

YORK INTERNATIONAL CORPORATION
CORPORATE GOVERNANCE GUIDELINES

Adopted January 29, 2004

BOARD COMPOSITION

- 1. The Board will consist of 8 to 10 members, at least two-thirds of whom will be independent, as defined from time to time by the Securities and Exchange Commission and the New York Stock Exchange. The Board will, on an annual basis, determine whether each Director is independent. A Director will be considered to be independent if he or she meets the independence standards of the Securities and Exchange Commission and the New York Stock Exchange in effect at the time of the determination and does not have any other material relationship with the Company that would prevent him or her from acting independently.**

- 2. The Chairman of the Board will be an independent Director elected annually by the independent Directors. The Chairman will lead executive sessions of the independent Directors and will serve as the primary liaison between the Board and management.**

- 3. Members of the Board of Directors of York International Corporation are elected by and serve at the pleasure of the shareholders of the Company. Directors must be willing and able to conduct themselves as dedicated overseers of the strategies and operations of the Company in order to achieve the objective of enhanced shareholder value, over time. If the objective is to be achieved, the Directors must be independent of management, experienced and educated in the areas deemed to constitute critical success factors for the Company and diligent in carrying out their duties of loyalty and care. Among the characteristics and qualities the Nominating and Governance Committee of the Board seeks are knowledge and extensive management or professional experience in disciplines deemed to be critical for the success of the Company over an indefinite period of time in the future. These include sales and marketing, business and organizational development, research and engineering, manufacturing and service operations, asset management and capital deployment.**

The Nominating and Governance Committee will periodically determine the skills, education and experience needed to best serve the interests of the shareholders in time and will identify Director candidates for recommendation to the Board. The Committee will also consider candidates recommended by the Company's shareholders. The independent members of the Board determine the list of nominees to be submitted to the shareholders at the annual meeting. Shareholders may recommend Director

candidates by submitting the candidate's name, educational background, work experience and previous public board experience to:

**Chairman of the Board
York International Corporation
P.O. Box 1592
Mailstop 364D
York, PA 17405**

- 4. The Nominating and Governance Committee will recommend members and Chairs of the Board's Committees to the independent members of the Board for approval.**
- 5. The Board does not believe that term limits are in the best interest of the Company. Beginning with Directors first elected in 2004, no Director will be asked to stand for reelection after the year in which he or she reaches the age of 75.**

BOARD OPERATION

- 1. Members of the Board will be bound by and conduct themselves in accordance with the Company's Code of Employee Conduct.**
- 2. The Board will hold six (6) regular meetings each year and will convene special meetings whenever it deems necessary. Meetings will be held periodically at Company facilities other than the corporate headquarters.**
- 3. The Board will have the following Committees, whose membership will be composed of independent Directors:**

**Audit Committee
Compensation Committee
Finance Committee
Nominating and Governance Committee.**

The Board may also establish other Committees as it deems necessary.

- 4. The independent Directors will meet in executive session without management at each meeting of the Board.**
- 5. The members of the Board and of its Committees, with assistance and input from management, will determine what items should appear on the agenda for their various meetings.**

6. The independent members of the Board will review annually the Company's succession planning and will evaluate the CEO's performance. The objective of the Company's succession planning is to identify internal candidates who possess the requisite ethical standards, educational and experience backgrounds and leadership skills to successfully lead the management team.
7. The Board will have access to members of management at its sole discretion.
8. The Board and its Committees may hire advisors as they deem appropriate and necessary to carry out their responsibilities.
9. Charters describing the responsibilities and authority of the Board and each Committee will be reviewed at least annually.
10. The independent members of the Board will make themselves available to respond to reasonable requests from shareholders for direct communication with the Board. Any such communications will be in accordance with the Company's Disclosure Policy. Shareholder communications to the independent members of the Board should be addressed to:

**Chairman of the Board
York International Corporation
P.O. Box 1592
Mailstop 364D
York, PA 17405**

BOARD PERFORMANCE

1. Members of the Board are expected to make every effort to attend all Board meetings and meetings of the Committees on which they serve, as well as the Annual Meeting of Stockholders. Committee meetings are generally open to any independent member of the Board choosing to attend.
2. Members of the Board and Committees are expected to review all materials proposed to be considered at the respective meetings. Accordingly, providers of the materials are expected to make all such material available sufficiently far in advance to facilitate such reviews.
3. The Nominating and Governance Committee will perform an evaluation of the Board's effectiveness annually and will review it with the full Board.
4. A formal orientation program for new Directors will be conducted by various members of management, the Chairman of the Board and appropriate independent Directors. The program will cover the Company's businesses, finances and governance practices.

5. **Directors will be encouraged to attend conferences and seminars dealing with corporate governance and will be obligated to comply with the Company's standards of ethics.**

DIRECTOR COMPENSATION

1. **The Compensation Committee will review the Board's compensation practices at least annually and make recommendations to the independent Directors. Among the criteria to be considered are:**
 - a. **The time devoted by the members to preparing for and attending Board and Committee meetings and in carrying out the responsibilities inherent in serving on the Board of a publicly-held Company.**
 - b. **The value of prior business, educational and professional experience provided by the members of the Board to assist management in carrying out their strategic and annual profit plans.**
2. **Independent Directors will not be eligible to participate in the Company's pension or health plans.**
3. **The Company will make no significant contributions to any charitable, medical or educational institution where an independent Director is an employee, officer, director or trustee.**
4. **The Board has established guidelines for the ownership of Company stock by members of the Board and senior management. Independent Board members will be expected to hold five times the value of their current annual cash retainer after five years. Members of senior management will be expected to hold from three to five times their annual salary over the same period.**