

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors has established and follows a corporate governance program and has assigned the Nominating and Corporate Governance Committee responsibility for the program. Following are the Corporation's Corporate Governance Guidelines as adopted by the Board of Directors upon recommendation of the Nominating and Corporate Governance Committee.

I. DIRECTOR RESPONSIBILITY

Members of the Board of Directors are expected to exercise their business judgment to act in what they believe to be in the best interests of the Corporation. In discharging this responsibility, Board members are entitled to rely on the honesty and integrity of the Corporation's senior officers and outside advisors and consultants. Board members are expected to attend Board meetings and meetings of committees upon which they serve and to review materials distributed in advance of meetings.

II. BOARD OF DIRECTORS SELF ASSESSMENT

The Board conducts an annual self-assessment process of the Board under the auspices of the Nominating and Corporate Governance Committee through self-assessment questionnaires to all Board members. The results of the director self-assessment questionnaires are reviewed by the Board and changes in the Corporation's corporate governance process are based on the results of the Board's review and analysis of the self-assessment questionnaires. Pursuant to the self-assessment process, the Board reviews, among other matters, agenda items, meeting presentations, advance distribution of agendas and materials for Board meetings, interim communications to directors, and access to and communications with senior management.

III. EXECUTIVE SESSIONS OF OUTSIDE DIRECTORS

The outside directors meet in executive session without inside directors or executive management present. The Chair of the Nominating and Corporate Governance Committee presides over these executive sessions.

IV. BOARD COMPOSITION

Not more than three directors will be "inside" directors (*i.e.*, directors who are at the time also officers of the Corporation). A retired Chief Executive Officer of the Corporation shall no longer serve on the Board after he or she ceases to hold such office, except for a short (approximately 6 months or less) interim transition period in which such person may serve as Chairman of the Board after ceasing to be Chief Executive Officer.

V. DIRECTOR INDEPENDENCE

The Board has adopted standards for determining "independence" of directors and determined that at least two-thirds of the Corporation's directors and all members of the Board committees performing the audit, compensation, corporate governance, and nominating functions must meet these independence standards. The standards for determining independence are attached to these Guidelines as Exhibit A. In addition, members of the Audit committee are not permitted to receive any compensation from the Corporation other than the compensation described in Section IX below.

VI. DIRECTOR LEGAL OR CONSULTING FEES

The Board has determined that in the event that a director or a firm affiliated with a director performs legal, consulting or other advisory services for the Corporation, the amount of fees for such legal, consulting or advisory services payable to such director and such director's affiliated firm in any calendar year shall not exceed \$50,000 in the aggregate unless the Audit Committee otherwise approves.

VII. DIRECTOR RETIREMENT

The Board has adopted a retirement policy whereby an incumbent director is not eligible to stand for election as a director upon reaching age 70. Under the policy, a director is also requested to submit his or her resignation from the Board to the Nominating and Corporate Governance Committee in the event that the director retires from or otherwise leaves his or her principal occupation or employment. The Nominating and Corporate Governance Committee can choose to accept or reject the resignation.

VIII. DIRECTOR RECRUITMENT

The Board has adopted a formal policy delineating director recruitment guidelines to be followed by the Board in identifying and recruiting director nominees for Board membership. The policy guidelines are designed to help insure that the Corporation is able to attract outstanding persons as director nominees to the Board.

IX. DIRECTOR COMPENSATION

The Board has determined that approximately 50% (in value) of the Board's compensation should be equity compensation in order to more closely align the economic interests of directors and shareholders. In addition, each year the Board reviews the cash component of its compensation which is in the form of director fees.

X. DIRECTOR STOCK OWNERSHIP GUIDELINES

The Corporation has adopted stock ownership guidelines for KeyCorp's outside directors which specify that each outside director should, by the fourth anniversary of such director's initial election, own

at least 7,500 KeyCorp Common Shares, of which at least 1,000 shares should be directly owned by the director and be in the form of actual shares. For purposes of these guidelines, except for the 1,000 actual share requirement, Common Shares include actual shares, deferred or phantom stock units, and restricted shares. Current outside directors at the time of adoption of this guideline are expected to meet these stock ownership guidelines by December 31, 2006.

XI. DIRECTOR ORIENTATION

A new director orientation is conducted for all new directors. The orientation consists of meetings with the Chief Executive Officer, Vice Chairman, and other members of senior management including the senior officer who acts as the liaison for the committee(s) upon which the new director will serve.

XII. DIRECTOR CONTINUING EDUCATION

Each outside director (other than those directors who are in their final term) is expected to attend an Institutional Shareholder Services (ISS) approved director training or education session before the Corporation's 2006 Annual Meeting of Shareholders. In the case of directors first elected to the Board after the 2003 annual meeting of Shareholders, if they have not previously attended an ISS approved director training or education session at the time they become a director of the Corporation, they are expected to attend such a session within a year after their election as a director. The Corporation will reimburse the reasonable costs and expenses of the training or education session incurred by the director (not including spousal expenses), including registration fees, travel, hotel accommodations and related meals, provided, however, if a director attends an ISS approved session which will cover another company on whose board the director also serves, the Corporation will, if the other company is willing, appropriately share the costs and expenses with the other company. Each director is asked to give a brief report on the session he or she attended. Management will circulate brochures to directors of sessions. Directors are asked to advise management when they are signing up for a session.

XIII. REPRICING OPTIONS

The Board has determined that the Corporation will not reprice options.

XIV. ONE YEAR HOLDING OF OPTION SHARES

The Compensation Committee has adopted a policy that stock options granted to the Chief Executive Officer, the Chief Administrative Officer, the Chief Financial Officer and all other Section 16 executives of the Corporation will contain a provision requiring that all net shares obtained upon exercise of the option (less the applicable exercise price and withholding taxes) must be held for at least one year following the exercise date or, if later, until the executive's stock ownership meets the Corporation's stock ownership guidelines. The policy applies to all options granted to such officers from and after the policy's adoption.

XV. SENIOR EXECUTIVE STOCK OWNERSHIP GUIDELINES

The Corporation has adopted stock ownership guidelines for KeyCorp's senior executives which specify that the Chief Executive Officer should own KeyCorp Common Shares with a value equal to at least six times salary, that all direct reports to the Chief Executive Officer should own KeyCorp Common Shares with a value equal to at least four times their respective salary, and other senior executives who are on the Corporation's Executive Council and participate in KeyCorp's long term incentive plan should own KeyCorp Common Shares with a value at least equal to two times their respective salary. Newly hired executives and executives whose stock ownership did not meet the most recent guidelines at the time of adoption have a reasonable period to achieve the specified level of ownership. For purposes of these guidelines, Common Shares include actual shares, restricted shares and phantom stock units.

XVI. EXTENSIONS OF CREDIT COLLATERALIZED BY KEYCORP STOCK

The Board has determined that neither the Corporation nor its subsidiaries will extend to any director or executive officer covered by the Corporation's stock ownership guidelines credit collateralized by Corporation stock.

XVII. FORMAL EVALUATION OF CHIEF EXECUTIVE OFFICER

The Compensation Committee conducts an annual evaluation of the Chief Executive Officer which includes soliciting input from the full Board. The results of the annual evaluation are discussed with the Board as a whole in executive session.

XVIII. ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS

Board members have complete access to the Corporation's management. If the Board member feels that it would be appropriate, the member is asked to inform the Chief Executive Officer of his or her contact with the officer in question. Members of senior management normally attend portions of each Board meeting. The Board may, when appropriate, obtain advice and assistance from outside advisors and consultants.

XIX. SUCCESSION PLANNING/MANAGEMENT DEVELOPMENT

The Chief Executive Officer presents an annual report to the Compensation Committee on succession planning and the Corporation's program for management development. The Compensation Committee in turn reviews these discussions, and their own independent deliberations with the Board as a whole.

XX. AUDITOR PROHIBITED FROM DOING PERSONAL TAX WORK FOR SENIOR EXECUTIVE OFFICERS

KeyCorp's independent auditors shall not serve as the personal tax advisors or preparers for KeyCorp senior executives who are members of KeyCorp's Executive Council and who participate in KeyCorp's long term incentive plan. This guideline shall be effective for the 2003 tax year and thereafter.

XXI. CORPORATE GOVERNANCE FEEDBACK

The Board encourages management to meet periodically with significant investors to discuss the Corporation's corporate governance practices. Management reports the results of the meetings to the Nominating and Corporate Governance Committee in order that the Board can more readily consider the views of significant investors when the Board shapes its corporate governance practices.

XXII. COMMITTEE STRUCTURE

The Board exercises certain of its powers through its Audit, Compensation, Nominating and Corporate Governance, Executive, and Finance and Risk Management Committees. Each Committee has a Charter that defines the scope of its duties and responsibilities. Each Committee reviews its Charter annually and recommends its approval to the full Board which in turn approves the Charter. The Audit, Compensation, and Nominating and Corporate Governance Committees are comprised of only independent directors. Each Board member sits on at least one Committee. The frequency, length and agendas of Committee meetings are determined by the Committee Chair in consultation with Committee members and appropriate members of senior management. The Committee Chair reports to the full Board on the matters undertaken at each Committee meeting. The Audit, Compensation, and Nominating and Corporate Governance Committees (which consist solely of independent directors) meet in executive session for a portion of each Committee meeting.