

CORPORATE GOVERNANCE GUIDELINES

FOR CITY NATIONAL CORPORATION (TICKER SYMBOL: CYN)
AMENDED AND REAFFIRMED JANUARY 23, 2013

The Board of Directors of City National Corporation (the "Corporation") is elected by the shareholders to oversee their interest in the long-term financial strength and overall success of the Corporation. The Board serves as the ultimate decision-making body of the Corporation, except for those matters reserved to or shared with the shareholders. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Corporation. The Corporation and its subsidiaries aspire to the highest standards of integrity, ethical conduct and business practices, full and complete reporting of financial and operating results with accuracy and transparency, and to maintaining full compliance with the laws, rules and regulations that govern the Corporation's businesses.

Throughout its history, the Board of Directors has adhered to "best practices" in corporate governance in the fulfillment of its responsibilities to the shareholders. The Board of Directors has formally adopted these practices as its Corporate Governance Guidelines in furtherance of the Corporation's commitment to good corporate governance. These Corporate Governance Guidelines are intended to be comprehensive and to conform to the requirements of SEC orders and regulations, the New York Stock Exchange Rules and Listing Standards and applicable laws on corporate governance. These Corporate Governance Guidelines also serve as governance guidelines for the Board of Directors of City National Bank ("CNB").

As Corporate Governance "best practices" and requirements further evolve, these Guidelines may be amended from time to time by the full Board of Directors to enable adoption of needed improvements in the interest of the Corporation and its shareholders.

1. DIRECTOR QUALIFICATIONS AND BOARD COMPOSITION

A. Independence. The Board of Directors (the "Board") will consist of a majority of non-employee directors who satisfy the criteria for independence established by the Board as set forth below. These standards incorporate the independence requirements under the New York Stock Exchange listing standards, other applicable laws, rules and regulations regarding independence in effect from time to time, and standards consistent with the Corporation's requirements of integrity, ethical conduct and business practices. The Corporation's independence standards are i) intended to provide a framework for decisions by the Board that remains free of any relationships that may impair, or appear to impair, its ability to make independent collective judgments, and ii) to ensure that all permitted transactions between the Corporation and a director or his/her family or their respective primary business affiliations shall be on arms-length, market terms. The Compensation, Nominating & Governance Committee will be responsible for assessing the independence of the Board members. Each independent director shall notify the Chairman of the Compensation, Nominating & Governance Committee, as soon as practicable, in the event that his or her circumstances change in a manner that may affect the Board's evaluation of his or her independence. For purposes of these director independence criteria, the term "Corporation" shall include all of the Corporation's consolidated subsidiaries.

i) Business Relationships: Any payments by the Corporation to any independent director's primary business affiliation or the primary business affiliation of an independent director's immediate family

member (collectively, "Director Entities"), or by a Director Entity to the Corporation, for goods or services, or other contractual arrangements, must be made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons.

All lending relationships between the Corporation, on the one hand, and any independent director or a Director Entity, on the other hand, must be made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons. Any loans or extensions of credit by the Corporation or its subsidiaries to such individual or entity or its subsidiaries must comply with applicable banking law, including Regulation O of the Federal Reserve and FDIC guidelines.

Any business or banking relationship involving payments made to, or received from, the Corporation, by an independent director, or a Director Entity, for property or services must be in an amount which in the present year or for any of the last three years does not exceed a) 1% of the Corporation's consolidated gross revenues or, b) the greater of \$1 million or 2% of the Director Entity's consolidated gross revenues.

ii) Charitable Contributions: An independent director may not be an officer, director, or trustee of a foundation, university, or other non-profit organization that receives from the Corporation, contributions which in any fiscal year are in an amount which exceeds the greater of \$1 million or 2% of the total annual receipts received by the entity.

iii) Interlocking Directorates: No employee-director or executive officer of the Corporation shall serve as a director of a company where an independent director is an executive officer.

IV) EMPLOYMENT:

1) An independent director shall not:

(a) be or have been an employee of the Corporation within the last three years;

(b) be part of, or within the past three years have been part of, an interlocking directorate in which an executive officer of the Corporation serves or has served on the compensation committee of a company that concurrently employs or employed the independent director;

(c) be or have been affiliated with or employed by a present or former auditor of the Corporation within the three year period following the end of the affiliation or the employment or auditing relationship;

2) An independent director may not have a family member who:

(a) is a member of senior management of the Corporation or has been within the last three years;

(b) is part of an interlocking directorate in which an executive officer of the Corporation serves on the compensation committee of a company that concurrently employs such family member;

(c) is or has been affiliated with or employed by a present or former auditor of the Corporation within the three year period following the end of the affiliation or the employment or auditing relationship.

v) Direct Compensation: Neither an independent director or his or her immediate family member may receive or have received more than \$120,000 per year in direct compensation from the Corporation (other than director and committee fees and pension or other forms of deferred compensation that is not contingent on continued services) within the past three years.

vi) Other Transactions: Subject to applicable laws, rules, regulations and listing standards, after taking into account all relevant facts and circumstances, the Board shall reserve the right to determine that any particular transaction or relationship between an independent director and the Corporation may, in the Board's judgment, be deemed not to be material, or would not impair the director's exercise of independent judgment, and the independent director will continue to be deemed independent.

vii) Definitions: For purposes of these independence standards, (a) immediate family members of a director include the director's spouse and other "family members" (including children) who share the director's home or who are financially dependent on the director, (b) the term "primary business affiliation" means an entity of which the director is a principal/executive officer or in which the director holds at least a 5% equity interest, and (c) the term "family member" means any of the director's spouse, parents, children, brothers, sisters, mother- and father-in law, sons- and daughters-in-law, and brothers and sisters-in-law and anyone (other than domestic employees) who shares the director's home. When looking back three years in applying these standards, "family members" do not include individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

Each of the above standards which contains a three year "look-back" provision is subject to the same phase in provisions for the three year "look-back" set forth in NYSE listing standard 303A.02.

B. Director Qualifications. The Compensation, Nominating & Governance Committee shall establish Candidate Guidelines for nominees to the Board of Directors, which shall be approved by the Board of Directors, and which set forth criteria that are considered in evaluating the candidacy of an individual as a member of the Board. The Compensation, Nominating & Governance Committee and the Board will periodically review the Board Candidate Guidelines and modify them from time to time, as appropriate. The Compensation, Nominating & Governance Committee is responsible for identifying, screening and recommending to the Board candidates for membership on the Board of Directors, including nominees proposed by shareholders in accordance with the Corporation's by-laws and applicable law. Final approval of any candidate shall be determined by the full Board of Directors.

The Committee has established the following Candidate Guidelines and shall consider the following qualification criteria when evaluating Board nominees:

- i) Whether the candidate has demonstrated notable or significant achievements in business, education, or public service;
- ii) Whether the candidate has the requisite intelligence, education and experience to make a significant contribution to the membership of the Board of Directors;
- iii) Whether the candidate will serve as a significant and active resource for referrals and business development for the Corporation;

iv) Whether the candidate will assist in achieving a mix of Board members that represents a diversity of skills, background, viewpoints, experiences, industry knowledge and community contacts, including with respect to age, gender, demographics, race and specialized experience; and

v) Whether the candidate has the highest ethical standards, a strong sense of professionalism and dedication to serving the interests of all the shareholders and will be available to the Board of Directors in the fulfillment of director duties.

For those director candidates who are also employees of the Corporation, he or she should be members of the executive management of the Corporation who have or are in the position to have a broad base of information about the Corporation and its business.

C. Size of the Board. The Compensation, Nominating & Governance Committee, in consultation with the Chairman and Chief Executive Officer, makes recommendations to the Board concerning the appropriate size and needs of the Board, subject to the limits in the Corporation's Charter and by-laws. While the number of directors should not exceed a number that can function efficiently as a body, the Board believes that the quality of the individuals serving and the overall balance of the Board is more important than the precise number of members.

D. Retirement. It is the policy of the Corporation that a non-employee director shall not serve as a director beyond the end of an elected term during which the director achieves his or her seventieth (70) birthday, provided that the full Board may re-nominate a candidate over 70 years of age for special circumstances based on a director's demonstrated actual or prospective particular contributions, expertise, or business development opportunities for the Corporation. Under the Corporation's current policy, directors, who are also employees of the Corporation will retire from the Board at the same time as they retire as an employee of the Corporation or its affiliate, unless otherwise provided by the Board.

E. Term Limits & Board Vacancies. The Board of Directors does not believe it is advisable to establish term limits for its members as such limits may deprive the Corporation and its shareholders of the contribution of directors who have been able to develop, over time, valuable insights into the Corporation, its operations and future success of the enterprise. As part of its responsibilities, the Compensation, Nominating & Governance Committee will consider each director's continuation on the Board at the expiration of his or her term and before that director is considered for re-nomination and re-election. The Board of Directors may fill vacancies in existing or new director positions with such directors serving only until the next election of Directors.

F. Change in Director's Present Job Responsibilities. It is the position of the Board of Directors that a change in a non-employee director's employment or occupation should not automatically lead to such director's resignation from the Board of Directors. It is the sense of the Board that individual directors who change the responsibility they held when they were elected to the Board must volunteer to resign from the Board. It is not the sense of the Board that in every instance the directors who retire or change from the position they held when they came on the Board should necessarily leave the Board. In such an event, the Compensation, Nominating & Governance Committee will review the appropriateness of such a director's continued service on the Board of Directors in light of his or her changed responsibilities, association or circumstances, and recommend as appropriate action by the Board to accept or reject the offered resignation.

G. Service on Other Boards of Directors. Directors are expected to limit outside public board service to not more than 3 other public corporation boards. Directors should advise the Chairman of the Board and the Chairman of the Compensation, Nominating & Governance Committee in advance of accepting an invitation to serve on another public corporate board of directors. Directors are encouraged to limit the number of other boards (excluding non-profit) on which they serve, taking into account potential board attendance, conflicts of interest, duties of care and loyalty to the Corporation and its shareholders, as well as participation and effectiveness on these boards.

H. Selection of Chairman & Lead Independent Director. The Corporation's Bylaws provide that the directors shall annually elect a Chairman of the Corporation from among the directors. The Chairman of the Board of the Corporation, or if so designated, the Chairman of the Board of City National Bank shall preside at all meetings of the Board, and shall take the lead role in the boardroom. The Chairman of the various Board Committees takes the lead on matters falling within their purview.

The Board of Directors shall appoint a Lead Independent Director who will preside at executive sessions for non-employee directors. The Lead Independent Director must satisfy the director independence standards set forth in Section 1(A) of these Guidelines and the rules of the New York Stock Exchange. The Lead Independent Director will facilitate communication between the Chairman and CEO and the non-employee directors as appropriate and perform such other functions as the Board may direct, including, without limitation, advising on board agendas, board meeting materials, and/or board schedules.

I. SHARE OWNERSHIP OF DIRECTORS AND EXECUTIVES.

i) Directors are required to own Corporation stock to further align director and stockholder interests. Guidelines for stock ownership of directors may be set from time to time by the Compensation, Nominating & Governance Committee, approved by the Board and set forth on the Corporation's website. The sale of Corporation stock while serving on the Board is discouraged and, in any case, permissible only in accordance with applicable legal and regulatory constraints, and with the prior pre-clearance and approval of the Corporation's General Counsel and as set forth in the Securities Trading Policies of the Corporation then in effect. From time to time, the Board will also adopt share ownership guidelines for executives to similarly align executive and shareholder interests. Attached as Appendix A to these Corporate Governance Guidelines are Ownership Guidelines currently in place for directors and officers.

ii) In furtherance of the share ownership policy stated above, on the date of each annual stockholders meeting, each non-employee director shall be required to increase stock ownership by a timely election to participate in the Directors' Deferred Compensation Plan (Plan) to the extent of the amount of the Annual Director Award, which shall be cash in an amount equal to \$35,000; provided that the full amount of this award is required to be invested in the City National Corporation Stock Fund in accordance with the terms of that Plan. Any derivative shares of City National Corporation stock held in the Plan shall be deemed to be included in satisfaction of the share ownership requirements for Directors.

J. Majority Voting for Directors. In accordance with the Bylaws, any director who fails to receive the requisite vote in an uncontested election shall offer to resign. The Compensation, Nominating and Corporate Governance Committee shall make a recommendation to the Board as to whether to accept or reject the tendered offer to resign, or whether other action should be taken. The Compensation, Nominating and Corporate Governance Committee and the Board, in making their decisions, may

consider any factor or other information that they deem relevant. The Board shall act on the tendered offer to resign, taking into account the Compensation, Nominating and Corporate Governance Committee's recommendation, and shall publicly disclose its decision regarding the offer to resign within ninety (90) days after the results of the election are certified. If the offer to resign is not accepted, the director will continue to serve until the earlier of (a) the Board's further consideration and decision to accept the offer to resign and (b) the next annual meeting of stockholders at which such director's successor is elected and qualified.

2. DIRECTOR RESPONSIBILITIES

A. The Board of Directors' Role and Responsibilities. The business and affairs of the Corporation are managed under the direction of the Board, which represents and is accountable to the shareholders of the Corporation. Directors should exercise their business judgment to act in what they reasonably believe to be the best interest of the Corporation and its shareholders. In discharging these obligations directors are entitled to rely on the Corporation's management and outside advisors and auditors. The Corporation has purchased and seeks to maintain reasonable directors' and officers' liability insurance on their behalf. In addition, the directors receive the benefits of indemnification to the fullest extent permitted by the Corporation's articles of incorporation, bylaws, indemnification agreements, and to any exculpation as provided by state laws.

The Board's governance and oversight functions do not relieve executive management of the primary responsibility for management of the affairs of the Corporation, and for preparing financial statements which accurately and fairly present the Corporation's financial results and condition. Under the direction of the CEO, executive management shall maintain systems, procedures and a corporate culture that promote compliance with legal and regulatory requirements and the ethical conduct and integrity of the Company's business.

The Board of Directors is elected by the shareholders, and its primary responsibility is to oversee the management of the Corporation to ensure that the interests of the Corporation and its shareholders are served. Directors will provide guidance to management and exercise their business judgment in what they believe to be the best interests of the Corporation and its shareholders. Directors will perform their duties with loyalty, in good faith, and with that degree of care which an ordinary prudent person in a like position would use under similar circumstances. Directors are expected to at all times comply with the Principles of Business Conduct and Ethics of the Corporation, and to uphold the Corporation's commitment to the PRIDE Principles. Directors are also subject to applicable provisions of the Corporation's separate Code of Conduct.

Directors are expected to serve as significant and active resources for business referrals and business development for the Corporation. Directors' duties and responsibilities include, through their oversight and direction of management of the Corporation:

- Reviewing the Corporation's business strategies and financial performance;
- Selecting, evaluating, and determining the compensation of the Chief Executive Officer and reviewing management succession plans and the selection, evaluation, compensation, and development of other key managers;

- Reviewing key risks in the Corporation's businesses, supervising the Corporation's management of those risks and ensuring the adequacy of the Corporation's risk management programs;
- Reviewing and approving major transactions;
- Ensuring processes are in place for promoting integrity in the conduct of management and other employees;
- Ensuring processes are in place for mandating integrity and transparency in financial reporting, for compliance with all applicable laws and regulations, and for protecting the assets of the Corporation, including its property and its reputation.

B. Board Meetings. The Board of Directors currently holds regularly scheduled meetings and calls for special meetings as necessary. Meetings of the Board may be held telephonically. Directors are expected to attend all annual shareholder meetings, Board meetings and meetings of the Committees of the Board on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their duties. It is understood that, on occasion, a director may not be able to attend a meeting. Board meetings of the Corporation and City National Bank may be held concurrently.

C. Agendas. The Chairman of the Board will establish the agenda for Board meetings. While the agenda is planned carefully, it should be flexible enough so that unexpected developments can be discussed at Board meetings. Any director may request that an item be included on the agenda. Throughout each year, the Board of Directors reviews the Corporation's short-term and long-term strategic and operating plans and related business plans of each principal business group. The Board of Directors also reviews the annual capital budget for the Corporation.

D. Advance Materials. Information and data that are important to the Board's understanding of the business to be conducted at a Board or any Board Committee meeting should be, to the extent practical, distributed to the directors sufficiently in advance of the meeting and directors should review these materials prior to the meeting. The Board acknowledges that certain materials are of a confidential and extremely sensitive nature and that distribution of materials on these matters prior to Board meetings may not be appropriate.

E. Executive Sessions. The non-employee directors will meet without employee directors at regularly scheduled executive sessions at least twice each calendar year and at such other times as the non-employee directors deem appropriate. These Executive Sessions are to be attended only by non-employee directors and such other persons and advisors as they shall determine. These sessions shall be led by the Lead Independent Director, unless otherwise agreed by the participating non-employee directors. Some of the executive sessions may be with the CEO, who is an inside director, and some shall be in the absence of the CEO and any other inside directors or management officials. In addition, at least once a year, the independent directors shall meet in executive session without members of management or non-independent directors present.

F. Confidentiality. In order to facilitate open discussion, the Board believes maintaining confidentiality of information and deliberations is an imperative. Except as required by law, no director shall disclose any material non-public information concerning the Corporation. In the event that a director inadvertently

discloses information that may be material and non-public, he or she should immediately so advise the General Counsel.

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

H. Avoiding Conflicts of Interest. Directors must make all business decisions for the Corporation free of conflicting outside influences. Director conflicts of interest or potential conflicts of interest must be identified and addressed appropriately as required by the Corporations Code of Conduct and applicable laws. Directors are subject to restrictions with respect to compensation offered and received; gifts and entertainment presented and received, personal fiduciary appointments, acceptance of bequests, outside employment and other affiliations, and the holding of political office. Directors are required to disclose actual conflicts and potential conflicts in the aforementioned categories, as well as relationships with clients, prospects, suppliers, or other employees that create apparent or actual conflicts of interest with the interests or expectancies of the Corporation.

3. BOARD COMMITTEES

A. Committees. The Board currently has five standing Committees of the Board of Directors (including committees governing CNB Board issues): (i) Audit & Risk Committee, (ii) Compensation, Nominating & Governance Committee, (iii) Wealth Management & Fiduciary Committee, (iv) Community Reinvestment Act Committee and the (v) Special Matters Committee. The Board may also establish other committees or disband existing ones, as it deems appropriate consistent with applicable laws, regulations and the Corporation's by-laws. Each of the Committees of the Board shall have the authority and responsibilities delineated in the Corporation's by-laws, the resolutions creating them and any applicable charters for the Committees. Each Board member must serve on one committee. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy. The Audit & Risk Committee and the Compensation, Nominating & Governance Committees shall be composed of Directors who meet the qualifications required by the New York Stock Exchange as well as applicable laws and regulations with respect to independence, and with respect the Audit & Risk Committee, all additional requirements related to financial literacy, and financial management expertise.

Committees may meet and act simultaneously as committees of the Corporation and of City National Bank, though they should hold separate sessions if necessary to address issues that are relevant to one entity but not the other or to consider transactions between the two entities or other matters where the Corporation and the Bank may have different interests. In addition, any such committee should consult with internal or outside advisors including legal counsel if, in the opinion of the committee, any matter under consideration by the committee has the potential for any conflict between the interests of the Corporation and those of the Bank or any of the Corporation's other subsidiaries. This action should be taken in order to ensure that appropriate procedures are established for addressing any such potential or actual conflict and for ensuring compliance with the Corporation's policies regarding Sections 23A and 23B of the Federal Reserve Act, or related affiliate transaction laws and regulations.

Consistent with the Board's longstanding policy, Board members may without compensation attend any Committee meetings though they are not Committee members, subject to reasonable limits determined necessary by the subject Committee Chair.

B. Appointment. The Board, upon recommendation of the Compensation, Nominating & Governance Committee, appoints Committee members and the Committee Chairs. The Compensation, Nominating & Governance Committee may change committee assignments periodically, and considers committee rotation with a view toward balancing the benefits of continuity with the benefits of diverse experiences and viewpoints of different directors serving on different committees. A Committee Chair may not serve for more than five (5) consecutive years as the Chair of the same Committee.

C. Meeting Schedules. The Committee Chair, in consultation with management, will schedule regular Committee meetings. Special Committee meetings may be called as needed. The length of Committee meetings will depend upon matters under consideration. All meetings of any Committee may be held telephonically.

D. Committee Agendas. The Committee Chair, in consultation with appropriate officers of the Corporation, will develop the agenda for Committee meetings. Any Committee member may request that an item be included on the agenda. At the beginning of the year each Committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen).

E. Charters. The Board shall adopt and maintain charters setting forth the purposes, goals, authority, responsibilities and duties of each of the Audit & Risk Committee, the Compensation, Nominating & Governance Committee, the Community Reinvestment Act Committee, and the Wealth Management & Fiduciary Committee and any other committee that the Board deems appropriate. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate. The Committee Charters will also set out the qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations, and committee reporting to the Board. The Compensation, Nominating & Governance Committee will periodically review the charters of each of these committees and propose modifications to the applicable Committee for consideration as appropriate. The Charters of the Audit & Risk Committee and the Compensation, Nominating & Governance Committee shall be published on the Corporation's website.

4. ACCESS TO OUTSIDE ADVISORS

The Board and its Committees may retain advisors, legal counsel or consultants with respect to any issue without consulting or obtaining the approval of any officer of the Corporation in advance. Further, as set forth in their respective charters, and without limitation:

(i) The Compensation, Nominating & Governance Committee has sole authority to retain and terminate any search firm to be used to identify director candidates.

(ii) The Compensation, Nominating & Governance Committee has sole authority to retain and terminate compensation consultants used to advise it with respect to executive compensation.

(iii) The Audit & Risk Committee has sole authority to retain and terminate independent auditors.

5. ACCESS TO MANAGEMENT AND EMPLOYEES

A. Access to Management and Employees. Directors shall have full and free access to officers and employees of the Corporation. Any meetings or contacts that any director wishes to initiate should be arranged through the CEO, the Secretary, or the Chairman of an appropriate Committee in consultation with the CEO. The directors will be expected to use their careful judgment to ensure that any such contact is not disruptive to the business operations of the Corporation and will, to the extent not inappropriate, consult with and copy the CEO on any written communications between a director and an officer or employee of the Corporation or its subsidiaries. The Board welcomes regular attendance at each Board meeting of senior officers of the Corporation and its subsidiaries. If the Board of Directors wishes to have access to additional personnel on a regular or special basis at Board of Committee meetings, this request should be brought to the attention of the CEO.

B. Internal Reporting. The Board has established procedures for the submission and confidential treatment of complaints and concerns of employees regarding accounting and auditing matters and alleged violations of the Corporation's "Code of Ethics for Senior Financial Officers" (the "Code of Ethics"). The Board of Directors requires strict adherence to these policies and must approve any waivers in accordance with policy requirements.

C. Whistleblower Protection. Directors, or Committees designated by the Board of Directors, will consider concerns raised to them by shareholders and employees. Shareholders or employees who have concerns about the Corporation's conduct or about the Corporation's accounting, internal controls, or auditing matters, may communicate those concerns confidentially and anonymously in accordance with applicable policies adopted by the Corporation and as further set forth on the Corporation's website. As set forth in the Corporation's Code of Ethics, any employee who, in good faith, reports a violation or possible violation of the Code of Ethics or the underlying corporate policy is protected against retaliatory behavior. Subject to applicable laws, the Corporation and its subsidiaries are not permitted to take any retaliatory action, fire, demote, suspend, harass or discriminate against any employee who, in good faith, lawfully provides information to, or otherwise assists or participates in, any investigation or proceeding by a U.S. regulatory or law enforcement agency, any member of the U.S. Congress or a Congressional committee or the employee's manager, relating to what the employee reasonably believes is a violation of the securities laws or an act of fraud.

D. Shareholder Communications with the Board. Shareholders can use the communication processes set forth on the Corporation's website to send any communications to the Board of Directors.

6. DIRECTOR COMPENSATION

The form and amount of Director compensation and compensation for all service of Directors on Committees shall be approved by the Compensation, Nominating & Governance Committee and then recommended to, and approved by the Board of Directors. The compensation of directors shall be reviewed periodically by the Compensation, Nominating & Governance Committee, and the Committee may request that management and other independent experts and advisors report periodically on the status of the Board's compensation in relation to the Corporation's competitors and other similarly situated companies. The Committee will consider the extent to which a directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, or if director independence would be affected if the Corporation makes charitable contributions to organizations with which a director

is affiliated, or if the Corporation enters into consulting contracts with (or provides other indirect forms of compensation to a director or an organization with which the director is affiliated).

7. DIRECTOR ORIENTATION AND EDUCATION

All new directors must be provided with these Corporate Governance Guidelines and must participate in the Corporation's Director Orientation initiatives as soon as practicable after the meeting at which they are elected. The Orientation initiatives will include presentations by senior management, and outside advisors as appropriate, to familiarize new directors with the Corporation's business, its strategic plans, its significant financial, accounting and risk management issues and its compliance programs, as well as the fiduciary duties and responsibilities of directors. All other Directors are also invited to attend any orientation initiatives.

The Board of Directors will periodically receive presentations at Board meetings relating to the Corporation's business and operations, its compliance programs and any significant financial, accounting, litigation and risk management issues as well as any other matters of significance to the Board of Directors. Additionally, directors will be offered the opportunity (but will not be required) to participate in director education programs and director institutes offered by third parties.

8. PERFORMANCE EVALUATION AND SUCCESSION PLANNING

A. Performance Evaluation. The Compensation, Nominating & Governance Committee and the Board of Directors, with input from the CEO, set annual performance goals for the CEO. Each year the Compensation, Nominating & Governance Committee and the independent members of the Board assess the performance of the CEO against these performance goals and set the Chief Executive Officer's compensation based on this evaluation.

B. Succession Planning. The Board of Directors is responsible for the succession planning for the position of CEO and senior management with the assistance of the Compensation, Nominating & Governance Committee. The Compensation, Nominating & Governance Committee will review plans for succession with input from the CEO. The Compensation, Nominating & Governance Committee will advise on succession planning and any development recommendations for key management officers of the Corporation and its principal subsidiaries.

C. Chairman and CEO Positions. The offices of Chairman of the Board and Chief Executive have been at times combined and at times separated. The Board of Directors has exercised discretion in combining or separating the positions, as it has deemed appropriate in light of prevailing circumstances, and the unique skills and contributions of individuals. The Board of Directors believes that the combination or separation of these offices should continue to be considered as part of the succession planning process. The Board further believes that it is in the best interests of the Corporation for the Board of Directors to make a determination as to the combination or separation of the offices of Chairman of the Board and Chief Executive officer when it elects the Chairman and the Chief Executive Officer, from time to time.

9. ANNUAL EVALUATIONS

A. Board Self-Evaluation. The Compensation, Nominating & Governance Committee of the Board will lead the Board in an annual self evaluation process to determine whether the Board and its committees are functioning effectively. The Compensation, Nominating & Governance Committee is responsible for

receiving comments from the Board, reviewing them and reporting annually to the Board an assessment of the Board's performance. The Board will discuss the evaluation report annually. The assessment will focus on the Board's contribution to the Corporation and emphasize those areas in which the Board believes a better contribution could be made.

The Compensation, Nominating & Governance Committee will establish the criteria to be used in such evaluations. This assessment should include an analysis of the Board's core competencies, including understanding of the financial industry, financial expertise, integrity, wisdom, judgment, commitment to excellence, business experience and acumen, skills, diverse perspectives and availability. As a result of this assessment, the Compensation, Nominating & Governance Committee will determine whether the Board is lacking any of the core competencies deemed essential to its effectiveness and whether consideration should be given to any change in the Board's membership.

B. Committee Self-Evaluation. Each of the Committees will perform annual reviews of such Committee's performance, including a review of the Committee's compliance with its respective Charter. Each such Committee shall conduct such evaluation and review in such manner as it deems appropriate and report the results of the evaluation to the entire Board of Directors.

10. THE PRINCIPLES OF BUSINESS CONDUCT AND ETHICS & CODE OF ETHICS FOR SENIOR FINANCIAL OFFICERS

The Board of Directors has adopted the Principles of Business Conduct and Ethics (the "Principles") that applies to all directors, officers and employees as well as a Code of Ethics for Senior Financial Officers (the "Code of Ethics") that applies to the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Controller and Assistant Chief Financial Officer. The Audit & Risk Committee will periodically review both the Principles and the Code and propose modifications to the Board of Directors for consideration as appropriate. The Corporation's Principles and Code of Ethics shall be published on the Corporation's website as required by applicable law including the NYSE listing requirements. Directors, officers and employees are also subject to applicable provisions of the Corporation's separate Code of Conduct.

11. APPROVAL & REVISIONS TO THE CORPORATE GOVERNANCE GUIDELINES: PUBLICATION OF GUIDELINES

The Compensation, Nominating & Governance Committee will review these Corporate Governance Guidelines periodically and will recommend to the Board such revisions as it deems necessary or appropriate for the Board to properly discharge its responsibilities more effectively. These Corporate Governance Guidelines, and any modifications or amendments, shall be approved by the Board of Directors and shall be published on the Corporation's website.

APPENDIX A

SHARE OWNERSHIP OF DIRECTORS AND OFFICERS

Director Stock Ownership: It is the policy of the Board that each Director, to enhance his or her ownership in the Corporation and to better align the Board with the interests of the stockholders, will be required over three years to accumulate and own at least \$100,000 worth of City National stock. Ownership may be achieved in a number of ways including directly owned stock through open

market purchase, stock held in Company Stock Fund in deferred compensation plan and 100% of the gain on "in-the-money" vested but unexercised director stock options (due to nominal \$1.00 exercise price). The higher of the actual spot date price or the one year simple moving average price for the Company's stock may be used in determining compliance with these ownership requirements.

Officer Stock Ownership: The Company's stock award program requires recipients to hold certain specified amounts of City National Corporation stock so that the colleague's financial interests are closely aligned with those of shareholders. The ownership guidelines apply to (i) Executive Vice Presidents ("EVPs") and (ii) Senior Vice Presidents ("SVPs") and Vice Presidents ("VPs") who are Grade 70 and above who have received restricted stock grants and/or stock options. The stock ownership guidelines vary according to position as follows:

CEO	5X SALARY
S&P Committee Members	3.5 x salary
Executive Committee Member EVPs	1.5 x salary
Non-Executive Committee EVPs	1.0 x salary
SVPs and VPs — Grade 70 and above	0.5 x salary

Typically colleagues have five years to meet the ownership guidelines. Ownership may be achieved in a number of ways including vested restricted stock, directly owned stock through open market purchase, stock held in profit sharing plus account, stock held in Company Stock Fund in deferred compensation plan, 50% of the gain on "in-the-money" vested but unexercised stock options and 50% of unvested restricted stock/restricted stock units. The higher of the actual spot date price, or the one year simple moving average price for the Company's stock may be used in determining compliance with these ownership requirements.