

Corporate Governance Guidelines

Qualifications of Directors

In determining whether a person is qualified to be nominated or renominated for membership on the Board of Directors or a Board committee, the Board and the Governance Committee will comply with all applicable laws and regulations, including laws and regulations relating to the independence of directors.

In determining whether a person is qualified to serve as a director, the Board and the Governance Committee will consider the following:

1. Does the person have training and experience that will be of value in the deliberations of the Board?
2. Does the person have good judgment?
3. Does the person have the ability to work actively with others in a collegial manner while making a substantial contribution to the work of the group?
4. Does the person have relationships, interests or activities that might affect the independence of his/her judgment or give rise to conflicts of interest with respect to matters coming before the Board?
5. Is the person able and willing to devote the necessary time to the tasks of a director of the Company?
6. Does the person understand the responsibilities and proper role of a director?
7. In the case of an incumbent director, has he or she fulfilled the responsibilities of the office?

The By Laws permit the Board of Directors to determine the number of directors at any time and to fill any vacancy created by an increase in the number.

Responsibilities of Directors

Under applicable Delaware law, the Board of Directors is responsible for overseeing the business and affairs of the Company.

The Board discharges this responsibility by exercising oversight over the Chief Executive Officer and other senior Company management, who are charged with the competent and ethical operation of the Company on a day-to-day basis. Through oversight, review, and counsel, the Board establishes and promotes the Company's business and organizational objectives and assures that the long-term interests of the Company's stockholders are being served. The Board oversees the Company's business affairs and integrity, works with management to determine the Company's mission and long-term strategy, performs the annual Chief Executive Officer evaluation, oversees CEO succession planning, ensures that processes are in place to preserve the integrity of the Company's financial reporting, and assesses the processes and strategies whereby the company identifies and mitigates major risks.

The Delaware General Corporation Law provides that: "A member of the board of directors, or a member of any committee designated by the board of directors shall, in the performance of such member's duties, be fully protected in relying in good faith upon the records of the corporation and upon such information, opinions, reports or statements presented to the corporation by any of the corporation's officers or employees, or committees of the board of directors, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care".

Directors of the Company are expected to

1. Use their best efforts to attend meetings of the Board of Directors and of Board committees of which they are members and give a high priority to such attendance;
2. Review, in advance of meetings of the Board and of committees of which they are members, all materials that are timely provided with respect to such meetings;
3. Be a thoughtful, active participant in meetings of the Board and of committees of which they are members, applying their knowledge, experience and judgment in the interests of the Company;
4. Insist that the Company comply with applicable laws, regulations and listing standards and apply high ethical standards in the conduct of its affairs;
5. Act ethically at all times, and adhere to the Company's Business Ethics Policy;
6. Limit their activities to those that are properly within the role of a Board of Directors and avoid micro-management;
7. Seek to avoid relationships, interests or activities that are likely to give rise to conflicts of interest with respect to matters coming before the Board;
8. In the event that a conflict of interest exists with respect to any matter coming before the Board, inform the Board of Directors of all material facts with respect to the director's relationship to or interest in such matter; and
9. Seek to remain generally informed of developments and events outside the Company that are relevant to the business and affairs of the Company or to corporate governance.

Duties and Responsibilities of Board Chairman

In addition to the duties set forth in the Company's By Laws, the Chairman of the Board shall have such additional duties and responsibilities as the Board shall from time to time determine. The Board has determined that, among other things, the Chairman of the Board is expected to:

1. Act as a liaison and independent conduit between the members of the Board and the Company's Chief Executive Officer between meetings of the Board;
2. Work in cooperation with the Chief Executive Officer and the Company Secretary to plan the agenda of Board Meetings;
3. Provide leadership to the non-management members of the Board and act as Chairman of the regular meetings of the non-management directors required by the rules of the New York Stock Exchange; and

4. Inform himself/herself about best practices followed by boards of other public companies and encourage their adoption by the Company's Board.

Access to Management and Independent Advisors

The Board of Directors, and committees of the Board, are entitled to, and expect, direct access to members of management when and to the extent such access is necessary or desirable. The Board of Directors is empowered to, and will, retain outside, independent advisors as and when it determines that such action is necessary or desirable. The Company will provide such funding as is necessary for the payment of fees and compensation to such advisors.

Board Composition and Committees

The Company's stockholders elect Board members annually, except for Board action to fill vacancies or make interim appointments. The Governance Committee of the Board considers, on an ongoing basis, the skills, background, and experience that should be represented on the Board and its committees, the performance of incumbent directors, the appropriate size of the Board, potential vacancies on the Board, and other factors relating to the efficacy of the Board. The Board has not determined that it should be composed of a minimum or maximum number of directors. Rather, the Committee and the Board seek to maintain a group of Board members that, in the aggregate, possesses the skills, background and experience necessary and desirable to effectively address the issues and challenges the Company will confront, and has a composition that is appropriate to facilitate substantive discussions and director interaction. The Board does not expect that any single member will possess all of these attributes, and therefore seeks to accomplish this by selecting candidates with varying areas of expertise, , taking into consideration such factors as diversity of qualifications, skills, experiences and background, and, for non-management directors, independence.

The Board does not believe that arbitrary term or age limits should be imposed on the service of its members, nor does it believe that directors should expect to be renominated annually. The Board's self-evaluation process is the primary means of determining whether incumbent directors continue to demonstrate the attributes that should be reflected on the Board, or whether changes to membership are appropriate.

The Governance Committee discusses with the Board, at least annually, the various qualifications and skills that should be represented on the Board and its committees, taking into account the nature of the business and the objectives of the Company as they may evolve over time. The Committee also reviews, on an annual basis, the performance of the sitting members of the Board, and makes recommendations to the Board regarding those directors to be nominated for reelection by the stockholders.

The Governance Committee employs professional search consultants, and also communicates with peers and others in the business and governance community, to try to identify qualified candidates for potential Board membership. Any qualified potential candidates so identified are then discussed by the Committee and the Board, and if the potential candidate appears likely to be a substantial addition to the Board, he or she is then interviewed by members of the Committee and the Board. The Governance Committee then considers the reports of the interviews and other information that has been gathered and determines whether to recommend to the Board of Directors that the person be elected as a director.

Stockholders may send recommendations of persons to be considered by the Governance Committee for nomination for election as directors to:

Chairman, Governance Committee

Albany International Corp.

P.O. Box 1907, Albany, New York 12201.

The Board of Directors may appoint such standing and special or ad hoc committees, composed of one or more members of the Board, as it may from time to time determine to be useful to the performance of its duties and may, to the extent permitted by law, delegate to such committees such powers and authority of the Board of Directors as it may determine.

Number of Public Company Directorships

The Board of Directors believes there are benefits derived from a Director's service on the board of directors of another public company. Such service leads to the sharing of ideas and facilitates the proliferation of best practices. At the same time the Board is cognizant that service on a board is a significant commitment of time and responsibility. Consequently, no Director who is employed full time, either with Albany International Corp. or another employer, may serve on the board of directors of more than one other public company, and no other Director may serve on the board of directors of more than four other public companies, unless the Board determines that simultaneous service on additional boards would not impair the Director's ability to serve effectively on Albany International's Board. Directors should notify the Chairman of the Board and the Chair of the Governance Committee prior to accepting any invitation to serve on the board, audit committee or compensation committee of any other public company to ensure there are no conflicts of interest or other issues. The Board's Governance Committee will, at least annually in conjunction with its review of Director independence, review all Directors' other commitments, including their service on the boards of other public companies.

Annual Evaluation

At least annually, the Board of Directors will conduct a self-evaluation to determine whether it and its committees are functioning effectively.

Management Succession

The By Laws of the Company provide that the officers, including the Chief Executive Officer ("CEO"), are appointed by the Board of Directors. The Board, or a committee designated by the Board, will annually review the performance of the CEO and consider available alternatives for succession.

Director Orientation and Continuing Education

New members of the Board of Directors will be mentored by one or more incumbent Board members, key management personnel and others as part of a program of orientation to the Company, the Board and any committees to which they may be appointed. Members of the Board of Directors, senior managers and others are encouraged to bring to the attention of the Board materials and information relating to developments and events relevant to the business and affairs of the Company or to corporate governance.

Director Compensation

It is the goal of the Compensation Committee to recommend for approval by the Board of Directors directors' fees at a competitive level that will enable the Company to attract and retain talented, well-qualified directors. The payment of a portion of each director's fee in shares of Class A Common Stock of the Company is intended to align the interests of the director with the interests of our stockholders, consistent with delivering shareholder value.

The Board has also adopted share ownership guidelines for the Chief Executive Officer and the Board. Under these guidelines, directors are generally expected to retain ownership of shares of Common Stock awarded or acquired until an ownership equal to three (3) times the annual cash and stock retainer is attained.

Social Responsibility

The Company has a responsibility to the communities in which it operates, as well as to its employees, stockholders, and other stakeholders. To ensure appropriate Board review and input, the Board periodically reviews management's Sustainability strategies, initiatives and policies and evaluates the Company's practices and contributions made in fulfillment of the Company's social responsibilities.

Amendment of Guidelines

These Guidelines have been adopted by the Board of Directors of the Company and may be changed by the Board at any time. The Guidelines will be reviewed approximately annually by the Board, or by a Board Committee designated by the Board, which shall recommend to the Board for consideration any changes considered by such Committee to be desirable