

**North Fork Bancorporation, Inc.**

**Corporate Governance Guidelines**

**1. Director Qualifications**

The Board will have a majority of directors who meet the criteria for independence required by the New York Stock Exchange and other applicable laws, rules and regulations regarding independence in effect from time to time. The Nominating and Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of all Board members, as well as nominees, and the composition of the Board as a whole. This assessment will include members' qualification as independent under applicable guidelines and generally, as well as consideration of diversity, background, skills, and experience in the context of the needs of the Board.

Board members are elected by class annually by the Company's shareholders, except with respect to vacancies and newly created director positions, which are filled by the vote of a majority of directors. The Nominating and Governance Committee, in accordance with its charter, the Company's charter and bylaws and any policies or criteria adopted by the Board, will identify and recommend to the Board suitable nominees for directorship. The Nominating and Governance Committee's recommendations are based on its determination as to the suitability of each individual, and the slate as a whole, to serve as directors of the Company, taking into account the membership criteria approved by the Board.

In making its recommendations, the Committee will consider any candidates for director submitted to the Committee by shareholders in accordance with the Company's policy. Shareholder submissions must be in writing and contain certain information about the recommended candidate, as detailed in the Company's policy. In addition to submitting candidates for consideration by the Nominating and Governance Committee, shareholders also may nominate candidates for directorship by their own action without Committee or Board endorsement, by following the direct nomination procedures set forth in the Company's bylaws.

The criteria for selecting nominees for director will include the individual's knowledge, experience, skill and expertise, such as may enhance the Board's management and direction of the affairs and business of the Company and may enable the committees of the Board to fulfill their duties and/or satisfy independence or other requirements imposed on them by law, regulation or New York Stock Exchange listing requirements. Individual directors will be evaluated upon their personal character and integrity and will be expected to have sound personal finances. In addition to individual characteristics, the Nominating and Governance Committee will consider in selecting nominees target attributes of the Board as a whole, including diversity and complementarity of skills and expertise. The Nominating and Governance Committee oversees a set of search protocols designed to identify and bring to its and the Board's attention suitable candidates for nomination as directors drawn from a broad range of backgrounds and experience.

The Board believes its current size is reasonable and suitable in light of the Company's operations. The Board determines from time to time whether to increase or decrease its size in appropriate circumstances.

Generally, directors may not serve on the boards of more than 2 other public companies and may not serve on the board of any other public company whose principal business is financial services. Directors should advise the Chairman of the Board and the Chairman of the Nominating and Governance Committee in advance of accepting an invitation to serve on another public company board and should consult with them concerning the effect of such additional board service on the performance of the director's service to the Company. The Nominating and Governance Committee will consider a director's or potential nominee's service on other boards, including on boards of non-profit and private companies, in connection with its evaluation of the individual's qualifications to serve as a director of the Company.

The Board expects that any director who changes his or her principal business affiliation or occupation, experiences a substantial reduction in his or her current principal business position, or retires from his or her principal business occupation will be required to notify the Chairman of the Board. The Board will determine, in light of the circumstances and recommendation of the Nominating and Governance Committee, the appropriateness of continuing membership.

The Board does not believe that directors should be subject to term limits. While term limits may in some cases enhance the flow of fresh ideas and viewpoints in the Boardroom, they may also result in the loss of knowledgeable and experienced directors, who have been able to develop, over a period of time, increasing insight into the Company and its operations. The Nominating and Governance Committee will apply the same scrutiny, however, to incumbent directors who are up for re-election as it applies to new candidates for director, with due consideration for the prior performance record of incumbents as directors of the Company. Additionally, in keeping with the Company's historical practice, directors will be required to retire from the Board at the attainment of age 70, except in those individual cases where a majority of the entire Board elects to waive this requirement.

## **2. 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 shareholders. 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.

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and to meet as frequently as necessary to properly discharge their responsibilities. Materials and information that are important for the directors to review in preparation for Board or committee meetings are normally distributed or made available to the directors prior to the meeting, and directors are expected to review such materials in advance of the meeting.

The Board has no policy with respect to the separation of the offices of Chairman of the Board and Chief Executive Officer. Generally, the issue of the Chief Executive Officer also serving as Chairman is a matter to be reviewed by the Nominating and Governance Committee as part of its annual review of management structure. This issue of dual executive positions is also a part of the succession planning process, and will be considered by the Board in connection with its selection of any successor to the position of Chief Executive Officer.

The Chairman will set the agenda for each Board meeting. At the beginning of the year the Chairman will establish a list of key agenda subjects to be discussed during the year (to the degree that these can be foreseen). Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. At least once each year, the Board will review the Company's long-term strategic plans and the principal issues that it will face in the future.

An appropriate group of non-management directors, as determined from time to time by the Board, will meet in executive session at least twice each year. Normally, all non-management directors will be eligible to attend executive sessions, other than in cases of conflicts of interest. Executive sessions, when held, will normally be held in conjunction with regular Board meetings. The directors will also have an opportunity to meet in executive session, even if not scheduled, in conjunction with each regular Board meeting. The non-management directors will select one independent director, who shall not be the Chairman of the Board, to perform the following duties and responsibilities (the "Presiding Director"): (i) preside at executive sessions, (ii) serve as a liaison between the Chief Executive Officer and the non-management directors, and (iii) coordinate shareholder communication to the non-management directors. The position of Presiding Director shall be rotated among the Chairmen of various committees of the Board.

The Board believes that management speaks for the Company. The Chief Executive Officer is responsible for establishing effective communications with constituencies of the Company, including shareholders, employees, suppliers, customers, and communities in which the Company operates. This policy does not preclude directors from meeting with members of these constituencies, but it is expected that any such meetings be held with management present.

Notwithstanding the foregoing, the Company will establish one or more methods by which shareholders or other interested parties may send communication to the Board or to the Presiding Director regarding the Company and its business and operations, and will publicly disclose these methods.

### **3. Board Committees**

The Board will have at all times an Audit Committee, a Compensation and Stock Committee and a Nominating and Governance Committee. All of the members of these committees will be independent directors under criteria established by the New York Stock Exchange and any other applicable laws, rules and regulations regarding independence. Committee members will be appointed by the Board upon the recommendation of the Nominating and Governance Committee with consideration of the qualifications and preferences

of individual directors. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not believe that rotation should be mandated as policy.

Each committee will have its own charter. The charter will set forth the purposes, goals and responsibilities of the committee as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance.

The Chairman 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 Chairman of each committee, in consultation with appropriate members of the committee and management, will develop the committee's agenda. At the beginning of the year, the Chairman will establish a list of key agenda subjects to be discussed by the committee during the year (to the degree that these can be foreseen). The annual list of agenda items for each committee will be furnished to all directors.

The Board and each committee will have the power to hire independent legal, financial or other advisors as they may deem necessary and appropriate. Management approval will not be required for engagement of advisors, although management normally will be advised and consulted prior to any such engagement, among other things, to avoid conflicts of interest.

The Board will review on a regular basis the performance of each committee. The Board may from time to time, establish or maintain additional committees as it deems necessary or appropriate.

#### **4. Director Access to Officers and Employees**

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company or its internal controls and procedures. To the extent not inappropriate, it is expected that directors who engage in direct contact with employees will copy senior management on any written communications involved.

The Board welcomes regular attendance at each Board meeting of senior officers of the Company and its subsidiaries.

#### **5. Director Compensation**

The Compensation and Stock Committee will regularly review the form and amount of director compensation and make recommendations to the Board regarding any changes in compensation. In its review, the Committee will consider market and peer group practices. The Committee also will consider that directors' independence may be jeopardized if director

compensation and perquisites exceed customary levels, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated. The Company will make no substantial charitable contribution to any organization with which a director has a significant affiliation unless the Board approves. In considering any such contribution, the Board will evaluate whether the contribution will compromise the director's independence.

#### **6. Director Orientation and Continuing Education**

All new directors must participate in the Company's Orientation Program, which is normally conducted for new directors shortly after being elected. 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, its compliance programs, its Code of Conduct, its principal officers and its internal and independent auditors. All other directors are encouraged to attend Orientation Programs on occasion.

Directors are also expected to attend Company-approved educational seminars designed to provide current, relevant information which will assist the directors in fulfilling their particular responsibilities, including their committee responsibilities.

#### **7. Director Attendance at Shareholders' Meetings**

The Company encourages all directors to attend the annual meetings of shareholders.

#### **8. CEO Evaluation and Management Succession**

The Compensation and Stock Committee, as part of its annual evaluation and determination with respect to executive compensation, will review the CEO's performance. In addition, the Nominating and Governance Committee, as part of its annual review of the Company's management structure, will review the CEO's duties and responsibilities. Both of these committees will make their reports to the Board, which will evaluate their conclusions and, in this context, will itself evaluate the performance of the CEO in the long- and short-term.

Senior management will periodically review with the Nominating and Governance Committee and the full Board the issue of management succession planning, including interim succession in the event of unanticipated incapacitation or departure of the Chief Executive Officer. When the situation arises, the Board will work with the Nominating and Governance Committee to evaluate and nominate potential successors to the position of Chief Executive Officer.

## **9. Annual Performance Evaluation**

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. At the end of each year, the Nominating and Governance Committee will seek comments from all directors individually and senior management and after weighing the comments, will prepare a report to the Board concerning the performance of the Board and its committees. This report will be presented to and discussed with the full Board, as well as senior management. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or senior management believes that the Board or its committees could improve.

## **10. Indemnification**

Directors will be entitled to (i) have the Company purchase reasonable directors' and officers' liability insurance on their behalf, (ii) the benefits of indemnification to the fullest extent permitted by law, the Company's charter and bylaws and any separate indemnification agreements that may be in effect, and (iii) exculpation from monetary liability to the Company and its shareholders as provided by law and the Company's charter and bylaws.