

PROVIDENT BANKSHARES CORPORATION

AND PROVIDENT BANK

CORPORATE GOVERNANCE COMMITTEE CHARTER

Purpose of Committee

The purpose of the Corporate Governance Committee (the "Committee") of the Board of Directors (the "Board") of Provident Bankshares Corporation and Provident Bank ("Provident") is to recommend the slate of director nominees for election to the Company's Board of Directors, recommend individuals to fill vacancies occurring between annual meetings of stockholders, recommend individuals to the Board for nomination as members of the standing committees of the Board, and develop and recommend to the Board a set of corporate governance principles applicable to Provident.

Committee Membership

The Committee shall consist solely of "independent directors," *i.e.*, those directors who are neither officers nor employees of Provident or its subsidiaries nor have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Members of the Committee must also otherwise be "independent" under the rules of the Nasdaq Stock Market.

The members of the Committee shall be appointed by the Board. Members shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

Committee Structure and Operations

The Board shall designate one member of the Committee as its chairperson. The Committee may meet in person or telephonically at scheduled times and places determined by the Committee chairperson. The Committee may also take action by unanimous written consent when deemed necessary or desirable.

Committee Duties and Responsibilities

The following are the duties and responsibilities of the Committee:

1. To make recommendations to the Board from time to time as to changes that the Committee believes to be desirable to the size of the Board or any committee thereof.
2. To identify individuals believed to be qualified to become Board members, and to recommend the nominees to stand for election as directors at the annual meeting of stockholders or, if applicable, at a special meeting of stockholders. In the case of a vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Committee shall recommend a nominee to fill such vacancy either through appointment by the Board or through election by stockholders. In nominating candidates, the Committee shall take into consideration such factors as it deems appropriate. These factors may include judgment, skill, diversity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. The Committee may also consider candidates proposed by management.
3. To develop and recommend to the Board standards and findings to be applied in making determinations as to the independence of directors.
4. To identify Board members qualified to fill vacancies on any committee of the Board and to recommend that the Board appoint the identified member or members to the respective committee. In nominating a candidate for committee membership, the Committee shall take into consideration the factors set forth in the charter of that committee, if any, as well as any other factors it deems appropriate, including without limitation the consistency of the candidate's experience with the goals of the committee and the interplay of the candidate's experience with the experience of other committee members.
5. To develop and recommend to the Board a set of corporate governance principles applicable to Provident.
6. To perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time.

Delegation to Subcommittee

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without seeking approval of the Board or management.