FLEETBOSTON FINANCIAL CORPORATION
CORPORATE GOVERNANCE PRINCIPLES

Director Qualifications and Board Membership

The Board and Management are committed to a Board made up of individuals who by occupation, background and experience are in a position to make a strong positive contribution to the Corporation and its shareholders. The Board currently has 18 members. The Board Governance and Nominating Committee (the "Governance Committee") periodically reviews the size of the Board in light of the needs of the Corporation and the demands on individual Directors. Generally speaking, the Board favors a size of 14 – 16 members.

The Governance Committee is responsible for reviewing the qualifications and independence of the members of the Board. This assessment will include considerations of, skills, experience, commitment to the Corporation, degree of participation, diversity and age. Nominees for Directors will be recommended to the Board by the Governance Committee.

The Board does not believe it should establish term limits. The business of the Corporation is complex. Term limits have the disadvantage of losing the contribution of Directors who have developed insight and expertise while on the Board which should not be arbitrarily cut off. The Governance Committee will review the suitability of each Director who would be a candidate for re-election. A Director submits his or her resignation at the Annual Meeting following the date when he or she reaches age 70.

Individual Directors who change the principal occupation they held when they were elected to the Board are expected to submit their resignations from the Board. The Board does not believe that in every instance the affected Director should leave the Board. The Governance Committee will review the continued appropriateness of Board membership under the circumstances.

Directors will advise the Chairman of the Board and the Chair of the Governance Committee upon the acceptance of an invitation to serve on another public company board. The Governance Committee will review whether such service would create a conflict of interest and review the Director's ability to fulfill his or her responsibilities as a Director.

Director Responsibilities

The basic responsibility of the Directors is to exercise their business judgment in good faith to act in what they reasonably believe to be in the best interests of the Corporation and its stockholders. In discharging that obligation, Directors should be entitled to rely on the honesty and integrity of their fellow Directors and the Corporation's senior executives and outside advisors and auditors.

Directors are expected to attend at least 75% of meetings of the Board and Committees on which they serve, to spend the time needed and to meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the Directors well before the meeting, and Directors should review these materials in advance of the meeting.

Conduct of Meetings

The Board has no policy with respect to the separation of the offices of Chairman and the Chief Executive Officer. The Board believes that it should address this issue at the time a Chief Executive Officer is selected, based on the best interests of the Corporation at that time.

The Chairman will establish the agenda for each Board meeting and preside at all meetings except when the Board meets in executive session without management. Each Director is free to suggest the inclusion of items on the agenda and should advise the Chairman of such. Each Director is free to raise at any Board meeting subjects that are not on the agenda for that meeting. In addition to regular Board meetings, the Board will have an annual meeting with management at which long range issues and strategies will be discussed. All Directors will keep the contents of Board and Committee meetings confidential.

The Directors will meet periodically (but at least twice a year) in executive session. The Chair of the Governance Committee will preside at these meetings and at any other meeting where the Chairman is not present. Director suggestions for agenda items for an executive session should be submitted in advance to the Governance Committee Chair.

Board Committees

The Board will have an Audit Committee, a Human Resources Committee and a Board Governance and Nominating Committee. All of the members of these committees will be independent Directors under applicable rules of the New York Stock Exchange. The Board will have additional standing and temporary committees as deemed appropriate by the Board. The Board presently has three additional standing committees, a Risk Management Committee, a Community Investment, Public Policy and Trust Committee and an Executive Committee. Committee members will be appointed on the basis of the responsibilities of the various committees and the skills, background and experience of individual Directors. Committee assignments will be recommended to the Board by the Governance Committee.

Each committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as any specific qualifications for committee membership.

The Chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chair of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. Each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee, including agenda items, will be furnished to all Directors.

The Board and each committee will have the power to hire at the Corporation's expense independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Corporation in advance.

Certain committees may meet simultaneously as committees of the Corporation and of Fleet National Bank (the "Bank").

Annual Performance Evaluation

The Governance Committee will conduct an annual evaluation of the Board's performance based on criteria established by the Governance Committee to determine whether it is functioning effectively. Each committee will also conduct an annual self-evaluation. The Governance Committee will receive comments from all Directors and report annually to the Board with an assessment of the Board's performance and will review and report on committee self-assessments. The assessments will focus on the Board's and Committee contributions to the Corporation and specifically focus on areas in which the Board or management believes that the Board or any committee could improve.

Director Access to Officers and Employees

The Board and management are committed to openness and candor in their interactions and in all information flowing between them.

Directors have full and free access to officers and employees of the Corporation and its subsidiaries. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Corporation and will, as appropriate, communicate significant issues to the CEO.

At the CEO's request, members of executive management regularly attend Board meetings.

CEO Evaluation and Compensation and Management Succession

In January, the Governance Committee will gather information concerning the CEO's performance for the prior year, as set forth in its charter and discuss it with the Board in executive session. The Human Resources Committee will have set performance goals for the CEO earlier in the year. In February, the Human Resources Committee will determine CEO Compensation based on achievement of performance goals, the Governance Committee report to the Board and Board input.

The CEO will report annually to the Human Resources Committee and the Board on succession planning for top management. The CEO will review his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

Director Compensation and Stock Ownership

The form and amount of Director compensation will be determined by the Human Resources Committee. At present, 50 percent of the Director's annual retainer is paid in common stock units, with the goal of aligning Director and shareholder interests. In addition, under the Director Stock Unit Plan, the Corporation grants each Director stock units each year. Directors are expected to retain all shares and stock units received during their service as a Director. The committee will conduct periodic review of Director compensation.

Management Stock Ownership

Management and the Board believes that senior executives should hold a significant amount of stock in the company. Consequently, the Board believes that a significant portion of executive compensation should be made in the form of company equity. Also, management has also established stock ownership guidelines for senior executives which require minimum stock ownership for senior executives ranging from 75,000 shares to 400,000 shares depending on the office held. In addition, senior executives are expected to retain 75% of net shares received from the Company after January 1, 2002.

Conflicts of Interest

The Governance Committee will conduct an annual review of potential Director conflicts of interest. If a conflict of interest develops between a Director and the Corporation during the year, the Director will report the matter to the Governance Committee for evaluation.

If a Director has a personal interest in a matter before the Board, the Director shall disclose the interest to the full Board, excuse him or herself from participation in the discussion and shall not vote on the matter.

Director Orientation

All new Directors must participate in an Orientation Program, which should be conducted within three months of the time the new Director joins the Board. This orientation will include presentations by senior management to familiarize new Directors with the Corporation's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Corporate Governance Principles and Code of Ethics, its principal officers, and its internal and independent auditors. All continuing Directors are also invited to attend the Orientation Programs.

Board's Interaction With Institutional Investors, the Press, Customers, and Other Constituencies of the Corporation

The Board believes that management and others within the Corporation should speak for the Corporation. Individual Directors may, on occasion, receive requests for comment from the press and various outside constituencies. It is expected that Directors will do so only with the knowledge of management.

Indemnification

The Directors shall also be entitled to have the Corporation purchase reasonable Directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Corporation's articles of incorporation, by-laws and any indemnification agreements, and to exculpation as provided by state law and the Corporation's Restated Articles of Incorporation.

Periodic Review of these Principles

The operation of the Board is a dynamic and evolving process. Accordingly, these Principles will be reviewed periodically by the Board Governance and Nominating Committee and any recommended revisions will be submitted to the full Board for approval.