

**CORPORATE GOVERNANCE GUIDELINES**  
**Approved by the Board of Directors on August 13, 2003**  
**As amended on April 27, 2004**

**1. Director Qualifications**

The Board will have a majority of Directors who meet the criteria for independence required by the New York Stock Exchange. The Nominating and Governance Committee is responsible for reviewing the qualifications and independence of the members of the Board and its various committees on a periodic basis as well as the composition of the Board as a whole. This assessment will include members' qualification as independent, as well as consideration of diversity, age, skills, and experience in the context of the needs of the Board. Nominees for directorship will be recommended to the Board by the Nominating and Governance Committee in accordance with the policies and principles in its charter. The invitation to join the Board should be extended by the Board itself, by the Chairman of the Nominating and Governance Committee and the Chairman of the Board.

The Board presently has 10 members. It is the sense of the Board that a size of 10 to 12 is about right. However, the Board would be willing to go to a somewhat larger size in order to accommodate the availability of an outstanding candidate.

It is the sense of the Board that individual Directors who change the principal occupation, position or responsibility they held when they were elected to the Board should volunteer to resign from the Board. It is not the sense of the Board that in every instance the Directors who retire or change from the position they held when they joined the Board should necessarily leave the Board. There should, however, be an opportunity for the Board through the Nominating and Governance Committee to review the continued appropriateness of Board membership under the circumstances.

The Board believes that whether a former Chief Executive Officer should continue as a member of the Board is a matter to be decided in each individual instance. It is assumed that when the Chief Executive Officer resigns from that position, he/she should offer his/her resignation from the Board at the same time. Whether the individual continues to serve on the Board is a matter for decision at that time by the Board.

Directors should advise the Chairman of the Board and the Chairman of the Nominating and Governance Committee in advance of accepting an invitation to serve on another public company board. There should be an opportunity for the Board through the Nominating and Governance Committee to review the Director's availability to fulfill his or her responsibilities as a Director if he or she serves on more than three other public Corporation boards. The retirement age for Directors shall be age 70 and, therefore, if any Director of the Company reaches age 70 during his or her term of office, he or she shall retire as a Director effective on the date of the next Annual Meeting of Shareholders, regardless of the number of years remaining in his or her term.

The Board does not believe it should establish term limits. While term limits could help insure that there are fresh ideas and viewpoints available to the Board, they have the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Corporation and its operations and, therefore, provide an increasing contribution to the Board as a whole.

## **2. Director Responsibilities**

The basic responsibility of the Directors is to exercise their business judgment in good faith to act in what they reasonably believe to be in the best interests of the Corporation. In discharging that obligation, Directors should be entitled to rely on the honesty and integrity of their fellow Directors and the Corporation's senior executives and outside advisors and auditors. The Directors shall also be entitled to have the Corporation purchase reasonable Directors' and Officers' Liability Insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Corporation's articles of incorporation, by-laws and any indemnification agreements, and to exculpation as provided by state law and the Corporation's Certificate of Incorporation.

Directors are expected to attend Board meetings and meetings of committees which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the Directors before the meeting, and Directors should review these materials in advance of the meeting.

The Board has no policy with respect to the separation of the offices of Chairman and the Chief Executive Officer. The Board believes that this issue is part of the succession planning process, which is overseen by the Compensation Committee, and that it is in the best interests of the Corporation for the Board to make a determination when it elects a new chief executive officer.

The Chairman will establish the agenda for each Board meeting. At the beginning of the year the Chairman will establish a schedule of agenda subjects to be discussed during the year (to the degree this can be foreseen). Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Corporation's long-term strategic plans and the principal issues that the Corporation will face in the future during at least one Board meeting each year.

The Board believes that the appointment of a Lead Director may be appropriate in certain circumstances and that such appointment shall remain in effect for as long as circumstances warrant. Such appointment will be reviewed annually by the Nominating and Governance Committee.

The non-management Directors will meet periodically in executive session. The name of the Director who will preside at these meetings, or the method by which the presiding Director of each session is selected, will be determined by the non-management Directors and disclosed in the annual proxy statement.

The Board believes that the management speaks for the Corporation. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Corporation. But it is expected that Board members will do this only with the knowledge of the management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

### **3. Board Committees**

The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. All of the members of these committees will be independent Directors under the criteria established by the New York Stock Exchange. The Board will have additional standing and temporary committees as appropriate. In general, committee members will be appointed by the Board upon recommendation of the Nominating and Governance Committee with consideration of the desires of individual Directors. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy.

Each committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as certain specific qualifications for committee membership and procedures for committee member appointment; in addition the charters will address committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance.

The chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of the year each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee will be furnished to all Directors.

The Board and each committee have the power to hire at the expense of the Corporation independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Corporation in advance.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

#### **4. Director Stock Ownership**

The Board believes that directors should be shareholders and have a financial stake in the Company and shall have the power to adopt guidelines for director stock ownership from time to time.

#### **5. Director Access to Officers and Employees**

Directors have full and free access to officers and employees of the Corporation. Any meetings or contacts that a Director wishes to initiate may be arranged through the CEO or the Corporate Secretary or directly by the Director. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Corporation and will, to the extent not inappropriate, copy the CEO on any written communications between a Director and an officer or employee of the Corporation.

The Board welcomes regular attendance at each Board meeting of the appropriate representatives of senior management of the Corporation as shall be determined from time to time, subject to the Board's right in all instances to meet in executive session or with a more limited number of management representatives. If the CEO wishes to have additional Corporation personnel attendees on a regular basis, this suggestion should be brought to the Board for consideration.

#### **6. Director Compensation**

The form and amount of Director compensation will be determined by the Nominating and Governance Committee in accordance with the policies and principles set forth in its charter and any NYSE or other applicable rules, and that Committee will conduct an annual review of Director compensation. The Nominating and Governance Committee will consider that Directors' independence may be jeopardized if Director compensation and perquisites exceed customary levels, if the Corporation makes substantial charitable contributions to organizations with which a Director is affiliated, or if the Corporation enters into consulting contracts with (or provides other indirect forms of compensation to) a Director or an organization with which the Director is affiliated.

#### **7. Director Orientation and Continuing Education**

All new Directors must participate in the Corporation's Orientation Program, which should be conducted within two months of the annual meeting at which new Directors are elected or within two months of the time the new Director otherwise joins the Board. This orientation will include presentations by senior management to familiarize new Directors with the Corporation's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. All continuing Directors are also invited to attend the Orientation Program. All directors also participate in periodic continuing education programs.

## **8. CEO Evaluation and Management Succession**

The Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter. The Board of Directors will review the Compensation Committee's report in order to ensure that the CEO is providing effective leadership for the Corporation in the long- and short-term.

The Compensation Committee should periodically report to the Board on succession planning. The entire Board will work with the Compensation Committee to nominate and evaluate potential successors to the CEO. The CEO 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.

## **9. Performance Evaluation**

The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Governance Committee will receive comments from all Directors and report annually to the Board with an assessment of the Board's performance. This will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Corporation and specifically focus on areas in which the Board or management believes that the Board could improve.

Each Director will conduct an annual self-evaluation to assess his or her individual performance. The self-evaluation will be discussed by the Director and the Chair of the Nominating and Governance Committee. .