



711:Defining the Role of In-house Lawyers in Governance

Margaret M. Foran

Vice President—Corporate Governance & Secretary
Pfizer Inc.

Kerry A. Galvin

Senior Vice President, General Counsel & Secretary
Lyondell Chemical Company

Paul R. Lovejoy

Senior Vice President, General Counsel & Secretary
United Air Lines, Inc.

Kellye L. Walker

Senior Vice President, General Counsel & Secretary
BJ's Wholesale Club, Inc.

Faculty Biographies

Margaret M. Foran

Margaret M. Foran is vice president-corporate governance and secretary of Pfizer Inc. in New York City.

Prior to joining Pfizer, she was an associate general counsel and assistant secretary of ITT Corporation and a vice president, assistant general counsel, and assistant secretary for J.P. Morgan & Co., Inc., as well as secretary of Morgan Guaranty Trust Company of New York. Previously, she was an associate with Reid & Priest.

Ms. Foran is a director of The MONY Group Inc. and MONY Life Insurance Company. She is a member of the board of trustees of the advisory council of the Securities and Exchange Commission Historical Society. She serves as cochair of the Council of Institutional Investors. Ms. Foran is the past chair of ACC's Corporate and Securities Law Committee, a member of ACC's New York Chapter and a recipient of ACC's 1998 National Committee Member of the Year. Ms. Foran is currently chair, a former director, the former chair of the securities law committee, and the former treasurer of the American Society of Corporate Secretaries (ASCS). She is also the former president and on the advisory committee of the New York Chapter of the ASCS. She is the former chair of the coordinating committee of the Business Roundtable's Corporate Governance Task Force and the current chair of the SEC issues committee. Ms. Foran is vice chair of the Board of The Better Business Bureau of Metropolitan New York, a board director of The Girl Scout Council of Greater New York, and also serves on the business advisory council of YAI National Institute for People with Disabilities.

Ms. Foran received an BA, magna cum laude, and a JD from the University of Notre Dame.

Kerry A. Galvin

Kerry A. Galvin is senior vice president, general counsel, and secretary of Lyondell Chemical Company in Houston. In this capacity, she is responsible for coordinating and providing legal services for the Lyondell enterprise, which includes Lyondell and its affiliate, Equistar Chemicals, LP. Ms. Galvin manages the enterprise's legal department and serves as the chief legal advisor to the Lyondell board of directors. She also has responsibility for managing the government affairs function for the enterprise. Ms. Galvin serves on the Equistar Partnership Governance Committee.

Ms. Galvin has been responsible for legal services associated with a number of activities at Lyondell, including corporate finance and securities, corporate governance, and mergers and acquisitions. Prior to being elected to her present position, she served as associate general counsel, with responsibility for international legal affairs, and was based in Lyondell's European headquarters in Maidenhead, the United Kingdom. Ms. Galvin began her career in private practice in Houston, with the law firm of Mayor, Day, Caldwell and Keaton.

She is a member of the Conference Board of Chief Legal Advisors, ACC, the ABA, and Texas Bar Association.

Ms. Galvin graduated, cum laude, from Georgetown University with a BSFS (Bachelor of Science in Foreign Service) and cum laude from the University of Michigan with a JD.

Paul R. Lovejoy

Paul R. Lovejoy is senior vice president, general counsel, and secretary of United Airlines, based at the company's world headquarters in suburban Chicago. He also is a member of United's executive council.

Prior to joining United, Mr. Lovejoy was based in New York as a partner in the law firm Weil, Gotshal & Manges LLP, where he specialized in mergers and acquisitions, joint ventures, and other strategic alliances and investments. Prior to joining Weil, Gotshal & Manges, Mr. Lovejoy was assistant general counsel of Texaco Inc., where he had primary responsibility for that company's major transactions and corporate legal functions. Previously, he was responsible for all non-U.S. legal affairs of Texaco and its subsidiaries. Prior to Texaco, Mr. Lovejoy was a partner in the law firm Squire, Sanders & Dempsey, based in Cleveland and New York.

Mr. Lovejoy received his undergraduate degree, summa cum laude, from New England College, and his law degree from Case Western Reserve University School of Law, where he was executive editor of the *Law Review* and a member of the Order of the Coif.

Kellye L. Walker

Kellye L. Walker is senior vice president, general counsel, and secretary of BJ's Wholesale Club, Inc, located in Natick, Massachusetts. Ms. Walker's responsibilities include oversight of all of BJ's Wholesale Club, Inc. legal, regulatory, and compliance matters.

Prior to joining BJ's Wholesale Club, Inc., Ms. Walker was a member at the Boston law firm of Hill & Barlow, LLP where she represented public, private, for-profit, and not-for-profit clients in all aspects of their businesses. Her practice also included strategic planning advice and counseling for clients involved in mergers, acquisitions, divestitures, and management buyouts. Additionally, Ms. Walker represented start-up and emerging companies in private placements of debt and equity from seed stage to pre-IPO. Previously she was a partner in the business section of Chaffe, McCall, Phillips, Toler & Sarpy, L.L.P. in New Orleans, where in addition to her legal work, she developed the firm's Women in Business Seminar series. Ms. Walker began her career as an associate at the law firm of Boulton, Cummings, Connors & Berry, PLC in Nashville.

She is a member of the board of directors of ACC's Northeast Chapter, a member of the international corporate governance committee of the business law section of the ABA, and the Commonwealth Institute General Counsel Forum. Ms. Walker is a member of the advisory board of the Women of Ethnic Diversity Initiative, a program designed to assist women entrepreneurs to grow their businesses. Other community activities include being a fellow in the Partnership, Inc. and a member of Tennessee Leadership and the Young Leaders' Council.

Ms. Walker received her BS from Louisiana Tech University and her JD from Emory University School of Law, where she was research editor of the *Emory International Law Review*.

2004 ANNUAL BOARD MEETING AGENDAS¹

I. FEBRUARY

A. AUDIT COMMITTEE

1. Approval of Minutes
2. Management Report on Quality of Earnings
3. Review PwC Preliminary Audit Results
4. Review of Internal Audit Results (Lyondell and Ventures)
5. Review Current Year Internal Audit Plan
6. Update on Control Issues
7. Approval of Related Party Transactions
8. Litigation Review
9. Audit Committee Financial Expert Determination
10. Private Meetings w/External Auditors, Internal Auditor and Management

B. COMPENSATION COMMITTEE

1. Approval of Minutes
2. Review and Approve Company Financial Performance (EVA Results), Calculation of Performance Percentage and Annual Cash Bonus Awards to Officers of the Company
3. Approve Performance Share Payout
4. Approve Performance Targets under the Long-Term Incentive Plan
5. Approve Stock Option, Performance Share, Restricted Stock and Matching Cash Grants to Officers of the Company
6. Review Compensation Committee Report For Proxy Statement
7. Executive Session:
 - Annual Cash Bonus Award for the Chief Executive Officer
 - Performance Share Payout for the Chief Executive Officer
 - Stock Option, Performance Share, Restricted Stock and Matching Cash Grants for the Chief Executive Officer
 - CEO Evaluation

C. CORPORATE GOVERNANCE COMMITTEE

1. Approval of Minutes
2. Committee Charter
3. Committee Assignments
4. Nomination of Directors for Election at Annual Meeting
5. Approve Proxy Disclosure of Corporate Governance Guidelines and Director Independence
6. Director Restricted Stock Grant

¹ This schedule is intended to identify recurring agenda items that the Board and Board Committees normally address on an annual basis. Other matters are added to a meeting agenda as directed by the Chair.

- D. APPROVAL OF ANNUAL MEETING RESOLUTIONS
 - 1. Date, Time and Place
 - 2. Record Date
 - 3. Independence Determination and Nomination of Directors
 - 4. Audit Committee Financial Expert Determination
- E. APPROVAL OF MINUTES
- F. REVIEW CURRENT FINANCIAL PERFORMANCE AND BUSINESS OPERATIONS UPDATE
- G. REVIEW ACCOMPLISHMENTS AGAINST PRIOR YEAR GOALS
- H. REVIEW CURRENT YEAR GOALS
- I. DIVIDEND DECLARATION
- J. STRATEGIC PLAN UPDATE
- K. EXECUTIVE SESSION

II. MARCH

- A. AUDIT COMMITTEE
 - 1. Selection of External Auditor (Lyondell and Ventures)
 - Review Fees
 - Performance Report
 - 2. Litigation Update
 - 3. Internal Control Update
 - 4. Review Financial Statements on Form 10-K
 - CEO/CFO Certification
 - 5. Review External Audit Results, PwC Audit Reports and Other Required Communications (Lyondell and Ventures)
 - 6. Review Proxy Statement
 - Audit Committee Report
 - 7. Private Meetings w/External Auditors, Internal Auditor and Management
- B. COMPENSATION COMMITTEE
 - 1. Approval of Minutes
 - 2. Approve Compensation Committee Report For Proxy Statement
 - 3. Review Status of Ownership by Officers under Ownership Guidelines
 - 4. Update on Grants, Balances and Share Reserves under the Long-Term

- Incentive Plan
- 5. Review Employee Stock Ownership in the Company's 401k Plans
- 6. Update on 4th Quarter and Prior Full Year Pension Plan Performance

- C. APPROVAL OF MINUTES

- D. CURRENT FINANCIAL PERFORMANCE AND BUSINESS OPERATIONS UPDATE

- E. APPROVAL OF FORM 10-K

- F. REVIEW PROXY STATEMENT

- G. REVIEW OF ANNUAL REPORT

- H. APPROVAL OF ANNUAL MEETING RESOLUTIONS
 - 1. Proxy Statement
 - 2. Proxies
 - 3. Judges Of Election

- I. STRATEGIC PLAN UPDATE

- J. EXECUTIVE SESSION

- III. MAY (ANNUAL MEETING)**

- A. AUDIT COMMITTEE
 - 1. Approval of Minutes
 - 2. Review Quarterly Report on Form 10-Q
 - 3. Certification Process
 - 4. Compliance Assessment
 - 5. Private Meetings w/External Auditors, Internal Auditor and Management

- B. COMPENSATION COMMITTEE
 - 1. Approval of Minutes
 - 2. Fiduciary Responsibility Review
 - 3. Approve Benefits-Related Standing Resolutions
 - 4. Compensation Committee Fiduciary Responsibility Review
 - 5. Update on 1st Quarter Pension Plan Performance

- C. CORPORATE GOVERNANCE COMMITTEE
 - 1. Approval of Minutes

2. Board/Committee Evaluation Forms
- D. ELECTION OF OFFICERS
- E. APPROVAL OF STANDING RESOLUTIONS
- F. CURRENT FINANCIAL PERFORMANCE AND BUSINESS OPERATIONS UPDATE
- G. DIVIDEND DECLARATION
- H. STRATEGIC PLAN UPDATE
- I. EXECUTIVE SESSION

IV. JULY

- A. AUDIT COMMITTEE
 1. Approval of Minutes
 2. Management's Report on Quality of Earnings
 3. Litigation Update
 4. Review Internal Audit Results
 - *Lyondell and Joint Ventures*
 5. Internal Control Update
 6. PwC Management Letter
 7. Private Meetings w/External Auditors, Internal Auditor and Management
- B. COMPENSATION COMMITTEE
 1. Approval of Minutes
 2. Succession Plan Review
 3. Update on Grants, Balances and Share Reserves under the Long-Term Incentive Plan
 4. Review participation and costs for the Company's executive severance pay plan
- C. CURRENT FINANCIAL PERFORMANCE AND BUSINESS OPERATIONS UPDATE
- D. DIVIDEND DECLARATION
- E. STRATEGIC PLAN UPDATE
- F. EXECUTIVE SESSION

V. AUGUST**A. AUDIT COMMITTEE**

1. Review Quarterly Report on Form 10-Q
2. Certification Process

VI. OCTOBER**A. AUDIT COMMITTEE**

1. Approval of Minutes
2. Litigation Update
3. Internal Control Update
4. PwC Current Year Audit Scope
5. Review Compliance Matters
6. Committee Evaluation Results
7. Private Meetings w/External Auditors, Internal Auditor and Management

B. COMPENSATION COMMITTEE

1. Approval of Minutes
2. Update on Grants, Balances and Share Reserves under the Long-Term Incentive Plan
3. Review of Fiduciary Responsibility and Welfare Plan Administration
4. Update on 2nd Quarter Pension Plan Performance
5. Review Process for CEO Performance Evaluation
6. Committee Evaluation Results

C. CORPORATE GOVERNANCE AND RESPONSIBILITY COMMITTEE

1. Approval of Minutes
2. Board and Committee Evaluation Results
3. Review Crisis Management Plan
4. Review Public Policy Issues/Significant Community Relations Matters
5. Board Succession Planning

D. APPROVAL OF MINUTES

- E. CURRENT FINANCIAL PERFORMANCE AND BUSINESS OPERATIONS UPDATE
- F. DIVIDEND DECLARATION
- G. PRELIMINARY BUDGET AND LONG-RANGE PLAN REVIEW
- H. STRATEGIC PLAN UPDATE
- I. EXECUTIVE SESSION

VII. NOVEMBER

- A. AUDIT COMMITTEE
 - 1. Review Quarterly Report on Form 10-Q
 - 2. Certification Process

VIII. DECEMBER

- A. AUDIT COMMITTEE
 - 1. Approval of Minutes
 - 2. Adoption of Following Year Regular Meeting Schedule
 - 3. Review Audit Committee Charter
 - 4. Pre-Approve Following Year Non-Audit Services
 - 5. Litigation Update
 - 6. Management's Report on Quality of Earnings
 - 7. Financial Reporting and Accounting Developments
 - 8. Internal Control Update
 - 9. Related Party Transactions (Review Existing Relationships)
 - 10. Private Meetings w/External Auditors, Internal Auditor and Management
- B. COMPENSATION COMMITTEE
 - 5. Approval of Minutes
 - 6. Review and Approve Base Salary Increases for Officers of the Company
 - 7. Review and Approve Annual Bonus and Long-Term Grant Targets
 - 8. Review and approve methodology for calculation of Long-Term Award Grants to Officers of the Company. Review estimate of Long-Term Award Grants to Officers of the Company.
 - 9. Review Projected Company Performance (EVA)
 - 6. Review Compensation Committee Charter
 - 7. Update on 3rd Quarter Pension Plan Performance
 - 8. Adoption of Regular Meeting Schedule and Agendas

9. Review and Approve Market Reference, Annual Cash Bonus Award Target and Long-Term Award Target for the Chief Executive Officer.
- C. CORPORATE GOVERNANCE COMMITTEE
1. Approval of Minutes
 2. Review Committee Charter
 3. Approve Annual Board Operating Budget
 4. Adoption of Next Year's Regular Committee Meeting Schedule and Agendas
 5. Succession Planning
- D. APPROVAL OF MINUTES
- E. CURRENT FINANCIAL PERFORMANCE AND BUSINESS OPERATIONS UPDATE
- F. STRATEGIC PLAN UPDATE
- G. OPERATING PLAN, FINANCIAL PLAN AND CAPITAL BUDGET APPROVAL
- H. APPROVE BOARD MEETING SCHEDULES AND AGENDAS
- I. EXECUTIVE SESSION

COMMITTEE CHARTERS

CHARTER OF THE AUDIT COMMITTEE

AMENDED DECEMBER 11, 2003

I. APPOINTMENT OF AUDIT COMMITTEE

The Company's By-Laws authorize the Board of Directors to appoint committees having the authority to perform such duties as the Board may determine. The Board of Directors has appointed the Audit Committee to serve the purposes set forth in this Charter, and has delegated the duties and responsibilities set forth in this Charter to the Audit Committee. The Audit Committee will report to the Board of Directors as provided in this Charter.

II. PURPOSE

- (1) The Audit Committee shall assist the Board of Directors in fulfilling its fiduciary and oversight responsibilities relating to the Company's financial reporting standards and practices and the integrity of the Company's financial statements.
- (2) The Audit Committee shall monitor the adequacy of and promote the Company's continued emphasis on internal controls.
- (3) The Audit Committee shall assist the Board's oversight of the performance of the Company's internal audit function and independent auditors, and the independent auditor's qualifications and independence.
- (4) The Audit Committee shall maintain open, continuing and direct communication between the Board of Directors, the Audit Committee and both the Company's independent auditors and its internal auditors.
- (5) The Audit Committee shall monitor the Company's compliance with legal and regulatory requirements and shall have the authority to initiate any special investigations of conflicts of interest, and compliance with federal, state and local laws and regulations, including the Foreign Corrupt Practices Act, as may be warranted.
- (6) The Audit Committee shall prepare the annual Audit Committee Report required by the rules and regulations of the Securities and Exchange Commission to be included in the Company's annual proxy statement.

III. OPERATING POLICIES

- (1) The Audit Committee shall be composed of three or more independent members of the Board of Directors. A director's independence, including any additional qualifications applicable to Audit Committee members, shall be determined in accordance with the Company's Principles of Corporate Governance. The Corporate Governance and Responsibility Committee will recommend to the Board the directors to be members of, and to fill any vacancies on, the Audit Committee (including the position of Audit Committee

- Chair), as provided in the Principles of Corporate Governance. The Board may remove a member from the Audit Committee at any time, with or without cause.
- (2) The Audit Committee shall hold such meetings as it shall deem advisable but shall meet a minimum of six times per calendar year. Minutes of all Audit Committee meetings shall be taken and approved by subsequent action. The Audit Committee shall circulate the minutes of the Audit Committee meetings to the Board for review.
 - (3) The Audit Committee shall meet at such times and places as the Audit Committee shall deem advisable on the call of the Chairman of the Audit Committee, the Chairman of the Board, the Chief Executive Officer, or, in their absence, by any member of the Audit Committee. The presence of a majority of the members of the Audit Committee then in office shall constitute a quorum for the transaction of business. The Audit Committee shall determine its rules of procedure in accordance with the Company's Principles of Corporate Governance.
 - (4) Upon the request of the Company's independent auditors or the Company's internal auditor, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters such auditors believe should be brought to the attention of the Audit Committee, directors or shareholders.
 - (5) At each regular Board meeting held following an Audit Committee meeting, the Audit Committee shall report to the Board regarding the action taken by the Audit Committee.
 - (6) The Audit Committee has the authority to retain independent, outside counsel or other professional services as it deems necessary, without seeking Board approval. The Audit Committee also has the authority to direct and supervise an investigation into any matter, without seeking Board approval.
 - (7) The Company shall provide such funding as the Audit Committee determines is necessary for payment of compensation to the independent auditor and any counsel or other advisors employed by the Audit Committee and for the ordinary administrative expenses of the Audit Committee in the performance of its duties.

IV. DUTIES AND RESPONSIBILITIES

- (1) The Audit Committee is directly responsible for the appointment, compensation, retention, termination and oversight of the work (including the resolution of any disagreements between management and the independent auditor regarding financial reporting) of any independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, subject (if applicable) to subsequent shareholder ratification. The independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company shall be a "registered public accounting firm," as provided in the Sarbanes-Oxley Act of 2002 and the regulations thereunder, and shall report directly to the Audit Committee.

- (2) The Audit Committee shall review with the independent auditors their audit plans and scope for the coming year and any non-audit services to be performed by such independent auditor. The Audit Committee shall review the compensation to be paid to the independent auditors for all audit and non-audit services to be performed. Subject to a de minimis exception relating to non-audit services, which is described in the following sentence, *all* audit and non-audit services to be performed for the Company by the independent auditor must be pre-approved by the Audit Committee or entered into pursuant to pre-approval policies and procedures established by the Audit Committee. Pre-approval of non-audit services shall not be required if:
- (a) the aggregate amount of all non-audit services provided to the Company does not exceed 5% of the total amount of revenues paid by the audit client to its independent auditor during the fiscal year in which the non-audit services are provided;
 - (b) the services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (c) the services are promptly brought to the attention of the Audit Committee and approved by the Audit Committee prior to completion of the audit.

Any pre-approval policies and procedures established by the Audit Committee:

- (a) must be detailed as to the particular services;
- (b) must provide that the Audit Committee will be informed of each service; and
- (c) may not delegate the Audit Committee's responsibilities to management.

The Audit Committee may delegate this pre-approval function to one or more members of the Audit Committee. The decisions of any Audit Committee member to whom pre-approval authority has been delegated shall be presented to the Audit Committee at its regularly scheduled meetings. Any non-audit service pre-approved by the Audit Committee (or any member to whom authority has been delegated) and any non-audit service entered into pursuant to pre-approval policies and procedures established by the Audit Committee shall be disclosed by the Company as required by law.

- (3) At least annually, the Audit Committee shall obtain and review a report by the independent auditor describing:
- (a) the firm's internal quality-control procedures;
 - (b) any material issues raised by the firm's most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
 - (c) all relationships between the independent auditor and the Company.
- (4) After reviewing the report discussed in (3) above and the independent auditor's work throughout the year, the Audit Committee shall evaluate the independent auditor's qualifications, performance and independence. The evaluation will include a review and

evaluation of the lead partner of the independent auditor assigned to the Company's audit. The evaluation also will consider the opinions of management and the Company's internal auditors. The audit partners shall be rotated as required by law. The Audit Committee shall present the results of its evaluation of the independent auditor to the Board.

- (5) To assist the Audit Committee in effectively performing its oversight function, the Audit Committee shall meet periodically in separate sessions with management, the internal auditors and with the independent auditors.
- (6) The Audit Committee shall regularly review with the independent auditor any problems or difficulties that the independent auditor encounters in the course of the audit work, including management's response. The review shall include a review of any restrictions on the scope of the independent auditor's activities or on access to requested information and any significant disagreements with management. The Audit Committee also shall review with the independent auditors:
 - (a) the audit report and their comments arising from the audit;
 - (b) all critical accounting policies and practices to be used;
 - (c) all alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with Company management, including the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor; and
 - (d) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- (7) The Audit Committee shall review with the Company's internal auditors the internal audit organization and the internal audit goals and plans and discuss the findings and recommendations resulting from internal audits.
- (8) The Audit Committee shall review with the Company's Controller the adequacy of the Company's overall systems of internal control and the responses taken with respect to the audit findings. In addition, the Audit Committee shall review specifically with each of the Chief Executive Officer, the Chief Financial Officer and the independent auditor their assessments of the Company's internal controls, as required by applicable law.
- (9) The Audit Committee shall discuss the annual audited financial statements and the quarterly unaudited financial statements with management and the independent auditor prior to their filing with the Securities and Exchange Commission in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The discussion of the annual and quarterly financial information also shall include a review of the Company's disclosures in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations."
- (10) Periodically, the Audit Committee shall have a general discussion regarding earnings press releases, as well as financial information and earnings guidance provided to analysts and

rating agencies. These discussions need not occur in advance of each earnings release or instance in which the Company may provide financial information or earnings guidance.

- (11) The Audit Committee shall review with the Company's financial management on a periodic basis (a) issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and (b) the effect of any regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
- (12) The Audit Committee shall review with the Company's financial management any unusual, non-operating and/or non-recurring items and the general quality of earnings reported by the Company.
- (13) The Audit Committee shall review any analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects on the financial statements of alternative methods under generally accepted accounting principles.
- (14) The Audit Committee shall review periodically, but at least once each year, all material agreements between the Company and any business organization wherein a Company director or officer is also a director or officer of such organization to assure that such are fair to the Company and its shareholders.
- (15) The Audit Committee shall ensure that the independent auditors submit on a periodic basis to the Audit Committee a formal written statement delineating all relationships between such auditors and the Company. The Audit Committee also shall actively engage in dialogues with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of such auditors, and recommend that the Board of Directors take appropriate action in response to the independent auditors' reports to satisfy itself of such auditors' independence.
- (16) The Audit Committee shall recommend to the Board of Directors policies and procedures to be developed for dealing with various matters as to which conflicts of interest may arise and periodically review the application of such policies and procedures.
- (17) The Audit Committee shall have responsibility for monitoring the Company's policies for compliance with federal, state, local and foreign laws and regulations as well as the Company's policies on corporate conduct. The Audit Committee shall have the authority to review the Company's legal and ethical compliance program and to institute any changes or revisions to such program as may be deemed warranted or desirable by the Audit Committee. The Audit Committee shall be responsible for reviewing and determining whether to grant any requests by directors or executive officers for waivers of the Company's Business Ethics and Conduct Policy. Any such waiver shall be disclosed to

shareholders, as required by law. In addition, the Audit Committee shall establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (18) As appropriate, the Audit Committee shall obtain advice and assistance from outside legal, accounting or other advisors.
- (19) Periodically, the Audit Committee shall discuss guidelines and policies with respect to risk assessment and risk management. The discussion will include a review of the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- (20) The Audit Committee shall set clear hiring policies for employees or former employees of the Company's independent auditor.
- (21) The Audit Committee shall conduct an annual self-evaluation, which will be incorporated into the Corporate Governance and Responsibility Committee's annual report to the Board on Board and committee performance.

CHARTER OF THE COMPENSATION COMMITTEE

AMENDED DECEMBER 12, 2002

I. APPOINTMENT OF COMPENSATION COMMITTEE

The Company's By-Laws authorize the Board of Directors to appoint committees having the authority to perform such duties as the Board may determine. The Board of Directors has appointed the Compensation Committee to serve the purposes set forth in this Charter, and has delegated the duties and responsibilities set forth in this Charter to the Compensation Committee. The Compensation Committee will report to the Board of Directors as provided in this Charter.

II. PURPOSE

- (1) The Compensation Committee shall assist the Board of Directors in fulfilling its fiduciary responsibilities relating to the Company's compensation and benefit plans, including, as appropriate, compensation and benefit plans of the Company's ventures and affiliates.
- (2) The Compensation Committee shall determine the appropriate policy for the Company's executive pay and benefit programs, including, as appropriate, executive pay and benefit programs for the Company's ventures and affiliates.
- (3) The Compensation Committee shall review the adequacy of the Company's management succession plans.
- (4) The Compensation Committee shall review the performance of the Chief Executive Officer.
- (5) The Compensation Committee shall discharge the Board's responsibilities relating to compensation of the Company's executives and produce an annual report on executive compensation for inclusion in the Company's annual proxy statement, in accordance with applicable rules and regulations.

III. OPERATING POLICIES

- (1) The Compensation Committee shall be composed of three or more independent directors. A director's independence shall be determined in accordance with the Company's Principles of Corporate Governance. The Corporate Governance and Responsibility Committee will recommend to the Board the directors to be members of, and to fill any vacancies on, the Compensation Committee (including the position of Compensation Committee Chair), as provided in the Company's Principles of Corporate Governance. The Board may remove a member from the Compensation Committee at any time, with or without cause.
- (2) The Compensation Committee shall meet at such times and places as the Compensation Committee shall deem advisable on the call of the Chairman of the Compensation Committee, the Chairman of the Board, the Chief Executive Officer, or, in their absence, by

any member of the Compensation Committee. The presence of a majority of the members of the Compensation Committee then in office shall constitute a quorum for the transaction of business.

- (3) The Compensation Committee shall take the minutes of all Compensation Committee meetings and approve them by subsequent action. The Compensation Committee shall circulate the minutes of the Compensation Committee meetings to the Board for review.
- (4) The Compensation Committee shall determine its rules of procedure in accordance with the Company's Principles of Corporate Governance.
- (5) At each regular Board meeting held following a Compensation Committee meeting, the Compensation Committee shall report to the Board regarding the action taken by the Compensation Committee.
- (6) The Compensation Committee has the authority to retain independent, outside counsel or other professional services as it deems necessary, without seeking Board approval.
- (7) The Company shall provide such funding as the Compensation Committee determines is necessary for payment of compensation to any counsel or other advisors employed by the Compensation Committee.

IV. DUTIES AND RESPONSIBILITIES

- (1) The Compensation Committee shall review periodically the Company's philosophy regarding executive compensation. Annually, the Compensation Committee shall assess the Company's competitive position for the Company's components of executive compensation.
- (2) The Compensation Committee shall adopt, amend, administer and terminate compensation and benefit plans and policies (other than those relating to non-employee directors) as it deems advisable (including any such plan qualifying under Rule 16b-3 under the Securities Exchange Act of 1934).
- (3) The Compensation Committee may delegate, as the Compensation Committee deems advisable, certain responsibilities to an appropriate management or administrative committee of the Company; *provided, however*, that the Compensation Committee shall have the sole authority to retain, terminate and approve the fees and other retention terms of any compensation consultant retained to assist in the evaluation of Chief Executive Officer compensation or other executive compensation.
- (4) The Compensation Committee shall review periodically and, as appropriate under the terms of the relevant joint venture agreements, approve the executive compensation plans and policies of the Company's ventures and affiliates.

- (5) The Compensation Committee shall review periodically reports from management regarding funding of the Company's pension plans.
- (6) The Compensation Committee shall review management and make recommendations to the Board as to management succession plans, including assessments of management at the Company's ventures and affiliates.
- (7) Annually, the Compensation Committee shall review and approve corporate goals and objectives relating to Chief Executive Officer compensation.
- (8) On behalf of the Board and the shareholders, the Compensation Committee shall evaluate the performance of the Chief Executive Officer annually in light of the corporate goals and objectives. As part of this evaluation, the Compensation Committee will seek input from the other non-employee directors on the Chief Executive Officer's performance.
- (9) The Compensation Committee will summarize and present the results of the evaluation of the Chief Executive Officer's performance to the Board during an executive session of the non-employee directors.
- (10) The Compensation Committee will incorporate the performance evaluation results in setting the Chief Executive Officer's compensation level and will make pay decisions for all officers, including the Chief Executive Officer, subject to final review with the Board.
- (11) The Compensation Committee shall review executive performance and prepare an annual report on executive compensation for inclusion in the Company's annual proxy statement, in accordance with applicable rules and regulations.
- (12) The Compensation Committee shall conduct an annual self-evaluation, which will be incorporated into the Corporate Governance and Responsibility Committee's annual report to the Board on Board and committee performance.

**CHARTER OF THE
CORPORATE GOVERNANCE AND RESPONSIBILITY COMMITTEE**

AMENDED DECEMBER 12, 2002

I. APPOINTMENT OF CORPORATE GOVERNANCE AND RESPONSIBILITY COMMITTEE

The Company's By-Laws authorize the Board of Directors to appoint committees having the authority to perform such duties as the Board may determine. The Board of Directors has appointed the Corporate Governance and Responsibility Committee to serve the purposes set forth in this Charter, and has delegated the duties and responsibilities set forth in this Charter to the Corporate Governance and Responsibility Committee. The Corporate Governance and Responsibility Committee will report to the Board of Directors as provided in this Charter.

II. PURPOSE

- (1) The Corporate Governance and Responsibility Committee plays a vital role in determining the composition of the Board of Directors, developing the Company's corporate governance process and periodically reviewing public policy issues and significant community relations matters.
- (2) The Corporate Governance and Responsibility Committee identifies individuals qualified to become Board members and recommends director nominees to the Board for each annual shareholder meeting.
- (3) The Corporate Governance and Responsibility Committee is responsible for developing, reviewing annually, and recommending to the Board a set of Principles of Corporate Governance applicable to the Company.
- (4) The Corporate Governance and Responsibility Committee develops and coordinates the annual self-evaluation by the Board and each committee. The Corporate Governance and Responsibility Committee also interprets the results and suggests areas for improvement in its report of the results to the Board.

III. OPERATING POLICIES

- (1) The Corporate Governance and Responsibility Committee shall be composed of three or more independent directors. A director's independence shall be determined in accordance with the Company's Principles of Corporate Governance. The Corporate Governance and Responsibility Committee will recommend to the Board the directors to be members of, and to fill any vacancies on, the Corporate Governance and Responsibility Committee (including the position of Corporate Governance and Responsibility Committee Chair), as provided in the Company's Principles of Corporate Governance. The Board may remove a member

from the Corporate Governance and Responsibility Committee at any time, with or without cause.

- (2) The Corporate Governance and Responsibility Committee shall meet at such times and places as the Corporate Governance and Responsibility Committee shall deem advisable on the call of the Chairman of the Corporate Governance and Responsibility Committee, the Chairman of the Board, the Chief Executive Officer, or, in their absence, by any member of the Corporate Governance and Responsibility Committee. The presence of a majority of the members of the Corporate Governance and Responsibility Committee then in office shall constitute a quorum for the transaction of business.
- (3) The Corporate Governance and Responsibility Committee shall take the minutes of all Corporate Governance and Responsibility Committee meetings and approve them by subsequent action. The Corporate Governance and Responsibility Committee shall circulate the minutes of the Corporate Governance and Responsibility Committee meetings to the Board for review.
- (4) The Corporate Governance and Responsibility Committee shall determine its rules of procedure in accordance with the Company's Principles of Corporate Governance.
- (5) At each regular Board meeting held following a Corporate Governance and Responsibility Committee meeting, the Corporate Governance and Responsibility Committee shall report to the Board regarding the action taken by the Corporate Governance and Responsibility Committee.
- (6) The Corporate Governance and Responsibility Committee has the authority to retain independent, outside counsel or other professional services as it deems necessary, without seeking Board approval.
- (7) The Company shall provide such funding as the Corporate Governance and Responsibility Committee determines is necessary for payment of compensation to any counsel or other advisors employed by the Corporate Governance and Responsibility Committee.

IV. DUTIES AND RESPONSIBILITIES

- (1) Annually, the Corporate Governance and Responsibility Committee shall review with the Board and make recommendations to the Board regarding:
 - the number of directors to constitute the whole Board;
 - the selection criteria for new directors;
 - the tenure and retirement of directors;
 - the roles and responsibilities of each director;
 - the duties and obligations of each director;
 - the structure and the roles and responsibilities of the Board and the Committees;
 - the names of persons whom it concludes should be considered for Board and Committee membership (including Committee Chairs);

- the annual operating budget for the Board; and
 - the role and effectiveness of the Board and the role and effectiveness of each Committee in the Company's corporate governance process;
- (2) The Corporate Governance and Responsibility Committee shall review annually the independence of each Board member and refer its conclusions to the Board for full discussion and approval. A director's independence shall be determined in accordance with the Company's Principles of Corporate Governance.
 - (3) The Corporate Governance and Responsibility Committee shall review with the Board, at least annually, the need for new Board members and the appropriate skills and characteristics required of potential new Board members. As need arises for additional directors, the Corporate Governance and Responsibility Committee has responsibility for the search process and for assessing and determining the selection criteria for new directors. The assessment will include a review of desired skills (such as industry knowledge or specific expertise, such as financial expertise), core competencies, willingness to devote adequate time to Board duties, judgement, issues of diversity and independence, legal requirements and other factors that are relevant in the context of the current make-up of the Board. Annually, the Corporate Governance and Responsibility Committee shall submit to the Board for approval the names of the persons who it concludes should be considered by the Company's shareholders as nominees for Board membership at the Company's next annual meeting of shareholders.
 - (4) The Corporate Governance and Responsibility Committee is responsible, with consideration for the desires of individual directors, for recommending to the Board the assignment of Board members to various Committees (including Committee Chairs).
 - (5) The Corporate Governance and Responsibility Committee shall assess and report annually to the Board on the performance of the Board and each Committee (including practices, policies and procedures of the Board and the Committees) and specifically review areas in which the Board, Committees and/or management believe a better contribution could be made. The assessment shall be based on an annual Board self-evaluation, which shall incorporate a self-evaluation by each Board Committee (including the Corporate Governance and Responsibility Committee). The Corporate Governance and Responsibility Committee shall be responsible for establishing the evaluation criteria and implementing the process for the annual evaluation.
 - (6) The Corporate Governance and Responsibility Committee shall review periodically the compensation for non-employee directors to ensure that it remains competitive. Any changes will be recommended to the Board for full discussion and approval.
 - (7) The Corporate Governance and Responsibility Committee shall adopt, amend, administer and terminate compensation and benefit plans and policies relating to non-employee directors as it deems advisable (including any such plan qualifying under Rule 16b-3 under the Securities Exchange Act of 1934).

- (8) The Corporate Governance and Responsibility Committee may delegate, as the Committee deems advisable, certain responsibilities to an appropriate management or administrative committee or executive officers of the Company; provided, however, that the Corporate Governance and Responsibility Committee shall have the sole authority to retain, terminate and approve the fees and other retention terms of (a) any search firm to be used to identify director candidates and (b) any compensation consultant retained to assist in the evaluation of director compensation.
- (9) The Corporate Governance and Responsibility Committee also shall review periodically the Company's public policy issues and significant community relations matters.

CHARTER OF THE EXECUTIVE COMMITTEE

AMENDED DECEMBER 12, 2002

I. APPOINTMENT OF EXECUTIVE COMMITTEE

The Company's By-Laws authorize the Board of Directors to appoint committees having the authority to perform such duties as the Board may determine. The Board of Directors has appointed the Executive Committee to serve the purpose set forth in this Charter, and has delegated the duties and responsibilities set forth in this Charter to the Executive Committee. The Executive Committee will report to the Board of Directors as provided in this Charter.

II. PURPOSE

As provided in the By-Laws and subject to applicable law, the Executive Committee may exercise the authority of the Board of Directors in the management of the business and affairs of the Company when the Board of Directors is not in session.

III. OPERATING POLICIES

- (1) The Executive Committee shall be composed of three or more directors, which directors may be independent or non-independent directors. The Corporate Governance and Responsibility Committee will recommend to the Board the directors to be members of, and to fill any vacancies on, the Executive Committee (including the position of Executive Committee Chair), as provided in the Company's Principles of Corporate Governance. The Board may remove a member from the Executive Committee at any time, with or without cause.
- (2) The Executive Committee shall meet at such times and places as the Executive Committee shall deem advisable on the call of the Chairman of the Executive Committee, the Chairman of the Board, the Chief Executive Officer, or, in their absence, by any member of the Executive Committee. The presence of a majority of the members of the Executive Committee then in office shall constitute a quorum for the transaction of business.
- (3) The Executive Committee shall take the minutes of all Executive Committee meetings and approve them by subsequent action. The Executive Committee shall circulate the minutes of the Executive Committee meetings to the Board for review.
- (4) The Executive Committee shall determine its rules of procedure in accordance with the Company's Principles of Corporate Governance.

- (5) At each regular Board meeting held following an Executive Committee meeting, the Executive Committee shall report to the Board regarding the action taken by the Executive Committee.
- (6) The Executive Committee has the authority to retain independent, outside counsel or other professional services as it deems necessary, without seeking Board approval.
- (7) The Company shall provide such funding as the Executive Committee determines is necessary for payment of compensation to any counsel or other advisors employed by the Executive Committee.

IV. DUTIES AND RESPONSIBILITIES

- (1) As provided in the By-Laws of the Company, the Executive Committee shall and may, subject to applicable law and the By-Laws of the Company, exercise all of the powers and authority of the Board of Directors in the management of the business and affairs of the Company in the interim between meetings of the Board of Directors; *provided, however*, that the Executive Committee has no power to:
 - (a) elect directors;
 - (b) alter, amend or repeal the By-Laws or any resolution or resolutions of the directors designating an Executive Committee;
 - (c) declare any dividend or make any other distribution to the shareholders of the Company; or
 - (d) appoint any member of the Executive Committee.
- (2) The Executive Committee may delegate, as the Executive Committee deems advisable, certain responsibilities to an appropriate management or administrative committee or executive officers of the Company.
- (3) The Executive Committee shall conduct an annual self-evaluation, which will be incorporated into the Corporate Governance and Responsibility Committee's annual report to the Board on Board and committee performance.

LYONDELL CHEMICAL COMPANY BOARD EVALUATION

Please indicate your response by circling the appropriate number beside each question.

Long Term Results	Strongly Agree		Strongly Disagree			Can be enhanced by:
	1	2	3	4	5	
1. The Board's decision making process is driven by the growth of shareholder value.	1	2	3	4	5	
2. The Board monitors EVA, EPS, cash flow, profitability productivity and other measures to assess long-term Company performance to plan.	1	2	3	4	5	
3. The Board's understanding of the Company's values and mission is reflected in key issues discussed throughout the year.	1	2	3	4	5	
4. The Board's understanding of the Company's long-term strategic plan is reflected in discussions of key issues throughout the year.	1	2	3	4	5	
5. Directors assess annual Company goals in sufficient detail.	1	2	3	4	5	
6. The Board monitors Company performance using industry comparative data.	1	2	3	4	5	
7. The Board periodically provides feedback on the executive succession plan.	1	2	3	4	5	

Board Responsibilities	Strongly Agree			Strongly Disagree		Can be enhanced by:
8. The Board is able to evaluate the Succession Plan by having regular interaction with high potential employees.	1	2	3	4	5	
9. Board members are kept abreast of issues and trends (e.g., technology developments, environmental regulations) affecting the future of the Company.	1	2	3	4	5	
10. The Board serves as stewards of the Company's assets by assuring adequate internal controls are in place.	1	2	3	4	5	
11. The Board is adequately informed of its public reporting responsibilities.	1	2	3	4	5	
12. The Board has sufficient oversight on major expenditures throughout the year.	1	2	3	4	5	
13. The Board understands the Company's asset base (e.g., financial resources, liabilities, physical assets and intellectual property).	1	2	3	4	5	
14. The Board has an effective process to evaluate CEO performance that provides thorough feedback.	1	2	3	4	5	
15. Board goals, expectations and concerns are fully communicated to the CEO.	1	2	3	4	5	
16. The full Board oversees the capital structure of the Company.	1	2	3	4	5	

Board Operations	Strongly Agree			Strongly Disagree		Can be enhanced by:
17. The Board is prepared to act in case of an unforeseen corporate crisis.	1	2	3	4	5	
18. The Board conducts effective meetings.	1	2	3	4	5	
19. The structure of the Board and its Committees is appropriate.	1	2	3	4	5	
20. The scope of information reviewed at Board meetings is appropriate.	1	2	3	4	5	
21. Board members receive advance meeting notices, written agendas, and necessary background material in advance of meetings.	1	2	3	4	5	
22. The Board ensures that appropriate codes of conduct and ethical standards are observed within the Company.	1	2	3	4	5	
23. The Board has the appropriate mix of skills and experience to be effective.	1	2	3	4	5	
24. The Board demonstrates that it understands the difference between the Board's role and the CEO's management role.	1	2	3	4	5	
25. Board members openly communicate with each other to resolve issues in a timely manner.	1	2	3	4	5	
26. Board member attendance at scheduled meetings is acceptable.	1	2	3	4	5	
27. Board meetings generate effective dialog among the Directors, CEO and top management.	1	2	3	4	5	

28. Board members exercise independent judgement in performing their fiduciary responsibilities.	1	2	3	4	5	
29. Compared to other boards, the Lyondell Board is effective.	1	2	3	4	5	
30. Other comments or suggestions:						

LYONDELL CHEMICAL COMPANY
PRINCIPLES OF CORPORATE GOVERNANCE

AMENDED DECEMBER 11, 2003

ROLE OF THE BOARD OF DIRECTORS

The Board of Directors represents the interests of Lyondell's shareholders in perpetuating a successful business. It is the responsibility of the Board of Directors to provide guidance to management and to actively monitor the effectiveness of management's policies and decisions, including the execution of its strategies, with a view toward enhancing shareholder value over the long term. To this end, Board members are expected to review materials distributed to them in advance of each Board meeting and to make every effort to attend the meetings of the Board and Committees of the Board upon which they serve and shareholder meetings. These Principles of Corporate Governance reflect the Board's commitment to regularly monitoring policies and decisions at the Board, Committee and management levels, with a view to enhancing the long-term value of the Company.

BOARD MEMBERSHIP

1. SIZE OF THE BOARD

The Board believes that maintaining the effective working relationship that has developed on the Board and ensuring the selection of the most outstanding candidates as new Directors is more important than achieving any specified Board size. Therefore, the Board intends that any changes in the size of its membership will be made in a manner consistent with these objectives.

2. COMPOSITION AND INDEPENDENCE

As a matter of policy, the Board intends to maintain its independent character. Thus, at least a majority of the members of the Board will be independent, non-employee Directors, with no more than two Board members being present or former members of management. All members of the Audit Committee, Compensation Committee and Corporate Governance and Responsibility Committee will be independent Directors. The Corporate Governance and Responsibility Committee will review the independence of each Board member annually, and refer its conclusions to the Board for full discussion and approval.

No Director will qualify as "independent" unless the Board affirmatively determines that the 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. The Board may consider such facts and circumstances as it deems relevant to the determination of Director independence.

To assist it in making its determination regarding independence, the Board will consider, at a minimum, the following categorical standards:

- No Director who is an employee, or whose immediate family member is an executive officer of the Company will be considered “independent” until three years after the end of such employment relationship.
- No Director who receives, or whose immediate family member (as an executive officer of the Company) 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, which compensation is not contingent upon continued service) will be considered “independent” until three years after he or she ceases to receive more than \$100,000 per year in such compensation.
- No Director 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 will be considered “independent” until three years after the end of the affiliation or the employment or auditing relationship.
- No Director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the Company’s executives serve on that company’s compensation committee will be considered “independent” until three years after the end of such service or the employment relationship.
- No Director 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 will be considered “independent” until three years after falling below such threshold.
- No Director who serves as an executive officer of a charitable organization to which the Company has made charitable contributions in any single fiscal year exceeding the greater of \$1 million or 2% of such charitable organization’s consolidated gross revenues will be considered “independent” until three years after falling below such threshold. The Company’s automatic matching of employee charitable contributions will not be included in the amount of the Company’s charitable contributions for this purpose.

In addition, in accordance with Securities and Exchange Commission rules, an Audit Committee member will not be considered independent if he or she receives any consulting, advisory or other compensatory fee from the Company (other than Director and committee fees and pension or other forms of deferred compensation for prior service, which compensation is not contingent upon continued service) or is otherwise an affiliated person of the Company. Furthermore, (a) each member of the Company’s

Audit Committee must be financially literate and (b) at least one member of the Audit Committee must have accounting or related financial management expertise and qualify as an audit committee financial expert. For purposes of (b) above, the Board will consider any Audit Committee member who satisfies the Securities and Exchange Commission's definition of audit committee financial expert to have accounting or related financial management expertise.

The Company's annual proxy statement will disclose whether the Directors meet the categorical standards for independence set forth above, which include the specific requirements with respect to Audit Committee members set forth above. Each of these standards will be interpreted and applied by the Board in its business judgment and in a manner consistent with applicable New York Stock Exchange and Securities and Exchange Commission guidance. If the Board determines that a Director who does not meet the standards set forth above is independent, the Company's annual proxy statement will disclose the basis for the Board's determination.

3. MEMBERSHIP CRITERIA

The Corporate Governance and Responsibility Committee is responsible for reviewing with the Board, on at least an annual basis, the need for new members and the appropriate skills and characteristics required of potential new Board members in the context of the current make-up of the Board. This assessment should include desired skills (such as industry knowledge or specific expertise, such as financial expertise), core competencies, willingness to devote adequate time to Board duties, judgement, issues of diversity and independence, legal requirements and other relevant factors.

4. SELECTION OF NEW MEMBERS

The Board is responsible for selecting its own members and for recommending them for election by the shareholders. Any Director may propose a candidate for consideration consistent with the above-described criteria. Any shareholder may nominate a candidate in accordance with the procedures set forth in the Company's By-Laws. The Board has delegated the search process to the Corporate Governance and Responsibility Committee. The invitation to join the Board should be extended on behalf of the Board by the Chairman of the Board and, if the Chairman and CEO hold the same position, by the Chairman of the Corporate Governance and Responsibility Committee. The Company has an orientation process for new Directors that includes background materials, meetings with senior management, and visits to Company facilities.

5. CONTINUING EDUCATION

Although the Company does not mandate a specific level of continuing education for Board members, the Company is supportive of and will reimburse Directors for any registration fees associated with Director continuing education courses. In addition, management routinely presents the Board with updates on governance matters, legal requirements, accounting developments and other relevant topics.

6. MULTIPLE BOARD MEMBERSHIPS

Directors are encouraged to limit the number of other boards on which they serve, taking into account potential board meeting attendance, participation and effectiveness of the various boards. Directors also should advise the Chairman of the Board and the Chairman of the Corporate Governance and Responsibility Committee in advance of accepting an invitation to serve on another board so that the Board can continue to monitor its ongoing independence. If any member of the Audit Committee simultaneously serves on the audit committees of more than three public companies, such Director will not be permitted to serve on the Company's Audit Committee unless the Board determines annually that such simultaneous service will not impair the ability of such Director to effectively serve on the Company's Audit Committee. Any such determinations by the Board will be disclosed in the Company's annual proxy statement.

BOARD LEADERSHIP

Whether the roles of the Chairman and Chief Executive Officer should be separated is a matter which the Board intends to address in the way which seems best for the Company under the circumstances at the time. In circumstances in which the Chairman of the Board is an employee of the Company, the non-employee Directors may elect to choose one of their members to act as a lead Director with such responsibilities as the non-employee Directors as a whole may designate from time to time.

BOARD TERMS AND COMPENSATION

1. RETIREMENT AGE

No person who has reached seventy-two years of age prior to January 1 of any year will be elected or re-elected a Director in any year.

2. TERM LIMITS

The Board does not believe that it should establish term limits. As an alternative to term limits, the Corporate Governance and Responsibility Committee will review annually each Director's continuation on the Board and consult with each Director and confirm his/her desire to continue as a member of the Board.

3. JOB CHANGE

The Board does not believe that Directors who retire or change the job responsibilities they held when last elected to the Board should necessarily leave the Board. However, upon such event, the Director should offer to resign from the Board so that the Corporate Governance and Responsibility Committee will have the opportunity to review the continued appropriateness of Board membership of the Director.

4. COMPENSATION

Directors that are employees of the Company will not receive additional compensation for their service as Directors.

The Board believes that compensation of non-employee Directors should be competitive with non-employee Director compensation paid by other comparable companies and that equity or equity-based components should comprise a portion of Director compensation to encourage increased alignment with shareholders. The Company has established stock ownership objectives for its Directors.

Board compensation will be reviewed periodically by the Corporate Governance and Responsibility Committee to ensure that it remains competitive. Changes in Board compensation should be made on the recommendation of the Corporate Governance and Responsibility Committee, but with full discussion and approval by the Board.

MEETING PROCEDURES

1. AGENDAS

The Chairman of the Board and the Chief Executive Officer (if different) will establish the agenda for each Board meeting. In addition, they will prepare and present for discussion by the full Board, a forward agenda for the ensuing year. Any Board member may request the inclusion of a matter on any agenda.

2. DISTRIBUTION OF MATERIALS

Background information and data that is important to the Board's understanding of the matters to come before it will be distributed to the Board approximately one week prior to a meeting. As a matter of practice, management will endeavor to include summaries of lengthy materials in the distribution.

3. PRESENTATIONS

As a rule, the text of presentations on specific subjects should be sent to the Board members in advance so that the Board meeting time may be conserved and discussion time focused on questions that the Board has about the material.

4. ATTENDANCE BY NON-DIRECTORS

It is anticipated that officers of the Company will regularly attend portions of the Board meetings. The Chief Executive Officer may, from time to time, bring other individuals into the Board meeting who can provide additional insight into the matters being discussed and/or have future potential and should be given exposure to the Board.

5. EXECUTIVE SESSIONS

The non-employee Directors of the Board (including any non-employee Directors who the Board has determined are not independent) will regularly meet in Executive Session without management, generally at least three times each year in connection with regularly scheduled Board meetings. The Chairman of the Board will preside at all Executive Sessions. If the Chairman of the Board is absent or is an employee of the Company, the non-employee Directors will choose another non-employee Director to preside at the Executive Sessions.

COMMITTEE MATTERS

1. COMMITTEE STRUCTURE

There are currently four standing Committees: Audit, Compensation, Corporate Governance and Responsibility, and Executive. From time to time there may be occasions in which the Board may want to form a new Committee or disband a current Committee, depending upon the circumstances. The charter of each Committee will be developed by the Committee and recommended to the full Board for approval.

2. COMMITTEE ASSIGNMENTS

The Corporate Governance and Responsibility Committee is responsible, with consideration for the desires of individual Directors, for recommending to the Board the assignment of Board members to various Committees (including Committee Chairs). The Corporate Governance and Responsibility Committee also will recommend to the Board the Directors to fill any vacancies on the Committees. Committees will be composed of at least three members and (except for the Executive Committee) will consist of independent Directors only. The Board believes that consideration should be given to rotating Committee members from time to time. However, the Board does not feel that such a rotation should be mandated as policy since there may be reasons at a given point in time to maintain an individual Director's Committee membership. The Board may remove a member from membership on any Committee at any time, with or without cause.

3. COMMITTEE PROCEDURES

The Chairman of the Committee, in consultation with the appropriate members of management and input from Committee members, will develop the Committee's procedures and agenda. Generally, each Committee will issue a schedule of agenda subjects to be discussed for the ensuing year at the beginning of each year (to the degree these can be foreseen). This forward agenda will also be shared with the Board.

BOARD PERFORMANCE ASSESSMENT

The Board will conduct an annual self-evaluation, which will incorporate a self-evaluation by each Board Committee. The Corporate Governance and Responsibility Committee is responsible for establishing the evaluation criteria and implementing the process for the evaluation. Based on the results of the evaluation, the Corporate Governance and Responsibility Committee will report annually to the Board on the performance of the Board and each Committee, including areas where a greater contribution to Board and/or Committee effectiveness can be made. These assessments should be of the contributions of the Board and the Committees as a whole and should specifically review areas in which the Board members and/or the management believe a better contribution could be made.

MANAGEMENT ASSESSMENT

1. CEO EVALUATION

The non-employee Directors should participate in a periodic evaluation of the performance of the Chief Executive Officer based on established criteria. The process for conducting such evaluation will be developed and implemented by the Compensation Committee. The evaluation will be used by the Compensation Committee when considering the compensation of the Chief Executive Officer.

2. MANAGEMENT SUCCESSION AND DEVELOPMENT

There will be an annual report from the Chief Executive Officer to the Compensation Committee on succession planning for all officers of the Company and management development. After review by the Compensation Committee, the report will be shared with the full Board.

In addition to a long-term succession plan and report on management development, the annual succession planning report from the Chief Executive Officer will include a short-term succession plan outlining a temporary delegation of authority to certain officers of the Company in case all or a portion of the Company's senior officers should unexpectedly become unable to perform their duties. The short-term succession plan will be in effect until the Board has the opportunity to consider the situation and take action. The short-term succession plan will be updated as needed and provided to the Compensation Committee and the Board.

3. ACCESS TO MANAGEMENT AND ADVISORS

Board members have complete access to members of management. In addition, the Board has access to such independent advisors as it determines is necessary and appropriate from time to time. The Company will provide such funding as the Board determines is necessary for payment of compensation to any counsel or other advisors employed by the Board.

OTHER MATTERS

Individual Board members may from time to time at the request of management meet or otherwise communicate with various constituencies that are involved with the Company. If public statements from the Board are appropriate, they should, in most circumstances, come from the Chairman.

LYONDELL CHEMICAL COMPANY AUDIT COMMITTEE EVALUATION

Please indicate your response by circling the appropriate number beside each question.

Long Term Results	Strongly Agree			Strongly Disagree		Can be enhanced by:
1. The Committee's understanding of the Company's values and mission is reflected in key issues discussed throughout the year.	1	2	3	4	5	
Committee Responsibilities	Strongly Agree			Strongly Disagree		Can be enhanced by:
2. The Committee performs duties and responsibilities outlined in its charter.	1	2	3	4	5	
3. The Committee exercises oversight of appropriate codes of conduct and ethical standards observed within the Company.	1	2	3	4	5	
4. Committee members are kept abreast of financial and control issues and trends affecting the areas of the Committee's responsibilities.	1	2	3	4	5	
5. The Committee serves as stewards of the Company's assets by exercising oversight over internal controls.	1	2	3	4	5	
6. Committee goals, expectations and concerns are fully communicated to the CEO and CFO.	1	2	3	4	5	

Committee Operations	Strongly Agree		Strongly Disagree			Can be enhanced by:
7. Committee members receive advance meeting notices, written agendas, and necessary background material in advance of meetings.	1	2	3	4	5	
8. The Committee is prepared to act in case of an unforeseen corporate crisis.	1	2	3	4	5	
9. The Committee Chair conducts effective meetings.	1	2	3	4	5	
10. The structure of the Committee is appropriate.	1	2	3	4	5	
11. The scope of information reviewed at Committee meetings is appropriate.	1	2	3	4	5	
12. The Committee has the appropriate mix of skills and experience to be effective.	1	2	3	4	5	
13. The Committee demonstrates that it understands the difference between the Committee's role and the role of management.	1	2	3	4	5	
14. Committee members openly communicate with each other to resolve issues in a timely manner.	1	2	3	4	5	
15. Committee member attendance at scheduled meetings is acceptable.	1	2	3	4	5	
16. Committee meetings generate effective dialog among the Directors, CEO and top management.	1	2	3	4	5	

17. Committee members exercise independent judgement in performing their fiduciary responsibilities and understand that the Committee may seek independent professional advice.	1	2	3	4	5	
18. Compared to other comparable committees on which I serve at other companies, the Committee is effective.	1	2	3	4	5	
19. Other comments or suggestions:						

LYONDELL CHEMICAL COMPANY COMPENSATION COMMITTEE EVALUATION

Please indicate your response by circling the appropriate number beside each question.

Long Term Results	Strongly Agree			Strongly Disagree		Can be enhanced by:
1. The Committee monitors the efficacy of compensation programs to incentivize and reward improvement of EVA, EPS, cash flow, profitability, productivity and other measures of long-term Company performance.	1	2	3	4	5	
2. The Committee monitors Company compensation and benefit programs using industry comparative data.	1	2	3	4	5	
Committee Responsibilities	Strongly Agree			Strongly Disagree		Can be enhanced by:
3. The Committee performs duties and responsibilities outlined in its charter.	1	2	3	4	5	
4. The Committee monitors and implements compensation programs effectively.	1	2	3	4	5	
5. The Committee exercises appropriate fiduciary oversight of benefit programs including pension funding and investment performance.	1	2	3	4	5	
6. The Committee regularly reviews the Company's management development and succession plans.	1	2	3	4	5	

7. The Committee reviews CEO performance and, after consultation with the full Board, the CEO receives appropriate feedback and guidance.	1	2	3	4	5	
8. Committee members are kept abreast of issues and trends affecting the areas of the Committee's responsibilities.	1	2	3	4	5	
Committee Operations	Strongly Agree		Strongly Disagree		Can be enhanced by:	
9. The Committee is prepared to act in case of an unforeseen corporate crisis.	1	2	3	4	5	
10. The Committee Chair conducts effective meetings.	1	2	3	4	5	
11. The structure of the Committee is appropriate.	1	2	3	4	5	
12. The scope of information reviewed at Committee meetings is appropriate.	1	2	3	4	5	
13. Committee members receive advance meeting notices, written agendas, and necessary background material in advance of meetings.	1	2	3	4	5	
14. The Committee has the appropriate mix of skills and experience to be effective.	1	2	3	4	5	
15. The Committee demonstrates that it understands the difference between the Committee's role and the role of management.	1	2	3	4	5	

16. Committee members openly communicate with each other to resolve issues in a timely manner.	1	2	3	4	5	
17. Committee member attendance at scheduled meetings is acceptable.	1	2	3	4	5	
18. Committee meetings generate effective dialog among the Directors, CEO and top management.	1	2	3	4	5	
19. Committee members exercise independent judgement in performing their fiduciary responsibilities and understand that the Committee may seek independent professional advice.	1	2	3	4	5	
20. Compared to other comparable committees on which I serve at other companies, the Committee is effective.	1	2	3	4	5	
21. Other comments or suggestions:						

LYONDELL CHEMICAL COMPANY CORPORATE GOVERNANCE COMMITTEE EVALUATION

Please indicate your response by circling the appropriate number beside each question.

Long Term Results	Strongly Agree			Strongly Disagree		Can be enhanced by:
1. The Committee's understanding of the Company's values and mission is reflected in key issues discussed throughout the year.	1	2	3	4	5	
Committee Responsibilities	Strongly Agree			Strongly Disagree		Can be enhanced by:
2. The Committee performs duties and responsibilities outlined in its charter and the principles of corporate governance.	1	2	3	4	5	
3. Committee members are kept abreast of issues and trends affecting the areas of the Committee's responsibilities.	1	2	3	4	5	
4. Committee goals, expectations and concerns are fully communicated to the CEO.	1	2	3	4	5	
Committee Operations	Strongly Agree			Strongly Disagree		Can be enhanced by:
5. The Committee is prepared to act in case of an unforeseen corporate crisis.	1	2	3	4	5	
6. The Committee Chair conducts effective meetings.	1	2	3	4	5	
7. The structure of the Committee is appropriate.	1	2	3	4	5	
8. The scope of information reviewed at Committee meetings is appropriate.	1	2	3	4	5	

9. Committee members receive advance meeting notices, written agendas, and necessary background material in advance of meetings.	1	2	3	4	5	
10. The Committee has the appropriate mix of skills and experience to be effective.	1	2	3	4	5	
11. The Committee demonstrates that it understands the difference between the Committee's role and the role of management.	1	2	3	4	5	
12. Committee members openly communicate with each other to resolve issues in a timely manner.	1	2	3	4	5	
13. Committee member attendance at scheduled meetings is acceptable.	1	2	3	4	5	
14. Committee meetings generate effective dialog among the Directors, CEO and top management.	1	2	3	4	5	
15. Committee members exercise independent judgement in performing their fiduciary responsibilities and understand that the Committee may seek independent professional advice.	1	2	3	4	5	
16. Compared to other comparable committees on which I serve at other companies, the Committee is effective.	1	2	3	4	5	

17. Other comments or suggestions:

LYONDELL CHEMICAL COMPANY EXECUTIVE COMMITTEE EVALUATION

Please indicate your response by circling the appropriate number beside each question.

Long Term Results	Strongly Agree			Strongly Disagree		Can be enhanced by:
1. The Committee's decision making process is driven by the growth of shareholder value.	1	2	3	4	5	
2. The Committee acts only when necessary. Actions of the Committee are reported to and supported by the full Board.	1	2	3	4	5	
Committee Responsibilities	Strongly Agree			Strongly Disagree		Can be enhanced by:
3. The Committee performs duties and responsibilities outlined in its charter.	1	2	3	4	5	
Committee Operations	Strongly Agree			Strongly Disagree		Can be enhanced by:
4. The Committee is prepared to act in case of an unforeseen corporate crisis.	1	2	3	4	5	
5. The Committee Chair conducts effective meetings.	1	2	3	4	5	
6. The structure of the Committee is appropriate.	1	2	3	4	5	
7. The scope of information reviewed at Committee meetings is appropriate.	1	2	3	4	5	
8. Committee members receive advance meeting notices, written agendas, and necessary background material in advance of meetings.	1	2	3	4	5	
9. The Committee has the appropriate mix of skills and experience to be effective.	1	2	3	4	5	

10. Committee members exercise independent judgement in performing their fiduciary responsibilities and understand that the Committee may seek independent professional advice.	1	2	3	4	5	
11. Committee members openly communicate with each other to resolve issues in a timely manner.	1	2	3	4	5	
12. Committee member attendance at scheduled meetings is acceptable.	1	2	3	4	5	
13. Compared to other comparable committees on which I serve at other companies, the Committee is effective.	1	2	3	4	5	
14. Other comments or suggestions:						

List of reliable and widely used resources from Lyondell legal department:

- www.thecorporatecounsel.net
- www.realcorporatelawyer.com
- www.section16.net
- www.ACCA.com
- www.ASCS.org
- www.generalcounselroundtable.com
- www.corporateboard.com
- www.corpgov.net
- www.nacdonline.org

UAL CORPORATION
Corporate Governance Guidelines

These Corporate Governance Guidelines have been adopted by the Board of Directors of UAL Corporation. They shall be reviewed by the Board, through the Nominating/Governance Committee, on an annual basis and are subject to modification by the Board from time to time. Only the Board or, as applicable, the Nominating/Governance Committee or the Audit Committee may grant waivers of these Guidelines, subject to any applicable rules or regulations, the Company's Restated Certificate of Incorporation (the "Restated Certificate") and the Company's Amended and Restated Bylaws (the "Bylaws").

1. Role of the Board

The day-to-day management of the Company, including the preparation of financial statements and short and long-term strategic planning, is the responsibility of the Company's management. The primary responsibilities of the Board are to select, compensate (through the Human Resources Committee) and evaluate the performance (through the Nominating/Governance Committee) of the Chief Executive Officer review management's performance, and engage in strategic planning.

2. Board Composition and Director Qualifications

A majority of the directors on the Board shall be determined by the Board to be "independent" under the listing standards of the New York Stock Exchange and/or any other applicable rules or regulations. The Board has adopted categorical standards, set forth in Annex A to these Guidelines, to assist it in determining director independence. The Nominating/Governance Committee shall make recommendations to the Board regarding nominees for directors, other than Employee Directors, as provided in its charter. The Employee Directors shall be nominated as specified in the Restated Certificate.

The Board seeks independent directors from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. Directors should have experience in positions with a high degree of responsibility, be selected based upon contributions they can make to the Board, and upon their willingness to devote adequate time and effort to Board responsibilities.

No person shall be eligible for election or reelection as a director if at the time of such election such person is 70 or more years of age.

3. Extending the Invitation to Join to a Potential Director

The invitation to join the Board, other than with respect to any directors who are elected to the Board by the holders of any class of preferred stock of the Company under the terms of such preferred stock, should be extended by the entire Board through the Chairman of the Board or the Chairman of the Nominating/Governance Committee.

4. Board Size

The Board presently has twelve members (including three Employee Directors), as determined in the Restated Certificate.

5. Change in Business or Professional Affiliations or Responsibilities

Individual directors whose business or professional affiliations or responsibilities change from the time they were first elected to the Board (due to retirement, resignation or otherwise) shall volunteer to resign from the Board. Although it is not appropriate for such resignation to be accepted in all instances, the Board, through the Nominating/Governance Committee, shall have the opportunity to review the continued appropriateness of Board membership under each particular set of circumstances.

6. Service on Other Boards

No inside director of the Company shall serve on the board of directors of a company of which an outside director of the Company is Chairman, Chief Executive Officer or President. Directors should advise the Chairman of the Board and the Chairman of the Nominating/Governance Committee in advance of accepting an invitation to serve on another public company board or an appointment to serve on an audit committee or a compensation committee of another public company board.

The Board shall affirmatively determine that any member of the Audit Committee who serves on more than three audit committees of public companies, including the Audit Committee, is still capable of effectively serving on the Audit Committee. Such determination shall be disclosed in the Company's annual proxy statement or as otherwise required by the Securities and Exchange Commission, the New York Stock Exchange rules or other applicable rules and regulations. In the event that the Board determines that such director is not capable of effectively serving on the Audit Committee, such director shall resign therefrom.

7. Term Limits

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of limiting the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. As an alternative to term limits, the Nominating/Governance Committee will review the continuation of each director nominated by such Committee on the Board every year. This will allow each director the opportunity to conveniently confirm his or her desire to continue as a member of the Board.

8. Selection of the Chairman of the Board

The Chairman of the Board shall be selected by the Board from among its members. The Board has no established policy with respect to combining or separating the offices of Chairman and CEO. This decision will be made by the Board depending on what is in the Company's best interests at any given point in time.

9. Director Responsibilities

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors; nevertheless, the Board must recognize that it has an active, not a passive, responsibility. The directors shall also be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, and to be indemnified by the Company to the maximum extent permitted by law, the Restated Certificate, the Bylaws and any indemnification agreements.

10. Candor and Avoidance of Conflicts

The directors realize that candor and the avoidance of conflicts are hallmarks of the accountability owed to the Company's stockholders. Directors have a personal obligation to disclose a potential conflict of interest to the Chairman of the Board before any decision related to the matter and, if the Chairman in consultation with legal counsel determines a conflict exists or the perception of a conflict is likely to be significant, to recuse themselves from any discussion or vote related to the matter.

11. Meeting Frequency and Attendance at Meetings

The Board shall meet at least seven times a year. Directors are expected to attend, and prepare for, Board meetings and meetings of committees on which they serve, to review relevant materials, and to spend the necessary time to properly discharge their duties diligently and responsibly.

12. Advance Distribution of Board Materials

As a general rule, the Board should receive written materials that are important to the Board's understanding of the issues to be discussed at meetings, including board presentation materials, sufficiently in advance of the Board meetings in order to facilitate an informed decision at the meetings. Directors are expected to review and become familiar with such materials prior to such meetings.

13. Lead Director and Executive Sessions

The non-management directors shall meet regularly outside the presence of the management directors, but no less frequently than semiannually. The non-management directors annually shall designate a Lead Director who shall be a non-management director to preside at these executive sessions. The Lead Director shall have the responsibilities as determined by the Board from time to time. The Company shall disclose in the annual proxy statement (a) either (i) the name of the Lead Director or (ii) the method by which such director will be chosen as well as (b) the means by which stockholders and employees can communicate with the Lead Director or the non-management directors as a group. The non-management directors shall consider limiting the service of any one director serving as Lead Director to a maximum of three years.

At least once each year, the directors that the Board has determined to be "independent" under applicable listing standards and rules and regulations shall meet outside the presence of management and the other directors.

14. Board Committees

The Board shall have at all times an Audit Committee, an Executive Committee, a Human Resources Committee, a Nominating/Governance Committee and a Public Responsibility Committee. The composition of the Human Resources Committee and the Nominating/Governance Committee shall meet the applicable independence requirements imposed by the listing standards of the New York Stock Exchange. The members of the Audit Committee shall be independent directors and shall meet the additional independence requirements for Audit Committee members, in each case under the criteria established by the New York Stock Exchange and/or any other applicable rules or regulations. In addition, the Board may establish such additional committees as it shall from time to time designate in accordance with the requirements of the Restated Certificate. Committee members will be appointed by the Board, unless otherwise specified in the Restated Certificate, with consideration given to the desires of individual directors. Committee assignments should be rotated periodically as a general rule, but with due regard for the need for continuity and committee expertise and the requirements of the Restated Certificate regarding the different kinds and numbers of directors who are to serve on the different Board committees.

15. Retention and Compensation of Outside Advisors

The Board has the authority to engage independent legal, financial or other advisors as it may deem advisable in fulfilling its obligations and responsibilities, without consulting, or obtaining the approval of, any officer of the Company, and the Company shall cause sufficient funds to be available to compensate such advisors as is determined by the Board. Each committee of the Board shall also have such power, unless otherwise provided in its charter.

16. Director Access to Officers and Employees

Directors shall have access to officers and employees of the Company as necessary to carry out their duties. It is expected that directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and that, to the extent appropriate, the CEO is given advance courtesy notice of any such contact. The Chairman of the Audit Committee need not advise the CEO of his or her contact with the Company's internal audit department.

17. Attendance by Management at Board Meetings

At the CEO's discretion, senior officers and other personnel of the Company may attend Board meetings. The Board also welcomes informal consultation of the CEO and senior management with its members between Board meetings.

18. Communications with Public

The Board shall look to management to speak for the Company. Absent unusual circumstances or as contemplated by committee charters, Board members should refer all inquiries from and communications with the press, institutional investors, analysts, customers/clients or other constituencies regarding the Company to the Senior Vice President – Corporate and Government Affairs. It is expected that communications between Board members or retired Board members and constituencies outside the Company would be done only at the request of management.

19. Director Compensation

The form and amount of director compensation will be determined by the Nominating/Governance Committee in accordance with its charter and the Nominating/Governance Committee will conduct an annual review of director compensation. In particular, no member of the Audit Committee may receive, directly or indirectly, any compensation from the Company other than (a) fees paid to directors for service on the Board, (b) fees paid to directors for service on a committee of the Board (including the Audit Committee) and (c) to the extent permitted by applicable law or regulations, a pension or other deferred compensation for prior service that is not contingent on future service on the Board.

20. Director Orientation and Continuing Education

All new directors must participate in the Company's Orientation Program. This program will include background materials and presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct, these Guidelines, its principal officers, and its internal and independent auditors. In addition, the Company's Orientation Program will include visits to the Company's headquarters and, to the extent practical, certain of the Company's significant facilities. All directors are expected to participate in any additional continuing education programs offered by the Company to help directors maintain the level of knowledge and expertise necessary to perform their duties as directors of a public company.

21. CEO and Management Evaluation

The Nominating/Governance Committee annually shall coordinate the performance evaluation of the CEO, and the Human Resources Committee annually shall coordinate the performance evaluation of the other members of senior management. The Board shall review the Nominating/Governance Committee's evaluation of the CEO in order to ensure that the CEO is providing the best leadership for the Company and will promptly communicate the results of such evaluation to the CEO through the Lead Director.

22. Succession Planning

The Nominating/Governance Committee shall review corporate succession planning with the CEO on a periodic basis, with respect to emergency situations in which the CEO becomes unavailable to serve, a retirement of the CEO and the identification, cultivation and promotion of talented individuals within the senior levels of the organization as part of the normal succession process. The CEO shall at least annually provide to the Nominating/Governance Committee his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

The Chairman of the Nominating/Governance Committee should report to the full Board, in executive session and in the absence of management directors, a summary of this discussion and should receive input on the issue of succession.

23. Promoting Proper Business Environment

All directors, members of management and other employees of the Company are expected to adhere to the spirit as well as the letter of laws and regulations and to uphold the ethical standards of the Company in carrying out their responsibilities to and on behalf of the Company.

The Audit Committee shall review the Company's policies relating to business conduct and review management's monitoring of compliance with the Company's Code of Business Conduct. Only the Board or the Audit Committee may waive compliance by a director or executive officer with any such policies.

24. Annual Performance Evaluation of the Board

The Nominating/Governance Committee shall develop, recommend to the Board and coordinate an annual evaluation of the Board and its committees, as required by applicable law, the New York Stock Exchange and/or any other applicable rules or regulations, to determine whether they are functioning effectively and meeting their objectives and goals. The Nominating/Governance Committee shall solicit comments from all directors, executive officers and any other persons it deems appropriate and shall annually prepare a report to the Board containing an assessment of the Board's organization, policies, performance, effectiveness and contribution to the Company and indicating specific areas in which the Board could improve. This report shall be reviewed and discussed with the full Board following the end of each fiscal year.

25. Performance Review of the Company

Management should review the financial and competitive performance of the Company with the Board on a regular basis. The Board should also periodically (but not less than once each year) review, and be briefed on, the Company's long-term strategic plans, including their development, execution and ongoing implementation, including performance relative to goals, and the principal issues that the Company will face in the future.

26. Waivers of Corporate Governance Guidelines

The Nominating/Governance Committee shall review and, if appropriate, approve any requests for waivers of these guidelines (except for requests for waivers with respect to members of the Nominating/Governance Committee, which shall be reviewed and, if appropriate, approved by the Audit Committee).

27. Public Disclosure of Corporate Governance Policies

The Company shall post on its website copies of the current version of these Guidelines, the Company's Code of Business Conduct and the charters of the Audit Committee, the Executive Committee, the Human Resources Committee, the Nominating/Governance Committee, the Public Responsibilities Committee and other key committees of the Board.

CATEGORICAL STANDARDS

The Board has established these categorical standards to assist it in determining whether a director has any direct or indirect material relationship with the Company. A director is independent if, within the three years preceding the determination:

- the director was not an employee of the Company and none of the director's immediate family members was an executive officer of the Company;
- the director, and each immediate family member of the director, did not receive any 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);
- the director, and each immediate family member of the director, was not affiliated with or employed by a current internal or external auditor of the Company or a former internal or external auditor of the Company that ceased providing services to the Company less than three years preceding the determination;
- the director, and each immediate family member of the director, was not employed as an executive officer of another company where any of the Company's executive officers served on the other company's compensation committee;
- the director was not an affiliate, executive officer or employee of, and each immediate family member of the director was not an affiliate or executive officer of, another company that makes payments to, or receives payments from, the Company for property or services in an amount that, in any of the three fiscal years preceding the determination, accounted for at least two percent (2%) or \$1 million, whichever is greater, of such other company's consolidated gross revenues;
- the director, and each immediate family member of the director, was not an affiliate or executive officer of another company which was indebted to the Company, or to which the Company was indebted, where the total amount of indebtedness (to and of the Company) exceeded two percent (2%) of the total consolidated assets of such other company or the Company;
- the director, and each immediate family member of the director, was not an officer, director or trustee of a charitable organization where the Company's (or an affiliated charitable foundation's) annual charitable contributions to such charitable organization exceeded the greater of \$1 million or two percent (2%) of that organization's consolidated gross revenues; and
- the director has not been a party to a personal services contract with the Company, the Chairman any executive officer of the Company or any affiliate of the Company.

For purposes of these categorical standards, (i) an "immediate family member" of a director includes a director'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 share such director's home and (ii) an "affiliate" includes a general partner of a partnership, a managing member of a limited liability company or a shareholder of a corporation controlling more than 10% of the voting power of the corporation's outstanding common stock.

The Board will annually review all relationships between the Company and its outside directors and publicly disclose whether its outside directors meet the foregoing categorical independence standards.

Transition Rule: During the year immediately following [insert date of SEC approval of NYSE corporate governance proposals], each three-year "look back" period referenced in the foregoing categorical standards shall instead be a one year "look back" period.

UAL CORPORATION
Human Resources Committee Charter

Purpose

The purpose of the Human Resources Committee of the Board of Directors is to (1) oversee the administration of the Company's compensation plans, including the stock plans and executive compensation programs of the Company, (2) discharge the Board's responsibilities relating to the evaluation and compensation of the Company's officers, and (3) prepare the annual report on executive compensation required by the Securities and Exchange Commission to be included in the annual proxy statement.

Membership

To the extent permitted under the Company's Restated Certificate of Incorporation, the Committee's composition shall meet the independence requirements for compensation committees imposed by the listing standards of the New York Stock Exchange and/or any other applicable rules or regulations, as in effect from time to time.

Members of the Committee shall be appointed by the Board and shall serve at the pleasure of the Board and for such term as the Board shall determine.

Authority and Responsibilities

The Committee shall have the following responsibilities:

Compensation Plans

1. The Committee shall review the adequacy of (a) the executive compensation plans of the Company (other than compensation plans covering only directors of the Company) and (b) the compensation plans of the subsidiaries of the Company in which the designated senior officers of the Company's subsidiaries participate.
2. The Committee shall review and make recommendations to the Board with respect to the adoption (or submission to stockholders for approval) or amendment of (a) executive incentive compensation plans and all equity-based plans for the Company (other than equity-based plans covering only directors of the Company) and (b) executive incentive compensation plans and all equity-based plans of the subsidiaries of the Company in which the designated senior officers of the Company's subsidiaries participate.
3. The Committee shall establish, and periodically review, general guidelines with respect to all awards of stock options pursuant to the Company's and the Company's subsidiaries' equity-based plans in which the designated senior officers of the Company's subsidiaries participate, other than equity-based plans covering only directors of the Company.
4. The Committee shall have and exercise the powers and perform the duties, if any, assigned to the Committee from time to time under any compensation or benefit plan of the Company or any of its subsidiaries.

Management Performance; Management Compensation

5. The Committee shall annually oversee the process by which the performance evaluations of the officers of the Company, other than the CEO, and the designated senior officers of

the Company's subsidiaries is assessed, as required by NYSE rules or regulations and/or any other applicable rules or regulations.

6. The Committee shall at least annually (a) review the corporate goals and objectives set by the Board and adopt such goals and objectives as the basis for the compensation of the CEO and (b) apply these goals and objectives to the Nominating/Governance Committee's review of the CEO's performance. The Committee shall have sole authority to set the CEO's compensation based on this evaluation.
7. The Committee shall at least annually review and make recommendations to the Board with respect to the compensation of each other officer of the Company and the designated senior officers of its subsidiaries.
8. The Committee shall produce the annual report on executive compensation required to be included in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.

Regulatory Matters

9. The Committee shall oversee regulatory compliance with respect to compensation matters, including:
 - overseeing the Company's policies on structuring compensation programs to preserve tax deductibility; and
 - overseeing compliance by the Company and its subsidiaries with laws governing employee benefit plans maintained by the Company or any of its subsidiaries that are subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended.

Notwithstanding the foregoing, the Committee shall not be responsible for guaranteeing the Company's compliance with laws and regulations or its compliance policies and programs, which responsibility shall rest with management.

Strategic Human Resources Matters

10. The Committee shall periodically receive and review the report of management regarding the Company's significant labor relations and human resources strategies.

Performance Evaluation

11. At least annually, the Committee shall review its own performance, as required by NYSE rules or regulations and/or any other applicable rules or regulations, and shall reassess the adequacy of this Charter.

Retention of Consultants and Advisors; Investigations

12. The Committee shall have sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of the compensation of the CEO, other officers of the Company and the designated senior officers of its subsidiaries, including sole authority to approve the compensation consultant's fees and other terms of engagement.

13. The Committee shall have the authority, without having to seek Board approval, to obtain, at the expense of the Company, advice and assistance from internal and external legal, accounting or other advisors as it deems advisable.

For purposes of this Charter, (i) the officers of the Company include any person who is an "officer" of the Company as such term is defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended ("Rule 16a-1(f)"), and (ii) the designated senior officers of the subsidiaries of the Company include any officer of United Air Lines, Inc. who is an "officer" of the Company under Rule 16a-1(f) or who reports directly to the Chairman or the CEO.

Structure and Operations

The functions set forth in paragraphs 1 through 9 and 12 and 13 above and, to the extent that they cannot be or are not appropriately performed by the Committee in light of any provision of the Internal Revenue Code of 1986, as amended, securities laws, any other applicable law, the listing standards of the NYSE or any other securities exchange on which the Company's securities may be listed or any regulation promulgated under any of the foregoing, the other functions of the Committee set forth in this Charter shall be delegated to a subcommittee comprised of certain members of the Committee who (1) meet the NYSE's standards for director independence and (2) may otherwise appropriately perform such functions (and any other functions delegated to such subcommittee). The Committee shall share the functions set forth in paragraph 11 above with such subcommittee. In addition, the Committee may delegate or share any of its other functions to or with such subcommittee, and such subcommittee shall have exclusive authority with respect to all functions delegated to it (but not with respect to any functions it shares with the Committee), without the Committee retaining any approval, veto or other rights with respect to such delegated functions. The Committee may form and delegate authority to or share authority with other subcommittees.

The Committee shall maintain minutes or other records of its meetings and shall give regular reports to the Board on these meetings.

UAL CORPORATION
Public Responsibility Committee Charter

Purpose

The purpose of the Public Responsibility Committee of the Board of Directors is to review and recommend to the Board the Company's policies and positioning with respect to social responsibility and public policy.

Membership

The Committee shall comprise not fewer than three members of the Board, as shall be determined by the Board, and members shall serve at the pleasure thereof and for such term as the Board shall determine.

Authority and Responsibilities

The Committee shall have the following responsibilities:

Social, Political and Environmental Trends

1. The Committee shall identify, evaluate and monitor the social, political and environmental trends, issues and concerns, domestic and international, that affect or could affect the Company's reputation, business activities and performance or to which the Company could make a meaningful contribution.

Policies and Practices

2. The Committee shall review and recommend to the Board basic policies, positioning and practices concerning broad public policy issues, including those that relate to:
 - Safety (including workplace safety and security) and the environment;
 - Political and governmental initiatives;
 - Consumer affairs;
 - Civic activities and business practices that impact communities in which the Company does business;
 - Charitable, political and educational organizations; and
 - Stockholder proposals and other activism issues.

Diversity

3. The Committee shall establish, and periodically review, a general philosophy for the Company with respect to the diversity of the Company's employees in terms of background, geographic representation, gender, national origin and/or race.

Structure and Operations

The Committee may form and delegate authority to subcommittees as appropriate.

The Committee shall maintain minutes or other records of its meetings and shall give regular reports to the Board on these meetings.

At least annually, the Committee shall review its own performance and shall reassess the adequacy of this Charter.

UAL CORPORATION

Audit Committee Charter

Purpose.

The primary purpose of the Audit Committee (the "Committee") is to (i) assist the Board of Directors (the "Board") of UAL Corporation (the "Company") in fulfilling its responsibility to oversee (a) the integrity of the Company's financial statements and adequacy of the Company's system of disclosure controls and internal controls for financial reporting, (b) the Company's compliance with legal and regulatory requirements and ethical standards, (c) the outside auditors' qualifications and independence, (d) the performance of the Company's internal audit function and outside auditors and (e) the outside auditors' annual audit of the Company's financial statements; and (ii) prepare the report required by the rules and regulations of the Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy materials. In addition, the Committee shall provide an open avenue of communication between the outside auditors, the internal auditors, management and the Board.

Membership.

The Committee shall consist of no fewer than three members. The Committee shall be comprised solely of Directors who (i) have been determined by the Board to be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a member of the Committee and (ii) otherwise qualify as "independent" under the listing standards of the New York Stock Exchange (the "NYSE") or other national securities exchange, as applicable, and applicable law.

The Committee's composition shall meet the independence and expertise requirements for audit committees imposed by the listing standards of the NYSE or other national securities exchange, as applicable, Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and any applicable rules or regulations of the SEC, in each case as in effect from time to time. At least one member of the Committee shall be an "audit committee financial expert" as defined by the SEC.

Each member of the Committee shall be appointed by the Board (taking into account any recommendations of the Nominating/Corporate Governance Committee or another committee of the Board with similar functions) and shall serve until such member's successor is duly appointed and qualified or until such member's resignation or removal by the Board. The Committee has the power to appoint one of its members to act as Chairman of the Committee by the affirmative vote of a majority of the votes entitled to be cast by all of the members of the Committee.

Meetings; Reports to the Board.

The Committee shall meet as often as may be deemed necessary or appropriate in its judgment, and in any event at least quarterly. The Committee may request that members of management or others attend its meetings to provide pertinent information, as necessary or appropriate. The Committee shall maintain minutes or other records of its meetings. The Committee shall give regular reports to the Board on the meetings of

the Committee and on such other matters as required by this Charter or as the Board shall from time to time specify.

Resources and Authority.

The Committee shall have the authority to engage, and determine the appropriate funding for engaging, such independent counsel, experts and other advisors as it determines appropriate to assist it in the full performance of its functions, without having to seek Board approval. The Company shall provide for such appropriate funding as determined by the Committee as is necessary to fulfill the Committee's duties and responsibilities (including appointment and compensation of the Company's outside auditors and engagement of appropriate independent advisors to the Committee). The Committee shall have the authority to conduct or authorize investigations into or studies of any matters within its scope of responsibilities. In addition to independent advisors, the Committee shall have the authority to obtain advice and assistance from internal legal, accounting and other advisors.

Duties and Responsibilities.

The Committee's function is not to replace the Company's management, internal auditors and outside auditors, but rather one of oversight, recognizing that (a) the Company's management is responsible for preparing the Company's financial statements, for developing and maintaining adequate systems of internal controls and for ensuring compliance with laws and regulations and the Company's Code of Business Conduct and (b) it is the outside auditors' responsibility to audit or review, as applicable, the financial statements and to attest to management's internal control reports. The Committee also recognizes that the financial management and the internal and outside auditors have more knowledge and information about the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee cannot provide any expert or special assurance as to the Company's financial statements or internal controls or any professional certification as to the outside auditors' work.

In carrying out its oversight responsibilities, the Committee shall undertake the following activities and have the following authority (in addition to any others that the Board may from time to time delegate to the Committee):

Outside Auditors

1. The Committee shall be directly responsible for the appointment, compensation, termination, oversight and evaluation of the work of the Company's outside auditors performed for the purpose of preparing or issuing an audit report or related work. The Company's outside auditors shall report directly to the Committee.
2. The Committee shall pre-approve all audit services and non-audit services rendered to the Company by its outside auditors, except as permitted by applicable law or the SEC or NYSE or other national securities exchange, as applicable, rules or regulations. One or more members of the Committee may be delegated the responsibility to grant pre-approvals for audit and non-audit services and present those decisions to the full Committee at the next scheduled Committee meeting. In addition, the Committee may establish pre-approval policies and procedures, provided that (i) such policies and

procedures are detailed with respect to the particular service rendered by the outside auditors, (ii) the Committee is informed of all services approved under such policies and procedures and (iii) such policies and procedures do not delegate the Committee's responsibilities to the Company's management.

3. The Committee shall:

- at least annually, obtain and review a written report by the outside auditors describing: (a) the outside auditors' internal quality control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review, of the outside auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to any independent audit carried out by the outside auditors, and any steps taken to deal with any such issues; and (c) all relationships between the outside auditor and the Company, including the matters covered by Independence Standards Board Standard No. 1; and
- review and discuss with the outside auditors their periodic written disclosures regarding independence and any relationships or services that may impact the objectivity and independence of the outside auditors and, if so determined by the Committee, take, or recommend that the Board take, appropriate action to satisfy itself as to the independence of the auditors.

After reviewing the foregoing report and the outside auditors' work throughout the year, the Committee shall evaluate the outside auditors' qualifications, performance and independence. This evaluation should include the review and evaluation of the lead partner of the outside auditors. In making its evaluation, the Committee should take into account the opinions of management and the General Auditor. The Committee shall present its conclusions with respect to the independent auditor to the Board.

4. The Committee shall review the independent auditors guidelines and practices to ensure the independence of the outside auditors, including reviewing policies and practices regarding:

- the rotation of the lead, concurring and other audit partners, as required by the rules and regulations of the SEC or as is necessary to ensure the continuing independence of the outside auditors;
- no current or previous relations between any employee of the Company who serves in a "financial reporting oversight role" (*i.e.*, a role in which a person can exercise influence over the contents of the financial statements or anyone who prepares them, such as the chief executive officer, president, chief financial officer, controller, general auditor, director of financial reporting, treasurer, or any equivalent position) and the outside auditors that may impair the outside auditors' independence under the rules and regulations of the SEC or otherwise; and

- outside auditors' compensation practices so as not create any conflicts of interest that may impair the outside auditors' independence under the rules and regulations of the SEC or otherwise.

Financial Reporting

5. The Committee shall review and discuss with the outside auditors their audit scope and plan for the annual audit of the Company's financial statements and ensure that such scope is sufficiently comprehensive.

6. The Committee shall review and discuss with management and the outside auditors prior to their respective release (a) the audited financial statements to be included in the Company's Annual Report on Form 10-K (or the Annual Report to Stockholders if distributed prior to the filing of the Annual Report on Form 10-K), (b) the quarterly financial statements to be included in the Company's Quarterly Reports on Form 10-Q and (c) in each case, the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations".

7. In connection with the annual audit and the reviews of quarterly financial information by the outside auditors, the Committee shall, prior to the filing of the Form 10-K or Form 10-Q, as applicable, discuss with the outside auditors, to the extent applicable, (a) the results of the annual audit examination or the outside auditors' review of the quarterly financial statements, (b) any audit or review problems or difficulties encountered in the course of the audit work or review, including any restrictions on the scope of the outside auditors' activities or on access to requested information and any significant disagreements with management, and management's response and (c) any other matters required to be discussed by Statement on Auditing Standards No. 61, as amended or supplemented. The Committee shall be responsible for the resolution of disagreements between the Company's management and the outside auditors regarding financial reporting.

8. With respect to any financial statements audited or reviewed by the Company's outside auditors, including the Company's annual reports on Form 10-K and quarterly reports on Form 10-Q, the Committee shall receive from the Company's outside auditors prior to the public release or filing with the SEC of such financial statements, a timely oral or written report with respect to:

- all critical accounting policies and practices;
- all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of the Company, the ramifications of the use of such alternative disclosures and treatments and the disclosure and treatment preferred by the outside auditors; and
- other material written communications between the outside auditors and the management of the Company (such as any management or internal control letter or schedule of unadjusted differences).

9. The Committee shall review and discuss with the outside auditors and management, as appropriate, the reports of the outside auditors referred to in paragraph 8 as well as any significant judgments or estimates taken into account in the preparation of the Company's financial statements, major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and any proposed accounting and financial reporting rules that may have a significant impact on the Company's financial statements.
10. The Committee shall review and discuss with management and the outside auditors any (a) material off-balance sheet structures or (b) except with respect to matters specifically vested in the Labor Committee of the Board, related party transactions that are significant in size or involve terms that differ from those that would likely be negotiated with independent parties, and which structures or transactions are relevant to an understanding of the Company's financial statements.
11. The Committee shall discuss earnings press releases, as well as financial information and earnings guidance provided to analysts or rating agencies, including with respect to the use of "pro forma" or "adjusted" non-GAAP information, and review particular releases or guidance to the extent the Committee deems advisable. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the type of presentations to be made). The Company's management and at least the chairman of the Committee may meet to review quarterly earnings in advance of each quarterly earnings release.
12. The Committee shall meet separately, periodically, with management, the outside auditors and the General Auditor.
13. The Committee shall determine whether to recommend to the Board, based on the Committee's review and discussions with management and the outside auditors as required under this Charter, that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K.
14. The Committee shall prepare and approve the report of the audit committee required by the rules and regulations of the SEC to be included in the Company's annual proxy statement.
15. The Committee shall review disclosures by management with respect to any significant deficiencies in the design and operation of the Company's internal controls or material weaknesses in the Company's internal controls, as well as any fraud involving management or other employees who have a significant role in the Company's internal controls. Management shall discuss with the Committee any special steps adopted in light of discovered deficiencies in the Company's internal controls. The Committee shall be informed by management of the process used by management to prepare the certifications required under Section 302 of the Sarbanes-Oxley Act of 2002, including the integrity of the Company's disclosure controls and procedures.

16. The Committee shall review and discuss:
- management's assessment of the Company's internal control structure and procedures for financial reporting and management's annual report on the Company's internal control structure and procedures for financial reporting, as required by the rules and regulations of the SEC; and
 - the outside auditors' attestation and report on management's annual report on the Company's internal control structure and procedures for financial reporting, as required by the rules and regulations of the SEC.

Internal Audit

17. The Committee shall review and approve management's appointment, replacement, reassignment or dismissal of the General Auditor.
18. The Committee shall review the internal audit function, including the annual internal audit plan, organization, budget and staffing.
19. The Committee shall review the summaries of the internal audit reports to management and management's responses and discuss with the General Auditor, management and the outside auditors, as appropriate, significant internal audit findings and management's responses to such findings.

Other Responsibilities

20. The Committee shall review and discuss with management and, to the extent appropriate, the outside auditors and General Auditor the Company's policies with respect to risk assessment and risk management, including cash management, investment management and foreign exchange management policies, the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
21. The Committee shall discuss with the Company's General Counsel any significant legal matters and any significant notices or inquiries from governmental agencies.
22. The Committee shall discuss the Company's significant compliance policies and programs with the appropriate officers of the Company and, to the extent it deems appropriate, obtain from such officers reports with respect to such compliance policies and programs.
23. The Committee shall confirm with the outside auditors that they are not aware of any matters that might fall under Section 10A(b) of the Exchange Act.
24. The Committee shall review the Company's policies relating to business conduct and review management's monitoring of compliance with the Company's Code of Business Conduct (the "Code"). The Committee shall assist the Board in reviewing and, when appropriate, granting any requests by a director or executive officer for a waiver from compliance with the Code.

25. The Committee shall review and, when appropriate, grant any request for a waiver from compliance with the Company's Corporate Governance Guidelines with respect to a member of the Nominating/Corporate Governance Committee.
26. The Committee shall establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, auditing or internal accounting control matters and (b) the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
27. The Committee shall establish clear hiring policies with respect to employees and former employees of the outside auditors.
28. The Committee shall review the Company's policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and the results of the annual review of these areas conducted by the Company.
29. The Committee shall review its own performance, as required by applicable law or the SEC or NYSE or other national securities exchange, as applicable, rules or regulations, and reassess the adequacy of this Charter at least annually in such manner as it deems appropriate and submit such evaluation, including any recommendations for change, to the full Board for review, discussion and approval.

Compensation

No member of the Committee may receive, directly or indirectly, any compensation from the Company other than (a) fees paid to directors for service on the Board, including any perquisites paid or provided to directors as part of their directors' compensation and approved by the Nominating/Corporate Governance Committee, (b) fees paid to directors for service on a committee of the Board (including the Committee), including any perquisites paid or provided to directors as part of their compensation for service on a committee of the Board and approved by the Nominating/Corporate Governance Committee, and (c) to the extent permitted by applicable law or regulations, a pension or other deferred compensation for prior service that is not contingent on future service on the Board.

UAL CORPORATION
Nominating/Governance Committee Charter

Purpose

The purpose of the Nominating/Governance Committee of the Board of Directors is to (i) identify and recommend for nomination individuals qualified to be Board members, other than Employee Directors, (ii) develop, recommend and annually review Corporate Governance Guidelines for the Company and oversee corporate governance matters, (iii) coordinate the evaluation of the Chief Executive Officer of the Company and CEO searches, (iv) coordinate an annual evaluation of the Board and each of its committees, (v) make recommendations with respect to director compensation and (vi) perform the tasks assigned to the Outside Public Director Nomination Committee under the Company's previous Restated Certificate of Incorporation upon the occurrence of the Termination Date (as defined in the Restated Certificate).

Membership

The Committee's composition shall meet the independence requirements for nominating/corporate governance committees imposed by the listing standards of the New York Stock Exchange, as in effect from time to time, whether or not the Company is then listed on the NYSE.

Members of the Committee shall be appointed by the Board and shall serve at the pleasure of the Board and for such term as the Board shall determine.

To enable the Committee to perform the tasks assigned to the Outside Public Director Nomination Committee upon the occurrence of the Termination Date, until August 2003, the members of the Committee shall be the members of the Outside Public Director Nomination Committee immediately prior to the Termination Date.

Authority and Responsibilities

The Committee shall have the following responsibilities:

Board Nominees

1. The Committee shall determine the criteria (as described in the Corporate Governance Guidelines of the Company), objectives and procedures for selecting Board members (other than Employee Directors) and shall seek and recommend qualified individuals for nomination for election or re-election to the Board by the stockholders or for appointment by the Board to fill a vacancy.

Corporate Governance Matters

2. The Committee shall develop and recommend to the Board Corporate Governance Guidelines for the Company at least annually and make recommendations to the Board.
3. The Committee shall make recommendations to the Board regarding committee responsibilities and membership.
4. The Committee shall develop and oversee the Company's orientation and continuing education processes for members of the Board.
5. The Committee periodically shall review and discuss with management the corporate organization, structure and planning for the Company and its subsidiaries.

Chief Executive Officer Performance Evaluation, Succession

6. The Committee annually shall coordinate the performance evaluation by the Board of the Chief Executive Officer of the Company.
7. The Committee shall coordinate the search for individuals qualified to succeed the Chief Executive Officer of the Company and shall make recommendations to the Board.

Board and Committee Performance Evaluation

8. The Committee shall develop, recommend and oversee the Board's annual self-evaluation and the Board's evaluation of its committees in accordance with NYSE rules.
9. At least annually, the Committee shall review its own performance in accordance with NYSE rules and shall reassess the adequacy of this Charter.

Director Compensation; Director Insurance

10. The Committee shall periodically review and make recommendations to the Board regarding (i) the form and amount of director compensation and (ii) directors' indemnification and insurance matters.
11. The Committee shall administer the compensation plans for directors of the Company.

Retention of Consultants and Advisors; Investigations

12. The Committee shall have sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm's fees and other terms of engagement.
13. The Committee shall have the authority, without Board approval, to obtain, at the expense of the Company, advice and assistance from internal or external legal, accounting or other advisors as it deems advisable.
14. In discharging its duties, the Committee shall have the authority to conduct or authorize investigations into any matters within the Committee's scope of responsibilities.

Structure and Operations

The Committee may form and delegate authority to subcommittees.

The Committee shall maintain minutes or other records of its meetings and shall give regular reports to the Board on these meetings.

Our Code of Business Conduct

Third Edition



Table of Contents

Introduction

- Purpose of this Code
- Personal Responsibility
- Additional Managerial Responsibility
- Discipline
- No Retaliation

Our Ethics Process

- Making Ethical Decisions
- Duty to Report and Seek Assistance
- Business Conduct Office

Work Environment

- Equitable Treatment
- Harassment and Discrimination
- Safety and Health
- Violence in the Workplace
- Alcohol and Drugs
- Family and Personal Relationships
- Fund-Raising Activities
- Resources

Customers

- Customer Service
- When the Customer is a Friend, Relative or Fellow Employee
- When the Customer is the Government
- Customer Privacy
- Resources

Business Partners

- Doing Business with Others
- Purchasing Practices
- Sales and Marketing Practices
- Resources

Conflicts of Interest

- General Guidance
- Disclosure of Potential Conflicts
- Ownership in Other Businesses
- Family Members and Close Personal Relationships
- Board Memberships, Public Office and Community Activities
- Initial Public Offerings
- Outside Employment
- Gifts, Favors and Entertainment
- Definition of Gift

Accepting, Offering or Soliciting Gifts
Reporting of Gifts Received
Entertainment

Company Assets

Protecting Company Assets
Accuracy of Company Records
Intellectual Property
Protecting Confidential Information
Employee Information and Investigations
Resources

The Law

Compliance with the Law
Insider Trading
Disclosure Policies
Environment
Litigation Discovery
Political Contributions
Antitrust
Foreign Corrupt Practices Act
International Trade and Anti-Boycott Regulations
Waivers of the Code of Business Conduct
Resources

Introduction

Purpose of this Code

The Code of Business Conduct (the "Code") applies to all employees, including the principal executive officer, principal financial officer and principal accounting officer or controller or persons performing similar functions, directors and third party representatives such as contractors, consultants and agents of UAL Corporation, United Air Lines, Inc. and its subsidiaries (United). It describes the ethical and legal responsibilities all United employees are expected to uphold, and provides basic guidelines for conducting business on behalf of United.

Personal Responsibility

All employees are required to abide by all applicable governmental laws, rules and regulations, United policies, including this Code, and all other standards of ethical conduct. In addition, employees must promptly report any violation of such laws, rules, regulations and policies to an appropriate person within the company.

Additional Managerial Responsibility

Managers (defined as employees who supervise others) are expected to exemplify the highest standards of ethical business conduct. Managers are responsible for creating a work environment that promotes honest and ethical behavior and are expected to be familiar with the policies and legal requirements applicable to their organization to ensure employees receive appropriate training and guidance.

Managers must be diligent in discovering unethical or illegal conduct, and must promptly take corrective or disciplinary action when misconduct is substantiated.

Discipline

Employees who violate United policy, including this Code, may be subject to disciplinary action up to and including discharge. Employees who commit criminal acts may be subject to immediate termination and/or possible civil or criminal prosecution. Obstructing or undermining investigations, withholding or destroying information, including failing to report a violation, or providing misleading information are violations of this Code.

No Retaliation

United policy forbids retaliation against any employee who, in good faith, reports a suspected violation of law or policy, including harassment or discrimination. Any person involved in retaliation will be subject to disciplinary action up to and including discharge.

Our Ethics Process

Making Ethical Decisions

Making ethical decisions is key to our success. Each employee is expected to bring professional skills, personal values and good judgment to his/her job at United to assist them in making ethical decisions.

Duty to Report and Seek Assistance

United's success in achieving legal and ethical compliance depends on each employee seeking advice before problems occur and reporting incidents that raise compliance issues. It makes no difference if the employee engages in illegal or unethical conduct to benefit themselves and others, or whether they do so in a misguided attempt to benefit United. Good intentions do not justify improper conduct; violations of the law or company policy for any purpose is unauthorized and unacceptable. It is the obligation of all employees to report known or suspected violation of the Code, law or company policies to their

supervisor or other resource listed below. Where appropriate, please contact one or more of the following persons to seek assistance and/or report any violations or potential violations.

<i>Supervisor or Manager</i>	—For most workplace issues.
<i>Union Representative</i>	—For issues governed by the Union contract, including the Grievance Process.
<i>Human Resources</i>	—For compensation and HR concerns or policy guidance and interpretation.
<i>Law Division</i>	—For legal questions on behalf of the company.
<i>Corporate Safety, Quality Assurance and Security</i>	—To report unsafe conditions, workplace hazards, security concerns and misappropriation of company assets.
<i>Business Conduct Office</i>	—For Code advice and interpretation or to report violations of United policy or the law. You are encouraged to report violations to your supervisor first. If the situation involves your supervisor, you may also contact your supervisor's manager, Human Resources representative or the Business Conduct Office.

Business Conduct Office

The Business Conduct Office is also a resource for employees to obtain guidance or clarification in complying with our business conduct guidelines. The Business Conduct Office can be reached toll-free in the United States at 888-700-4244. Callers outside the United States should dial 847-700-4244. Employees may also mail questions or concerns to WHQOC - Business Conduct or send an e-mail to business-conduct-office@ual.com. You do not have to give your name, calls and letters may be made anonymously.

Work Environment

Equitable Treatment

United is firmly committed to the equitable treatment of all employees and qualified applicants for employment and actively promotes diversity within the workforce. All applicants and employees must be judged by their qualifications, demonstrated skills and achievements.

United is also dedicated to equal employment opportunity without regard to race, color, sex, national origin, age, religion, disability, veteran status, sexual orientation or other protected characteristics. Equal employment opportunity applies to all aspects of the employment process including promotion, placement, training and compensation. United is committed to compliance with applicable employment laws everywhere we operate.

Harassment and Discrimination

United's policy is "zero tolerance" for unlawful harassment and discrimination. Verbal or physical harassment by an employee that disrupts another's work performance or creates an intimidating, offensive, abusive or hostile work environment based on a protected characteristic will not be tolerated. In addition, unwelcome sexual advances, requests for sexual favors, and other unwelcome verbal or physical conduct of a sexual nature are specifically prohibited. All employees are encouraged to inform the source of any harassment or discrimination that the behavior is unwelcome, and should promptly report such harassment to the appropriate company representative when it occurs. Supervisors and managers are required to survey their workplaces regularly to ensure compliance with United's zero tolerance policy.

Safety and Health

Each employee is responsible for observing the safety and health rules and practices that apply to his or her job to ensure a safe work environment for everyone. Employees are also responsible for immediately reporting accidents, injuries, hazards, broken equipment and unsafe practices or conditions to a supervisor or manager.

Managers are responsible for ensuring that required training on relevant safety policies is provided. Managers are also ultimately responsible for regularly monitoring work areas for unsafe conditions and practices and ensuring timely action is taken to correct known unsafe conditions.

Violence in the Workplace

United's policy is "zero tolerance" for any behavior that endangers the safety of its employees, customers, or others. Employees must immediately report to a supervisor all threats, attempts at or actual violence against themselves, other employees, customers or third parties on company premises.

United has also adopted policies for when a passenger threatens the safety or well being of employees, customers or others. Violent behavior on airplanes is strictly prohibited by United and may violate criminal laws. It is extremely important that all public contact employees know the procedures to deal with customer violence. Public contact employees should consult their supervisor or manager with questions regarding these procedures.

Alcohol and Drugs

Each employee must report to work free from the influence of any substance that could prevent him or her from conducting work activities safely and effectively. United prohibits the possession, sale, purchase, delivery, use or transfer of illegal substances (except medically prescribed drugs) on company property or at company functions. Alcohol served at company functions on company property such as award ceremonies must be approved in advance by the sponsoring division head and must comply with all other relevant company policies. Our Medical and Safety departments must be notified immediately of any illegal activity involving employees whose job requires they be licensed by the FAA.

Family and Personal Relationships

A United employee may not supervise directly, or supervise the supervisor of a family member or anyone with whom he/she has a close personal relationship. An employee may not allow a friendship or any personal relationship with another employee to influence his/her judgment in work-related matters such as hiring, job assignments, appraisals, promotion and compensation decisions. Family members include spouse, children, parents, siblings, in-laws and qualified domestic partners ("qualified domestic partners" refers to those persons properly designated by the employee under the terms and conditions of company policies). Close personal relationships include, but are not limited to, unmarried couples, dating relationships, live-in relationships, business partners or others with whom the employee has business or financial dealings or any other close personal friendship that might influence the employee's judgment.

Fund-Raising Activities

Only charitable organizations and activities that are officially sponsored in some form by the company may be associated with fund-raising activities taking place on company property or on behalf of the company. All fund-raising activities must comply with applicable laws, company policy and must be approved by Civic Affairs. Raffles conducted on company property must have the proper licenses, issued either by the sponsoring charity, the state or the local governing municipality. All proceeds from raffles must go to charity. Sales of items by individual employees to benefit local charities (e.g., Girl Scouts, Little League, etc.) are allowed if prior approval is obtained from an appropriate local manager.

Resources

Regulations 15-1, "Personal and Professional Conduct"
Employee Information Packet: Harassment, Discrimination and Corporate Values
Supervisor's Guide to Responding to a Claim of Harassment or Discrimination
Occupational Safety Department (WHQSY 847-700-1677)
Regulations 5-12, "Ground Safety and Health"
Corporate Security Department (WHQSE 847-700-7833)
Violence in the Workplace Policy
Corporate Guidelines for Fund-Raising (Skynet)

Customers

Customer Service

Excellence in customer service is a key to United's success. Each employee is expected to deal fairly, honestly and ethically with all customers to ensure customer satisfaction. Special treatment of customers should be based on legitimate published criteria only including class of service, fare and frequent flyer status.

When the Customer is a Friend, Relative or Fellow Employee

Employees must be cautious when making decisions regarding travel for friends, relatives and fellow employees. These travelers may not be afforded preferential accommodation as a result of their relationship to a United employee. When providing travel services for yourself or your friends and family, any unauthorized deviation from established rules for pricing, issuance, exchange or refunding of tickets; any waiving of travel restrictions or other terms affecting the applicability of discount fares; any inappropriate upgrades of class-of-service; or any use of our computerized reservation system to improperly remove seats from inventory or block space on United or any other carrier is prohibited. Any such deviation requires the advance approval of your supervisor or manager.

When the Customer is the Government

Many rules and regulations apply when doing business with government entities. United policy requires strict compliance with all applicable laws and regulations, whether doing business in the United States or abroad. Employees who deal with these customers should consult with the Law Division or Government Affairs prior to a transaction for legal guidance.

In addition, company policy prohibits United employees from directly or indirectly making bribes, kickbacks or other improper payments to government officials, civil servants or anyone else to influence their acts or decisions.

Customer Privacy

Our customers have come to trust us with their personal information, including credit card information, address, flight itinerary, mileage plus data, etc. It is United policy that this information be used for company business purposes only. Disclosures to third parties will be made only in accordance with applicable law or company policy.

Resources

Regulation Series 65, "Customer Services"
Regulations 15-1, "Personal and Professional Conduct"
Law Division

Business Partners

Doing Business with Others

United policy requires developing supplier relationships with fair, honest and ethical conduct. All suppliers engaging in ongoing and material business relationships with United should receive a copy of our "Supplier Business Conduct Guidelines" which is available from the Purchasing Department. In addition, third parties holding themselves out as United (e.g., general sales agents, independent contractors, etc.) are expected to observe the same standards of conduct as employees. The United employee responsible for initiating and/or maintaining these supplier relationships should also provide these parties with a copy of this Code. Any violations of the Code by third parties should be reported to the Business Conduct Office.

Purchasing Practices

All purchasing decisions must be made based on the best value received by United. Obtaining competitive bids, verifying quality and service claims, and confirming the financial condition of the supplier are all important steps in a good purchasing decision. (See section on Conflict of Interest)

Sales and Marketing Practices

United policy requires that all sales, marketing and promotion materials must always be honest and accurate. Neither deceptive advertising nor questionable promotional activity can ever be justified. Violations of these standards not only erodes consumer confidence, but could also subject our company to legal action.

Resources

Regulations 88-3, "Buying"

Conflicts of Interest

General Guidance

United has a "zero tolerance" policy for any activity that creates a conflict of interest with an employee's responsibilities at United.

Conflicts arise when an employee uses his or her position at United for personal gain or when the employee's personal interests conflict with United's interests.

All employees must avoid any actions or relationships that could conflict with, or appear to conflict with, the interests of United. For example, an employee or a family member who receives improper personal benefits (including gifts, entertainment, services or payment for services that the person is performing in the course of company business) as a result of his or her position in United could create an actual conflict of interest or the appearance of a conflict of interest and must be avoided.

Disclosure of Potential Conflicts

Each employee must disclose in advance any relationship that might be perceived as a conflict of interest to his/her immediate supervisor and to the Business Conduct Office. Failure to disclose personal interests as described in this section will result in disciplinary action, up to and including discharge.

Ownership in Other Businesses

Employees must not make, participate in making, or attempt to influence the business decisions relating to competitors, suppliers, or customers in which they have a “substantial direct or indirect ownership interest.” Prior to making a decision that could appear to be a conflict of interest, the employee must disclose the situation to his or her supervisor and obtain prior written approval from the Business Conduct Office. (A “substantial direct or indirect ownership interest” is defined as the ownership by an employee and/or family members of more than 1% of a company or 25% of your gross income; “competitors” include air carriers, travel agents, computer reservation systems, tour operators or other distribution channels; “customers” are defined as companies with corporate volume agreements or other high volume business; See section on family and personal relationships for definition of “family members”).

Family Members and Close Personal Relationships

A conflict of interest also may arise when company business decisions involve competitors, customers or suppliers that employ family member of a United employee or an individual with whom the United employee has a close personal relationship. In such instances, the United employee must not conduct company business without first disclosing the situation to a supervisor and obtaining prior written approval by the Business Conduct Office.

Board Memberships, Public Offices and Community Activities

Serving on behalf of the company on the Board of Directors of a for-profit business requires the approval of the Senior Officer of the Division, and for a non-profit organization requires the approval of Civic Affairs. Serving in an individual capacity on the Board of Directors of a for-profit business requires the approval of the Business Conduct Office; however, serving in an individual capacity on boards of charitable, humanitarian, educational and cultural institutions does not require prior approval. Stricter standards apply to officers and they should consult the Law Division for guidance.

Employees who decide to accept a public position, political appointment or run for public office must inform the Business Conduct Office, who will review potential conflicts of interest, and inform the employee of any action considered necessary to avoid the conflict. Generally, public officials may not act on matters in which they have a personal interest. Employees should ensure that outside activities would not interfere with or adversely affect job performance.

Initial Public Offerings

Employees may not participate in an Initial Public Offering (IPO) under a directed share or part of a family and friends offering if participation in the offering is based solely on a business relationship arising from their employment at United. Purchasing shares of an IPO in the secondary market is not prohibited. The Law Division should be consulted with any questions regarding this policy.

Outside Employment

Employment outside the company is permitted; however, employees may not engage in outside employment with a competitor, distributor or supplier unless they have first advised their supervisor and obtained their written approval. Once approved, the employee is responsible for advising his/her supervisor of any change in employment (different employer, position, etc.) which may impact prior approval. Supervisors should consult with the Business Conduct Office if they are uncertain whether the employment activity creates a conflict of interest or otherwise violates the intent of this Code. Outside employment that conflicts with scheduled hours, overtime when required or the performance of company assignments is prohibited.

Gifts, Favors and Entertainment

Definition of Gift

United considers a gift to include any items, products or services of value given to an employee by an existing or potential competitor, supplier, customer or other party with whom United does business. For example, tickets to sporting or other events where the provider has no intention of accompanying the United recipient are considered gifts. This definition also includes cash in any amount, any items or services purchased at a lower-than-normal price and any favors, benefits or other things of value.

Accepting, Offering or Soliciting Gifts

No gift may be offered or accepted if it will create a feeling of obligation, compromise judgment or appear to improperly influence the recipient. United employees may accept nominal gifts, defined as having a value of up to \$100 per year from a single organization. Notwithstanding this general rule, employees may not accept gifts of cash or cash equivalents, such as gift certificates. Giving and receiving of gifts can sometimes give the appearance of being improper. If you have any concerns that your acceptance of or offer of a gift might be viewed as improper, discuss your concerns with your supervisor or manager or the Business Conduct Office.

Items or services that are customarily provided to company or travel industry employees, such as discounted travel arrangements, are generally acceptable and would not be considered gifts. Discounts on personal purchases are also acceptable, provided such discounts are generally offered to company employees or others having a similar business relationship with the supplier or customer. Organizations within United may choose to establish gift and entertainment guidelines that are more restrictive than those described above.

Gifts may be offered only if they are modest in value and normal and customary given the business circumstance. Gifts may be solicited for company approved business activities or charities only and not for personal use.

Reporting of Gifts Received

Employees who receive gifts that may violate this policy should promptly notify their supervisor. Gifts valued at more than \$100 should be returned with a letter explaining company policy. If a gift is impractical to return, management may use the gift as a form of employee recognition through the use of a raffle. It may not be awarded directly to the recipient. The gift may also be donated to a recognized charity.

Entertainment

It is generally accepted business practice to accept meals and entertainment that occur in conjunction with business meetings and conferences. Such occasions should further the business interests of United and should not be in excess of generally accepted business practices. If in doubt, approval should be obtained from a director or above.

Invitations to business functions that involve customer or supplier-provided overnight accommodations may be accepted only with the prior written approval of a senior officer. While the company is in the process of sourcing and negotiating supplier contracts, invitations for entertainment (e.g. sporting events, expensive dinners, etc.) should not be accepted. Employees never should solicit entertainment from suppliers or customers.

Company Assets

Protecting Company Assets

The integrity of United's assets is a key to our continued success. All United employees have a special responsibility to protect and safeguard the company's physical, financial, intellectual property and other company assets and ensure their efficient use. Employees must not use these assets for any purpose not related to company business without proper authorization. When it becomes necessary to utilize United's communications equipment, including the Internet, and resources for occasional and infrequent non-business use, good judgment should prevail. Contact your supervisor or manager if you have any questions regarding this policy.

Accuracy of Company Records

United policy requires that all accounting reports, financial statements and other business records document transactions and events, conform not only to legal requirements and generally accepted accounting principles but also United's system of internal controls. All employees have the responsibility to ensure that false or intentionally misleading entries that hide or disguise the true nature of the transaction are not made in company accounting records. Dishonest and unethical reporting within the company, or to organizations or people outside the company, is strictly prohibited. Undisclosed or unrecorded funds or assets are not allowed, unless permitted by applicable law or regulation. Employees uncertain about the validity of an entry or process are expected to consult the Corporate Controller's Department and to report suspected accounting irregularities and false entries to the Business Conduct Office as specified in our Employee Complaint Procedure for Accounting, Internal Accounting Control and Auditing Matters. All records should be retained and destroyed according to United's Document Management Program (regulations 5-28).

Intellectual Property

It is United policy to identify, establish, protect and defend its rights in all intellectual property assets, including patents, trademarks, copyrights and other proprietary information. Employees are expected to safeguard these assets and to identify and disclose any new works of authorship, technology advances and/or unique solutions to business problems to enable United to establish and protect its rights to such proprietary assets. The intellectual property assets of United can only be used for authorized company business. In addition, it is United policy to respect the valid and legitimate intellectual property rights of others. Employees must consult with the Law Division concerning necessary licenses and approvals to use such intellectual property. United's name, logo, trademarks and servicemarks can only be used for authorized company business and never in conjunction with personal or other activities unless appropriate approval is received prior to use.

Protecting Confidential Information

Confidential information includes all non-public information that might be of use to competitors, or harmful to United or our customers, if disclosed. Examples of confidential information include, but are not limited to the following: detailed financial figures; new product or marketing plans; technical information; information about litigation, potential acquisitions, divestitures, contracts and alliance agreements; and personal information about United employees and customers. Employees must not disclose or reveal any confidential information entrusted to them by the company, except when disclosure is authorized by the Law Division or required by laws or regulation.

Employee Information and Investigations

Records containing personal information about co-workers must be kept confidential. Access to such records is limited to managers and others with a specific need to use the information in the performance of their duties.

The respectful treatment of employees extends to how the company responds to allegations of theft or illegal conduct in the workplace. Where an employee is suspected of such conduct, it is important that such suspicion must be addressed in a manner that does not adversely affect the healthy workplace environment. No employee, for example, may place a hidden camera or recording device in the workplace, nor engage a third-party security firm or investigator to conduct an investigation or engage in observation of any employee, without the prior approval of Human Resources, the Law Division and Corporate Security.

Resources

Internet and Intranet Use Policy (Skynet)
E-Mail Use Policy (Skynet)
Copyright Compliance Manual
Trademark Compliance Manual
Regulations 5-4, "Administration"
Regulations 5-18, "Computer Security"
Surveillance of Employees Policy

The Law

Compliance with the Law

All United employees are expected to fully comply with all applicable laws, rules and regulations wherever we do business. Employees may not use a contractor, consultant, agent or other third party to do anything they themselves are prohibited from doing. Pressures from supervisors, co-workers or demands of the business are no excuse for violating the law. Employees should inform a manager, the Law Division or the Business Conduct Office of any violations of laws or regulations.

Insider Trading

United is committed to promoting fair and open markets for publicly traded securities. All United employees, therefore, are prohibited from trading any securities of United or any other company on the basis of material, non-public information. Material information is any information that a reasonable investor would consider important in making a securities-related decision.

All United employees are also prohibited from communicating material, non-public information to persons outside United, except when there is a legitimate business reason and appropriate steps have been taken to assure the information is not misused.

If doubt exists as to whether the information is material or has been released to the public, do not trade or discuss it with others until you have consulted with Investor Relations and the Law Division. In order to avoid the appearance that any company employee is trading on inside information, no employee should engage in speculative trading such as "short sales", or trade in puts, calls or other options on United and affiliates stock. Employees may, of course, purchase or sell United securities and exercise options granted to them, as long as they are not basing decisions on inside information.

Stricter standards may apply to officers, directors and certain other management employees. They should refer to the Policy Statement on Securities Trading and the Law Division for more information. Management employees should check with their manager or the Law Division to determine whether they are subject to this policy.

Disclosure Policies

United is committed to maintaining the integrity and reliability of its public communication to ensure the complete and accurate dissemination of company information. Senior financial officers of United must provide full, fair, accurate, timely and understandable disclosure in reports and documents submitted to the SEC and in other public communications. In addition, to further ensure accurate and timely disclosure, all media requests should be referred to Corporate Communications (or, at international locations, the County Manager) for appropriate handling. If United receives an inquiry from a stockholder, such stockholder should be referred to Investor Relations. All other requests for information, other than what is provided on a routine basis, should be reported to the Law Division, and the Law Division's guidance should be received prior to responding to any such request.

Environment

United is dedicated to the protection of our natural environment. It is strict United policy, therefore, to fully comply with all applicable local, state and federal environmental laws and regulations. Employees are required to comply with these standards when performing their assigned duties and for reporting any violations to their supervisor or Corporate Safety and Security.

Litigation Discovery

It is United policy to respect the judicial process. Truth in that process is essential. All employees involved in litigation discovery shall:

- Treat litigation discovery as a priority;
- Use experienced individuals who have a proven record to handle discovery;
- Thoroughly and continuously review any questions they have with the attorneys handling the matter and fully and completely comply with the instructions received from them; and
- Immediately report any suspected non-compliance to the attorney's handling the matter or the General Counsel.

Political Contributions

United generally prohibits political contributions to any political candidate or party, whether domestic or foreign, with United funds and resources. Notwithstanding this general rule, certain political contributions on behalf of United are allowed if the contribution is legally permissible and made through Government Affairs. No other political contribution including in-kind contributions, may be made with United funds and resources to any government official or employee.

Employees have the option of making individual political contributions to the party or candidates of their choice, or if eligible, to the United Airlines Political Action Committee (UAPAC). This decision must be completely voluntary. Employees may not use company resources to support their personal choice of political parties, causes, candidates or office holders.

Antitrust

The purpose of antitrust laws is to preserve fair and open competition in our free market economy. Thus, while United promotes competing vigorously in the marketplace, it is United policy to do so by fully complying with all antitrust and other competition laws throughout the world. United employees or agents may not enter directly or indirectly into any formal or informal agreement with competitors that fixes

prices, or allocates markets, eliminates competition, or otherwise unreasonably restrains trade, unless an immunity exception has been granted by competent governmental authority.

United representatives should never communicate with competitors regarding pricing, marketing, capacity, costs, customers or competitive matters of any kind without consulting with the Law Division. It is the responsibility of any individual who has a question about potential antitrust implications of a discussion, decision or action to consult with the Law Division before such action takes place.

Foreign Corrupt Practices Act (“FCPA”)

The FCPA prohibits anyone at United from directly or indirectly offering, promising to pay, or authorizing the payment of money or anything of value to foreign government officials, parties, or candidates for the purpose of influencing their acts or decisions. The fact that bribery may be an accepted local practice in a country does not relieve United employees from complying with the FCPA. The FCPA permits payments under specific circumstances. Consult with the Law Division prior to making any payments of this type.

The FCPA also contains significant internal accounting control and record-keeping requirements that apply to our foreign operations. The Act’s intent, in requiring these records, is to ensure that United maintains reasonable control over its assets and all transactions involving those assets. All employees are responsible for following company procedures, including auditing controls, for carrying out and reporting business transactions.

International Trade and Anti-Boycott Regulations

U.S. laws govern United’s conduct in international trade. Employees involved with international trade should review the resources listed, and consult with the Law Division if they have any questions or concerns. United employees and its agents may not by law cooperate in any way with an unsanctioned foreign boycott of countries friendly to the United States. United operations worldwide must comply with U. S. export restrictions as well as applicable export control laws of all countries where we conduct company business.

The civil and criminal sanctions that may be imposed for violations of international trade and anti-boycott regulations are very severe. Employees with responsibility for international activities should consult frequently with the Law Division regarding these matters.

Waivers of the Code of Business Conduct

In the extremely unlikely event that a waiver of the Code for executive officers would be in the best interests of United, it must be approved by the Audit Committee of the Board of Directors and promptly disclosed to the SEC or on United’s website.

Resources

Law Division
Policy Statement on Securities Trading
Regulations 5-14, “Environmental Safety”
Antitrust Law Policy Manual
UA Policy Regarding FCPA

Rev.10/03 WHQOC
973-1182-CBCS-11

Effective Date: August 5, 2003

SEC Attorney Conduct Policy

UAL CORPORATION / UNITED AIR LINES, INC.
POLICY STATEMENT ON
SEC STANDARDS OF PROFESSIONAL CONDUCT
FOR ATTORNEYS

OVERVIEW

The Securities and Exchange Commission has adopted rules, as set forth in new Part 205 of Title 17, Chapter II of the Code of Federal Regulations (mandated by Section 307 of the Sarbanes-Oxley Act of 2002), which establish minimum standards of professional conduct for all attorneys who handle securities law matters on behalf of issuers. These rules impose a duty on those attorneys to report evidence of a material violation of securities laws, breach of fiduciary duty or similar violation by the issuer to the chief legal officer or to both the chief legal officer and the chief executive officer of the issuer. As such, the Law Division has adopted the following policy with respect to these SEC attorney conduct rules.

APPLICATION

Appearing and Practicing before the SEC.

The rules apply to all attorneys "appearing and practicing" before the SEC in the representation of issuers with whom they have an attorney-client relationship. The SEC has defined appearing and practicing before the Commission to mean:

- transacting any business with the SEC, including communications in any form;
- representing an issuer in a SEC administrative proceeding or in connection with any SEC investigation, inquiry, information request, or subpoena;
- providing advice in respect of U.S. securities laws or the Commission's rules or regulations regarding any document that the attorney has notice will be filed with or submitted to, or incorporated into any document that will be filed with or submitted to, the SEC, including the providing of advice in the context of preparing, or participating in the preparation of, any of these documents; or
- advising an issuer as to whether information or a statement, opinion or other writing is required under U.S. securities laws or the SEC's rules and regulations to be filed with or submitted to, or incorporated into any document that will be filed with or submitted to, the SEC.

Application to All Attorneys.

Because the definition of appearing and practicing before the SEC is intended to be extremely broad in its application, and it raises difficult interpretive issues, these rules and this policy apply to all attorneys of UAL Corporation, United Air Lines, Inc. and its subsidiaries, regardless of whether they believe they are appearing and practicing before the SEC.

REPORTING OBLIGATIONS

Duty to Report Evidence of a Material Violation.

If any attorney of the Company becomes aware of evidence of a material violation (as defined below) by the Company, including any officer, director, employee and/or agent, the attorney must report the evidence to the General Counsel, the Deputy General Counsel and the Assistant General Counsel of his or

her section. If an attorney reasonably believes that reporting to the General Counsel would be futile (e.g., if the General Counsel is or may be involved in the perceived wrongdoing), the attorney may report to the Audit Committee of the Board of Directors.

Supervisory Attorneys.

The Law Division's General Counsel, Deputy General Counsel, Assistant General Counsel and Senior Counsel, as qualifying supervisory attorneys under the SEC rules, are required to make reasonable efforts to ensure that a subordinate attorney that he or she supervises conforms to the SEC's attorney conduct standards.

In addition, the Deputy General Counsel, Assistant General Counsel and Senior Counsel of the Law Division are required to report to the General Counsel any evidence of a material violation that (1) he or she learns on their own; or (2) learns from a subordinate attorney.

Subordinate Attorneys.

An attorney who appears and practices before the SEC in the representation of the Company on a matter under the supervision of another attorney (other than under the direct supervision of the General Counsel) is a subordinate attorney. A subordinate attorney must comply with the SEC rules and this policy notwithstanding that the subordinate attorney acted at the direction of, or under the supervision of, another person.

Making a Report.

Reports are to be made by telephone, email or in person promptly after discovering the material violation. To report evidence of a material violation, an attorney should contact the General Counsel, the Deputy General Counsel and the Assistant General Counsel of his or her section.

MATERIAL VIOLATION

Material Violation.

The term "material violation" means any material violation of U.S. federal or state securities law, a material breach of a fiduciary duty under U.S. federal or state law, including but not limited to misfeasance, nonfeasance, abdication of duty, abuse of trust and approval of unlawful transactions, or a similar material violation of any U.S. federal or state law. To date, the SEC has not provided any guidance as to what constitutes a similar violation of any other federal or state law.

Because the definition of material violation presents difficult interpretive issues, Company attorneys other than the General Counsel, the Deputy General Counsel and the Assistant General Counsel should not attempt to determine whether a particular violation is covered by the SEC rules. If an attorney becomes aware of a violation of law or breach of fiduciary duty by the Company, the attorney must report that violation up the ladder to the General Counsel, the Deputy General Counsel and the Assistant General Counsel of his or her section.

Credible Evidence.

Evidence of a material violation means credible evidence, based upon which it would be unreasonable, under the circumstances, for a prudent and competent attorney not to conclude that it is reasonably likely that a material violation has occurred, is ongoing or is about to occur. To be reasonably likely, a material violation must be more than a mere possibility, but it need not be more likely than not. In addition, an attorney is not required to report gossip, hearsay or innuendo.

COMPANY INVESTIGATION AND RESPONSE

General Counsel Assessment.

Once informed that an attorney believes a material violation has occurred, the General Counsel must assess the evidence as he or she reasonably believes is appropriate to determine whether a material violation contemplated by the SEC rules has occurred, is ongoing or is about to occur.

If the General Counsel determines that no material violation exists, he or she must notify the reporting attorney and advise him or her of the basis for such determination. A written report shall be filed with Michael Serafini, Counsel, U700-3666, describing the reported violation, the investigation conducted by the General Counsel and his or her determination.

If the General Counsel concludes that a material violation covered by the SEC rules exists, he or she must: (1) take all reasonable steps to cause the Company to adopt an appropriate response; and (2) advise the reporting attorney of that response within a reasonable time.

The General Counsel is entitled to exercise his or her discretion in deciding how to respond, including the use of in-house counsel or the retention of outside counsel to investigate the evidence and recommend an appropriate response. If the General Counsel decides to use or retain in-house or outside counsel to investigate evidence of a material violation, he or she must obtain consent from the Audit Committee in order for such actions to be deemed an "appropriate response," as discussed below.

In addition, the in-house or outside counsel directed or retained to investigate evidence of a material violation is required to report the results of such investigation to the General Counsel and, except where the investigating attorney and General Counsel each reasonably believes that no material violation has occurred, is ongoing or is about to occur, the General Counsel must report the results of the investigation to the Audit Committee.

Reporting Attorney Assessment.

A reporting attorney's obligations under these rules (and this policy) are not complete once the attorney has reported evidence of a material violation up the ladder. A reporting attorney is also responsible for assessing the General Counsel's response to determine whether it is an "appropriate response" under the SEC rules and consider the need for further action.

An attorney who receives what he or she reasonably believes is an appropriate and timely response from the General Counsel need do nothing more under the SEC rules.

If the reporting attorney concludes that the General Counsel has not provided an appropriate response within a reasonable time, the attorney must report the evidence of the material violation to the Audit Committee of the Board of Directors. The Audit Committee will advise the reporting attorney of its response.

If, after reporting the evidence to the Audit Committee and being advised of its response, the reporting attorney believes that the Company still has not provided an appropriate response within a reasonable time, the reporting attorney must explain the reasons for his or her belief as to why the response was not appropriate to the General Counsel, the Chief Executive Officer and the Audit Committee, with a copy to the Deputy General Counsel and Assistant General Counsel of his or her section.

In assessing the appropriateness of any response, the reporting attorney may consult with the Deputy General Counsel and/or Assistant General Counsel of his or her section.

Appropriate Response.

An appropriate response is one that leads the reporting attorney reasonably to believe: (1) that no material violation has occurred, is ongoing or is about to occur; (2) that the Company has adopted appropriate remedial measures; or (3) that the Company, with the consent of the Audit Committee, has directed an attorney to review the evidence and either: (i) has substantially implemented any remedial recommendations made by the attorney; or (ii) has been advised that the attorney may assert a “colorable defense” on behalf of the Company in a proceeding relating to the evidence.

CONFIDENTIALITY AND RECORDS**Client Confidences.**

Company attorneys should not make public their reports under the SEC rules or take other action that breaches company confidences or that might be viewed as a waiver of the attorney-client privilege and/or work product doctrine. Any attorney who has questions about this policy should consult with the General Counsel, Deputy General Counsel and/or Assistant General Counsel of his or her section.

Written Records of Reports and Responses.

The General Counsel and any attorney who reports evidence of a material violation under the SEC rules must make a written record establishing that the report was made, providing a brief description of the nature of the report, and noting whether a response was received.

A copy of such record should be forwarded to Michael Serafini, Counsel, U700-3666, for retention.

SANCTIONS AND DISCIPLINE**Mandatory Compliance.**

Compliance by all attorneys with the SEC rules and this policy is mandatory. Failure to comply may be grounds for discipline by the Company, up to and including termination. In addition, a violation of the SEC rules by any attorney appearing and practicing before the Commission in the representation of an issuer may subject such attorney to the civil penalties and remedies for a violation of the federal securities laws available to the SEC in an action brought by the SEC.

No Private Right of Action.

The SEC attorney conduct rules do not give rise to a private right of action against an attorney, law firm or company for compliance or non-compliance with the rules. Authority to enforce compliance with the SEC attorney conduct rules is vested solely in the SEC.

Safe Harbor.

Any attorney who complies in good faith with the new professional standards will not be subject to discipline for a violation of the professional standards or otherwise be liable under inconsistent standards imposed by any state or other U.S. jurisdiction where the attorney is admitted to practice.

QUALIFIED LEGAL COMPLIANCE COMMITTEE

The SEC rules permit the Board of Directors to form a Qualified Legal Compliance Committee (“QLCC”) or to designate the Audit Committee or another committee of the Board as a QLCC.

As of the date of this policy, the Board of Directors has not formed a designated QLCC. If the Board of Directors takes such action, the Company will inform all of its attorneys and revise this policy to reflect certain alternative procedures for reports to, and investigations by, the QLCC.

APPLICATION TO OUTSIDE LAW FIRMS

All outside law firms retained by the Company that have attorneys who appear and practice before the SEC are expected to comply fully with the SEC rules and this policy by making appropriate reports to the General Counsel of evidence of a material violation. As such, all outside law firms retained on behalf of UAL Corporation, United Air Lines, Inc. or any of its subsidiaries will receive a copy of this policy and any amendments thereto.



1025 Connecticut Avenue, NW, Suite
200
Washington, DC 20036-5425

tel 202.293.4103
fax 202.293.4701

www.ACCA.COM

LEADING PRACTICES IN BOARD GOVERNANCE AND THE ROLE OF IN-HOUSE LAWYERS POST SARBANES-OXLEY: WHAT COMPANIES ARE DOING

Part of an Ongoing Series of
ACC's "Leading Practices Profiles" SM
<http://www.acca.com/vl/practiceprofiles.php>

January, 2004

Good governance is more than just a fleeting fad — it's a necessity in today's global marketplace. More than ever before, corporate boards and their lawyers are squarely in the spotlight. Regulators, lenders, insurers, stakeholders and shareholders are all interested in practices instituted at the very top of companies to help safeguard against executive mismanagement and improprieties.¹ Transparency, independence, and informed decision-making are among important program features that many believe will help keep companies on track. Even companies with highly-rated governance procedures are revisiting their practices in the aftermath of Sarbanes-Oxley to reassure the public and regulators that company policies are beyond reproach.

In-house lawyers are playing key roles in all aspects of these governance initiatives. They are tracking and presenting information on regulatory developments, and recommending implementing strategies to the Board. They're also taking the lead in performing governance reviews and drafting and updating governance-related documents such as board governance policies, committee charters, independence standards, and self-assessment documents. Boards are looking to in-house lawyers for thoughts on best practices, and for support on director education programs. Boards and committees are holding more meetings, which generally means more involvement and interaction with the company's Corporate Secretary, who often may also be the company's General Counsel or a senior lawyer for the company. In-house lawyers may also increasingly be on point for responding to inquiries and ratings assessments made by external governance ratings companies. These roles are all in addition to the

¹ See article titled "It's Private Companies' Turn to Dance the Sarbox Shuffle," written by ACC's Susan Hackett (http://www.acca.com/public/article/corpresp/sarbox_shuffle.pdf).

long-standing and important role of communicating significant legal developments and issues to the Board.

So, whether a company is public or private, or based outside of or within the United States, board governance practices are likely to be of interest and import.² This Practice Profile examines board governance practices at eight companies, many of which have received high governance ratings by business publications or external ratings organizations³: **Alcan, Inc; Avnet Inc; Bell Canada Enterprises; Cargill Incorporated; ChevronTexaco; Intel Corporation; Lyondell Chemical Company; and Praxair, Inc.**

The companies shared information on board structure and function and on board-level practices related to broader governance initiatives. In addition, they described the role of in-house lawyers in helping to develop these programs and in interacting with the Board. Companies also identified aspects of their board-level governance practices that they consider to be "leading practices."

Section I below summarizes key themes and program insights gathered from discussions with representatives from the companies. Section II describes the programs of each of the eight companies in more detail. Section III provides a list of resources identified by company representatives and ACC as resources that may be helpful to others as they review and evaluate board governance practices for their companies.

I. SUMMARY OVERVIEW OF PROGRAMS, THEMES & LEADING PRACTICES

PROGRAMS

While the specifics of Board structure and governance practices vary from company to company, each company expressed a strong commitment to good governance and a desire to have and maintain excellent practices. Some statistics on Board structure and high-level legal support for the companies featured in this Profile follow:

- **Board size:** The number of Directors on the various Boards ranges from 9 to 16.
- **Chairman of the Board:** There is no "one size fits all" in this area. Some companies have a non-executive Chairman of the Board; some have a Chairman of the Board who is also the company's CEO. One company shares that the positions of Chairman of the Board and CEO have been separate for more than 9 years. Some companies with combined CEO/Chairman of the Board positions also have a Lead Independent Director or an Executive Session Presiding Director.

² See *id.*; see also article titled "Even Private Company Boards of Directors Are Changing," written by William M. Sinnott (*Financial Executive*, October 2003) at http://www.fei.org/mag/articles/10-2003_governance.cfm. For statistics, including comments regarding private company trends, from an American Management Association survey, see article titled: "Should Privately Held Companies and Nonprofit Organizations Comply with the Sarbanes-Oxley Act?" (<http://www.amanet.org/press/amanews/SOX2003survey.htm>).

³ ACC's mention of governance ratings assigned by others is for factual informational purposes only and does not constitute an endorsement or recommendation of any company or its rating assignment.

- **Committees:** Most of the companies have four working Board committees; one has six. All of the companies have one Board committee that has the term "Governance" in its title, and all have an Audit committee.
- **Executive-employee Directors:** Five of the eight companies have only one executive-employee Director (the company's CEO).
- **Corporate Secretary/General Counsel:** Five companies have separate positions for the Corporate Secretary and the General Counsel; three have a General Counsel who also serves as the company's Corporate Secretary.

THEMES

Each company's Board structure and governance practices programs are different; however, some themes emerged regarding certain program elements:

- **Internal Governance Reviews Conducted:** companies performed governance reviews to assess existing practices and develop enhanced approaches. These efforts were generally described as internal efforts with in-house lawyers playing key roles in helping to guide the process.
- **Corporate Governance Documents:** most companies described having some form of Corporate Governance Guidelines (although title may be different, such as Principles of Corporate Governance, Statement of Governance Practices, or Board of Directors Charter). Most also have these and other Board-level governance documents posted on their public websites.
- **Outside Directors:** five of the eight companies have only one executive-employee Director; one company shared that 12 of its 14 Directors are non-employee Directors; another described 9 of its 12 Directors as independent; and another described 5 of its 16 Directors as being company management.
- **Lead Independent Director:** several companies described having a Lead Independent Director or an Executive Session Presiding Director.
- **In-house Lawyers Play Important Role:** all of the companies shared the important role that in-house lawyers play in helping to assess and develop documentation for governance practices and in serving as advisors. Several companies shared that the role of in-house lawyers in providing governance-related information to the Board has increased. In-house lawyers are described as playing a critical role and as being well-positioned to provide guidance on external regulatory requirements and on implementation strategies. Companies shared that their Boards have not generally expressed an increased interest in using outside lawyers, but noted that the Board may do so.
- **Governance Committee:** all of the companies described having one Board-level committee that is responsible for governance matters. Committee names vary, and include: Corporate Governance Committee; Governance & Nominating Committee; Board Nominating & Governance Committee; and Corporate Governance & Responsibility Committee.
- **Committee Charters:** most companies described having charters for all of their committees, and shared that charters have been revised to include enhanced practices and/or to formalize practices.
- **Committees with Outside Director Members:** all companies described having certain committees comprised solely of non-management Directors; some companies shared that all of their committees are comprised of solely outside

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

Directors; some companies have only one committee that includes an executive company Director.

- **Director Qualifications:** many of the Corporate Governance Guideline documents address director qualifications. Most companies shared that one of their Board-level committees is responsible for assessing from time-to-time, the qualifications and needs of the Board to help ensure an overall Board composition that best meets the needs of the company. Some companies have included statements requiring Directors to be able to devote the requisite time for Board business; some include numerical limits on outside Board Directorships. One company's Corporate Governance Guideline document also limits Audit Committee membership for Directors on its Audit Committee. Many companies also described the importance of various forms of diversity to Board membership.
- **Director Orientation Programs; Manuals:** most of the companies have some form of Director orientation program that includes receiving a manual or reference book, and meeting with business managers. Several companies also shared that Directors are encouraged to visit company sites, and some also encourage employee forums. Copies of indices to some Board Manuals are included in the Resource List in Section III of this Profile.
- **Director Education:** most of the companies described programs that encourage Director education. Many of the Corporate Governance documents include statements encouraging Director education. Some companies described the role of the Corporate Secretary in helping to identify outside educational programs that may be of interest. Some companies also described mechanisms for reimbursement and other support for outside educational activities.
- **Director Websites:** some of the companies have developed websites for their Directors to access to enhance communications.
- **Self-Assessments:** Most of the companies described various levels of assessments for the Board and Directors. Companies described processes for assessments of the full Board, and for Board Committee assessments. In addition, several companies described self-assessment processes for individual Directors and/or for the company's CEO and/or Chairman of the Board. Many of the companies shared that the requirement to perform assessments of the Board or committees annually is new. Some companies shared that Board-level assessments have been performed for more than four years. Several companies provided assessment forms as resources (may be accessed via the Resource List in Section III of this Profile; the Resource List also includes assessment forms provided by other companies not featured in this Profile and lists websites that may have additional samples of forms).

RECENT BOARD GOVERNANCE-RELATED CHANGES

The companies featured in this Profile have all performed internal governance reviews within the past few years, and in-house lawyers have played important roles in helping to guide these efforts. Below is a combined list summarizing some recent changes to or formalizations of Board governance practices and programs identified by representatives of the eight companies. The individual program summaries provide additional information on these and other initiatives.

- **Corporate Governance Guidelines:** developed to formalize and, in some cases, enhance existing governance practices.

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

- **Committee Charters:** some companies developed charter documents for committees that didn't have them in place; others amended existing charters to formally address certain subjects.
- **Director Education Policy:** policy created to formalize program for Director education.
- **Rotation Process for Lead Director:** new process adopted at one company to rotate Lead Director on quarterly basis with alphabetical succession so that all outside Directors can have opportunity to be the Lead.
- **Board Reference Book:** developed to help organize important information for Directors.
- **Stock Option Changes:** include eliminating stock option remuneration for Directors and expensing stock options.
- **Chairman and CEO split:** separate individuals holding these positions, with the Chairman of the Board now being an outside Director.
- **Adjustments to Minimum Stock Ownership Requirements for Directors:** some companies have included statements on ownership expectations; some have increased minimum ownership guidelines.
- **Committee-level changes:** include creating new Pension Fund Committee to perform roles relating to this area (formerly an Audit Committee function), committee charter revisions, committee name revisions (e.g., adding name governance in committee title).
- **Self-Assessments:** revisions include formalizing frequency to require annual assessments and adding assessments at additional levels (e.g., including requirements for assessments at committee level in addition to Board-level, etc.).
- **Audit Committee oversight of whistleblower reporting system:** expanded reporting system program and assigned oversight to Audit Committee.
- **Directors' websites:** added to enhance communications efforts and Director access to important information.

LEADING PRACTICES

The companies were asked to identify aspects of their programs considered to be leading or best practices. Below is a list of program elements that companies viewed to be leading or best practices for their programs. Individual program summaries in Section II provide additional detail on these and other practices and program elements.

- **Board Composition:** many companies described the composition of their Board, including various diversity factors, as a leading practice.
- **Level of Independence; Independence Standards:** many companies identified the large number of outside Directors serving on their Boards as a leading practice. One company described its Director Independence Standards (described in company program summary in Section II and accessible via the company's website) as a leading practice.
- **Commitment to Excellence in Governance as Part of Values:** several companies identified a commitment to good governance as an important foundation to build upon.
- **Lead Director:** some companies described having a lead independent director as a leading practice.
- **Format for Statement of Corporate Governance Practices:** one company described the tabular format of its governance practices document (listing the

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

relevant regulatory requirements, and sharing company status in meeting these requirements with supporting information) as a leading practice.

- **Enhanced Director Selection Process/Independence Review:** one company described its enhanced director selection process (including a review of listed independence criteria, data on related party transactions, information from questionnaires, consultation with accounting and company's internal audit group) as a leading practice.
- **Self-Evaluation Process:** several companies identified their approaches to Board and committee-level self-evaluations as leading practices.
- **Proactive Outreach to Shareholders:** one company described its efforts to be open and engaged with shareholders (including meetings with investor and socially responsible investment groups and communications on its website) as being a leading practice.
- **Director Engagement with Employees:** holding open forums with company employees and interacting with employees at levels other than senior management is cited as a leading practice by one company.
- **Director Stock Ownership Guidelines:** described by one company as a leading edge practice (Directors required to hold at least five times the value of base cash retainer).
- **Board Manual & Director Orientation:** identified as a leading practice.

II. PROGRAM SUMMARIES

Following are summaries from discussions with the eight companies about their programs.

Alcan, Inc.

Focus on good governance practices and ethical conduct is not a new thing for Alcan, Inc. The company has had rules of conduct in place since the early 1980s, and the company's Senior Vice President of Mergers & Acquisitions and Chief Legal Officer, David McAusland, shares that the company's Code of Conduct serves as a "foundation and benchmark for its other corporate governance programs." Alcan was one of 17 companies receiving Governance Metrics International's highest rating of 10 for governance practices in August 2003.

McAusland shares that the company is "not a newcomer to good corporate governance and is very interested in maintaining its leading edge position." Alcan's Board structure and the level of independence of its directors are among the leading practices described by McAusland. The company's Board of Directors consists of 11 members, and has only one employee-executive member, the company's Chief Executive Officer. All other directors, including the Board's non-executive chairman, are described by McAusland as independent and non-executive directors. The Board of Directors Charter is available on the company's public website at

<http://www.alcan.com/corporate/AlcanCom.nsf/libweb/Board+of+directors>.

STRUCTURE; COMMITTEES

There are four committees of the Board: Human Resources; Audit; Environment, Health & Safety; and Corporate Governance. According to the Board of Directors Charter, members of the Audit, Human Resources, and Corporate Governance committees shall be "unrelated and independent under the laws, regulations and listing requirements to which the company is subject." The Committee Charters are also available on the company's public website.

QUALIFICATIONS

The Board's Charter provides that members must have "an appropriate mix of skills, knowledge and experience in business and understanding of the regions in which the Company operates." In addition, the Charter requires directors to be able to commit the requisite time for Board business. Directors are elected by shareholders at every annual meeting. The Board Charter requires a majority of the directors to be independent.

TRAINING; ORIENTATION

The Charter includes a section on orientation and information and provides that the company secretary prepares a Directors' Manual that contains information on company policies and director responsibilities. McAusland shares that the Audit Committee also has a detailed manual, which describes the committee's responsibilities and procedures as set out in its charter. In addition, McAusland describes the Board familiarization program as "ongoing," and shares that components include regular presentations from business units, site visits (Directors are encouraged to visit at least one plant site each year). Alcan holds annual Board and management off-site strategic meetings to allow for interaction with the company's management and familiarization with its businesses.

COMMUNICATIONS; INTERACTION WITH IN-HOUSE COUNSEL

McAusland shares that the company's corporate secretary, a senior lawyer, is present at all meetings of the Board and at meetings of the Audit committee. The chairman of the Board develops agendas for upcoming Board meetings in consultation with appropriate members of management for input. The Charter requires that information and materials important to the Board's understanding of the agenda items be distributed in advance of the meetings. Asked whether there has been a desire on the part of the Board to increase the level of communications or change the types of communications with lawyers, McAusland shares "the Board has a high level of expertise, and is engaged with internal legal counsel on matters of importance to the Board."

SELF-EVALUATIONS

The company's Board of Directors Charter provides that "the Board will ensure that regular formal assessments of the Board, its Committees, and the individual Directors are carried out in order to enhance their performance." These assessments of board and committee practices and of individual director performance occur on an annual basis.

LEADING PRACTICES

Asked which elements of Alcan's board governance programs McAusland would consider to be leading practices, he shares that the Board's structure is a leading practice, emphasizing the level of independence among the Board members and the committee structures as examples. In addition, McAusland explains that good governance is an important principle to the company and that this has been the case for a very long time.

Avnet, Inc.

Avnet, Inc. was recently rated by Institutional Shareholder Services as having a corporate governance quotient rating among the top 10 for S&P 400 companies. In a November 5, 2003 media release, the company's CEO & Chairman, Roy Vallee, attributes the company's high governance ratings to "hard work to ensure that its corporate governance is based on best practices." Vallee also emphasized "Avnet's board of directors has a wealth of experience in a variety of industries. Its members are an invaluable resource and they play a pivotal role in Avnet's governance and success."

The company's Board of Directors consists of nine members: eight independent outside directors, plus the company's CEO & Chairman, Vallee. Of the four Board committees (Audit, Compensation, Corporate Governance, and Finance), all but the Finance committee consist solely of independent outside directors.

During the past year, the company has taken steps to review existing governance practices and formalize its Corporate Governance Guidelines and Committee Charters (see <http://www.avnet.com/investors/governance> for links to these governance documents). In addition, the company has developed a Director Education Policy and a Board Reference Book. These efforts were led by Catherine Hardwick, the company's Corporate Secretary and Associate General Counsel, and were completed primarily in-house.

"This is an area where in-house counsel can play an important role," shares Hardwick. "What in-house lawyers can add is information and perspective on how new governance regulations affect their company. In-house counsel can also provide guidance and ideas on how to best implement programs within the company and can apply knowledge of corporate culture and governance best practices," says Hardwick.

RECENT CHANGES RELATING TO BOARD GOVERNANCE PROGRAMS

As noted above, the company has recently reviewed its existing board governance programs and materials, and has formalized a number of existing programs and added some others. Key changes include:

- **Corporate Governance Guidelines:** the company formalized existing practices, and added provisions to address new stock exchange and regulatory requirements.
- **Committee Charters:** the Board had a charter for its Audit Committee and had mission and policy statements for its other committees. As part of this overall effort, within the past 6 months the company has developed committee charters

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

for all of its committees. (Copies of the committee charters may be accessed via the Avnet website address listed above).

- **Director Education Policy:** the company has developed a Director Education Policy that is referred to in the Corporate Governance Guidelines. Additional details on this new policy follow.
- **Rotation of Lead Director:** the company has had a lead director for several years. Until recently, the Chair of the Board's Corporate Governance Committee served as the lead director. A new aspect of the lead director position is the selection process: the position is rotated on a quarterly basis so that each outside director has an opportunity to be the lead. Succession occurs alphabetically. Benefits of this approach are described by Hardwick as "allowing the directors to have experience at being leads, maintaining the culture of the company's board (e.g., no "super-directors"), and providing additional opportunities for board members and the CEO to have individual substantive discussions."
- **Board Reference Book:** the company has developed a Board Reference Book for Board members. The reference manual includes: contact list, board member biographies, calendar of meetings & schedules, listing of board committees and charters, and a number of company policies. (A copy of the index to the Board Reference Book may be viewed via link in the Resource List included in Section III of this Profile).

BOARD QUALIFICATIONS

The company's Corporate Governance Guidelines include a description of director qualifications and provide that the "Corporate Governance Committee is responsible for reviewing with the full Board from time to time the appropriate experience, skills and characteristics required of Board members. This assessment includes business experience, education and skills as well as character, judgment and issues of diversity in factors such as age, gender, race and culture." In addition, the Guidelines require directors to "possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of the shareholders."

The Guidelines communicate the company's policy that "at least a substantial majority of the members of the Board of Directors be Independent Directors." In addition, the Guidelines require notice of any change in a director's corporate affiliation, establish a retirement age, and describe limitations on service on the boards of other public companies.

DIRECTOR EDUCATION POLICY

Avnet developed its Director Education Policy internally. Hardwick explains that Avnet's program "goes beyond encouraging directors to attend educational programs. The program creates a mechanism to assist directors in finding the right training programs and reimbursing expenses." Hardwick shares that the program has been well-received to date but is still very new. She plays a coordinating role in identifying education and training programs that may be of interest to board members. The policy also supports other types of educational opportunities as well, such as membership in

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

the National Association of Corporate Directors and studies, surveys and periodicals regarding director issues. "A lot of training happens naturally during committee meetings; however, the director education policy takes things a step further and helps to identify additional educational resources for directors," says Hardwick. (A copy of Avnet's Director Education Policy may be accessed via link in the Resource List in Section III of this Profile).

SELF-ASSESSMENT PROGRAM

Avnet's directors perform an annual assessment of the Board, which is administered through the Corporate Governance Committee. The assessment is done through a questionnaire. The responses are organized and discussed first with the Committee, and then with the full Board. Topics include Board processes, participation and structure. New last year was the addition of a self-evaluation for individual directors. This self-evaluation was comprised of questions for each director to consider and evaluate his or her own performance. The responses for this individual evaluation were not collected – it was for the use of each director. To meet upcoming NYSE requirements, Hardwick is currently working on a new questionnaire for each Board Committee to do a self-evaluation.

COMMUNICATIONS WITH THE BOARD

What types of communications does the Board receive? Hardwick shares that "board books" go out a week in advance of meetings. In addition, all board members get most press releases and receive regular communications from the Chairman & CEO. As part of the materials provided to the Audit Committee, it receives regular compliance reports that are generally presented by the company's Deputy General Counsel who manages the company's compliance program and quarterly reports from the director of the company's internal audit group.

Asked whether she has noted a desire on the part of the Board to receive more frequent or different types of communications from lawyers, Hardwick shares that "there has probably been an increase in frequency and amount of communications and that this is probably due to a combination of new governance initiatives and requests from directors for additional information." In general, questions and discussions about compliance and internal audit reports are described as robust.

ROLE OF IN-HOUSE COUNSEL

Hardwick shares "the role of in-house lawyers in supporting governance efforts is very important. Directors are interested in understanding not only what is required by law, but also what other companies are doing, what might be considered best practices, and how to implement initiatives within the company. In-house lawyers are well-positioned to provide this information."

In addition to the General Counsel, David Birk, as Corporate Secretary, Hardwick attends all meetings of the full Board, and all committee meetings. In addition, as shared above, Hardwick helped to lead the company's governance review and enhancement efforts.

LEADING PRACTICES

Asked what elements of Avnet's programs Hardwick would consider to be leading practices, she shares that the make-up of the Board is a leading practice, describing the Board as "very professional and diverse. Board members bring a broad range of experience, including experience in government, academia, international experience, and business and financial experience." In addition, Hardwick shares that the fact that all but one of the Board's nine directors are independent outside directors and that all but one committee consist solely of independent directors are leading practices. Similarly, the Avnet Board of Directors is more diverse than many Fortune 500 Boards in terms of gender and race. "Independence and diversity is not something that happens overnight – it takes a prolonged commitment to good corporate governance." Other leading practices described by Hardwick include the company's approach to designating a "lead director" and the company's Director Education Policy.

Bell Canada Enterprises

Good governance is very important to Canada's largest telecommunications company, Bell Canada Enterprises (BCE). "Governance is everybody's business," shares Linda Caty, the company's Corporate Secretary. The company was rated by GovernanceMetrics International in July 2003 as having one of that agency's highest ratings for corporate governance, and was one of two non-U.S. companies to receive such rating.

The company's public website includes a home page on governance that has links to: a message from the company's Chairman; BCE's Statement of Governance Practices; information on its Board Committees; Code of Conduct; and Disclosure Policy. Introductory comments to the company's Statement of Governance Practices provide "the Board constantly reviews its governance practices in light of the recently proposed Canadian Securities Administrators Initiatives, the other current and proposed corporate governance guidelines in Canada, the Sarbanes-Oxley Act and the corporate governance rules published by the New York Stock Exchange in the United States."

The Statement of Governance Practices are in a tabular format that identifies the relevant Toronto Stock Exchange (TSX) Requirement, provides a statement on alignment, and includes a description of the company's governance practice relating to those requirements. In addition, the table notes instances where the company's governance practices are compared to certain Sarbanes-Oxley requirements, SEC rules, and NYSE proposals, which may differ from the TSX Corporate Governance Guidelines. BCE's Statement of Governance Practices may be found at <http://www.bce.ca/en/governance/statement/>.

BOARD STRUCTURE

The company's Board includes 15 members. All but the company's CEO are described by the company as independent. Linda Caty shares that the Board is well-balanced and includes members with a great variety of expertise and diversity in terms of gender, background, and geographical representation.

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

In April 2002, the Board of Directors appointed a non-executive Chairman. The "Chairman's Message" posted on the company's website describes this decision as one based on a recognition that "the primary job of the Board is to be accountable to shareholders- not to run the company." The Board has four working committees composed of independent non-management directors: Audit; Corporate Governance; Management Resources & Compensation; and Pension Fund. Linda Caty shares that the company's CEO does not formally sit on any of these committees but may attend committee meetings upon invitation.

RECENT GOVERNANCE-RELATED CHANGES

Linda Caty shares that the company reviewed its practices and found that many were already consistent with Sarbanes-Oxley requirements. The introductory section to the company's Statement of Governance Practices lists a number of recent key corporate governance actions taken by the company. These include: expensing stock options; appointing a non-executive Chairman; eliminating director stock option remuneration and increasing the minimum stock ownership requirements for directors; creating a Pension Fund Committee (previously this was part of the Audit Committee function); appointing an Internal Audit and Risk Management Officer; and creating an Internal Controls project team to roll-out Sarbanes-Oxley related rule requirements and appointing a Vice President for Financial Controls.

DIRECTOR TRAINING & ORIENTATION

Linda Caty shares that the company has a Board Reference Book that is updated regularly and includes reference information for directors. In addition, the Board receives presentations from outside experts on various subjects and from company management at both senior and junior levels on issues of importance and interest. Enhancing the director education program is one of the goals that Linda Caty has for 2004.

SELF-ASSESSMENT

Linda Caty shares that the company's Board has been performing self-assessments since at least 1999. Assessments are performed at four levels: Board performance generally; Committee performance; self-assessments for individual directors; and more recently, assessments of the Chairman of the Board. The company recently reviewed its format and procedures for self-assessments and used materials from The General Counsels Roundtable and from the Canadian Coalition for Good Corporate Governance as references.

ROLE OF IN-HOUSE LAWYERS

Asked about the role of in-house lawyers in board governance practices and programs, Linda Caty shares that she believes that in-house lawyers have a role to propose clarifications and program enhancements based on external information on requirements and on their understanding of company strategies. In-house lawyers also provide presentations to committees on various subjects. In addition, as Corporate Secretary, Linda Caty attends all Board meetings (other than meetings of the Management Resources and Compensation Committee from which she may excuse

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

herself for portions of the meetings). Linda Caty shares that although the company's Chief Legal Officer doesn't regularly attend all Board meetings, she may participate to discuss matters of significance. In response to a question asking about any increase in desire on the part of the Board to interact more frequently with lawyers, Linda Caty shares that the Board often consults with in-house lawyers for guidance on legal matters and on practices generally.

LEADING PRACTICES

Asked which elements of the company's board governance programs she would consider to be leading practices, Linda Caty says "overall, the way that the company's Board interacts, the frequency of interactions, and the composition of the Board are practices that can be viewed as leading." She also shares that the content and design of the company's Statement of Corporate Governance Practices is a good practice that can be considered a leading one. In addition, Linda emphasizes "good corporate governance is more than just following the rules. The company's Board of Directors aim to be at the forefront of good corporate governance."

Cargill, Incorporated

Having a strong corporate governance program is important to Cargill. Although the company is a privately-held company and is not subject to most Sarbanes-Oxley or stock exchange listing requirements, the company and its stakeholders are interested in adopting best practices in the area of corporate governance. During the past year, Steve Euller, the company's General Counsel, at the request of the Board's Governance Committee, has coordinated an internal review of existing governance programs. "What we found is that the company's programs were already very strong in most areas. For the most part, all we had to do was formalize practices that were already being followed," shares Euller.

The company's Board of Directors consists of 16 individuals, including 5 representatives from company management, 5 representatives from among the common shareholders, and 6 independent directors (primarily experienced CEOs of major corporations). The Board has four principal committees: Audit; Human Resources; Governance; and Finance. The Audit and Human Resources Committees consist entirely of non-management directors. The Governance Committee consists of all non-management directors plus the Chief Executive Officer. The Chairman of the Board's Governance Committee is an independent director. Euller is the company's Corporate Secretary and is also the secretary of the Board's Governance Committee.

GOVERNANCE REVIEW

To help structure its internal review of existing governance programs, the company developed a chart using as a guide requirements set forth in Sarbanes-Oxley, New York Stock Exchange, NASDAQ, and the report of the Conference Board Committee on Public Trust and Private Enterprise. The chart includes around 40 topic areas organized according to three broad categories: Audit, Accounting & Controls; Executive Compensation; and Corporate Governance/Board Independence. (A copy of the chart listing the topic areas and descriptions may be accessed via link in the resource list in

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

Section III of this Profile.) The topics were then reviewed by teams with expertise in each of the category areas, and evaluations and recommendations were made to the Governance Committee.

Euller shares that the overall objective encouraged by the Board's Governance Committee was to confirm or achieve substantial compliance with the enumerated topic areas where relevant and appropriate for the company. As noted above, the review confirmed that many of these governance practices were already in effect at Cargill. Some of the program enhancements and formalizations that followed the governance review effort include:

- Code of Conduct for Lawyers: the company's law department adopted a global attorney code of conduct including an up-the-ladder reporting code that essentially follows the Sarbanes-Oxley 307 requirements for internal reports.
- Policy on Restricting Loans to Officers: the company formalized its policy in this area.
- Shareholder Proposals: the company amended its by-laws to include a procedure for shareholders to put forth proposals.
- Committee Charter Amendments: the company formalized provisions in committee charters to ensure committee membership independence and permit direct retention of consultants.
- Waivers of Code of Ethics: the company formalized procedures defining steps to seek waivers.

BOARD TRAINING & ORIENTATION

Euller shares that the Board's independent directors are seasoned executives with substantial background on corporate governance and other matters. Common shareholder members are given orientation and reference materials and may attend external training programs to gain additional background as desired. Euller explains that he sometimes plays an informal role in providing training to new directors as part of the orientation process.

IN-HOUSE COUNSEL & INTERACTIONS WITH THE BOARD

The company's law department includes approximately 120 lawyers worldwide, with around half of these lawyers located outside of the United States and with all ultimately reporting into Euller. As the company's Corporate Secretary, Euller attends all full meetings of the Board. In addition, as secretary for the Board's Governance Committee, Euller also attends meetings for that committee. Euller or the company's Assistant General Counsel & Corporate Compliance Manager attend and provide legal status reports at the Board's Audit Committee meetings.

Asked whether Euller has noticed an interest on the part of the Board to increase communications with lawyers, Euller shares that he hasn't seen a greater level of questioning on legal matters. There is already a process for sharing information on significant matters with the Board, and the process appears to be working well. Euller also explains that the law department's code of conduct provides for opportunities for in-house lawyers to consult directly with the CEO or the Board's Audit Committee if they deem it necessary to do so, consistent with the Sarbox 307 up-the-ladder provisions.

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

LEADING PRACTICES

Asked which elements of the company's Board governance programs Euller would consider to be leading practices, he shares that he believes "what the company is doing is appropriate and best practices for Cargill." Euller notes that not all privately-held companies are similarly situated and the determination about what governance programs make the most sense or would constitute best practice for each company will likely be very specific to each company.

ChevronTexaco

ChevronTexaco recently performed a corporate governance self-assessment to help ensure that the company's governance practices were where the company wanted to be. This initiative was performed primarily in-house and included comparing existing practices and programs to expectations of external entities such as Institutional Shareholders Services and CalPERS. "What we found was that the company had excellent processes before. Following the self-assessment and as part of broader governance initiatives, we have worked to develop more formal documentation for these excellent practices," shares Lydia Beebe, Corporate Secretary for the company.

Key program enhancements and processes formalized as part of these governance initiatives include: creating a corporate governance section with links to governance-related documents and policies on the company's website; adopting Corporate Governance Guidelines; adding significant detail to the written charters for standing Board committees; creating a secure Directors website to facilitate sharing information and distributing materials to Directors; and establishing an internal disclosure committee. Corporate governance policies, guidelines, and documents may be accessed via the company's website

(http://www.chevrontexaco.com/investor/corporate_governance/).

In July 2003, the company's corporate responsibility efforts received top ratings from GovernanceMetrics International. Beebe shares "these high ratings reflect the company's commitment to the highest levels of corporate governance, social responsibility and transparency."

BOARD STRUCTURE

The company's Board consists of 14 members. Twelve Board members are non-employee Directors. The two employee directors are the company's CEO & Chairman of the Board, and the Vice Chairman of the Board.

The Board has four committees: Audit; Board Nominating & Governance; Management Compensation; and Public Policy. All committees are comprised of non-employee Directors, and the Audit, Board Nominating & Governance, and Management Compensation committees are comprised solely of independent Directors. Each committee is chaired by an independent Director, and committee chairpersons are rotated on a 4 to 6 year-term basis.

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

DIRECTOR QUALIFICATIONS

The company's Governance Guidelines include a provision on board membership criteria stating that Directors "should have the highest professional and personal ethics and values, consistent with The ChevronTexaco Way. They should have broad experience at the policy-making level in business, government, education, technology or public interest." The Guidelines also state that Directors should limit service on boards of other public companies to a reasonable number, and set expectations for stock ownership (e.g., at least 8000 shares of stock or stock units after five years of service). Stock ownership guidelines for executive officers of the Corporation are also included in the Guidelines and are based on a multiple of base salary.

"The Board's Nominating & Governance committee has always played a role in reviewing and selecting Director candidates. An enhancement to that process is that the Nominating & Governance committee now takes a lead position in identifying potential candidates as well as screening and selecting Director nominees and is responsible for annually reviewing Board composition and needs," explains Beebe.

DIRECTOR ORIENTATION & EDUCATION

The company's Director orientation program includes providing written materials and briefings to help familiarize Directors with the company's business operations. Directors are also encouraged to make site visits as part of the orientation process. In addition, the company encourages Directors to attend outside educational programs and provides information to Directors on programs that may be of interest. (Copies of the index to the Director Orientation Manual and a Summary of the Director Orientation Program may be accessed via links in the Resource List in Section III of this Profile.)

SELF-ASSESSMENTS

The Board and each Board-level committee conduct annual self-assessments. The Nominating and Governance committee oversees this process and makes recommendations based on feedback from the collective self-assessments. (A copy of the 2003 Board and Board Committee Evaluation Form may be accessed via link in the Resource List in Section III of this Profile.)

In addition, the Board annually assesses the performance of the CEO. As part of the CEO evaluation process, the Nominating and Governance and Management Compensation committees gather input from the Directors and review the consolidated input at an executive session of non-employee Directors. The results are then presented to the CEO & Chairman by the committee chairpersons. Assessment of individual Directors is also encouraged on an oral basis.

COMMUNICATIONS WITH THE BOARD

The company has processes in place for forwarding Board materials to Directors in advance of Board meetings and for posting important information, including Board materials, on a website created for the Board of Directors. In addition, around twice

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

monthly, the Board receives information on business developments and strategies from the company's executive committee meetings. Board members are also encouraged to communicate directly with any member of the company's management.

The company's Governance Guidelines also include a provision on reporting concerns relating to accounting, internal accounting controls or auditing matters. The provision summarizes policies and processes requiring reporting and addressing these concerns, including periodic communications from the Chief Corporate Counsel to the Audit Committee. The address for contacting the Audit Committee about concerns in this area is provided on the Corporate Governance page on the Company's external website.

ROLE OF IN-HOUSE COUNSEL; INTERACTIONS WITH BOARD

Both the General Counsel and the Corporate Secretary attend and participate at all meetings of the Board (other than executive sessions). Beebe shares "the role of and level of work for a company's Corporate Secretary or whoever provides support to a company's Board Nominating and Governance Committee has changed dramatically. This role includes spending a significant amount of time reviewing SEC releases and stock exchange listing standards and requirements, and writing recommendations and providing advice to the Board on these matters."

Asked whether she has noticed an increased desire on the part of the Board for interactions with lawyers, Beebe explains "our in-house lawyers communicate often with the Board, and there has been an increase in these communications over the past few years. Some of this may relate to efforts led by in-house lawyers to help formalize our governance processes, and these communications and efforts have been enthusiastically received by the Board." Asked whether the Board has expressed a desire to communicate more frequently with outside counsel, Beebe shares that outside counsel does not routinely attend Board meetings but that Sarbanes-Oxley has resulted in increased interactions with counsel, generally by the Audit committee.

LEADING PRACTICES

Asked which elements of the company's Board-level governance programs Beebe would consider to be leading practices, she shares "ChevronTexaco has an excellent Board with a high quality of Board members who absolutely are committed to good corporate governance." In addition, she explains that the company is reputed as a strong process-oriented company and views the websites, Board and committee self-evaluation, enhanced Director selection and independence review processes as leading practices. The company's Director independence review process includes reviewing a list of independence criteria developed from the various legal and regulatory requirements as they apply to each director, taking into consideration data on any related party transactions from information gathered by the company's accounting group and from director questionnaires. The company's internal audit group also plays a role in the independence reviews.

Intel Corporation

Intel Corporation's Board of Directors was reviewed as having one of the "Best Boards" by *BusinessWeek Online* in October 2002. The company's Board includes 12 directors, 9 of whom are independent. For more than ten years, the roles of Chairman of the Board and Chief Executive Officer have been separate, allowing the Chairman of the Board to focus on Board organization and responsibilities and the company's CEO to focus on the corporation's management and performance. In addition, the company has had a lead independent director for more than 5 years. Cary Klafter, Vice President of Legal & Government Affairs and Corporate Secretary, shares that separating the roles of CEO and Board Chairman and having a lead director are among the leading board governance practices at Intel.

The company's Board includes six committees: Audit; Finance; Nominating; Corporate Governance; Compensation; and Executive. All but one of these committees (Executive Committee) consists solely of independent directors. The lead independent director chairs the board's Executive and the Corporate Governance committees, and is elected by the other independent directors. (Information on Intel's Corporate Governance & Social Responsibility Programs, policies, and documents may be accessed via its website at http://www.intel.com/intel/finance/social.htm?iid=HPAGE+up_about_governance&).

RECENT GOVERNANCE-RELATED CHANGES

Following the passage of Sarbanes-Oxley, Intel reviewed its existing governance and board programs. Some of the key changes that were implemented as part of this review include committee charter revisions and the expansion of an anonymous whistleblower reporting system now overseen by the Board's Audit Committee.

BOARD QUALIFICATIONS

The company's Corporate Governance Guidelines include information on qualifications for Board members and state that the board's nominating committee is responsible for evaluating board membership needs and qualifications from time to time in the context of the current make-up of the Board. Among the assessment qualifications are "a review of issues of diversity in numerous factors such as age; understanding of and experience in manufacturing, technology, finance and marketing; international experience; and culture." In addition, the guidelines state that Board members are "expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as an outstanding director."

DIRECTOR ORIENTATION & EDUCATION PROGRAMS

The Corporate Governance Guidelines provide that the CEO and company management are responsible for new-director orientation programs and for continuing education programs for Board members. Klafter shares that in-house lawyers play a coordinating role in helping to organize enrichment programs and in identifying outside speakers to provide continuing education.

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

The company also provides directors with a manual that includes a number of key documents such as SEC filings, and governance-related documents. In addition, as part of director-orientation, a series of meetings between individual directors and general managers would generally be scheduled and new directors are encouraged to establish as many contacts as appropriate, shares Klafter. The Board has a site visit program, and Directors are expected to visit various company sites and to hold open forums with company employees to answer questions and receive input from employees.

ROLE OF IN-HOUSE LAWYERS

Klafter shares that in-house lawyers have a continuous role with regard to interactions with the Board. As Vice President of Legal & Government Affairs and Corporate Secretary, Klafter attends all Board meetings, and often provides updates on legal developments. The company's General Counsel also often attends Board meetings and provides updates on legal developments.

Asked whether there has been interest within the Board for an increase in communications from lawyers or a shift in types of communications from lawyers, Klafter shares "the Board is always interested in receiving input from the company's lawyers and the types and format for information are an evolving process." Klafter also shares that, while the Board is free to contact outside or independent counsel on matters, there hasn't been an increase in requests for this type of contact.

COMMUNICATIONS

Klafter shares that the company follows common sense practices in communicating with the Board. Among the types of regular communications that the Board receives are meeting materials sent in advance of meetings, copies of monthly financial statements, and a continuing series of miscellaneous communications. The Board also has a password-accessed website page where Board-related materials and other materials of interest are posted so that Board members may access information electronically.

The company's Corporate Governance Guidelines include provisions on materials and presentations for Board meetings. In addition these guidelines provide that Board members "have complete access to contact and meet with any Intel employee." Board members are encouraged to visit Intel sites when traveling and to meet with local management on a world-wide basis.

SELF-EVALUATION PROCESS

For over four years, an annual self-assessment process has been in place for Board members. As part of this process, each member of the Board completes an annual self-assessment form. In addition, each Board member then has one-on-one meetings with the Chairman of the Board to discuss individual self-assessments and opportunities and ideas for improvement. In addition, the Board's independent directors, in conjunction with the company's 360-review process for employees, evaluate the CEO's performance annually.

LEADING PRACTICES

Asked which elements of the company's program he considers to be leading governance practices, Klafter shares that "the company tries to be very open and engaged with its stakeholders." The company's Investor Relations and Corporate Social Responsibility personnel meet regularly with investor and socially-responsible investment groups. The company's website includes the annual Global Citizenship Report and Environmental, Health & Safety Report, and copies of the company's articles, bylaws, committee charters and codes of conduct. <http://www.intel.com/intel/finance/social.htm>. Klafter describes the company's approach to outreach as "proactive, and one that is intended to go beyond baseline legal requirements." Additional practices identified by Klafter as leading governance practices at Intel include, the split in the roles of Chairman of the Board and CEO, having a lead independent director, the Board's internal self-assessment process.

Another key leading practice emphasized by Klafter is the Board's engagement with company employees other than senior management. Board interaction with company employees is encouraged at all levels. Recently, the company was able to facilitate open forums for the Board's directors during an annual sales and marketing meeting. Klafter shares that "continuous engagement is useful, and encouraging interactions among the Board and company employees is a common sense good practice."

Lyondell Chemical Company

Lyondell Chemical Company is rated by Institutional Shareholders Services as having the top Corporate Governance Quotient rating for S&P 400 companies. The company's Board includes eleven directors, and all but one (the company's President & CEO) are non-employee directors. The position of Chairman of the Board is separate from that of CEO, and held by an independent, non-employee chairman.

The company's strongly held view of the importance of independent directors is not a new development. "Since the company became a public entity in 1989, there has always been a majority of independent directors on the Board," explains Kerry Galvin, Senior Vice President, General Counsel & Secretary for the company. In addition, the company has had an independent, non-employee chairman since 1997.

BOARD COMMITTEES; QUALIFICATIONS

The company's Board has four formal committees, and each committee has its own charter: Audit Committee; Compensation Committee; Corporate Governance & Responsibility Committee; and Executive Committee. All but the Executive Committee consists solely of independent directors.

The Corporate Governance & Responsibility Committee serves as a nominating committee for the company's Board, and at least once each year assesses Board needs, including whether the Board is the right size and is comprised of members with the appropriate skill sets and experience. Galvin shares that there are no term limits for Board members, but there is a mandatory retirement age.

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

RECENT GOVERNANCE-RELATED CHANGES

The company reviewed its existing Committee Charters and Principles of Corporate Governance in light of developments pursuant to Sarbanes-Oxley, New York Stock Exchange listing requirements, and best practices publications and made some changes to formalize consistency with these requirements and practices, shares Galvin. As part of larger governance initiatives, the company also recently added Board committee self-evaluations (see below). "What we confirmed following this review was that the company's practices and programs were in very good shape. Although there were no dramatic changes that flowed from this effort, the review presented an opportunity to have a number of very good discussions about these developments and the company's existing programs and to make some improvements," explains Galvin. (Lyondell's Board Committee Charters and Principles of Corporate Governance, as well as other corporate governance documentation and policies may be accessed via its public website at http://www.lyondell.com/html/investor/corporate_governance/index.shtml).

ORIENTATION PROGRAMS

The company has a Board Manual that includes a broad range of important background information for Board members. In addition, the company has an orientation session for new directors. The orientation includes providing an overall understanding of the company and its directors, as well as an introduction to members of management and the legal department staff, tours of operational facilities, and information on Directors and Officers insurance. Galvin explains that training for Board members is often led by the company's legal department and can be provided throughout the year on an as needed basis.

ROLE OF IN-HOUSE LAWYERS

Galvin's view is that "in-house lawyers play a critical role in interacting with the Board." Galvin explains that she believes a company's General Counsel should attend and participate in company Board meetings even if the General Counsel role is separate from that of Corporate Secretary or other Board staff member. "In general, a company's Board will often look to the General Counsel to provide objective legal advice to the Board on issues of importance," says Galvin. "Providing guidance on important legal matters, such as significant litigation, Sarbanes-Oxley interpretations, and disclosure matters, is a role that most appropriately belongs to in-house lawyers," explains Galvin.

As Senior Vice President, General Counsel & Secretary, Galvin attends all Board meetings. In addition, in regular attendance at meetings of the Board's audit and corporate governance committees, is Michelle Miller, Corporate & Securities Counsel for the company.

GUIDELINES FOR INTERACTIONS WITH THE BOARD

The company has both formal and informal guidelines for interactions with the Board. Among the formal guidelines are requirements for developing and circulating agendas and Board materials in advance of meetings. In addition, significant press releases,

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

formal disclosures, and communications of outside auditors are provided to Board members in accordance with company guidelines.

Galvin shares that Board has always had positive and strong contacts and frequent communications with the company's General Counsel. In addition, Board members have access to any member of company management and anyone in the company's legal department that they wish to communicate with.

Asked whether she has noticed an increase in a desire for communications between Board members and lawyers, Galvin shares that there has been a greater presence and participation of lawyers in Board committee meetings and that this builds on an already strong level of communications between in-house lawyers and the Board. Galvin also explains that each of the committee charters provides that the Board has the right to engage independent counsel if it needs to but that the Board has generally indicated that it is not eager to engage outside counsel "absent a specific and compelling reason to go outside."

BOARD EVALUATION PROCESS

The company has had a Board evaluation process in place for around six years. As shared above, this year, the company also added committee-level evaluations to its existing internal review program. Galvin shares that the internal evaluations are conducted on an annual basis using a blind survey that is coordinated by the company's legal department. The results are collated and reported to the full Board on an aggregate basis. This year's program additions include assessments of committee performance that allow Board members to comment on the content of meetings, committee practices and interaction among members and the chairman. "The annual self-evaluation process leads to good discussions of whether the Board is addressing the right kind of topics, and whether the scope of the committee functions are appropriate," explains Galvin. (Copies of the company's Board and Committee evaluation forms may be accessed via links in the Resource List included in Section III of this Profile.)

LEADING PRACTICES

Asked which elements of the company's Board governance programs Galvin would consider to be leading practices, she shares that the Board's commitment to good governance and strongly held views of independence are among the company's leading practices. "The company's programs and behaviors show a strong commitment to principles of good governance," explains Galvin. In addition, she shares that the Board's strong commitment to independence, together with the Board evaluation process, Board manuals and orientation programs are among its leading governance practices.

Praxair, Inc.

"Praxair, Inc.'s strong corporate governance programs rest on a foundation of Board independence and robust integrity, ethics and compliance culture and programs," shares Bob Bassett, Assistant Secretary and Corporate Counsel for the company. David Chaifetz, Praxair's Vice President, General Counsel and Corporate Secretary, adds:

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

“From the very first days of our existence as a public company in 1992, the Praxair Board and senior management team has built a corporate culture on the principles of integrity, ethical business conduct and compliance with laws. Similarly, excellence in corporate governance is considered to be a key element enabling achievement of our primary goal – delivering value to our shareholders. These things are a part of our value system at Praxair, and I am personally convinced that they are responsible for a large part of our business success over the years.”

The company’s public website includes a governance homepage with links to many of its governance guidelines, practices, and policies. In July 2003, the company received a top score of 10 on corporate governance from GovernanceMetrics International.

(Praxair’s Corporate Governance Guidelines, Director Independence Standards, and other governance-related materials may be accessed via Praxair’s governance homepage on its public website at

<http://www.praxair.com/praxair.nsf/AllContent/52E33CFDD8653D9585256CE80063B62F?OpenDocument&View=LeftNavMenu&Expand=2.>)

BOARD STRUCTURE

Praxair’s Board consists of 10 directors. All but the Chairman & CEO are described as non-employee, independent directors. Bassett reports the Praxair Board’s view that “combining the roles of CEO and Chairman provides the most effective leadership approach for this company at this time.” But he emphasizes that the company recognizes the need for balance and has established strong practices and standards regarding the independent directors.

“The company has a strong history and pride in the effectiveness of its corporate governance. The independent nature of the company’s Board has been in place for several years,” says Bassett. The company’s Corporate Governance Guidelines (posted on its web) provide that the Board’s independent directors shall meet at least quarterly, and require the selection by independent directors of an Executive Session Presiding Director who has responsibilities beyond just chairing those private sessions. In addition, all four standing committees of the Board (Audit; Governance & Nominating; Compensation & Management Development; and Finance & Pension) are composed solely of independent directors. The CEO & Chairman attends regular committee meetings, although many committee meetings, notably those of the Audit and Compensation committees, regularly include private sessions in which the independent members meet alone or with selected advisors.

RECENT GOVERNANCE-RELATED CHANGES

Bassett reports that the company undertook a major review of governance standards and practices around the time that the Sarbanes-Oxley Act was signed into law and the New York Stock Exchange proposed new listing standards. What the company found was that many of the Praxair Board’s existing practices were already consistent with these new standards and requirements as well as others promoted by various governance observers. What flowed from this review was primarily a formalization and publication of existing practices, and some adjustments to existing committee charters to ensure consistency with the new requirements.

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC’s Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

As part of these post-review governance-related changes, the company developed a governance home page on its website that the public can access to review governance-related information. Another relatively recent governance development is the name change of the committee that performs the Board's nominating function: changed from the Public Policy & Nominating Committee to the Governance and Nominating Committee.

"This was entirely an in-house effort but relied heavily on materials and information available through the American Society of Corporate Secretaries," says Bassett. "ASCS is an excellent resource for governance-related information, with great examples of a variety of governance forms and practices used by a large number of companies. I don't see how I could have prepared a governance review for our Board, or developed practical approaches to various Board processes, without the resources and networking available through ASCS".

DIRECTOR QUALIFICATIONS

The company's Board has adopted Independence Standards for service on Praxair's Board of Directors. The Standards were developed in-house but were informed by the many different independence definitions that exist in various rules and are propounded by governance commentators. The Standards were recently updated in light of the final NYSE governance standards just published. Praxair's Independence Standards can be accessed via the company's website.

In addition, the company's Corporate Governance Guidelines include a section on Director qualifications, and acknowledge the importance of having "a mix of perspectives, experience and competencies that are appropriate to the company's strategies, and its business, market, geographic, and regulatory environments." The company's Corporate Governance and Board Practices (also available on its governance website) summarize limits to service on additional boards, director tenure policies, and the minimum stock ownership guidelines for directors and for executives.

"The Board's Governance & Nominating committee is responsible for reviewing the Board's needs and composition to help ensure that the Board has the right expertise and experience," shares Bassett. In the event of a Board vacancy, the committee would evaluate the existing mix of skills and experience, and would consider needs and qualifications on a case-by-case basis, including director independence and unwritten but clearly understood threshold criteria such as ethics, integrity, and excellent reputation and record of accomplishment.

DIRECTOR TRAINING AND ORIENTATION

A customized package of materials is developed for any new directors, and meetings with senior executives occur to orient the new director to the company's business. Bassett states that the directors are responsible for determining their own specific ongoing continuing educational needs, but that the company has sponsored attendance at outside educational seminars, and provides informational presentations, updates and briefings as part of regular management and advisor presentations at Board and committee meetings.

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

SELF-ASSESSMENTS

The company's Board members perform annual self-assessments on both Board and committee performance. The process is an internal effort, with individual directors completing the assessment forms on an anonymous basis and the Board's Governance Committee collating and sharing the results with the overall Board. Bassett explains that the Board and the Audit Committee have performed self-assessments in the past, but that formalizing the practice of annual assessments and performing assessments for the other committees are new features. The self-assessment forms were developed in-house working from a variety of samples available through the American Society of Corporate Secretaries.

COMMUNICATIONS WITH THE BOARD

"The Board committee charters establish comprehensive oversight responsibilities which drive the annual cycle of meeting agendas and help ensure that issues are surfaced," shares Bassett. The company's ethics and compliance hotlines are one channel that Bassett describes as available for surfacing issues relating to audit or accounting matters. "The Audit Committee has insisted that any complaints or allegations that may involve accounting or financial reporting irregularities be reported to the Audit Committee right away, unscreened," says Bassett. On governance-related matters generally, Bassett explains that the Board's Governance committee receives regular communications on regulatory developments and other related issues of importance from him or from the company's General Counsel & Corporate Secretary.

ROLE OF IN-HOUSE LAWYERS

As Assistant Secretary, Bassett attends all Audit, Governance, and Finance Committee meetings. In addition, the company's Vice President, General Counsel & Secretary, David Chaifetz, attends all Board and committee meetings.

Bassett explains his view that companies need to have someone internally following governance developments and advising the Board on trends to stay ahead of the curve and to make recommendations. For Praxair, Bassett plays this role in support of the Corporate Secretary. In addition, Bassett recommends that another important role for in-house lawyers practicing in the governance area is to "pay attention to what the governance rating companies are saying about your company, and take the time to evaluate their data and respond effectively. Stay on top of these ratings by clarifying and providing accurate information on company governance practices." He notes "over the last year and a half, it has been almost a full time job to stay ahead of all of these issues."

Asked whether he has noticed any increase in a desire on the part of the Board for communications with lawyers, Bassett shares that there has been some increase in the context of governance rules and in helping to educate the Board on new requirements mainly flowing out of Sarbanes-Oxley.

LEADING PRACTICES

Asked which elements of Praxair's Board governance programs he would consider to be leading, Bassett said "the actual independence of our Board and our Independence Standards are leading practices." In addition, he points to the up-front placement of Business Integrity and Ethics and Compliance with Laws matters within the company's Corporate Governance Guidelines as an illustration of the company's belief that this is an essential foundation for effective corporate governance. Bassett also cites the company's director stock ownership guidelines (requiring directors to own at least five times the value of their base cash retainer) as a leading edge governance practice at Praxair.

ACC thanks Renee Dankner, former senior counsel to Mobil Oil Corp., for her work on this profile.

III. RESOURCE LIST

Please note that this listing does not constitute a recommendation or endorsement for any product, service or company. Please find below a list of resources identified by companies or by ACC as possible resources that may be helpful in developing Board governance practices materials.

CORPORATE GOVERNANCE GUIDELINE DOCUMENTS

Alcan, Inc.

Form: "Board of Directors Charter"

[http://www.alcan.com/corporate/AlcanCom.nsf/graphics/charters/\\$file/boar_dofdirectors_charter.pdf](http://www.alcan.com/corporate/AlcanCom.nsf/graphics/charters/$file/boar_dofdirectors_charter.pdf)

Avnet, Inc.

Form: "Corporate Governance Guidelines"

<http://www.avnet.com/investors/governance/guidelines/>

Bell Canada Enterprises

Form: "Statement of Governance Practices"

<http://www.bce.ca/en/governance/statement/tsx-guidelines-en.pdf>

ChevronTexaco

Form: "Governance Guidelines"

http://www.chevrontexaco.com/investor/corporate_governance/gov_guidelines.asp

Intel Corporation

Form: "Corporate Governance Guidelines"

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

http://www.intel.com/intel/finance/corp_gov.htm

Lyondell Chemical Company

Form: *"Principles of Corporate Governance"*

http://www.lyondell.com/html/investor/corporate_governance/principles.shtml

Praxair, Inc.

Form: *"Corporate Governance and Board Practices"*

<http://www.praxair.com/praxair.nsf/7a1106cc7ce1c54e85256a9c005accd7/e2ffd130ca1a2a5e85256ce80069a27a?OpenDocument>

SELF-ASSESSMENT FORMS/BOARD-LEVEL

Lyondell Chemical Company

Form: *"Board Evaluation"*

http://www.acca.com/protected/forms/governance/bod_evaluation.pdf

Anonymous Company

Form: *"Board Self-Assessment Questionnaire"*

http://www.acca.com/protected/forms/governance/bod_assessment.pdf

Anonymous Company

Form: *"Board Self-Assessment Questionnaire"*

http://www.acca.com/protected/forms/governance/board_selfassess.pdf

SELF-ASSESSMENT FORMS/DIRECTOR-LEVEL

Anonymous Company

Form: *"Director Self-Assessment Worksheet"*

http://www.acca.com/protected/forms/governance/dir_assessment.pdf

Anonymous Company

Form: *"Director Self-Assessment"*

http://www.acca.com/protected/forms/governance/dirself_assessment.pdf

SELF-ASSESSMENT FORMS/COMMITTEE LEVEL

Lyondell Chemical Company

Form: *"Audit Committee Evaluation"*

http://www.acca.com/protected/forms/governance/audit_evaluation.pdf

Lyondell Chemical Company

Form: *"Compensation Committee Evaluation"*

http://www.acca.com/protected/forms/governance/comp_evaluation.pdf

Form: *"Corporate Governance Committee Evaluation"*

http://www.acca.com/protected/forms/governance/corpgov_evaluation.pdf

Form: *"Executive Committee Evaluation"*

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

http://www.acca.com/protected/forms/governance/exec_evaluation.pdf

NACD Blue Ribbon Panel

Form: *"Audit Committee Self-Assessment Guide"*

<http://www.acca.com/protected/forms/enron/NACD-BRC6-Audit-Ap-B.pdf>

DIRECTOR ORIENTATION & EDUCATION POLICIES

Avnet, Inc.

Policy: *"Director Education Policy"*

http://www.acca.com/protected/forms/governance/dir_education.pdf

ChevronTexaco

Program Summary: *"Director Orientation Summary"*

http://www.acca.com/protected/forms/governance/bod_orientation.pdf

BOARD REFERENCE MANUAL INDICES

Avnet, Inc.

http://www.acca.com/protected/forms/governance/bod_reference.pdf

ChevronTexaco

http://www.acca.com/protected/forms/governance/bod_manual.pdf

MISCELLANEOUS RESOURCES & ARTICLES

Resource: Corporate Governance Criteria Chart

Cargill Incorporated

http://www.acca.com/protected/forms/governance/corpgov_compliance.pdf

Association of Corporate Counsel/National Association of Corporate Directors (NACD) Survey of Corporate Directors and General Counsel on the Role of Lawyers in Governance

http://www.acca.com/Surveys/resp_corpgov.pdf

Resource: The SEC Approves Final NYSE and NASDAQ governance rules:

<http://www.sec.gov/rules/sro/34-48745.htm>.

The final NYSE Rules: (the NASDAQ rules were not posted as of this publication)

<http://www.nyse.com/pdfs/finalcorpgovrules.pdf>

Articles titled:

"Corporate Social Responsibility: Back to Basics," General Electric's General Counsel, Ben Heineman (*ACC Docket*, January 2003) (based on his ACC Annual Meeting Keynote Address.

<http://www.acca.com/protected/pubs/docket/jf03/social1.php>

"GE: Governance Changes Lead to A Culture of Compliance," General Electric's General Counsel, Ben Heineman and others, interviewed in (*ACC Docket*, May 2002)

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>

<http://www.acca.com/protected/pubs/docket/mj03/ge1.php>

Article sidebar: GE Governance Principles

http://www.acca.com/protected/pubs/docket/mj03/ge_principles.php

Article titled: *"Sidebar: The Blue Ribbon Committee's Guiding Principles,"* from Report and Recommendations of the Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees (1999) (printed in ACCA Docket, May 2002 issue)

http://www.acca.com/protected/pubs/docket/mj02/audit_sideblue.php

Article titled: titled *"It's Private Companies' Turn to Dance the Sarbox Shuffle,"* written by ACC's Susan Hackett

http://www.acca.com/public/article/corpresp/sarbox_shuffle.pdf

Article titled: *"Even Private Company Boards of Directors Are Changing,"* written by William M. Sinnett (*Financial Executive*, October 2003)

http://www.fei.org/mag/articles/10-2003_governance.cfm.

Article titled: *"Should Privately Held Companies and Nonprofit Organizations Comply with the Sarbanes-Oxley Act?"*

<http://www.amanet.org/press/amanews/SOX2003survey.htm>

ACC's Corporate Compliance InfoPAK

<http://www.acca.com/protected/infopaks/compliance/INFOPAK.PDF>

ACC's Corporate Responsibility Homepage

<http://www.acca.com/legres/corpresponsibility/index.php>

WEBSITES

Association of Corporate Counsel

<http://www.acca.com>

American Society of Corporate Secretaries

<http://www.ascs.org>

National Association of Corporate Directors

<http://www.nacdonline.com>

Please also note that many law firms have extensive corporate governance website resources available to you. We don't know all of them, but have found the sites from Gibson Dunn & Crutcher (<http://www.gibsondunn.com>, click the homepage link to Sarbox resource center), and Weil Gotschal (<http://www.weil.com>, look for governance material under "publications") to be especially helpful.

Copyright © 2004, Association of Corporate Counsel (ACC)
ACC's Leading Practices Profilessm are at <http://www.acca.com/vl/practiceprofiles.php>