

**CORPORATE GOVERNANCE GUIDELINES
OF
TBC CORPORATION**

I. ROLE OF THE BOARD

The stockholders of TBC Corporation elect the Board of Directors to oversee the actions and results of management, with a view to increasing stockholder value over the long term. These Guidelines reflect the Board's commitment to monitor the effectiveness of policy and decision making both at the Board and management level.

The Board sets policy for the Company and advises and counsels the Chief Executive Officer and senior executives who manage the Company's business and affairs.

The principal responsibilities of the Board are:

- Reasonably satisfy itself that management has developed sound business strategies;
- Select the Chief Executive Officer and other senior executive officers and provide for continuity of leadership;
- Monitor the effectiveness of management policies and decisions and the execution of management's strategies;
- Review the adequacy and appropriateness of the Company's financial and internal controls;
- Take steps to reasonably ensure that the Company's disclosures contain accurate information that fairly presents the Company and its operations to investors and the public in conformity with applicable law and regulations; and
- Reasonably assure that the Company's business is conducted with high standards of ethical conduct and in conformity with applicable laws and regulations.

II. BOARD SELECTION AND COMPOSITION

- A. Board Leadership. The Board shall be free to choose its Chairman in any way that seems best for the Company at any given point in time.
- B. Size of the Board. The Board believes that it should generally have no fewer than eight and no more than twelve directors. This range permits diversity of experience without hindering effective discussion or diminishing individual accountability.

- C. Management and Independent Directors. The Board believes that, absent unusual circumstances, at least a majority of its members should be “independent” within the meaning of the rules of the National Association of Securities Dealers, Inc. (the "NASD"), the rules and regulations of the Securities and Exchange Commission (the "SEC") and the By-Laws of the Company.
- D. Committees. The Board has three standing committees: Audit, Compensation, and Nominating and Governance. The members of each such committee shall be “independent” within the meaning of the NASD and SEC rules for such committees.
- E. Selection of New Directors. The Board should be responsible for nominating new and continuing Board members for election by the stockholders. The Nominating and Governance Committee screens and recommends candidates to the Board. When formulating its Board membership recommendations, the Nominating and Governance Committee should consider any recommendations offered by the Chairman, the Chief Executive Officer, and the stockholders of the Company.
- F. Board Membership Criteria. The Nominating and Governance Committee shall be responsible for reviewing with the Board from time to time the appropriate skills and qualities required of Board members in the context of the current make-up of the Board. This assessment should focus on the availability to the Board of Directors possessing various skills and backgrounds, such as an understanding of the industry or industries in which the Company does business, and practices, technology, finance, accounting and marketing – all in the context of an assessment of perceived needs of the Board at that point in time.

Board members are expected to prepare for, attend, and participate in all Board and applicable committee meetings. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with the member’s service as a director. The Nominating and Governance Committee shall not recommend for nomination any director who has attended less than 75% of the Board meetings and Committee meetings of which he or she is a member, unless the Committee presents to the Board a report detailing the reasons why, in the Committee's opinion, such director should be nominated despite his or her attendance record.

The Board encourages its members to attend the Company's annual meetings of stockholders.

- G. Board Orientation and Continuing Education. The Nominating and Governance Committee shall consider and make recommendations to the Board with respect to appropriate orientation for new directors and continuing education of directors with respect to the Company’s business and financial statements, corporate governance, and other appropriate subjects.

- H. Former Chief Executive Officer. If the Chief Executive Officer tenders his resignation as an employee of the Company, he should simultaneously tender a resignation from the Board. The full Board will consider and decide upon the resignation.
- I. Change of Independent Director's Current Position. Independent directors should submit a resignation to the Chairman if there is a material change in their principal occupation or affiliation, including retirement. The Nominating and Governance Committee should review the continued appropriateness of membership on the Board in this director's new situation and recommend to the Board whether or not to accept the resignation.
- J. Retirement Age. No person shall be eligible for election as a director if that person would be 72 or older on the first day of the term for which he or she would be elected. Notwithstanding the foregoing, this Guideline will not have the effect of shortening the term of any director in office on December 31, 2003.
- K. Director Compensation. The Chairman of the Compensation Committee shall report once a year to the Board on the status of Board compensation in relation to other comparable companies. As part of a director's total compensation and to create a direct linkage with corporate performance, the Board believes that a meaningful portion of a director's compensation should be provided and held in Company stock or equivalents.

When appropriate, the Compensation Committee shall recommend to the Board changes in director compensation. Any changes in director compensation must be approved by the Board. Management directors shall not receive any additional compensation for serving as a director of the Company.

III. BOARD OPERATION AND STRUCTURE

- A. Frequency of Board Meetings. Regular meetings of the Board shall be held at least quarterly. Prior to the beginning of each calendar year, the Chairman shall distribute to the Board a schedule for next year's regular Board meetings. Special and telephonic meetings shall be held as needed.
- B. Board Materials. Information and materials that are important to the Board's understanding and consideration of agenda topics shall be distributed sufficiently in advance of each meeting to permit prior review. Highly confidential or sensitive matters may be presented and discussed without prior distribution of background materials.
- C. Board Presentations and Management Attendees. The Board encourages management presentations and participation to allow directors to gain additional understanding and insight into the Company's businesses and related issues and to obtain exposure to high potential senior managers. In addition, selected management representatives shall function as liaisons for each of the Board committees for which they have subject matter expertise.

- D. Executive Sessions of Independent Directors. Independent directors (as defined in the applicable NASD regulations and rules and regulations of the SEC) shall meet in private sessions at least twice each year and at such other times as may be appropriate.
- E. Board Performance Assessment. The Nominating and Governance Committee is responsible for the administration of the Board, Board committee and director evaluation process. The Committee shall annually provide the Board with a written assessment of Board performance, each Committee with a written assessment of its performance, and each director an assessment of his or her performance.
- F. Board Contact with Senior Management. Directors shall have complete access to senior management of the Company. It is assumed that directors will use judgment to be sure that this contact is not distracting to the business operations of the Company and that such contact, if in writing, will be copied to the Chairman or Chief Executive Officer, as appropriate.
- G. Board Interaction with Investors, Press and Customers. The Board believes that generally management should speak for the Company. It is suggested that each director refer all inquiries from investors, the press or customers to management.

IV. BOARD COMMITTEES

In addition to the standing committees of the Board, additional committees may be established from time to time by a resolution passed by a majority of the Board. The Board shall adopt a charter for each of its standing committees, which sets forth, among other things, the purpose, specific duties and responsibilities, and reporting obligations of each committee in compliance with applicable regulatory requirements.

V. LEADERSHIP DEVELOPMENT

- A. Formal Evaluation of Chief Executive Officer. The Compensation Committee shall annually review and evaluate the performance of the Chief Executive Officer using objective criteria.
- B. Management Development and Succession Planning. The Chief Executive Officer shall annually report to the Board on management development and succession planning. The Chief Executive Officer shall on a continuing basis keep the Board advised as to whom should be the Chief Executive Officer's replacement in the event he or she becomes unexpectedly disabled from performing the duties of that office.

VI. STOCK OWNERSHIP

Directors are expected to own stock in the Company in amounts consistent with their own individual situation.

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