

## LANDAMERICA FINANCIAL GROUP, INC.

### Corporate Governance Guidelines

#### 1. *Director Qualification Standards*

A majority of the members of the Board of Directors must qualify as independent directors in accordance with the applicable provisions of the Securities Exchange Act of 1934, and the rules promulgated thereunder and the applicable rules of the New York Stock Exchange. The term “independent director” shall mean a director who has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). A director (a) who is an employee, or whose immediate family member is an executive officer, of the Company can not be “independent” until three years after the end of such employment relationship; (b) who receives, or whose immediate family member receives, more than \$100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), can not be “independent” until three years after he or she ceases to receive more than \$100,000 per year in such compensation; (c) who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company can not be “independent” until three years after the end of the affiliation or the employment or auditing relationship; (d) who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the Company’s present executive officers serve on that company’s compensation committee can not be “independent” until three years after the end of such service or the employment relationship; and (e) who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other company’s consolidated gross revenues, can not be “independent” until three years after falling below such threshold.

In evaluating a director’s independence, the Board of Directors has adopted certain guidelines for determining the materiality of commercial or charitable relationships. Except with respect to members of the Audit Committee, for purposes of determining whether a non-employee director is independent, a director will not be considered to have a material relationship with the Company if (a) during each of the current fiscal year and three most recent fiscal years, neither the director nor any immediate family member of the director received more than \$100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); (b) during each of the current fiscal year and three most recent fiscal years, the director is not, and was not, an executive officer or an employee, or whose immediate family member is not, or was not, an executive officer, of another company that made payments to, or received payments from, the Company for property or services in an amount which, in any single fiscal year, exceeded the greater of \$1 million, or 2% of such other company’s consolidated gross revenues; or (c) the director serves as an executive officer of a charitable organization to which during each of the three preceding fiscal years the Company made charitable contributions that did not exceed the greater of \$1 million, or 2% of such charitable organization’s consolidated gross revenues.

Commercial and charitable relationships not meeting the criteria set forth in the preceding paragraph will be evaluated for materiality by the Board along with all other relationships based upon all the relevant facts and circumstances. If the Board were to determine that a relationship not meeting such criteria was immaterial, the Company would disclose the basis for the Board’s determination in the Company’s proxy statement for its annual meeting of shareholders.

The Corporate Governance Committee works with the Board of Directors as a whole on an annual basis to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members. In evaluating the suitability of individual Board members, the Board takes into account many factors, including knowledge of business and financial affairs, an understanding of the Company’s business

and culture and the complexities of a large publicly-traded company in today's business environment, personal qualities of integrity and judgment, educational background and business or professional experience. The Board evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of the business and represent shareholder interests through the exercise of sound judgment using its diversity of experience in these various areas. In determining whether to recommend a director for reelection, the Corporate Governance Committee also considers the director's past attendance at meetings and participation in and contributions to activities of the Board.

The Board of Directors has established a retirement policy for directors which it believes is appropriate for current circumstances. Under that policy, directors may not stand for reelection after reaching age 70.

Recognizing the value of continuity of directors who have experience with the Company, there are no limits on the number of terms in which a director may hold office.

The Board believes that 11 to 14 members is an appropriate size based on the Company's present circumstances. The Board periodically evaluates whether a larger or smaller number of directors would be preferable.

No member of the Audit Committee of the Board of Directors shall serve on the audit committee of more than three other public companies. Each Board member is expected to arrange existing and future commitments so as not to materially interfere with the member's service as a director of the Company.

A director is expected to advise the Chairman of the Board and the Chairman of the Corporate Governance Committee promptly upon accepting any other public company directorship or any assignment to the audit committee or compensation committee of the board of directors of any public company of which such director is a member. No director may serve on the Board of Directors of more than four other public companies and no employee director may serve on the Board of Directors of more than 3 other public companies.

A director is expected to report changes in his or her business or professional affiliations or responsibilities, including retirement, to the Chairman of the Board and the Chairman of the Corporate Governance Committee. Any director who retires from his or her present employment, or who materially changes his or her position, should tender resignation to the Board. The Board, and specifically the Corporate Governance Committee, would then evaluate whether the Board should accept the resignation based on a review of whether the individual continues to satisfy the Board's membership criteria in light of his or her new occupational status.

No director shall serve as a director, officer or employee of a competitor of the Company. The Corporate Governance Committee shall have authority to determine compliance with this requirement.

The Chairman of the Board and the Chairman of the Corporate Governance Committee shall jointly extend invitations to new members of the Board of Directors.

The Board of Directors reserves the right to determine, from time to time, how to configure the leadership of the Board and the Company in the way that best serves the Company. The Board of Directors specifically reserves the right to vest the responsibilities of the Chairman of the Board and Chief Executive Officer in the same individual. The Board has no fixed policy with respect to combining or separating the offices of Chairman of the Board and Chief Executive Officer.

## **2. *Director Responsibilities***

Directors are responsible for exercising their duties as directors, including their duties as committee members, in accordance with their good faith business judgment of the best interests of the Company. In discharging that obligation, directors shall be entitled to (a) have the Company purchase reasonable directors and officers liability insurance on their behalf and (b) the benefits of indemnification to the fullest

extent permitted by law, the Company's Articles of Incorporation and Bylaws. Directors should regularly attend meetings of the Board of Directors and of all Board committees upon which they serve. To prepare for meetings, directors should review the materials that are sent to directors in advance of those meetings.

Members of the Board of Directors shall act at all times in accordance with the requirements of the Company's Guiding Principles and Code of Business Conduct and Ethics, which shall be applicable to each director in connection with his or her activities relating to the Company. This obligation shall at all times include, without limitation, adherence to the Company's policies with respect to conflicts of interest, confidentiality, protection of the Company's assets, ethical conduct in business dealings, and respect for and compliance with applicable law. The Board of Directors will review any issues arising under the applicable standards of business conduct with respect to a director.

The Board of Directors will schedule executive sessions where non-employee directors will meet on an informal basis after (or before, if necessary) each regularly scheduled Board meeting. In its discretion the Board may call executive sessions at any other time at which only non-employee directors would attend. At least once a year the Board will schedule an executive session including only independent directors. The Lead Director shall serve as chairman for executive sessions. The Board of Directors will establish methods by which interested persons may communicate directly with the presiding director or with the non-employee directors as a group and shall cause such methods to be disclosed.

Formal decisions concerning the business and affairs of the Company will occur only during regular or special meetings of the Board, and not at executive sessions.

The Board of Directors shall at all times maintain an audit committee, a nominating/corporate governance committee and a compensation committee which must operate in accordance with applicable law, their respective charters as adopted and amended from time to time by the Board, and the applicable rules of the Securities and Exchange Commission and the New York Stock Exchange. The Board 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 Articles of Incorporation and Bylaws as the Board sees fit. The Corporate Governance Committee, in consultation with the Chairman of the Board, shall make recommendations to the Board with respect to committee assignments. In determining committee assignments, the Board of Directors may consider such factors as the director's knowledge, experience, interests and expertise, the Company's compliance with applicable legal and regulatory requirements and the continuity of the committee's membership. Membership on Board committees may be rotated from time to time as the Board may determine, but rotation of membership is not required.

Information and data that is important to the Board's understanding of the business to be discussed at meetings will be distributed in advance of meetings to the extent practicable, except when such material is too sensitive to be put in writing.

Directors shall preserve the confidentiality of confidential material given or presented to the Board of Directors.

In concert with the Lead Director, the Chairman of the Board shall set the agenda of meetings of the Board of Directors and the chairman of each committee shall set the agenda of meetings of the applicable committee. Any director may suggest agenda items and may raise at meetings other matters that they consider worthy of discussion.

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 and is generally responsible for communication between the Company and its constituencies, including shareholders, employees,

customers, suppliers, the financial community, governmental authorities, and the communities in which the Company operates. Directors receiving inquiries from institutional investors, the press or others should refer them to the Chief Executive Officer or other appropriate officer of the Company.

The Board believes that directors should be shareholders and have a financial stake in the Company. Directors who are employees of the Company shall be subject to the target stock ownership levels of the Executive Target Ownership Program or other guidelines adopted from time to time by the Board for Company executives. Non-employee directors shall attain a minimum stock ownership of 2500 shares of Company common stock, and shall maintain such stock ownership as long as he or she continues to serve as a director of the Company. Non-employee directors are expected to meet the target level of stock ownership prior to the later of December 31, 2010 or five years after joining the Board. Stock ownership for purposes of these guidelines includes shares beneficially owned outright by the non-employee director or by a trust for the non-employee director's benefit, the unvested portion of restricted shares, shares retained upon the exercise of stock options and any deferred stock units credited to a non-employee director's account under the Company's Outside Directors Deferral Plan. Unexercised stock options or other derivative securities shall not be included in determining compliance with the stock ownership requirements for non-employee directors.

### **3. *Lead Director***

The Lead Director ensures that the Board operates independently of management and that directors have a leadership contact independent from the joint Chairman and Chief Executive Officer role. The Lead Director shall for the first year be the Chair of the Corporate Governance Committee and thereafter be appointed annually by and from the independent directors of the Board. The Lead Director shall be an independent director as defined by these Guidelines.

In addition to the responsibilities of all directors, as set forth above, the specific responsibilities of the Lead Director are as follows:

- Chairing executive sessions where non-employee directors meet either before or after regularly scheduled Board meetings and, as appropriate, providing prompt feedback to the Chairman and Chief Executive Officer;
- Calling, setting the agenda for and chairing periodic executive sessions and meetings of the independent directors and reporting to the full Board, accordingly;
- Chairing Board meetings in the absence of the Chairman and Chief Executive Officer or, when it is deemed appropriate arising from the Chairman and Chief Executive Officer's joint role, subject to by-law provisions;
- Providing feedback and serving as a sounding board to the Chairman and Chief Executive Officer on corporate and Board policies and strategies and when otherwise requested by the Board, acting as a liaison between the Board and Chief Executive Officer;
- Facilitating regular one-on-one communication between directors and committee chairs and the Chairman and Chief Executive Officer and other senior managers, outside of Board meetings, to keep abreast of their perspectives;
- In concert with the Chairman and Chief Executive Officer, setting the agenda and schedule for Board meetings, and strategic planning sessions based on input from directors;
- In concert with the Chairman and Chief Executive Officer, ensuring that all directors receive on a timely basis the reports, background materials and resources necessary or desirable to assist them in carrying out their responsibilities;

- Holding one-on-one discussions with individual directors when the Corporate Governance Committee or the Board so requests;
- Making recommendations about retention of consultants reporting to the entire Board; and
- Carrying out other duties as requested by the Board or any of its committees.

**4. *Director Access to Employees and Independent Advisors***

The Company shall provide each director with complete access to employees of the Company, subject to reasonable advance notice to the Company 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, have the right to consult and retain independent legal and other advisors at the expense of the Company.

**5. *Director Compensation***

The Board of Directors will review and determine annually the form and amount of compensation to be paid to directors, including cash, equity-based awards and other director compensation, after considering the views and recommendations of the Corporate Governance Committee. 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. 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.

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

The Board of Directors of the Company 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. These programs shall be designed to familiarize new directors with, among other things, the Company's business, strategies, and challenges and to assist directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities. The Board of Directors of the Company will encourage, but not require, directors to periodically participate in continuing education programs relating to the responsibilities of directors of publicly-traded companies.

**7. *Management Evaluation and Succession***

The Board of Directors (not including any members of management of the Company) will conduct an annual review of the performance and compensation of the Chief Executive Officer, taking into account the views of, and actions taken by, the Executive Compensation Committee as set forth in its Charter.

The Board of Directors will establish and review periodically such formal or informal policies and procedures, consulting with the Chief Executive Officer and others, as it considers appropriate, regarding succession to the Chief Executive Officer in the event of an unexpected occurrence or retirement.

**8. *Annual Performance Evaluation of the Board***

The full Board of Directors will conduct a self-evaluation annually to determine whether it and its committees are functioning effectively and what, if any, action could improve Board and Board committee performance. Such evaluation shall include the solicitation of each Director's individual views on Board performance, conducted in a manner designed to increase the likelihood of candid assessments. The purpose of such an evaluation is to assess the Board's functioning as a whole. Further, the Board of

Directors will conduct an annual evaluation of any Lead Director, each active committee of the Board will conduct an annual evaluation of itself, and the Corporate Governance Committee will oversee an annual peer review of each individual director.

**9. *Review of Guidelines; Amendment; Waiver***

The Board of Directors, with the assistance of the Corporate Governance Committee, as appropriate, shall review these Corporate Governance Guidelines on an annual basis to determine whether any changes are appropriate.

These Guidelines may be amended, modified, or waived by the Board of Directors, and waivers of these Guidelines may also be granted by the Corporate Governance Committee, subject to the disclosure and other provisions of the Securities Exchange Act of 1934, the rules promulgated thereunder, and the applicable rules of the New York Stock Exchange. The Corporate Governance Guidelines are published on our website at [www.landam.com](http://www.landam.com) under the “Investor Information – Corporate Governance” captions.

Revised Guidelines approved on October 30, 2007 by the Board of Directors of LandAmerica Financial Group, Inc.