

**USF CORPORATION
BOARD OF DIRECTORS**

Corporate Governance Guidelines

1. Role of the Board of Directors

The USF Corporation Board of Directors is to provide strategic guidance and oversight of management's efforts to enhance shareholder value. This means that its primary focus is on:

- CEO hiring, performance management, and succession planning.
- Setting strategic direction and monitoring implementation of strategic initiatives.
- Monitoring corporate performance and offering counsel, as appropriate.
- Ensuring compliance with all financial, legal, and ethical standards.

The Board of Directors will consist of all outside, independent Directors except for the Chief Executive Officer.

2. Board Composition

The USF Board of Directors will seek to ensure that the mix of diverse viewpoints and ideas that its Directors can contribute will enhance its effectiveness on behalf of our shareholders. The Board of Directors in the aggregate will be constructed to reflect broad business experience, as well as broad functional expertise (finance, marketing, sales, operations, and so on).

The majority of USF Directors (with the exception of the CEO) will be "independent" not only as that term may be legally defined but also without the appearance of any conflict in serving as a Director. This means they will have no material relationship with the corporation or with any organization or family member that has a business relationship with the corporation. As a result, the Directors will be able to represent all of the Company's shareholders in an impartial manner.

3. Board Structure

The Board of Directors shall at all times maintain at least three committees — an Audit Committee, a Nominating and Corporate Governance Committee, and a Compensation Committee — each of which must operate in accordance with applicable law. Each committee will have a clearly articulated charter consistent with standards and rules of the Securities and Exchange Commission (SEC) and the NASDAQ Stock Market (NASDAQ). Committee charters may be adopted and amended from time to time by the Board of Directors. All such charters will be posted on the Corporate website, www.usfc.com. The Board of Directors may also establish such other committees as it deems appropriate, and delegate to such committees such authority permitted by applicable law and the Company's bylaws.

The Board of Directors shall meet in executive session, without management participation, at all regularly scheduled meetings of the Board of Directors. If the CEO of the Company is elected as

Corporate Governance Guidelines

Chair, the Board of Directors will elect a lead independent Director who will preside at each executive session.

The Chair shall set the agenda of meetings of the Board of Directors, in consultation with the CEO. Committee Chairs shall set the agenda of meetings of the applicable committee. Any Director may suggest agenda items and may raise at meetings other Board-related matters that they consider worthy of discussion.

4. Director Responsibilities

Directors are expected to exercise their business judgment to act in what they reasonably believe to be in the best interest of the Company and in a manner consistent with their fiduciary duties. Each Director should regularly attend meetings of the Board of Directors and of all Board Committees upon which he or she serves. To prepare for meetings, Directors should review the Board of Director materials in advance of such meetings.

Directors shall preserve the confidentiality of material given or presented to the Board of Directors and shall return all confidential material to the Company's Secretary at his/her request. In addition, Directors must disclose to other Directors any potential conflicts of interest they may have with respect to any matter under discussion and, if appropriate, refrain from voting on a matter in which they may have a conflict.

Except in unusual circumstances or as required by committee charters or as requested by senior management, Directors are expected to follow the principle that senior management, as opposed to individual Directors, provides the public voice of the Company. Directors receiving inquiries from institutional investors, the press, or others should refer them to the Chief Executive Officer or other appropriate Company officer.

5. Director Access to Management and Independent Advisors

The Company shall provide each Director with complete access to the management of the Company, subject to reasonable advance notice and reasonable efforts to avoid disruption to the Company's management, business, and operations. The Board of Directors and Board Committees, to the extent set forth in the applicable committee charter, shall have the right to consult and retain independent legal and other professional advisors at the expense of the Company. The Board of Directors has the right to trust that financial and other reports provided by Management are accurate, as long as it has verified that the necessary processes and checks are in place to ensure compliance with all applicable laws and regulations.

6. Communication with the Board of Directors

The Board of Directors will establish methods by which interested parties may communicate directly with the Board of Directors or its lead Director, or the independent Directors as a group, through the Company's Legal and Investor Relations Departments which will be charged to collaborate with the Chair or independent lead Director in differentiating between those issues or questions that are appropriately answered by a member of Management and those which require Board visibility because they relate to a core Board responsibility.

7. Director Nomination Criteria

The Board's Nominating and Corporate Governance Committee is responsible for:

Corporate Governance Guidelines

- Identifying individuals qualified to become members of the Board of Directors.
- Selecting, or recommending that the Board of Directors select, the Director nominees for the next annual meeting of shareholders.
- Developing and recommending to the Board corporate governance principles applicable to the Company.
- Periodically reviewing and recommending to the full Board improvements in the effectiveness of the Board, its committees, and its governance processes in serving the best interests of shareholders.

All members of this committee will be independent, as defined by SEC and NASDAQ regulations. Its charter is available on the Company's web site.

To be considered for nomination as a Director, any candidate must meet the following minimum criteria:

- a. Ability and willingness to undertake a **strategic governance role**, clear and distinct from the operating role of management.
- b. **High-level leadership experience** in business, government, or other major complex professional or non-profit organizations that would have exposed the individual to the challenges of leadership and governance in a dynamic and highly competitive marketplace.
- c. **Highly accomplished** in their respective field, with superior credentials and recognition.
- d. Demonstrated **understanding** of the elements and issues relevant to the success of a **large publicly traded company** in the current volatile business, legal, and governance environment.
- e. Demonstrated **business acumen and creative / strategic thinking ability**.
- f. **Personal Characteristics:**
 - Ability and willingness to contribute special competencies to the Board in a collaborative manner. The areas of expertise required at any point in time may vary, based on the existing composition of the Board. They may include, but would not be limited to, capabilities honed as a CEO or a senior functional leader in operations, finance, information technology, marketing, organizational development, and experience making step change to transform a business.
 - Personal **integrity** and highest ethical character. Absence of any conflicts of interest, either real or perceived.
 - Willingness to apply **sound and independent business judgment**, enriching management and Board proposals or challenging them constructively as appropriate.

Corporate Governance Guidelines

- Willing to exert influence through **strong influence skills and constructive teamwork**. This is essential to effective collaboration with other Directors as well as providing constructive counsel to the CEO.
- **Understanding of and full commitment to the Company's governance principles** and the obligation of each Director to contribute to good governance, corporate citizenship, and corporate image for USF.
- Willingness to devote the **time** necessary to assume broad fiduciary responsibility and to participate fully in USF governance requirements with appropriate due diligence and attention.

In this regard, each nominee will be asked to disclose the Boards of Directors on which he or she currently sits, and each current Director will be asked to inform the Nominating and Corporate Governance Committee of additional corporate board nominations (both for-profit and non-profit). This notification is to ensure appropriate dialogue about the impact of the added responsibilities on the individual's availability to perform thoroughly his or her duties as a USF Director.

The Board of Directors will consist of a majority of people who are active, primarily in business roles, and selected retired individuals. Those active in the business community will bring the most current business thinking, and retirees will bring their long experience and seasoned business judgment. Every effort will be made to achieve diversity in the Board's membership.

From time to time, the particular capabilities needed to round out the total Board's portfolio of competencies may vary. The Nominating and Corporate Governance Committee is empowered to consider the demographics of the total Board as it considers the requirements for each Board opening and to identify particular unique capabilities needed at that point in time.

8. Director Nomination Process

The Board's Nominating and Corporate Governance Committee is responsible for the Board of Director's nomination process. New candidates for the Board of Directors may be sourced by existing Directors, a third party search firm (paid for its professional services) or may be recommended by shareholders. The Nominating and Corporate Governance Committee will consider Director candidates recommended by shareholders. In considering new candidates submitted by shareholders, the Nominating and Corporate Governance Committee will take into consideration the needs of the Board of Directors and the qualifications of the candidate. However, all Director nominees will be evaluated against the same standards and in the same objective manner, based on competencies and personal characteristics listed above, regardless of how they were sourced. To have a candidate considered by the Nominating and Corporate Governance Committee, a shareholder must submit the recommendation in writing and must include the following information:

- The name of the shareholder and evidence of the person's ownership of Company stock, including the number of shares owned and the length of time of ownership; and
- The name of the candidate, the candidate's resume or a listing of his or her qualifications to be a Director of the Company and the person's consent to be

Corporate Governance Guidelines

named as a Director if selected by the Nominating and Corporate Governance Committee and nominated by the Board of Directors.

The shareholder recommendation and information described above must be sent to the Company's Secretary at 8550 West Bryn Mawr Avenue, Suite 700, Chicago, IL 60631 and must be received by the Company's Secretary not less than 120 days prior to the anniversary date of the Company's most recent annual meeting of shareholders.

Once a person has been identified by the Nominating and Corporate Governance Committee as a potential candidate, the Committee may collect and review publicly available information regarding the person to assess whether the person should be considered further. If the Nominating and Corporate Governance Committee determines that the candidate warrants further consideration, the Chairman or another member of the Committee will contact the person. Generally, if the person expresses a willingness to be considered and to serve on the Board of Directors, the Nominating and Corporate Governance Committee will request information from the candidate, review the person's accomplishments and qualifications, including in light of any other candidates that the Committee might be considering, and conduct one or more interviews with the candidate. In certain instances, Committee members may contact one or more references provided by the candidate or may contact other members of the business community or other persons that may have greater first-hand knowledge of the candidate's accomplishments. The Committee's evaluation process does not vary based on whether or not a candidate is recommended by a shareholder, although, the Board of Directors may take into consideration the number of shares held by the recommending shareholder and the length of time that such shares have been held.

9. Re-Nomination

Re-nomination of existing Directors shall be based on their continuing to meet the qualifications listed above. In addition, the Board of Directors will also take into account the Director's history of attendance at Board and Committee meetings, preparation for and participation in such meetings, and performance ratings as indicated by the Company's periodic Board and individual Director assessment process.

10. Change in Professional Status or Commitments, Retirements

Any Director's change in professional status influences the demographic mix of the Board of Directors and challenges the Nominating and Corporate Governance Committee to re-assess whether the resulting range of professional perspectives continues to meet USF's Board of Directors' requirements. Therefore, in the event that a Director changes his or her principal business responsibilities from those held when he or she was elected to the Board of Directors, the Director shall offer his resignation to the Nominating and Corporate Governance Committee. The Committee shall have the opportunity to review the appropriateness of the continued service of that Director on the Board of Directors. The Committee will recommend to the full Board that the Director's resignation either be accepted or declined.

In addition, all Directors are required to advise the Chairman of the Board and the Chair of the Nominating and Corporate Governance Committee in advance of either accepting an invitation to serve on another Board of Directors or making significant professional commitments involving affiliation with other business or governmental organizations. Service as an officer or on the Board

Corporate Governance Guidelines

and/or Committees of other organizations should be consistent with the corporate conflict of interest policies and the time required to serve USF in a professional manner.

The Board of Directors has two retirement policies. First, no new Director elected to the Board of Directors after January 1, 2002 shall be nominated for election to a term as a Director of the Company after the age of seventy (70) years. Second, all other Directors shall retire at the age of seventy-five (75) years.

11. Director Compensation

The Board of Directors or its Compensation Committee will determine and review the form and amount of Director compensation, including cash, equity-based awards, and other Director compensation. In connection with such Director compensation, the Board of Directors will be aware that questions may be raised when Directors' fees and benefits exceed what is customary for companies of similar size. Similarly, the Board of Directors will be aware that the independence of Directors could be questioned if substantial charitable contributions are made to organizations in which a Director is affiliated or if the Company enters into consulting contracts with, or provides other indirect compensation to, a Director. The Board of Directors will critically evaluate each of these matters when determining the form and amount of Director compensation and the independence of a Director.

12. Director Orientation and Continuing Education

The Board of Directors will establish or identify and provide access to appropriate orientation programs, sessions, or materials for newly elected Directors of the Company for their benefit either prior to or within a reasonable period of time after their nomination or election as a Director. The Board of Directors will encourage, but not require, Directors to periodically pursue or obtain appropriate programs, sessions, or materials as to the responsibilities of Directors of publicly-traded companies and changing best governance practices and regulations.

13. Management Evaluation and Succession

The Board of Directors will meet in executive session to conduct an annual review of the performance and compensation of the Chief Executive Officer, taking into account the views and recommendations of all Directors and committee chairs. The Board of Directors will establish and review such formal or informal policies and procedures, consulting with the Nominating and Corporate Governance Committee, the Chief Executive Officer, and others, as it considers appropriate, regarding succession to the Chief Executive Officer in the event of emergency or retirement.

The Chief Executive Officer will provide an annual report on succession planning and related development recommendations for potential successors, including a short-term succession plan delineating temporary delegation of authority in the event that the Chief Executive Officer or any other executive officer is unexpectedly unable to perform his or her duties.

14. Performance Evaluation of the Board and Individual Directors

Annually the Board of Directors will conduct a self-evaluation to determine whether it and its committees are functioning effectively. Every other year, each Director will conduct a personal self-evaluation and complete a peer evaluation regarding the contributions of each other Director.

Corporate Governance Guidelines

Standards for evaluating individual Directors will include ways in which Directors challenge or test management's thinking and the degree to which they stimulate full group dialogue on critical issues. The Nominating and Corporate Governance Committee will review the evaluation report with the full Board and will offer recommendations as to what changes might be appropriate to improve Board, Committee, or individual Director effectiveness.

15. Amendment, Modification and Waiver

These Guidelines may be amended, modified, or waived by the Board of Directors, and waivers of these Guidelines may also be granted by the Nominating and Corporate Governance Committee, subject to the disclosure and other provisions of the Securities and Exchange Act of 1934, the rules promulgated thereunder, and the applicable rules of the NASDAQ Stock Market.

Approved and Accepted on March 2, 2004

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/s/ Morley Koffman
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/s/ Stephen W. Lilienthal
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/s/ Neil A. Springer
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