

## **Sun Communities, Inc.**

### **Corporate Governance Guidelines**

(as amended and restated as of April 21, 2016)

The following Corporate Governance Guidelines (the “Guidelines”) have been adopted by the Board of Directors (the “Board”) of Sun Communities, Inc. (the “Company”) to assist and guide the Board in the exercise of its responsibilities. These Guidelines are in addition to, and should be interpreted in accordance with, any requirements imposed by federal or Maryland law, the New York Stock Exchange, and the Articles of Incorporation and Bylaws of the Company, each as amended. The Guidelines are subject to modification from time to time by the Board as it deems appropriate.

#### **A. Composition of the Board**

##### **1. Size of the Board**

The Board believes that it should have no fewer than five (5) and no more than eleven (11) directors. However, the Board may review the appropriate size of the Board as part of its annual performance evaluation and in connection with its consideration of nominees for director.

##### **2. Percentage of Independent Directors**

A majority of the Board shall satisfy the criteria for independence of a Board member established by the New York Stock Exchange (such directors are referred to as “Independent Directors”). In addition, the Board may adopt additional categorical standards to assist it in making determinations of independence, and will continue to review best practices among New York Stock Exchange listed companies in making determinations of independence.

##### **3. Board Membership Criteria**

The Nominating and Corporate Governance Committee shall annually review with the Board the minimum qualifications and the other appropriate skills and characteristics required of Board members in the context of the make-up of the Board and its committees at that time. While the selection of qualified directors is a complex and subjective process that requires consideration of many intangible factors, the Nominating and Corporate Governance Committee believes that each director nominee should have the following minimum qualifications:

- The candidate must have experience at a strategic or policymaking level in a business, government, non-profit or academic organization of high standing;
- The candidate must be highly accomplished in his or her field, with superior credentials and recognition;
- The candidate must be well regarded in the community and must have a long-term reputation for high ethical and moral standards;
- The candidate must have sufficient time and availability to devote to the Company’s affairs, particularly in light of the number of boards on which the nominee may serve; and

- The candidate's principal business or occupation must not be such as to place the candidate in competition with the Company or conflict with the discharge of a director's responsibilities to the Company or its stockholders.

#### **4. Term Limits**

The Board does not believe that arbitrary limits on the number of consecutive terms a director may serve is appropriate in light of the substantial benefits resulting from a sustained focus on the Company's business, strategy and industry over a significant period of time.

#### **5. Retirement Age**

Unless nominated by the Board pursuant to a written contract between the Company and a third party, no person shall be nominated by the Board for election as a director following his or her 78<sup>th</sup> birthday, unless the Board waives this policy for a specific director in special circumstances. In addition, the Board shall not fill a vacancy on the Board with a person who would, if appointed, attain the age of 78 years prior to the end of his or her term, unless the Board waives this policy for a specific director in special circumstances.

#### **6. Selection of New Directors**

The Nominating and Corporate Governance Committee shall identify and recommend to the Board director nominees for election by the stockholders. The Board shall, in consideration of the recommendation of the Nominating and Corporate Governance Committee, select director nominees based on the Board membership criteria previously discussed.

#### *Director Nomination Process*

When it is necessary to fill a Board vacancy or elect an additional Board member, the Nominating and Corporate Governance Committee will request that each director submit a list of potential candidates for consideration. The Nominating and Corporate Governance Committee also will consider candidates submitted by stockholders (see "Consideration of Stockholder Nominated Directors" below), or submitted by the Company's management. If the Nominating and Corporate Governance Committee deems it necessary, it will retain an independent third-party search firm to provide potential candidates.

If the process yields one or more desirable Board candidates, the Nominating and Corporate Governance Committee will rank them by order of preference based on each candidate's respective qualifications and the Company's needs. A member of the Nominating and Corporate Governance Committee will then contact the preferred candidate or candidate to evaluate their potential interest and schedule an interview with the Nominating and Corporate Governance Committee. Based upon interview results and appropriate background checks, the Nominating and Corporate Governance Committee will re-evaluate the candidates at a committee meeting and vote on its recommendation to the Board. When nominating a sitting director for re-election, the Nominating and Corporate Governance Committee will consider the director's performance on the Board and the director's qualifications in respect to the criteria set forth above.

### *Consideration of Stockholder Nominated Directors*

The Nominating and Corporate Governance Committee will review and consider any director candidates who have been recommended by stockholders in compliance with the following procedures. All stockholder recommendations for director candidates must be submitted in writing to the Company's Secretary at Sun Communities, Inc., 27777 Franklin Road, Suite 200, Southfield, MI 48034, who will forward all recommendations to the Nominating and Corporate Governance Committee. All stockholder recommendations for director candidates must be submitted to the Company's Secretary no later than December 1<sup>st</sup> of the year immediately preceding the year of such annual meeting of stockholders and must include the following information:

- The stockholder's name, address, number of shares owned, length of period held and proof of ownership;
- The name, age, business and residential address, educational background, current principal occupation or employment, and principal occupation or employment for the preceding five full fiscal years of the proposed director candidate;
- A description of the qualifications and background of the proposed director candidate which addresses the minimum qualifications and other criteria for Board membership as approved by the Board from time to time;
- A description of all arrangements or understandings between the stockholder and the proposed director candidate;
- The consent of the proposed director candidate (1) to be named in the proxy statement relating to the Company's annual meeting of stockholders and (2) to serve as a director if elected at such annual meeting; and
- Any other information regarding the proposed director candidate that is required to be included in a proxy statement filed pursuant to the rules of the SEC.

### **7. Orientation of New Directors**

Management, working with the Board, shall design an orientation program which all new directors shall attend after their election. The orientation program shall, as appropriate, include background material on the Company and its business plan; meetings with members of senior management and management presentations designed to familiarize new directors with the Company's principal officers, strategic plans, compliance programs and code of business conduct and ethics. As part of the orientation program, management shall arrange meetings with independent auditors and other outside advisors of the Company for all new directors.

### **8. Continuing Education**

Management, working with the Board, shall annually assess the continuing education needs of directors and shall design or identify programs to address specific needs. The goal of continuing education programs should be to assist the Board in fulfilling its duties and responsibilities and, to the extent practicable, to address areas for improvement, if any, that are identified as part of the Board's annual performance evaluation.

***B. Committees of the Board***

**1. Number and Structure**

The Board shall at all times have an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. It is not anticipated that all Independent Directors will serve on all of these required committees. The Nominating and Corporate Governance Committee shall periodically review the structure and operations of committees of the Board in accordance with its charter. The Board may, from time to time, and upon the recommendation of the Nominating and Corporate Governance Committee establish or maintain additional committees.

**2. Appointment and Independence**

All members of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee shall be independent in accordance with the criteria established by these Guidelines. Committee members will be appointed and removed by the Board upon the recommendation of the Nominating and Corporate Governance Committee after considering the skills and qualifications of Board members and consultation with the Chairman of the Board and the Chief Executive Officer.

**3. Committee Charters**

Each of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee shall, and any other committee of the Board may, have its own charter which shall set forth the purposes, goals and responsibilities of the committee, committee member qualifications, committee member appointment and removal, committee structure and operations, and committee reporting to the Board. Each committee charter shall also provide for an annual performance evaluation of the committee as a unit.

**4. Committee Meetings and Agenda**

The chairman of each committee, in consultation with committee members, shall have the right to determine the frequency and length of the committee meetings and to develop the committee's agenda for specific committee meetings. The agendas, materials and meeting minutes of the committees shall be furnished to all directors. Each committee chair shall give a meaningful report of the committee's activities to the entire Board.

**5. Committee Advisors**

Each of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee shall have the authority to hire independent legal, financial and other advisors as it deems necessary or appropriate, without consulting or obtaining the approval of the Board or any member of management.

***C. Board Leadership***

**1. Chairman of the Board and Chief Executive Officer**

The Board shall select a Chairman in the manner and upon the criteria which the Board deems appropriate at the time of selection. The Board does not have a policy with respect to whether or not the role of Chairman of the Board and Chief Executive Officer should be separate or combined.

## **2. Lead Independent Director**

The Board shall annually select an Independent Director to serve as Lead Independent Director. The Independent Director selected to serve as Lead Independent Director shall serve in such role until he or she ceases to be an Independent Director, resigns from the position or a successor is selected by the Board. The Lead Independent Director shall have the following primary responsibilities and authority: (i) presides at all executive sessions of the independent directors and all meetings of the Board at which the Chairman is not present; (ii) facilitates discussions among independent directors between Board meetings and has authority to convene meetings of the independent directors; and (iii) functions as liaison between the independent directors and the Chairman/Chief Executive Officer of the Company.

## ***D. Responsibilities and Duties of the Board***

The basic responsibility of the directors is to exercise their business judgment on behalf of the Company to act in what they reasonably believe to be in the best interests of the Company and its stockholders. In order to achieve this objective, the Board has identified the following key responsibilities and duties of the Board. In discharging these responsibilities and duties, the Board may call on management and outside advisors and auditors to provide advice, counsel and other assistance. The Board may also delegate responsibilities to committees of the Board or the independent members of the Board, as it deems appropriate.

### **1. Key Responsibilities**

The Board, or a committee to which such responsibility is delegated, shall give special attention to the following key responsibilities:

- (a) Strategy. The Board should review periodically management's proposed strategy for the Company.
- (b) Selection of Chief Executive Officer and Succession Planning. The Board shall select the Chief Executive Officer and develop, with the assistance of the Chairman of the Board (if he or she is a member of management) and the Chief Executive Officer, a management succession plan as contemplated by Section G of these Guidelines.
- (c) Evaluation and Compensation of Key Executive Officers. The Board, through the Compensation Committee shall annually evaluate the performance of the Chairman of the Board (if he or she is a member of management), the Chief Executive Officer and such other executive officers that may be designated by the Chairman and/or the Chief Executive Officer (collectively, the "Designated Officers"), and determine

and approve the compensation of such Designated Officers in consideration of such evaluation.

- (d) Board Membership Criteria and Performance. The Board shall annually review the Board membership criteria contemplated by Section A of these Guidelines and evaluate its own performance and the performance of its committees as contemplated by Section F of these Guidelines.
- (e) Company Systems and Procedures. The Board shall ensure that the Company has sufficient systems and procedures in place to prevent and detect wrongdoing by monitoring the audit and financial statement review functions, as well as the Company's legal compliance policies.

## **2. Meeting Attendance**

Regularly scheduled Board and Committee meetings shall be scheduled in advance throughout the year. Directors should make every reasonable effort to attend all such meetings in person, it being recognized that attendance by telephone may be necessary in limited cases of unavoidable conflicts. In addition, all directors should use their best efforts to attend all annual meetings of stockholders in person.

## **3. Preparation of Meeting Agenda and Materials**

The agenda for each Board meeting shall be prepared by the Chairman of the Board, in consultation with the Chief Executive Officer and, if one has been appointed, the Lead Independent Director, and be distributed in advance of the meeting to the entire Board. Each Board member is welcome to suggest items for inclusion on the agenda.

Material to be presented at any Board meeting shall be distributed to the entire Board in writing a sufficient time in advance of the meeting to allow for meaningful review, although the Board recognizes that this timing may not be possible in exceptional circumstances where the Board needs to meet on short notice or in order to preserve the confidential or sensitive nature of certain information. Materials to be presented by management should be concise and to the point while still communicating the important information.

## **4. Participation in Meetings**

Each director should sufficiently review and familiarize himself or herself with the materials presented in advance of meetings and the Company's general business and operations to permit meaningful discussion at such meetings.

## **5. Loyalty**

Each director owes his or her primary duty of loyalty to the Company. Consistent with the Company's Code of Business Conduct and Ethics, each director should inform the Board of any actual or potential conflict of interest and, if necessary or appropriate, recuse himself or herself from any discussions or decisions involving such matters.

## **6. Board Interaction with Institutional Investors, Press and Customers**

The Board believes that management should serve as the spokesperson for the Company. Individual Board members may, from time to time at the request of the Board or management, meet or otherwise communicate with outside constituents on behalf of the Company. Directors should otherwise refer all inquiries from institutional investors, the press, customers, and other third parties to management.

## **7. Confidentiality**

Each director shall keep confidential the deliberations of the Board and its committees and any confidential or non-public information received or learned in connection with his or her service as a director.

## **8. Access to Management and Independent Advisors**

Directors shall have complete access to officers and employees of the Company, as well as the Company's outside counsel and auditors. Directors shall use their judgment to ensure that contacts with management or employees are not distracting to the business operation of the Company. In addition, the Board welcomes the attendance and/or participation of non-director members of management at Board or committee meetings upon the invitation of the Chairman of the Board, the Chief Executive Officer or one or more Independent Directors.

### ***E. Executive Sessions of Non-Management Directors***

Directors who qualify as "non-management directors," in compliance with the requirements of the New York Stock Exchange, shall meet on a regular basis in executive session, without management participation. The executive sessions shall occur after each regularly scheduled meeting of the entire Board and at such other times that the non-management directors deem appropriate. Each director shall have the right to call an executive session. In addition, at least once per year an executive session shall be held with only Independent Directors present. The executive sessions shall be chaired by the chair of the Nominating and Corporate Governance Committee.

In order that interested parties may be able to make their concerns known to the non-management directors, the Company will disclose in its annual proxy statement a method for such parties to communicate directly with the non-management directors as a group.

### ***F. Director Evaluation and Compensation***

#### **1. Annual Performance Evaluation**

The Board shall conduct an annual self-evaluation. The Nominating and Corporate Governance Committee shall establish the evaluation criteria and process. The results of the evaluation shall be reported to the entire Board. The purpose of the annual self-evaluation will be to improve the effectiveness of the Board as a unit. The evaluation should include a review of those areas in which the Board and/or management believes the Board can make a better contribution to the Company.

## **2. Director Compensation Review**

Director compensation shall be set annually by the Board upon consideration of the recommendation of the Compensation Committee. The Compensation Committee, with the assistance of management, shall review the form and amount of director compensation and make recommendations to the Board annually.

## **3. Director Compensation Guidelines**

In determining the form and amount of director compensation, the Board shall consider all relevant factors, including the effort and time required of directors, the annual performance evaluation of the Board, the impact of compensation on a director's actual or perceived independence, and periodic reports of senior management to the Compensation Committee on the status of the Company's director compensation as compared to compensation of directors of comparable companies. In addition, a meaningful portion of a director's total compensation shall be provided in equity of the Company in order to create a direct linkage between director compensation and the Company's performance. Executive officers shall not receive any additional compensation for their service as directors.

### ***G. Evaluation and Compensation of the Designated Officers; Chief Executive Officer Succession***

#### **1. Evaluation and Compensation of the Designated Officers**

The Compensation Committee shall annually review the performance of the Designated Officers based on the accomplishment of the Company's long-term and short-term objectives and such other principles as the Compensation Committee may deem appropriate from time to time. The Compensation Committee shall use this evaluation in determining the compensation of the Designated Officers.

#### **2. Chief Executive Officer Succession Planning**

The Nominating and Corporate Governance Committee, with the active participation of the Chairman of the Board and the Chief Executive Officer, shall prepare and distribute to the entire Board an annual report on succession planning for the Chief Executive Officer. The Chief Executive Officer shall review the succession plan and provide his or her recommendations and evaluation.

The succession plan shall include a plan for the Chief Executive Officer succession in the event of an emergency (*e.g.*, who internally or externally could fill the position of Chief Executive Officer immediately) and in the ordinary course of business following his or her retirement.

### ***H. Administration***

The Nominating and Corporate Governance Committee (with the active participation of the Chairman of the Board and the Chief Executive Officer) shall have general responsibility for



the Company's approach to corporate governance matters and shall periodically review these Guidelines and, when appropriate, recommend changes for consideration by the Board.