HILB ROGAL & HOBBS COMPANY

CORPORATE GOVERNANCE GUIDELINES

Introduction

The Board of Directors (the “Board”) of Hilb Rogal & Hobbs Company (together with its subsidiaries, the “Company”) has adopted the following Corporate Governance Guidelines to assist the Board and its committees in performing their duties and responsibilities to the Company and its shareholders. The Board periodically will review and, if appropriate, revise these Guidelines from time to time.

Composition of the Board; Director Qualification

1. Director Independence

A majority of the members of the Board of Directors will qualify as independent directors in accordance with the applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder, and the listing standards and applicable rules of the New York Stock Exchange. The Board on an annual basis, based upon the recommendations of the Corporate Governance Committee, shall review the independence of all directors, affirmatively make a determination as to the independence of each director and disclose those determinations in the Company’s annual proxy statement; provided that, the Board may disclose categorical standards to assist it in making determinations of independence and the Board may make a general disclosure if a director meets these standards.

To be considered an “independent director,” the Board must determine that a director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). When assessing the materiality of a director’s relationship with the Company, the Board will consider all relevant facts and circumstances, and in particular, will consider the issue not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation.

In evaluating independence, the Board has established the following standards: No director (a) who is an employee, or whose immediate family member is an executive officer, of the Company can be independent until three years after the end of such employment relationship; (b) who receives, or whose immediate family member receives, more than $100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), can be independent until three years after he or she ceases to receive more than $100,000 per year in such compensation; (c) who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company can be independent until three years after the end of the affiliation or the employment or auditing relationship; (d) who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the Company's present executives serve on that company's compensation committee is not independent until three years after the end of such service or the employment relationship; and (e) who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of $1 million or 2% of such other company's consolidated gross revenues, can be independent until three years after falling below such threshold. In applying the financial threshold established in clause (e) above, both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year. Charitable organizations shall not be considered "companies" for the purpose of clause (e) above, provided however, that the Company will disclose in its annual proxy statement any charitable contributions made by the Company to any charitable organization in which a director serves as an executive officer if, within the preceding three years, contributions in any single fiscal year exceeded the greater of $1 million, or 2% of such charitable organization's consolidated gross revenues. Notwithstanding the foregoing, and in accordance with the transition rules promulgated by the New York Stock Exchange, the "look-back" provisions in this paragraph shall be a one-year "look back" until November 4, 2004, and thereafter, shall be a three-year "look-back," as provided above.

For the purpose of determining independence, "immediate family member" means a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home; provided that, when applying the three-year look-back provision in clause (e) above, the Board does not need to consider individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

In evaluating a director's independence, the Board has determined that a commercial relationship that is below the financial threshold established in clause (e) above is not material.

2. <u>Board Size, Composition and Membership Criteria</u>

The Company's Bylaws set the minimum and maximum size for the Company's Board. The Corporate Governance Committee considers and recommends the appropriate Board size to the Board based upon then current requirements to oversee successfully the business and affairs of the Company.

The Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite characteristics, skills and experience that the Board seeks in Board members as well as the composition of the Board as a whole. In evaluating the suitability of individual Board members, the Board takes into account many factors, including knowledge of business and financial affairs, the highest level of personal and professional ethics, integrity and values, practical wisdom and mature judgment, educational background, business or professional experience and a willingness and ability to devote the required time to carrying out the duties and responsibilities of Board membership. Nominees for directorship will be recommended by the Corporate Governance Committee to the full Board in accordance with its charter. In determining whether to recommend a director for reelection, the Corporate Governance Committee considers, among other factors, whether a director is independent, the director's past attendance at meetings and participation in and contributions to activities of the Board.

The Board believes that directors should be shareholders and have a financial stake in the Company. While the Board does not believe it appropriate to specify the level of share ownership for individual directors, it is anticipated that each director will develop a meaningful ownership in the Company over time.

3. Director Orientation and Continuing Education

The Corporate Governance Committee shall oversee the education of new directors through an orientation program developed by management that exposes the new director to the Company's business and strategies; familiarizes the new director with the Company's compliance programs; allows for formal and informal interaction with members of management; and facilitates the building of relationships with other Board members.

Each director is expected to maintain the necessary level of expertise to perform his or her responsibilities as a director. The Corporate Governance Committee and management shall identify and communicate external and internal training and educational opportunities for directors in areas of importance to the Company.

4. Changes in Circumstances of Directors

A director is expected to report changes in his or her business or professional affiliations or responsibilities, including retirement, to the Chairman of the Board and the Chairman of the Corporate Governance Committee. A director who retires from his or her present employment, or who materially changes his or her position, must tender resignation to the Board. The Board, and specifically the Corporate Governance Committee, shall then evaluate whether the Board should accept the resignation based on a review of whether the individual continues to satisfy the Board's membership criteria in light of his or her new occupational status.

5. **Term Limits**

Recognizing the value of continuity of directors who have experience with the Company, there are no limits on the number of terms in which a director may hold office.

6. **Retirement of Directors**

The Board has established a retirement policy for directors which it believes is appropriate for current circumstances. Under that policy, no person other than Robert H. Hilb, a founder of the Company, may stand for election as a director after reaching age 70.

7. **Other Board Memberships**

Each Board member is expected to arrange existing and future commitments so as not to materially interfere with the member's service as a director of the Company. Directors should advise the Chairman of the Board and the Chairman of the Corporate Governance Committee in advance of accepting an invitation to serve on another public company board. No member of the Audit Committee may serve on more than two other public company audit committees, unless the Board determines that simultaneous service by such member would not impair the ability of such member to effectively serve on the Company's Audit Committee and such determination is disclosed in the Company's annual proxy statement. No director shall serve as a director, officer or employee of a competitor of the Company.

8. **Conflicts of Interest**

All directors must comply with the applicable provisions of the Conflicts of Interest section of the Company's Code of Business Conduct and Ethics. If an actual or potential conflict of interest develops for any reason, the director should immediately report such matter to the General Counsel of the Company for evaluation. The General Counsel should report all such actual or potential conflicts of interest to the Corporate Governance Committee for review and determination.

If a director has any potential conflict of interest in a matter before the Board, the director shall disclose the interest to the Board, excuse himself or herself from participation in the discussion and shall not vote on the matter.

OPERATION OF THE BOARD

9. **Directors' Responsibilities**

Directors are responsible for exercising their duties as directors, including their duties as committee members, in accordance with their good faith business judgment of the best interests of the Company and its shareholders. The specific duties and responsibilities of the Board will include, among other things, overseeing the management of the business and affairs of the Company; selecting and recommending to the shareholders appropriate candidates for election to the Board; reviewing and, where appropriate, approving operating and business plans, major strategies and financial objectives of the Company; monitoring and evaluating the performance of the Company and senior management; evaluating Board processes and performance and the overall effectiveness of the Board; and to assure maintenance of necessary accounting, financial and other controls. Directors are expected to attend Board meetings and meetings of committees and subcommittees on which they serve, and to spend the time needed and meet as frequently as necessary to discharge properly their responsibilities.

10. Board Committees

The standing committees of the Board are the Executive Committee, the Audit Committee, the Compensation Committee, the Corporate Governance Committee, the Finance Committee and the Corporate Affairs Committee. Each committee (other than the Executive Committee) has a charter that has been approved by the Board. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by applicable law and the Company's Articles of Incorporation and Bylaws as the Board sees fit. The Corporate Governance Committee, Audit Committee and Compensation Committee each shall be comprised solely of independent directors. The Board has adopted a policy that only non-management directors may serve on committees of the Board, except for the Executive Committee which shall always be chaired by the Company's Chief Executive Officer. Employee directors may participate from time to time on a given committee as nonvoting, ex officio members at the invitation of the chairperson of a committee. The Corporate Governance Committee, in consultation with the Chief Executive Officer, shall make recommendations to the Board with respect to committee assignments. In determining committee assignments, the Board of Directors may consider such factors as the director's knowledge, experience, interests and expertise, the Company's compliance with applicable legal and regulatory requirements and the continuity of the committee's membership. Membership on Board committees may be rotated from time to time as the Board may determine, but rotation of membership is not required. The chairperson of each committee should report to the Board, whenever appropriate, with respect to those matters considered and acted upon by his or her committee.

11. Frequency of Meetings; Meeting Agendas

The Board of Directors holds six regularly scheduled meetings per year and at such other times as is necessary. The Chairman of the Board shall set the agenda for meetings of the Board of Directors. Any director may suggest agenda items and may raise at meetings other matters that he or she considers worthy of discussion. Each committee chairperson, in consultation with committee members and with input from management, will determine the frequency of committee meetings. The chairperson of each committee, in consultation with committee members and appropriate members of management, will develop the committee's agenda.

12. Board Materials in Advance

Information and data that are important to the Board's understanding of the business of the meeting should, when practical, be distributed in writing to the Board before the Board meets, and directors should review these materials in advance of the meeting.

13. Leadership of the Board and the Company

The Board of Directors reserves the right to determine, from time to time, how to configure the leadership of the Board and the Company in the way that best serves the Company and its shareholders. The Board of Directors specifically reserves the right to vest the responsibilities of the Chairman of the Board and Chief Executive Officer in the same individual. The Board has no fixed policy with respect to combining or separating the offices of Chairman of the Board and Chief Executive Officer.

14. Executive Sessions of Non-Management Directors

Regularly scheduled sessions of non-management directors (i.e., directors who are not company officers but who do not otherwise have to qualify as "independent" directors) are held without management at every regularly scheduled Board meeting. In addition, regularly scheduled sessions of independent directors are held at every regularly scheduled Board meeting. The chairperson of the Corporate Governance Committee leads such executive sessions, and if that is not possible, then the Chairman of the Audit Committee, and failing that, the Chairman of the Compensation Committee. The Board of Directors of the Company will establish and disclose methods by which interested parties may communicate directly with the presiding director or with the non-management directors as a group.

15. Director Compensation

The Compensation Committee is responsible for reviewing annually the form and amount of director compensation, including a review of director compensation as compared to the compensation of directors at similar companies, to ensure that it is appropriate. The Compensation Committee will make recommendations to the Board to approve any changes in the compensation package for directors as it deems advisable. Directors may be compensated through a combination of cash, equity-based awards and other director compensation. Directors who are employees of the Company receive no additional compensation for serving as directors. In connection with director compensation, the Board of Directors will be aware that questions may be raised when directors' fees and benefits exceed what is customary. Similarly, the Board of Directors will be aware that the independence of directors could be questioned if substantial charitable contributions are made to organizations in which a director is affiliated or if the Company enters into consulting contracts with, or provides other indirect compensation to, a director. The Board will critically evaluate each of these matters when determining the form and amount of director compensation and the independence of a director.

16. Annual Performance Evaluation of the Board

The full Board of Directors, at least annually, will conduct a self-evaluation to determine whether it and its committees are functioning effectively and what, if any, action could improve Board and Board committee performance. Such evaluation shall include the solicitation of each director's individual views on Board performance, conducted in a manner designed by the Corporate Governance Committee. The evaluation results will be discussed with the full Board. The purpose of such an evaluation is to assess the Board's performance as a whole, not to focus on the performance of individual Board members. The ability of individual directors to contribute to the Board is assessed in connection with the re-nomination process. The Board will also review the Corporate Governance Committee's periodic recommendations concerning the performance and effectiveness of the Board and its committees.

BOARD INTERACTION WITH MANAGEMENT

17. Formal Evaluation of the Chief Executive Officer; Succession Planning

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

The Board of Directors will establish and review periodically such formal and informal policies and procedures, consulting with the Chief Executive Officer and others, as it considers appropriate, regarding succession to the Chief Executive Officer in the event of an unexpected occurrence or retirement.

18. Director Access to Management and Independent Advisors

Board members should have complete access to the Company's management and are encouraged to make regular contact.

The Board of Directors and Board committees, to the extent set forth in the applicable committee charter, have the right to consult and retain independent legal, financial and other advisors at the expense of the Company to assist in performing their duties.

19. Director Interaction with Investors, the Media and Others

The Board believes that management speaks for the Company. It is expected that, except in unusual circumstances or as required by committee charters or as requested by senior management, directors who receive inquiries from investors, the media, market professionals or others should refer them to the Chief Executive Officer or another appropriate officer of the Company.