StellarOne Corporation Board of Directors
Corporate Governance Guidelines

Revised December 18, 2012

INTRODUCTION

The mission of the Board of Directors (the "Board") is to oversee the business and affairs of StellarOne Corporation ("StellarOne," the "Corporation") for the benefit of its shareholders, and to balance the interests of its diverse constituencies including shareholders, customers, employees, and communities. We will accomplish this by the following means:

- Hiring capable management,
- Operating under sound financial and business principles, in accordance with governing laws and regulations,
- Anticipating and responding to the financial needs of customers, including those of modest means,
- Participating as a responsible corporate citizen in the communities we serve, and
- Maintaining the high level of integrity that has been the cornerstone of StellarOne and its legacy companies for over a century.

The following guidelines, along with the Corporation's Articles of Incorporation, Bylaws, and Board committee charters, form the framework for StellarOne's governance.

I. Director Qualifications

The Governance and Nominating Committee of the Board (the "Committee") monitors the size and composition of the Board to ensure that the Board has the requisite experience and that its membership is sufficiently diverse. At a minimum,

- All directors should have business experience that qualifies them to serve as a director of the Corporation.
- All directors should exhibit good judgment, strong character, independent thinking, strategic vision, and the highest personal and professional ethics.
- All directors must meet the eligibility requirements specified in the Corporation's Bylaws.

To avoid potential conflicts of interest,

- A director may not be a director, employee, or consultant of any competitor of the Corporation (i.e., a bank or other financial services institution within the same geographic area).
- Interlocking directorships will not be allowed. Interlocking or reciprocal directorships occur if a senior executive officer of the Corporation serves on the board or as a trustee of a company or institution that employs one or more Corporation directors.

II. Director Independence

At all times, a majority of the directors must be independent. In assessing independence, the Committee will consider the requirements of the NASDAQ Stock Market rules and such other factors as deemed advisable.

III. Director Nomination

The Committee evaluates and nominates candidates for election or reelection by shareholders. Shareholders may also recommend candidates for election as directors in accordance with the Bylaws, which are consistent with governing laws and regulations.

IV. Invitation to Director Nominees

The invitation to join the Board should be extended by the Board itself, by the chair of the Committee, or by the Board chair (the "Chair").

V. Director Election

Directors are elected by shareholders at the Annual Meeting. Between Annual Meetings, in accordance with the Bylaws, the Board may elect directors to serve until the next Annual Meeting.

VI. Director Ownership of StellarOne Stock

All directors must be committed to maintaining a meaningful, long-term equity ownership stake in the Corporation, as further defined in StellarOne's Stock Ownership Policy.

VII. Director Orientation, Education, and Evaluation

New directors of the Corporation should participate in an orientation to acquaint them with the following:

- Corporate Governance Guidelines
- Code of Conduct
- Insider Trading Policy
- Stock Transaction Pre-Clearance and Reporting Procedures
- Strategic Plan
- Senior Management
- Business and Operations
- Internal Audit Function and Independent Registered Public Accounting Firm
- Risk Management and Compliance
- Recent Board Action

The Committee oversees director orientation and education. StellarOne's Director Education Policy requires each director to acquire a minimum of eight (8) hours of relevant education annually.

The Committee conducts an annual evaluation of the performance and effectiveness of the Board and its committees.

VIII. Director Duties

Duty of care: Directors must exercise appropriate diligence to study and understand relevant information in order to make informed decisions.

Duty of loyalty: Directors must act in good faith and in the best interests of the Corporation and its shareholders, placing those interests above personal interests.

Duty of candor: Directors must participate fully and frankly in the deliberations of the Board, and furnish all information that may be material to Board decisions.

Duty of confidentiality: Directors must keep confidential all matters involving the Corporation that have not been disclosed to the general public.

IX. Director Responsibilities

- To hire, properly compensate, and evaluate the performance of the chief executive officer ("CEO") and, based upon performance against standards established by the Board, to reward, redirect, or replace the CEO as may be appropriate.
- To assure that business is conducted in a safe and sound manner in accordance with laws, regulations, the Articles of Incorporation and Bylaws, and policies established by the Board.
- To assure that adequate systems and controls exist to identify and manage risks, and to promptly report and resolve concerns.
- To establish, in concert with the CEO and senior management, StellarOne's strategic plans, and to monitor implementation and progress.
- To evaluate, properly compensate, and plan for the succession of executive management.
- To assist in business development.
- To participate in opportunities for director education and training.
- To decline participation in other offices and activities that may interfere with the fulfillment of these director duties and responsibilities.

X. CEO Evaluation and Succession Planning

The independent directors should annually evaluate the performance of the CEO. The evaluation should be based on objective criteria including company performance, accomplishment of long-term strategic objectives, leadership, management development and succession, relationship with the Board, relationships with government and regulatory bodies, and public confidence.

The Chair shall communicate the results of this evaluation to the CEO. The CEO shall meet with the entire Board and discuss the evaluation and any comments the CEO may have relative to the evaluation. The evaluation will be used by the Personnel and Compensation Committee in the course of its deliberation of CEO compensation.

The CEO shall report annually to the Board regarding executive succession planning. The Committee shall ensure that there is an active succession program for the CEO.

XI. Director Compensation

The form and amount of director compensation is recommended by the Personnel and Compensation Committee, as set forth in its charter, and approved by the Board. Director compensation consists of a combination of cash and equity to facilitate increased ownership of StellarOne stock and further alignment with shareholder interests.

XII. Service by Directors on Other Boards

Directors should have sufficient time to carry out their duties. Their service on other boards of public companies should, therefore, be limited to a number that permits them to perform all director duties responsibly.

In addition to serving on the Corporation's Board, no independent director shall serve on more than four public company boards, and the CEO shall not serve on more than two public company boards. Directors shall advise the Chair and the chair of the Committee in advance of accepting any invitation to serve on another public company board. The CEO should seek permission from the Governance and Nominating Committee in advance of accepting any invitation to serve on another public company board.

XIII. Director Retirement and Term Limits

The Bylaws provide that a director is expected to resign or not stand for reelection, as the case may be, on or before the date of the next Annual Meeting after his/her 70th birthday.

The Board does not arbitrarily limit the number of terms a director may serve. Directors who have served the Corporation well for an extended period are able to provide valuable insight based on their understanding of StellarOne's history, objectives, and policies. Rather than impose term limits, the Committee conducts annual performance evaluations to gauge the contributions and effectiveness of directors, which are important determinants for continuing Board service.

XIV. Director Resignation Due to Employment Change

An independent director whose job responsibilities change materially from when the director was elected to the Board is expected to promptly inform the Chair and the chair of the Committee. The Board may review any such change and determine the appropriateness of the director's continued membership on the Board.

Employee directors are expected to submit their resignations from the Board upon the cessation of their employment.

XV. Board Size

The Bylaws specify that the Board shall consist of no fewer than five (5) or more than twenty-five (25) directors. The number of directors may vary from time to time within that range, depending upon factors including director retirements and the availability of qualified director candidates.

XVI. Board Leadership

The Chair is an independent director. The positions of Chair and CEO are held by different persons. The CEO shall be a member of the Board.

XVII. Board Committees

The Board currently has five committees: (i) Audit and Compliance, (ii) Executive, (iii) Governance and Nominating, (iv) Personnel and Compensation and (v) Credit and Enterprise Risk. All members of the Audit and Compliance, Governance and Nominating, Credit and Enterprise Risk, and Personnel and Compensation committees are independent, as defined by NASDAQ Stock Market rules.

The chair of each committee is responsible for developing the agendas for committee meetings, with assistance from other committee members, management, and staff. The committee chair and members will determine the frequency and length of meetings.

The committees annually review their charters, to reassess adequacy, and submit any recommended charter changes for Board approval. The committees also annually review and evaluate their performance.

The committees' principal responsibilities, as further defined in their charters, are summarized below:

Audit and Compliance Committee: (i) Monitors the integrity of the Corporation's financial statements, the internal audit function, the system of internal controls, and compliance with legal and regulatory requirements; (ii) is directly responsible for the appointment, compensation, retention, and oversight of the independent registered public accounting firm; (iii) is directly responsible for approving or rejecting recommendations related to the compensation, promotion, or termination of the Director of Internal Audit; and (iv) prepares the report of the committee required to be included in the annual proxy statement.

Executive Committee: Acts on behalf of the full Board between meetings of the Board within the parameters established by applicable law, the Articles of Incorporation, the Bylaws, and resolutions of the Board.

Credit and Enterprise Risk Committee: (i) Approves all loans requiring Board approval, as previously established by regulation, policy, procedure or practice. (ii) Approves all credit-related activities that are required by law or regulation to be approved by the Board including, but not limited to, reviewing and approving the adequacy of the allowance for loan losses. (iii) Ensures that the credit risk management activities are aligned with the risk tolerance of StellarOne Bank. (iv) Monitors the performance and quality of the credit portfolio of the Bank through the review and approval of various exposures, trends and other reports as developed by management and approved by the Board. (v) Reviews and approves the credit risk policies of the Bank as developed by management and approved by the Board. (vi) Oversees the effectiveness and administration of, and compliance with, all credit-related policies. (vii) Reviews and assesses the risk profile of the Company in the context of non-credit or enterprise risk, such as operational, regulatory, balance sheet management, capital liquidity, interest rate, business strategy, reputation, and market risk. (viii) Reviews reports, minutes and charters from functional areas within the Company to ensure effective oversight.

Governance and Nominating Committee: (i) Identifies individuals qualified to become or continue as directors, and nominates candidates for election and reelection to the Board; (ii) oversees the orientation, education, and evaluation of the Board and its committees; (iii) develops, recommends to the Board, and enforces corporate governance guidelines; and (iv) enforces the Directors' Code of Professional Conduct.

Personnel and Compensation Committee: (i) Reviews compensation plans, policies, and programs for StellarOne and its subsidiaries; (ii) annually reviews and approves compensation and related contracts and arrangements for the CEO and other named executive officers, including base salary, annual incentive bonus, equity compensation, employment and change-in-control agreements, severance arrangements, and other benefits, compensation, and arrangements; (iii) evaluates and makes recommendations regarding the compensation of StellarOne and subsidiary directors, including their compensation for service on Board committees; and (iv) assists in the preparation of the Compensation Discussion and Analysis that is required to be included in the annual proxy statement.

XVIII. Assignment and Rotation of Committee Members

The Committee is appointed by the independent members of the Board. The Chairman and the CEO are responsible for bringing forward to the Committee recommendations for Board committee chairs, vice chairs, and members. The Committee will review these recommendations, considering the independence, expertise, and desires of individual directors, and bring forward to the Board recommendations for approval.

It is the belief of the Board that consideration should be given to periodically rotating committee membership.

XIX. Attendance at Meetings

Directors are expected to attend all meetings of the Board and the Board committees on which they serve, as well as the Annual Meeting and any special meetings of shareholders. It is Board policy that directors must attend at least 75 percent of scheduled Board and committee meetings to be candidates for re-nomination, although the Committee may make exceptions to this requirement for extenuating circumstances.

The Board invites the attendance of non-Board members for specific presentations regarding company performance and other matters of interest. Non-director attendees' participation in Board meetings should be limited to those periods of time during which their input and response to Board questioning takes place.

The Board encourages the CEO to bring other officers to Board meetings from time to time who can provide additional insight into matters being discussed, or who the CEO believes should be given exposure to the Board. Should the CEO intend to do this, it is expected that the Board will be informed in advance.

XX. Board Meeting Agendas

The Chair and CEO establish the agenda for each meeting. In the absence of the Chair, the Vice Chair will work with the CEO to establish the agenda.

Each Board member is free to suggest additional items for the agenda related to the duties and function of the Board.

XXI. Distribution of Board Meeting Materials

It is the desire of the Board that meeting information and data be distributed to directors five business days in advance of each scheduled Board meeting.

XXII. Executive Sessions of Independent Directors

The Board expects to hold executive sessions of independent directors at each Board meeting but, in any event, will hold them at Board meetings at least two times per year. At least one executive session will be held for the purpose of evaluating the CEO.

The Chair schedules and chairs executive sessions; however, any independent director may request that additional executive sessions be scheduled.

XXIII. Authority to Retain Advisors

The Board and its committees are empowered to engage and terminate outside consultants and other experts and advisors, as needed, at the Corporation’s expense. In discharging its duties, the Board is empowered to (i) investigate any matter, with full access to the books, records, facilities, personnel, legal counsel, and independent auditors of the Corporation and its affiliate(s), and (ii) retain and terminate outside counsel.

XXIV. Access to Senior Management

The Board, committees, and directors have full and free access to the senior management of StellarOne and its subsidiaries. Directors are to use judgment in these contacts to ensure that they (i) are for the purpose of improving the directors’ ability to understand business operations or are related to the work of the Board and/or Board committees, (ii) are not distracting, and (iii) do not interfere with the primary duty of the CEO to operate the organization on a day-to-day basis.

XXV. Interaction with Press, Customers, and the Public

It is the Board's policy that management (specifically the CEO or CEO's designee) speaks for the Corporation. Individual directors may, from time to time at the request of the CEO, meet or otherwise communicate with various constituencies. If comments from the Board are appropriate, they should in most circumstances come from the Chair or, in his/her absence, from the Vice Chair.

XXVI. Shareholder Communications with the Board

Persons wishing to contact one or more directors should mail correspondence in care of the Secretary of StellarOne Corporation, 590 Peter Jefferson Parkway, Suite 250, Charlottesville, Virginia 22911. Individuals may also communicate with the Board by submitting an email to the Chief Risk Officer at dbilko@stellarone.com.

XXVII. Voting For Directors

In an uncontested election, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election (a "Majority Withheld Vote") shall promptly tender his or her resignation following certification of the stockholder vote.

The Governance and Nominating Committee shall promptly consider the resignation offer and any circumstances known to the Committee to have led to the Majority Withheld Vote. Following that review, the Governance and Nominating Committee shall make a recommendation to the Board as to whether the resignation shall be accepted. The Board will act on the Governance and Nominating Committee's recommendation within 90 days following certification of the stockholder vote.

Thereafter, the Board will promptly disclose the material findings of its decision-making process and its decision as to whether to accept the director's resignation offer (or, if applicable, the reason(s) for rejecting the resignation offer) in a Form 8-K furnished to the Securities and Exchange Commission.

Any director who tenders his or her resignation pursuant to this provision shall not participate in the Governance and Nominating Committee recommendation or Board action regarding whether to accept the resignation offer. If each member or a majority of the Governance and Nominating Committee received a Majority Withheld Vote at the same election, then the independent directors who did not receive a Majority Withheld Vote shall appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept them.