UnionBanCal Corporation
Union Bank of California, N.A.
December 5, 2007

UnionBanCal Corporation

Corporate Governance Guidelines

As part of a shared commitment to good corporate governance, the Board of Directors and Management of UnionBanCal Corporation (UNBC) and Union Bank of California, N.A. (UBOC) have developed a set of principles to promote effective functioning of Board activities and to ensure a common set of expectations as to how the Board, its committees, individual Directors and Management should perform their functions. These principles do not purport to be all encompassing, nor are they etched in stone. Rather, they are designed with the Company's current business operations, ownership, capital structure, and economic conditions in mind and will continue to evolve with changing circumstances. Unless otherwise noted, these principles apply to the Boards of Directors of UNBC and UBOC. These guidelines have been approved by the Boards of Directors of UNBC and UBOC and, in conjunction with the Certificate of Incorporation, Articles of Association, Bylaws and Board Committee Charters, form the framework for the corporate governance of UNBC and UBOC.

1. Roles of Board and Management. The roles of the Board and Management are related, but distinct. Management proposes the Company's strategy and revises the strategy after the Board's input before presenting a final strategy for Board approval. Management also implements the Company's strategy in the day-to-day operation of its business, reporting regularly to the Board or its Committees on significant events, issues and risks which may materially affect the Company's financial performance or the achievement of its strategic goals.

   The Board has a duty to oversee the affairs of the Company for the benefit of all stockholders, both majority and minority. In satisfying this obligation, the Board evaluates Management's capabilities, compensation, leadership and performance, and monitors the Company's overall risk profile, while respecting and facilitating Management's role of running the business. The Board also monitors the integrity of financial controls, the effectiveness of legal compliance programs at UNBC and UBOC and the succession of key executives. The Board is also responsible for reviewing and approving the strategy and annual financial targets of the Company and monitoring Management's performance against the strategies and financial targets.

2. Board Composition and Independence.

   The size of the Board should facilitate substantive discussions of the whole Board in which each Director can participate meaningfully.

   The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, backgrounds and relationships useful to the Company's business. Members of the Board should have the highest professional, business and personal ethics and values. Members of the Board should be committed to enhancing stockholder value.

As required by the listing standards of the New York Stock Exchange ("NYSE"), a majority of the Directors serving on the UNBC Board are to be independent from management. A UNBC Director may not be considered independent if the Director does not meet the criteria for independence established by the NYSE and applicable law. At least annually (or more frequently, if warranted by the circumstances), the Board shall affirmatively determine whether each Director qualifies as independent.

In addition to reviewing each UNBC Director's satisfaction of the specific independence tests set forth in the New York Stock Exchange rules, the Board has established categorical standards to assist it in making independence determinations. UNBC's categorical standards for Director independence are set forth below. For purposes of these standards, the "Company" includes UNBC, its majority stockholder and its direct and indirect consolidated subsidiaries. "Immediate family member" has the meaning set forth in the New York Stock Exchange's independence rules, as they may be amended from time to time.

Banking Relationships. A Director will not fail to be independent from management solely as a result of lending relationships, deposit relationships or other banking relationships (including, without limitation, trust department, investment and insurance relationships) between the Company, on the one hand, and the Director (or an immediate family member) or an entity which the Director (or an immediate family member) controls (within the meaning of Regulation O of the Board of Governors of the Federal Reserve System), on the other hand, provided that (a) such relationships are in the ordinary course of business of the Company and are on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated parties, and (b) with respect to extensions of credit by the Company to the Director, his or her immediate family member or such entity, (i) such extensions of credit are made in compliance with applicable laws and regulations, including Regulation O and Section 13(k) of the Securities Exchange Act of 1934, (ii) no event of default has occurred with respect to any of such extensions of credit, (iii) none of such extensions of credit is categorized as "classified" by the Company or any regulatory authority that supervises the Company and (iv) if any of such extensions of credit was terminated in the Company's ordinary course of business, that action would not reasonably be expected to have a material adverse effect on the Director, his or her immediate family member or such entity, as applicable.

Business Relationships. All payments by the Company to an entity by which a Director is employed (or by which an immediate family member is employed as a current executive officer) 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. The following relationships are not considered material relationships that would impair a Director's independence: (a) if a Director is employed by (or an immediate family member is employed as a current executive officer of) an entity that does business with the Company and the annual sales to, or purchases from, the Company during each of such entity's three preceding fiscal years are less than the greater of $200,000 or two percent of such entity's gross annual revenues, (b) if a Director is a partner of, or counsel to or employed by (or an immediate family member is a partner of or of counsel to) a law firm, the Director (or the immediate family member) does not personally perform any legal services for the Company, and the fees paid to the firm by the Company during each of such firm's three preceding fiscal years do not exceed the greater of $200,000 or two percent of such firm's gross annual revenues, (c) if a Director is a partner, officer or employee (or an immediate family member is a partner or executive officer) of an investment banking or consulting firm, the Director (or the immediate family member) does not personally perform any investment banking or consulting services for the Company, and the fees paid to the firm by the Company during each of such firm's three preceding fiscal years do not exceed the greater of $200,000 or two percent of such firm's gross annual revenues, and (d) if a Director is employed by (or an immediate family member is employed as a current executive officer of) an entity that has a lending relationship, deposit relationship or other banking relationship with the Company and such entity's payment of interest and loan fees to, or its receipt of interest and loan fees from, the Company during each of such entity's three preceding fiscal years are less than the greater of $1 million or two percent of such entity's gross annual revenues.

Relationships with Not-for-Profit Entities. A Director's independence will not be considered impaired solely because the Director or an immediate family member is (a) an executive officer of a foundation, university or other not-for-profit organization that has received from the Company during any of the organization's prior three fiscal years, contributions in an amount not exceeding the greater of $100,000 or two percent of the not-for-profit organization's aggregate annual charitable receipts during the organization's fiscal year or (b) a director or trustee of a not-for-profit organization that has received from the Company during any of the organization's prior three fiscal years, contributions in an amount not exceeding the greater of $250,000 or two percent of the not-for-profit organization's aggregate annual charitable receipts during the organization's fiscal year. All contributions in excess of $50,000 must be reported to the Corporate Governance Committee and may be considered by the Board in making independence determinations.

3. <u>Selection, Orientation and Education of Directors.</u> The Board is responsible for recommending the nominees for election to the Company's Board of Directors by the stockholders. Working with the CEO, the Corporate Governance Committee is responsible for reviewing with the Board annually the appropriate skills and characteristics required of Board members in the context of the current composition of the Board and recommending a slate of Directors to the Board. Taking into account the recommendations of the Corporate Governance Committee and the CEO, the Board selects new nominees for the position of independent Director considering the following primary criteria:

- Independence under applicable legal and regulatory standards.
- Ability to work together, with full and open discussion and debate, as an effective, collegial group.
- Current knowledge of and relationships with the communities in which the Company does business and in the industries relevant to the Company's business.
- The value to the CEO of the advice of current and former chief executives of public and other companies.
- Diversity of viewpoints and demographic diversity.

- Ability to commit adequate time to the Company.

- The fit of the individual's skills with those of other Directors and potential Directors in building a Board that reflects the needs of the Company.

Invitations to join the Board should be extended by the CEO and the Lead Director, speaking on behalf of the Board.

Management, working with the Board, will provide continuing orientation and education for the Directors, including Board and Committee presentations on current topics important to the Company, background material on the Company, its business plan and its risk profile, and meetings with senior Management, the Company's independent registered public accounting firm and regulators.

Each year, the Corporate Governance Committee, working with the CEO, will propose a group of independent Directors who would be nominated for reelection based on a number of factors, including:

- Special expertise or experience that may be difficult to replace.

- Age and length of tenure.

- Performance as a Director, based on the expectations reflected in these Guidelines.

- Interest in serving.

- Relationships with important constituencies.

4. Rotation of the Directors. The Board encourages a process for bringing in new members periodically to address the changing needs of the Company, to bring a fresh perspective to the challenges facing the Company and to ensure the continuing contribution and high performance of individual Directors. The rotation of Directors is within the context of the annual assessment of the Board's and the individual Director's performance and the determination of the right mix of skills, experience, contacts and other qualities for the Board described in Section 3 of these Guidelines. In addition, independent Directors may not stand for re-election after reaching age 72 and thereby retire from the Board ("retirement"), unless the Board shall determine that to grant an exception to this Guideline is in the best interest of the Company and its stockholders.

An independent Director shall submit to the Corporate Governance Committee a letter of proposed resignation if his or her principal occupation or business association changes substantially during his or her tenure as a Director. The Corporate Governance Committee will review and report the action, if any, to be taken with regard to the proposed resignation.

If any member of the Board is unable to complete his or her term as a Director, the Board may select a substitute or reduce the number of Directors.

5. Functions of Lead Director

The Lead Director shall:

- Serve as liaison between the outside directors and the majority stockholder and members of management,

- Preside at executive sessions of the Board.

- Review and provide input regarding the agenda for Board meetings and provide input on the information to be provided to such meetings and, as appropriate, discuss committee agendas and materials with the Chairs of the committees.

- Work with the CEO and the Chair of the Corporate Governance Committee on corporate governance matters, including:

  - Implementation and periodic review of the Corporate Governance Guidelines;
  - Oversight of implementation of corporate governance standards required by Sarbanes-Oxley, NYSE, SEC and banking regulators;
  - Oversight of process for making determinations of director independence;
  - Coordination with CEO regarding Board committee rotation policies;
  - Coordination with CEO regarding appointment of Board committee chairs and member committee assignments.

  These corporate governance activities will be carried out subject to the review and approval of the Corporate Governance Committee and, as appropriate, the Board of Directors.

- Work with the Chair of the Corporate Governance Committee in the self-assessment process for the Board, its committees, and its individual directors.

- Work with the Chair of the Corporate Governance Committee in the development of selection criteria, the search for nominees to serve as new directors, and the renomination of sitting directors.

- Receive concerns from interested parties under the NYSE Rules and communicate those concerns as appropriate to management and the Board.

6. Functions of the Board Chair

The Board Chair shall:

- Preside at Board meetings (other than executive sessions).

- Mentor executive officers as requested and appropriate.

- Review and provide input on the agenda for Board meetings.

- Support the Lead Director in the Lead Director's capacity as liaison between the outside directors and members of management.

7. Board Meetings. The Board currently plans seven meetings each year. However, the Board should meet as often as is consistent with its duties. The meetings will usually consist of committee meetings and the Board meeting.

The Board will also periodically hold a retreat dedicated to an in-depth discussion of the critical issues related to the Company's strategic plan.

The agenda for each Board meeting will be prepared by the Office of the Corporate Secretary under the oversight of the Chairman, the President and CEO and the Lead Director. Any Director is free to offer agenda items for consideration by the Board and may also raise at any Board meeting subjects that are not specifically on the agenda for that meeting. Management will provide all Directors an agenda and appropriate materials approximately one week in advance of meetings, although the Board recognizes that this timing will not always be consistent with the timing of transactions and the operations of the business.

Materials presented to the Board or its committees should be streamlined but consistent with the need for an understanding of the issues, trends and transactions presented for the Board's consideration.

8. Executive Sessions. To ensure free and open discussion, the non-management Directors will meet periodically, but at least annually, in executive session. In addition, the UNBC Board will hold at least once each year an executive session including only independent Directors. The Lead Director will chair the meetings of the non-management and independent Directors and will, from the suggestions of the Directors, prepare the agenda of those meetings. Ordinarily, the Lead Director will schedule such meetings. Any Director wishing to call such a meeting, should contact the Lead Director. If the Lead Director is not present, the independent Directors will designate one of their number to preside at the executive session.

9. The Committees of the Board. Each of the Board committees has a written charter delegating significant responsibilities to the committee. The Board expects to accomplish a substantial amount of its work through the committees. Each committee is chaired by an independent Director who determines the agenda, the frequency and length of meetings and who shall have unlimited access to management, information and independent advisors, as necessary and appropriate. Each Director is asked to serve on at least two committees. The agenda, materials and minutes for each committee meeting are available to all Directors through the Directors' Website. All Directors are invited to attend any committee meeting. In addition, all Directors, whether members of a committee, are invited to make suggestions to a committee chair for additions to the agenda of his or her committee or to request that an item from a committee agenda be considered by the Board.

Each committee chair will give a periodic report of his or her committee's activities to the Board and, while the Board always retains the power to change a delegation of responsibility, the Board should not ordinarily reconsider the committees' decisions on matters delegated to them.

10. Composition of the Committees. The required qualifications for the members of each committee are set out in the committee's charter. Periodic rotation of both committee members and chairs is valuable to ensure fresh perspectives, but should be balanced

with the need of continuity and subject matter expertise in each committee's work from year to year.

11. Board Responsibilities.

A. Strategy. The Board reviews and approves Management's proposed strategy and annual financial targets for the Company. In reviewing Management's proposed strategy, the Board should bring its independent expertise and knowledge to bear.

B. Management Succession. The Board reviews and concurs in a Management Succession Plan, developed by the CEO, to ensure that future selections are appropriately considered. The principal components of this plan, which the CEO will report at least annually to the Executive Compensation & Benefits Committee for their consideration and recommendation to the Board, are:

- A proposed plan for CEO succession in the ordinary course of business, taking into consideration the views of the majority stockholder.

- The CEO's plan for Management succession for the other policy-making officers of the Company. This report should include an assessment of the experience, performance, skills and planned career paths for possible candidates within the senior Management team. Responsibility for the review and concurrence of this part of Management succession is delegated to the Executive Compensation & Benefits Committee.

- The plan for alternate management in the event the CEO is unable or unavailable to act in an emergency, as provided in the Company's Bylaws.

C. Evaluating and Setting Compensation for the CEO. The Board, acting through the Executive Compensation and Benefits Committee, satisfies these responsibilities by evaluating the performance of the CEO and the Company against the Company's strategic and financial goals. The Board, again acting through the Executive Compensation and Benefits Committee, then approves the compensation of the CEO, taking into account the BTM Expatriate Pay Program if applicable.

D. Evaluating and Approving the Compensation of Management. The Executive Compensation & Benefits Committee reviews and approves the proposals of the CEO for overall compensation policies applicable to all employees and the specific proposals of the CEO for the evaluation of the Vice Chairman and compensation of all the policy-making officers.

E. Systems of the Company. The Board should make a good faith judgment that the Company has in place appropriate policies, practices, procedures and systems which are reasonably designed to provide to senior Management and to the Board timely and accurate information sufficient to allow Management and the Board to reach informed judgments concerning the Company's compliance with laws and regulations and its prudent management of the risks associated with its business.

The Board may call on internal and external advisors, counsel and other experts who will be professionally responsible to the Board to assist it in the fulfillment of any of its responsibilities. In the absence of extraordinary circumstances, the Board would retain advisors, counsel and other experts after consultation with the President and Chief Executive Officer.

F. Reviewing and Approving Significant Transactions. Board approval or oversight of a particular transaction, policy, product or service may be appropriate because of several factors, including:

- legal or regulatory requirements;
- the materiality of the transaction to the Company's financial performance or risk profile, including reputational risk;
- the terms of the transaction; or
- other factors, such as variation from the Company's strategic plan.

The Board will determine when it is appropriate to delegate to its committees the responsibility to approve or review, or recommend a transaction, policy, product or service to the full Board. Whenever Board or committee approval is not required, the CEO Forum shall review and approve those transactions which implement the Company's strategic plan in the day-to-day operation of its business, reporting regularly to the Board or its committees on significant events, issues and risks which may materially effect the Company's financial performance or risk profile. These significant transactions, implementing the Company's strategic plan, also should be summarized in the periodic reports by the committee chairs to the full Board.

G. Self-evaluation. The Board evaluates its own performance periodically, but at least annually, and, through the efforts of the Corporate Governance Committee, actively seeks means of improving its performance. Each committee also should evaluate its own performance periodically, but at least annually. Periodically, the Committee will seek information relating to the evaluation of individual directors.

12. Expectations of Directors. The primary responsibility of the Directors is to exercise their business judgment in the best interests of all stockholders of the Company. The Board has developed a number of specific expectations of Directors to promote the accomplishment of this responsibility and the efficient conduct of the Board's business.

A. Investment. Directors' economic interests should be aligned with those of stockholders and, therefore, we have included, as part of our compensation program for independent Directors, an equity component, including an annual grant of restricted stock and/or options to purchase the stock of the Company and opportunities to acquire stock as part of a deferred compensation plan. Each independent Director is encouraged, over time, to have a minimum of five times the annual retainer invested in the Company. The Board recognizes that independent Directors will build these investment positions over time and that the rate of accumulation will depend, in part, on the performance of the Company's stock. Occasionally, the performance of the stock will cause an independent Director's investment to decrease, and it is expected that it will be built up again over time to the desired level. The Executive Compensation and Benefits

Committee will periodically reevaluate the level of investment that is appropriate for independent Directors.

The Board also recognizes the importance of complying with the Company's insider trading policy and should consult with the Company's General Counsel in the event of any issues.

B. Commitment and Attendance. The Securities and Exchange Commission requires disclosure of the failure of any Director to attend 75% of the meetings of the Board and the committees on which he or she serves. All Directors should make every effort to attend every meeting of the Board and every meeting of committees of which they are members. While conflicts are occasionally unavoidable, attendance at UNBC meetings should be a priority.

C. Participation in Meetings. Each Director should be sufficiently familiar with the business of the Company, including its assets, liabilities, capital structure, risks and the competition it faces, to ensure active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Directors should also study the materials provided by Management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

D. Other Directorships. The Company values the experience Directors bring from other Boards on which they serve, but recognizes that those boards also present significant demands on a Director's time and availability and may present recurrent conflicts. The Corporate Governance Committee, in consultation with the Lead Director, the CEO and the Director involved, will determine, considering all the relevant circumstances if it is appropriate for a Director to accept membership on other boards of directors of public companies or other significant commitments involving affiliation with other businesses, non-profits or governmental entities.

E. Contact with Management. All Directors are invited to contact the CEO at any time to discuss any aspect of the Company's business. The Board expects that there will be frequent opportunities for Directors to meet with the CEO and other members of the Executive Management Committee, either in Board and committee meetings, or in informal social events organized by the CEO. Directors will also have complete access to other members of Management and should use judgment to be sure that contacts with other members of Management are not distracting to the business operations of the Company.

F. Contact with Other Constituencies. When dealing with the media and other outside constituencies, other than the Company's regulators and independent registered public accounting firm, it is important that Management serve as the primary spokesperson. If a situation does arise in which it seems necessary for individual Directors to make or participate in communications to one of these constituencies, the Director should consult with the CEO.

G. Confidentiality. The proceedings and deliberations of the Board and its committees are confidential. Each Director has a fiduciary obligation to maintain the confidentiality of information received in connection with his or her service as a Director.

H. Ethics and Legal Compliance. The Company intends to conduct its business in accordance with the highest legal and ethical standards and has adopted a compliance program designed to provide reasonable assurance of compliance. Certain portions of the program deal with activities of Directors, particularly with respect to transactions in the securities of the Company and potential conflicts of interest. Directors should be familiar with the Directors' Code of Ethics and the Company's policies with respect to these areas and should consult with the Company's counsel in the event of any issues. To prevent inadvertent conflicts of interest or even the appearance of a conflict of interest, Directors should disclose all business relationships which a Director or a member of the Director's immediate family has with the Company and its independent registered public accounting firm and should recuse him/herself from Board discussions and decisions affecting those relationships.

13. Director Compensation. The outside Directors' compensation will consist of annual retainers, meeting fees and such non-cash compensation, including Company restricted stock and stock options, as the Board shall determine. Directors will also be entitled to reimbursement for travel and reasonable out-of-pocket expenses incurred in connection with the performance of the Directors' duties. The only compensation an Audit Committee member may receive from the Company is directors' compensation set by the Board. The Executive Compensation & Benefits Committee will periodically review the form and amount of director compensation and report its conclusions and recommendations to the full Board.

14. Administration. The Corporate Governance Committee will assume general responsibility for developing the Company's principles of corporate governance and periodically review performance under these guidelines. It will also review the guidelines annually and, when appropriate, suggest changes to the Board.