

Union Bankshares Corporation

Corporate Governance Guidelines

The Mission of the Union Bankshares Corporation Board of Directors

The basic responsibility of the members of the Board of Directors (the “Board” or “Board of Directors”) of Union Bankshares Corporation (individually and together with its subsidiaries and affiliates, as the context may require, the “Company”) is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. To that end, the Board desires to establish a system of corporate governance within the existing organizational structure of the Company that permits the Board to carry out its basic responsibility.

Selection, Composition and Performance of the Board

1. Board Membership Criteria

Members of the Board (“Directors”) are expected to have the appropriate skills and characteristics necessary to function in the Company’s current operating environment and contribute to its future direction and strategies. These include legal, financial, management and other relevant skills, as well as varying experiences, ages, judgments, residences and backgrounds.

2. Selection of New Directors

The Board is responsible for selecting its own members and recommending nominees for election by the stockholders. In addition, the Board fills vacancies on the Board when necessary or appropriate. The Board utilizes its Nominating and Corporate Governance Committee to screen and recommend to the Board candidates based on input from whatever sources the Nominating and Corporate Governance Committee may reasonably choose, including, but not limited to, the other members of the Board as well as the Chief Executive Officer and Chief Financial Officer.

3. Orientation of New Directors

Once elected to the Board, the Nominating and Corporate Governance Committee, with the assistance of management, will coordinate an orientation program for a new Director that includes background materials (e.g., strategic plans, financial reports, etc.), meetings with senior management and visits to Company facilities. All new directors must attend the orientation program.

4. Selection of Chairman

The Chairman of the Board is elected at the organizational meeting of the Board which follows the Company’s annual meeting. Although the Board does not have a policy as to whether the roles of Chairman of the Board and

Chief Executive Officer should be separated, those roles are, and historically have been, separate.

5. Size of the Board

The Company's Bylaws provide that the Board will fix the number of directors from time to time. The Board has typically had eleven to fifteen members, but a smaller or larger Board may be appropriate at any given time, depending on (i) the circumstances (e.g., availability of an outstanding candidate, an addition from an acquisition, retirement or death of a Director, etc.); and (ii) requirements set forth from time to time in the Company's Bylaws.

6. Mix of Management and Independent Directors

The Board believes a majority of Directors on the Board should be "Independent Directors." Specifically, the Board believes that no more than two Directors should be non-Independent Directors, and that one of the non-Independent Directors should be the Chief Executive Officer. "Independent Directors" are considered to be those, in the Board's judgment, who have no current relationship between the Director and the Company that would be construed in any way to compromise that Director's independent exercise of judgment, but, in any event, excluding any person who shall not meet the independence standards announced by the National Association of Securities Dealers, Inc., as promulgated from time to time.

7. Change of Responsibility of Director

The Board believes a Director who retires from his/her employment, or whose position of employment materially changes after his/her original election to the Board, should volunteer to resign from the Board. It is not the intention of the Board to mandate the resignation of any such Director, but rather to provide an opportunity for the Nominating and Corporate Governance Committee to review the continued appropriateness of Board membership under the changed circumstance.

8. Term Limits

The Board does not advocate the use of term limits. While such limits could help ensure that there are new ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operation, and therefore, provide an increasing contribution to the Board as a whole. Board members are divided into three classes with one class considered annually for reelection by the stockholders.

9. Maximum Age for Directors.

No person who is age 70 or older shall be eligible to serve on the Board of Directors after the annual meeting following his or her 70th birthday with the exception of those individuals whom the Board of Directors has, from time to time, determined to be exempt from this policy.

10. Board Compensation

The Compensation Committee of the Board periodically assesses the compensation of Directors in relation to other publicly owned banks and companies. In order to align more closely the interests of the Directors with those of the stockholders, a significant portion of the Director compensation is provided and held in common stock of the Company.

11. Executive Sessions of Independent Directors

The Independent Directors include an Executive Session at the end of a Board meeting at least quarterly, and more frequently as appropriate, during which all those attending except Independent Directors are excused from the meeting.

12. Continuing Education

Knowledge is the foundation for assuring a safe and sound corporation. Each Director is expected to attend the annual director's retreat sponsored by the Company. Additionally, each Director is required to complete at least 10 hours of approved continuing education every two calendar years. Any Director who successfully completes the certified bank director course offered by the Institute of Bank Director Education will receive 100 shares of Company common stock.

13. Evaluation of Performance

The Board will perform a self-assessment of the Board's performance from time to time. The Nominating and Corporate Governance Committee will receive comments from all Directors and communicate the results of any such assessments along with an assessment of the Board's performance for Board discussion. The assessment should include a review of any areas in which the Board or management believes the Board can make a better contribution to the governance of the Company. The purpose of the review will be to improve the performance of the Board as a unit, and not to target the performance of any individual Board member.

14. Investment

The Board believes that Directors should maintain a financial stake in the Company above any legally mandated minimum requirements. Each Director is expected to acquire and maintain a meaningful ownership position in the Company. At minimum, a Director should hold and not sell, for as long as the Director remains a Director, all Company common stock awarded to the Director as compensation for the Director's performance of Board duties during the first three years of his or her Board membership. Subject to the

the requirements of paragraph 18 (Board Interaction with Third Parties) and the Company's Code of Business Conduct and Ethics, Directors are expected to represent Union First Market Bank (the "Bank") and the Company's other operating subsidiaries in the business community and are encouraged to conduct business with, and encourage others to conduct business with, the Bank and the other operating subsidiaries of the Company.

Board Relationship to Senior Management

15. Attendance of Non-Directors at Board meetings

Members of senior management often make presentations during Board meetings, however, neither they nor other non-Directors regularly attend Board meetings except for the Chief Financial Officer and General Counsel, who also serves as Corporate Secretary. Should the Chairman or Chief Executive Officer wish to add additional attendees on a regular basis, it is expected that the suggestion would be made to the full Board for its concurrence.

16. Board Access to Senior Management

The Board members have complete access to the Company's management. It is expected that Board members will use judgment to ensure that such contact is not distracting to the business operation of the Company. The Board encourages senior management to bring managers into Board meetings to provide additional insight into the items being discussed or to provide such managers with exposure to the Board that senior management feels is warranted.

17. Board Access to Independent Advisors

The Board members have complete access to internal audit and to independent advisors of the Company, including the Company's independent accountants, consultants, regulators, investment bankers or other advisors deemed appropriate by the Board.

18. Board Interaction with Third Parties

The Board believes management speaks for the Company and its subsidiaries. Individual Board members may from time to time communicate with various constituencies that are involved with the Company and its subsidiaries, such as the media, investors and customers. However, it is expected that such communications will only be made after conferring and with the concurrence of the Company's management.

19. Board Interaction with Shareholders

The Board believes that effective corporate governance must include a procedure that permits free and open exchange between shareholders and directors. To that end:

- Shareholders may communicate with the Board by submitting written correspondence to the Company to the attention of the Chairman of the Board at the Company's physical headquarters or at its published mailing address.
- All other written correspondence that requests a response from the Board, whether implicitly or expressly, will be referred, likewise, to the Chairman of the Board.
- The Corporate Secretary shall make copies of these Corporate Governance Guidelines available to any shareholder on written request to the Company.
- All Directors will attempt to attend the annual meeting of shareholders and will permit time for meeting shareholders in attendance. Any Director who is unable to attend or unable to meet with shareholders in attendance will submit an explanation to the Chairman of the Board.

Meeting Procedures

20. Frequency of Meetings

The Board typically has six to eight regularly scheduled meetings each year. In addition, special meetings may be called from time to time as circumstances warrant and pursuant to the Company's Bylaws. Directors are expected to attend all Board meetings, but in any event not less than the minimum number required by applicable law.

21. Selection of Agenda Items for Board Meetings

The Chief Executive Officer, Chief Financial Officer, and Corporate Secretary typically meet and confer to establish a recommended agenda for each meeting, which shall be based upon input from the Chairman and Vice Chairman of the Board. All Board members are encouraged to suggest to the Chairman or Vice Chairman of the Board the inclusion of items for the agenda of any meeting.

22. Board Materials Distributed in Advance

To facilitate preparation for Board meetings, information that is important to the Board's understanding of agenda items and the Company's business is provided to the Board members several days in advance of the meetings. Management attempts to provide sufficient information to apprise the Board members without being overwhelming.

Committee Matters

23. Number and Structure of Committees

It is the general policy of the Company that all major decisions be considered by the Board as a whole. Accordingly, the committee structure of the Board is limited to those committees considered to be critical to the efficient operation of the Board or required for the operation of a publicly owned

company. The current committees are the Executive Committee, Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and Risk Committee. From time to time, other committees may be formed as the need arises. Each committee will have its own charter. The advice of the Nominating and Corporate Governance Committee should be sought when drafting charters and material amendments to charters to ensure they reflect good governance practices. The charters will set forth the purposes and responsibilities of the committees as well as qualifications for committee membership. The charters will also provide that each committee will annually evaluate its performance whenever feasible. Each committee will report regularly to the Board regarding its activities.

24. Assignment and Rotation of Committee Members

Committee members are assigned by the Board after consideration of the desires of individual Board members. Membership is rotated periodically, but such rotation is not mandated as policy as there may be reasons to maintain committee memberships for a longer period of time.

25. Committee Meeting Frequency and Agenda

The Chairman of each committee, in consultation with the committee members and management, will determine the agenda, frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The schedule for each committee will be furnished to all Directors.

Leadership Development

26. Formal evaluation of Chief Executive Officer

Annually the Board will perform an evaluation of the Chief Executive Officer, which will be communicated to the Chief Executive Officer by the Chairman. The evaluation should be based on objective criteria including performance of the Company, accomplishment of long-term strategic objectives, development of management, etc. The evaluation will be used by the Compensation Committee when considering the compensation of the Chief Executive Officer.

27. Succession planning and Management Development

The Executive Committee should make a report to the Board on all succession plans in place for the Company on an annual basis, or at such other times as circumstances warrant. The Company's succession planning should include policies and principles for selection of a Chief Executive Officer as well as policies regarding succession in the event of an emergency or the retirement of the Chief Executive Officer. The entire Board will work with the Executive Committee to nominate and evaluate potential successors to the Chief Executive Officer. The Chief Executive Officer should at all times make available his or her recommendations and evaluations of

potential successors, along with a review of any development plans recommended for such individuals.

28. Disclosure of Corporate Governance Guidelines

The Company will make these Corporate Governance Guidelines available on the Company's investor relations website and will disclose in its annual proxy statement or annual report on Form 10-K that these Corporate Governance Guidelines are available on the Company's website.
