

Corporate Governance Guidelines

BANK OF AMERICA CORPORATION

Bank of America's goal in everything we do is reaching for higher standards - for our customers, our shareholders, our associates and our communities, upon which the future prosperity of our company rests. These Guidelines reflect the way we are striving for higher standards in corporate governance.

Director Responsibilities

The basic responsibility of the Board of Directors is to oversee the Company's businesses and affairs, exercising reasonable business judgment on behalf of the Company. In discharging that obligation, the Board relies on the honesty, integrity, business acumen and experience of the Company's management, as well as its outside advisors and the Company's independent registered public accounting firm.

All directors are expected to attend the Annual Meeting of Stockholders, board meetings and meetings of the committees on which they serve. Further, they are expected to prepare for each meeting in advance and to dedicate sufficient time at each meeting as necessary to properly discharge their responsibilities to the Company and its shareholders. Informational materials useful in preparing for meetings will be distributed to the Board in advance of each meeting.

The non-management directors will meet in executive session at each regularly scheduled Board meeting. The independent directors will meet in an executive session at least annually if there are non-management directors who are not independent.

A Lead Director, who will be an independent director pursuant to the current listing requirements of the trading venue on which the Company's common stock is traded and the Company's Director Independence Categorical Standards, will be elected by the independent directors annually. The duly elected Lead Director may be re-elected to successive terms. The Lead Director will chair the executive sessions or special meetings of the non-management and independent directors and will be deemed duly elected by the independent directors to preside at meetings of the Board of Directors in the absence of or at the request of the Chairman of the Board. In addition, the Lead Director is authorized to call special meetings of the independent directors at any time. The Lead Director's duties shall include acting as a liaison between the independent directors and the Chairman of the Board, approving meeting agendas and ensuring that appropriate information is sent to the Board of Directors, assuring the sufficiency of time for discussion at meetings of the Board of Directors, and providing a communication link between the other independent directors and the Company's stockholders.

Board Structure

Number of Directors. The Bylaws provide that the Company must have not less than 5 nor more than 30 directors. The Corporate Governance Committee will periodically review the appropriate size of the Board, with the objective of maintaining the necessary experience, expertise and independence without becoming too large to function efficiently.

Chairman of the Board. The positions of the Chairman of the Board and the Chief Executive Officer may be filled by the same individual or by different individuals.

Board Committees. The board will have at all times Audit, Compensation and Benefits and Corporate Governance Committees. The members of these committees will be “independent” as that term is defined from time to time by the listing standards of the New York Stock Exchange. Each committee has a charter that is posted on the Company’s website. The board may establish additional committees as necessary or appropriate.

Director Qualifications

Director Independence Defined. The board has adopted categorical standards to assist the board in making the annual affirmative determination of each director’s independence status. The director independence categorical standards are posted on the Company’s website. A director will be considered “independent” if he or she meets the requirements of the categorical standards and the criteria for independence set forth from time to time in the listing standards of the New York Stock Exchange.

Majority Independent. The board will be composed of at least a majority of directors who are independent.

Director Assessment and Nomination. The Corporate Governance Committee will evaluate all director candidates and recommend nominees to the Board to fill vacancies or stand for election at the Annual Meeting, unless the Company has contractually granted the right to third parties to nominate directors.

Standards for Evaluating Candidates as Director-Nominees

To discharge their duties in identifying and evaluating individual nominees for directors, the Corporate Governance Committee and the board of directors shall consider the overall experience and expertise represented by the board as well as the qualifications of each candidate. In the evaluation process, the Corporate Governance Committee and the board shall take the following into account:

- At least a majority of the board must be comprised of independent directors.
- Candidates should be capable of working in a collegial manner with persons of different educational, business and cultural backgrounds.

- Candidates shall be individuals of the highest character and integrity who possess significant experience or skills that will benefit the Company.
- Candidates shall be free of conflicts of interest that would interfere with their ability to discharge their duties or would violate any applicable law or regulation.
- Candidates shall be capable of devoting the necessary time to discharge their duties, taking into account memberships on other boards and other responsibilities, and shall have the desire to represent the interests of all stockholders.

Majority Vote

A director who fails to receive the required number of votes for re-election in accordance with the Bylaws shall offer to resign. In addition, the director whose resignation is under consideration shall abstain from participating in any decision regarding that resignation. The Corporate Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation. The Board shall publicly disclose its decision regarding the resignation within ninety (90) days after the results of the election are certified. If the resignation is not accepted, the director will continue to serve until the next annual meeting and until the director's successor is elected and qualified.

The Board shall nominate for election or re-election as directors only candidates who agree to tender, following the annual meeting at which they are elected or re-elected as directors, irrevocable resignations that will be effective upon (i) the failure to receive the required vote at the next annual meeting at which they are nominated for re-election and (ii) Board acceptance of such resignation. In addition, the Board shall fill director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other directors in accordance with this Guideline.

Submission of Director Nominee Candidates to the Committee

The Corporate Governance Committee will consider candidates proposed by directors, management, search firms retained by the committee, and stockholders.

A stockholder or group of stockholders proposing a candidate to be considered by the Committee must submit the proposal in writing by no later than October 15 of the preceding year. The proposal must contain the following information:

- the name and address of the stockholder;
- a representation that the stockholder is a holder of the Company's voting stock (including the number and class of shares held);
- a description of all arrangements or understandings among the stockholder and the candidate and any other person or persons (naming such person or persons) pursuant to which the proposal is made by the stockholder;

- a statement signed by the candidate confirming that the candidate will serve if elected by the stockholders and will comply with the Company's Code of Ethics, Insider Trading Policy, Corporate Governance Guidelines and any other applicable rule, regulation, policy or standard of conduct applicable to the directors; and
- a description of the candidate's background and experience and the reasons why he or she meets the standards set forth above.

Age Limit and Change of Principal Occupation

A director who has reached the age of 72 will not be nominated for election to the board. A director, who changes his or her principal occupation, shall offer to resign. The Corporate Governance Committee, in conjunction with the Chairman of the Board, will determine whether to accept such resignation. Management directors shall resign from the board when they leave their officer positions.

Limits on Board and Audit Committee Memberships

No director shall serve on more than five public company boards in addition to the Company's Board. If a member of the Audit Committee wishes to serve on more than a total of three audit committees of public companies, the Board must approve the additional service before the director accepts the additional position.

Director Compensation

Director compensation shall be recommended by the Compensation Committee and shall be reviewed by the Committee on an annual basis.

Director Orientation and Continuing Education

All new directors must participate in the Company's orientation program for new directors in the year of their election or appointment. This orientation will include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, compliance programs, conflict policies, Code of Ethics, Insider Trading Policy and other policies.

The board encourages directors to participate in continuing education programs and reimburses directors for the expenses of such participation.

CEO Performance Evaluation and Succession Planning

The Compensation Committee shall conduct an annual review of the CEO's performance, and will report to the board the results of its evaluation.

The Board shall annually review the succession plan for the position of Chief Executive Officer.

Annual Performance Evaluation

The board shall conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Corporate Governance Committee will report the results of the evaluation to the board.

Director Access to Officers, Employees and Independent Advisors

Directors have complete and open access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Secretary or directly by the director.

The board and its committees may retain independent advisors at the Company's expense.

Strategic Planning

As part of its oversight responsibility, the board ensures that management develops strategic plans for the Company's business and periodically reviews its plans with the board.

Minimum Stock Ownership by Executive Officers and Directors

In order to align the interests of the Company's executive officers and directors with those of the Company's shareholders, the board has adopted the following minimum stock ownership requirements:

CEO: 500,000 shares

Executive Officers: 150,000 shares

Directors: 10,000 shares

All full value shares beneficially owned are included in the calculation. Stock options are not included. New executive officers and directors will have up to five years to achieve compliance. Directors will not sell the restricted stock they receive as compensation (except as necessary to pay taxes upon vesting) until termination of their service.

Ethical Business Environment

One of the board's key responsibilities is to ensure that the Company, through its management, maintains high ethical standards and effective policies and practices designed to protect the Company's reputation, assets and business.

Charitable Giving and Political Contributions

The board will annually review a report on the Company's charitable giving and political contribution programs.

Communications with the Board of Directors

Parties who wish to communicate with the board or a committee may send a letter to the Secretary at Bank of America Corporation, 101 South Tryon Street, NC1-002-29-01, Charlotte, North Carolina 28255. The letter should indicate whether the communication is intended for the board or one of its committees. The Corporate Secretary or the secretary of the designated committee may sort or summarize the communications as appropriate. Communications, which are commercial solicitations, customer complaints, incoherent or obscene, will not be forwarded to the board.

Related Person Transactions

The Corporate Governance Committee shall review and approve or ratify any transaction or series of transactions where the aggregate amount involved will or may be expected to exceed \$120,000 in any fiscal year, the Company is a participant and a related person (as defined below) has or will have a direct or indirect material interest. Any committee member who is a related person with respect to a transaction under review may not participate in the deliberations or vote respecting such approval, provided, however, that such director may be counted in determining the presence of a quorum at a meeting of the committee which considers the transaction.

On a semi-annual basis, each of the Company's directors and executive officers and each holder of 5% or more of the Company's outstanding common stock shall complete a questionnaire that, among other things, requests information regarding related persons and their transactions or relationships with the Company. Upon receipt of the questionnaire responses, the Legal and Compliance departments shall conduct a review to determine if there are any transactions subject to this policy that have not previously been approved or ratified by the Corporate Governance Committee. Any such transactions shall be submitted for consideration by the Corporate Governance Committee.

When considering a request for approval or ratification of a transaction, the Corporate Governance Committee may consider, among other things: (a) the nature of the related person's interest in the transaction; (b) whether the transaction involves arms-length bids or market prices and terms; (c) the materiality of the transaction to each party; (d) the availability of the product or service through other sources; (e) whether the Company's Code of Ethics could be implicated or the Company's reputation put at risk; (f) whether the transaction would impair the judgment of a director or executive officer to act in the best interest of the Company; (g) the acceptability of the transaction to the Company's regulators; and (h) in the case of a non-employee director, whether the transaction would impair his or her independence or status as an "outside" or "non-employee" director.

For purposes of this guideline, (a) “related person” means any director, nominee for election as a director or executive officer of the Company, any person owning 5% or more of any series of the Company’s voting securities, or any of their immediate family members, and (b) “immediate family member” means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in law, daughter-in-law, brother-in-law, sister-in-law, or any person (other than a tenant or employee) sharing the household.

The Board has determined that each of the following types of transactions does not create or involve a direct or indirect material interest on the part of the related person and therefore do not require review or approval under this policy:

- (i) Any financial services, including brokerage services, banking services, loans, insurance services and other financial services provided by the Company to any related person, provided that the services are (a) provided in the ordinary course of business, (b) on substantially the same terms as those prevailing at the time for comparable services provided to non-affiliates and (c) in compliance with applicable law, including the Sarbanes-Oxley Act of 2002 and Regulation O of the Board of Governors of the Federal Reserve Board.
- (ii) Transactions involving the purchase or sale of products or services not described in clause (i) above in which the related person’s interest derives solely from his or her service as an executive officer or employee of another corporation or organization that is a party to the transaction, provided that payments from or to the Company for such products or services in any fiscal year do not exceed the greater of \$1 million or 2% of the other entity’s consolidated gross revenues for the most recently ended fiscal year for which total revenue information is available.
- (iii) Transactions in which the related person’s interest derives solely from his or her service as a director of, or his or her ownership of less than 10% of the equity interest (other than a general partnership interest) in, another corporation or organization that is a party to the transaction.
- (iv) Transactions in which the related person’s interest derives solely from his or her ownership of a class of equity securities of the Company and all holders of that class of equity securities received the same benefit on a pro rata basis.
- (v) Transactions in which the related person’s interest derives solely from his or her service as a director, trustee or officer (or similar position) of a not-for-profit organization, foundation or university that receives donations from the Company (excluding for this purpose matching funds paid by the Company or the Bank of America Foundation as a result of donations by the Company’s directors or associates), provided that such donations in any fiscal year do not exceed the greater of \$1 million or 5% of the other entity’s consolidated gross revenues for

the most recently ended fiscal year for which total revenue information is available.

- (vi) Transactions where the rates or charges involved are determined by competitive bids, or involve the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.
- (vii) Employment and compensation arrangements for any executive officer and compensation arrangements for any director, provided that such arrangements have been approved by the Compensation Committee or the Board.

Incentive Compensation Recoupment Policy

If the Board or an appropriate Board committee has determined that any fraud or intentional misconduct by one or more executive officers caused, directly or indirectly, the Corporation to restate its financial statements, the Board or committee shall take, in its sole discretion, such action as it deems necessary to remedy the misconduct and prevent its recurrence. The Board or committee may require reimbursement of any bonus or incentive compensation awarded to such officers and/or effect the cancellation of unvested restricted stock or outstanding stock option awards previously granted to such officers in the amount by which such compensation exceeded any lower payment that would have been made based on the restated financial results.

