently as is required to carry out its responsibilities under such committee's charter.

## **4) Committee Agenda**

Committee Chairmen, in consultation with the appropriate members of senior management and staff, will develop each committee's meeting agenda.

# **H. LEADERSHIP DEVELOPMENT**

## **1) Formal Evaluation of the Chief Executive Officer**

Each year, the Compensation, Nominating and Governance Committee shall evaluate the performance of the Chief Executive Officer. In evaluating the Chief Executive Officer, the committee shall take into consideration the executive's performance in both qualitative and quantitative areas, such as: leadership and vision, integrity, keeping the Board informed on matters affecting GPC and its affiliated subsidiaries, the performance of the business, including the achievement of financial objectives and goals.

The evaluation will be communicated to the Chief Executive Officer by the Chairman of the Compensation, Nominating and Governance Committee and used by this committee in the course of its deliberations when considering the compensation of the Chief Executive Officer for the ensuing year.

## **2) Succession Planning**

The Chief Executive Officer will periodically provide to the Compensation, Nominating and Governance Committee a report regarding succession planning for the position of Chief Executive Officer. The Chief Executive Officer will also communicate a recommendation for his or her successor as a result of an unexpected event to the Chairman of the Compensation, Nominating and Governance Committee. This recommendation should be updated by the Chief Executive Officer periodically.

# **I. STOCK OWNERSHIP GUIDELINES FOR SELECTED SENIOR EXECUTIVES**

The Company has adopted stock ownership guidelines for the Chief Executive Officer, the Named Executive Officers (as defined by the SEC's rules and regulations) and other key executives

designated by the Compensation, Nominating and Governance Committee. The specific guidelines shall be reviewed at least yearly by the Compensation, Nominating and Governance Committee, which shall also evaluate whether exceptions should be made for any executive on whom these guidelines would impose a financial hardship. Current guidelines as determined by the Committee include: (i) CEO – 7 times prior year’s salary; and (ii) other covered executives – 1 - 3 times prior year’s salary.

The CEO and such executives shall have a period of five (5) years in which to satisfy the guidelines, either from the date of adoption of this policy or the date of appointment to a qualifying position. Shares counted toward this requirement will be based on shares beneficially owned by the CEO or such executive (as beneficial ownership is defined by the SEC’s rules and regulations) including PRSUs, but excluding unexercised options and measured against the average stock price for the preceding three fiscal years. The guidelines also call for the CEO and each designated senior executive to retain 50% of the net shares obtained through the exercise of options or when a restricted stock award vests for at least six months. Executives are encouraged to retain stock ownership per the guidelines for a period of six months following the date of retirement.

#### **J. PERIODIC REVIEW OF CORPORATE GOVERNANCE GUIDELINES**

These Corporate Governance Guidelines shall be reviewed by the Compensation, Nominating and Governance Committee on a periodic basis, but not less than annually.

## APPENDIX A

### **POLICY AND PROCEDURES WITH RESPECT TO RELATED PERSON TRANSACTIONS**

#### **Policy Statement**

The Company recognizes that Related Person Transactions (as defined below) can present potential or actual conflicts of interest and create the appearance that Company decisions are based on considerations other than the best interests of the Company and its shareholders. Therefore, as a general matter and in accordance with the (1) the Code of Conduct and Ethics for Employees, Officers and Directors of Genuine Parts Company and (2) the Company's Code of Conduct and Ethics for Senior Financial Officers, it is the Company's preference to avoid Related Person Transactions. Nevertheless, the Company recognizes that there are situations where Related Person Transactions may be in, or may not be inconsistent with, the best interests of the Company and its shareholders, including but not limited to situations where the Company may obtain products or services of a nature, quantity or quality, or on other terms, that are not readily available from alternative sources or when the Company provides products or services to Related Persons (as defined below) on an arm's length basis on terms comparable to those provided to unrelated third parties or on terms comparable to those provided to employees generally. Therefore, the Company has adopted the procedures set forth below for the review, approval or ratification of Related Person Transactions.

This policy has been approved by the Compensation, Nominating and Governance Committee of our Board of Directors (the "Committee") and adopted by the Board. The Committee will review this policy periodically and may recommend amendments to the Board of Directors for adoption.

#### **Related Person Transactions**

For the purposes of this policy, a "Related Person Transaction" is a transaction, arrangement or relationship (or any series of similar transaction, arrangement or relationships) in which the Company (including any of its subsidiaries) was, is or will be a participant and the amount involved exceeds \$120,000 and in which any Related Person had, has or will have a direct or indirect material interest.

For purposes of this Policy, a "Related Person" means:

1. any person who is, or at any time since the beginning of the Company's last fiscal year was, a director or executive officer of the Company or a nominee to become a director of the Company;
2. any person who is known to be the beneficial owner of more than 5% of any class of the Company's voting securities;

3. any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the director, executive officer, nominee or more than 5% beneficial owner, and any person sharing the household of such director, executive officer, nominee or more than 5% beneficial owner; and
4. any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest.

### **Approval Procedures**

All potential Related Person Transactions shall be submitted to the Committee for prior review. In the event the Company becomes aware of a Related Person Transaction that has not been previously approved, it shall be promptly submitted to the Committee for review. The Committee shall consider all of the relevant facts and circumstances available to the Committee, including (if applicable) but not limited to: the benefits to the Company; the impact on a director's independence in the event the Related Person is a director, an immediate family member of a director or an entity in which a director is a partner, shareholder or executive officer; the availability of other sources for comparable products or services; the terms of the transaction; and the terms available to unrelated third parties or to employees generally. No member of the Committee shall participate in any review, consideration or approval of any Related Person Transaction with respect to which such member or any of his or her immediate family members is the Related Person. After its review, the Committee will only approve or ratify Related Person Transactions that are in, or are not inconsistent with, the best interests of the Company and its shareholders, as the Committee determines in good faith.

If a Related Person Transaction is ongoing or completed and it is disapproved by the Committee, the Committee shall evaluate the circumstances of the Related Person Transaction, taking into account the same factors described in the preceding paragraph, to determine (i) if disciplinary action is appropriate, (ii) the impact on the independence of any director who has an interest in the Related Person Transaction, and (iii) if any changes to this policy or its procedures are appropriate.