KeyCorp

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors has established and follows a corporate governance program and has assigned the Nominating and Corporate Governance Committee responsibility for the program. Following are the Corporation's Corporate Governance Guidelines as adopted by the Board of Directors upon recommendation of the Nominating and Corporate Governance Committee.

I. DIRECTOR RESPONSIBILITY

Members of the Board of Directors are expected to exercise their business judgment to act in what they believe to be in the best interests of the Corporation and its shareholders. The Board of Directors, which is elected by the Corporation's shareholders, oversees the management of the Corporation and its business. The Board selects the senior executives, who are responsible for operating the Corporation's business, and monitors the performance of the senior executives. In discharging this responsibility, Board members are entitled to rely on the honesty and integrity of the Corporation's senior executives and outside advisors and consultants. Board members are expected to attend the Annual Meeting of Shareholders, Board meetings and meetings of Committees upon which they serve and to review materials distributed in advance of meetings.

II. MEETING AGENDAS AND MATERIALS

At executive sessions of the Board, the independent Directors discuss agenda items for the next Board meeting. The Lead Director provides this input to the Chairman, who then establishes the agenda for each Board meeting with the approval of the Lead Director. Agenda items that fall within the scope of responsibilities of a Board Committee are reviewed with the Chair of that Committee. Directors are encouraged to suggest the inclusion of items on the agenda.

Board materials related to agenda items are provided to directors sufficiently in advance of Board meetings to allow directors to review and prepare for discussion of the items at the meeting.

III. BOARD OF DIRECTORS EVALUATIONS

The Board conducts an annual evaluation process under the auspices of the Nominating and Corporate Governance Committee. The results are considered by the Board and changes in the Corporation's corporate governance process may be made as a result of the Board's review.

The Board conducts an annual evaluation of the performance of KeyCorp's Lead Director under the auspices of the Nominating and Corporate Governance Committee. The results of the Lead Director's evaluation are reviewed by the Board, without the Lead Director present.

Each director also conducts an annual self-evaluation of his or her performance. The results are reviewed by the Nominating and Corporate Governance Committee. The Committee annually reviews the directors' effectiveness taking into account the results of the incumbent directors' individual self-evaluation questionnaires, input from Committee Chairs, the Board's Director Recruitment Guidelines, the existing mix of skills, core competencies and qualifications of the Board as a whole, and other factors that the Committee determines to be relevant.

In addition, the Audit, Compensation and Organization, Nominating and Corporate Governance, and Risk Committees each conduct an annual self-evaluation of its performance.

IV. EXECUTIVE SESSIONS OF INDEPENDENT DIRECTORS/LEAD DIRECTOR ROLE

The independent directors meet at each regularly scheduled Board meeting in executive session without “employee” directors (i.e., directors who are at the time also employees of the Corporation) or the senior executives present. The Chair of the Nominating and Corporate Governance Committee who shall be elected by and from the independent Board members, presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors and serves as the Corporation’s lead director (“Lead Director”).

Besides chairing executive sessions of the independent directors and any meeting of the Board at which the Chairman is not present, the Lead Director serves as the liaison between the Chairman and the independent directors and has the authority to call meetings of the independent directors. The Lead Director approves the information sent to the Board, approves meeting agendas for the Board, and approves meeting schedules to assure there is sufficient time for discussion of all agenda items. If requested by major shareholders, the Lead Director ensures that he or she is available for consultation and direct communication. The Lead Director advises on the retention of independent consultants to the Board, assists the Board and management in assuring compliance with applicable securities laws and fiduciary duties to shareholders, oversees initiatives to implement improvements to the Corporation’s governance policies, serves as a focal point for independent Committee Chairs providing guidance and coordination, and, together with the Chair of the Compensation and Organization Committee, facilitates the evaluation of the performance of the Chief Executive Officer.

V. BOARD COMPOSITION

The Board determines the appropriate size of the Board from time to time, within the range of 12 to 17 directors specified in the Corporation’s Second Amended and Restated Regulations. Not more than one director will be an “employee” director. An employee director shall no longer serve on the Board if he or she is no longer employed by the Corporation, except for a short interim transition period in the event of such employee director’s retirement.

VI. DIRECTOR INDEPENDENCE

The Board has adopted standards for determining “independence” of directors and determined that at least two-thirds of the Corporation’s directors and all members of the Board Committees performing the audit, compensation, corporate governance, and nominating functions must meet these independence standards. Members of the Audit Committee must comply with Rule 10A-3 of the Securities Exchange Act of 1934 which requires that an Audit Committee member must not be affiliated with the Corporation nor accept directly or indirectly any fee from the Corporation for accounting, consulting, legal, investment banking or financial advisory services. Members of the Compensation Committee must meet the independence standards set forth in Rule 10C-1 of the Securities Exchange Act of 1934 and New York Stock Exchange Listing Standards. The Chair of the Risk Committee must meet the independence standards set forth in applicable Federal Reserve Board rules.

VII. MAJORITY VOTING

The Corporation has adopted majority voting in the uncontested elections of directors and plurality voting in contested elections. In uncontested elections, nominees are elected as directors by a majority of the votes cast, which means that the number of shares voted “For” a nominee must exceed the number of shares voted “Against” the nominee. In addition, in an uncontested election, any incumbent director-nominee receiving a greater number of votes “Against” his or her election than votes “For” such election (a “Holdover Director”) shall submit to the Board of Directors a written offer to resign as a director promptly following certification of the shareholder vote. Neither abstentions nor broker nonvotes shall be deemed votes cast “For” or “Against” a nominee’s election. The Nominating and Corporate Governance Committee shall consider the resignation offer and recommend to the Board whether to accept or reject it. The Board will act on the Nominating and Corporate Governance Committee’s recommendation within 90 days following certification of the shareholder vote. As soon as practicable thereafter, the Board will disclose its decision (citing the reasons for rejecting the resignation offer, if applicable), in a press release to be disseminated in accordance with the Corporation’s Disclosure Policy. Any director who submits a written offer to resign as a director pursuant to this provision shall not participate in the Nominating and Corporate Governance Committee recommendation or Board action regarding whether to accept or reject the resignation offer. However, if each member of the Nominating and Corporate Governance Committee is a Holdover Director, then the directors who meet the Corporation’s independence standards and who are not Holdover Directors shall appoint a special committee comprised exclusively of independent directors to consider the resignation offers and recommend to the Board to accept or reject them. Further, if the only directors who are not Holdover Directors constitute three or fewer directors, all directors may participate in the Board action regarding whether to accept or reject the resignation offers without action by the Nominating and Corporate Governance Committee or the appointment of or action by a special committee.

VIII. DIRECTOR LEGAL OR CONSULTING FEES

The Board has determined that neither a director nor a firm affiliated with a director shall perform legal, consulting or other advisory services for the Corporation unless the Nominating and Corporate Governance Committee otherwise approves.

IX. DIRECTOR RETIREMENT

The Board has adopted a retirement policy whereby an incumbent director is not eligible to stand for election as a director upon reaching age 72. Under the policy, a director is also requested to submit his or her resignation from the Board to the Nominating and Corporate Governance Committee in the event that the director retires from or otherwise leaves his or her principal occupation or employment. The Nominating and Corporate Governance Committee can choose to accept or reject the resignation.

X. DIRECTOR RECRUITMENT

The Board has adopted, and annually reviews, a formal policy delineating director recruitment guidelines to be followed by the Board in identifying and recruiting director nominees for Board membership. The policy guidelines are designed to help insure that the Corporation is able to attract outstanding persons as director nominees to the Board. The recruitment process shall be informed by a skills matrix which sets forth the current skills, knowledge, experience and capabilities of the board, and identifies any gaps in skills or competencies that can be addressed in future director appointments.

XI. DIRECTOR COMPENSATION

The Board has determined that a significant portion of the Board’s annual retainer should be restricted or phantom stock-based compensation in order to more closely align the economic interests of directors and shareholders. Annually, the Board reviews director compensation with input from the Compensation Committee’s independent consultant.

XII. DIRECTOR STOCK OWNERSHIP GUIDELINES

The Corporation has adopted stock ownership guidelines for its non-employee directors which specify that each non-employee director should, by the fifth anniversary of such director’s initial election, own KeyCorp Common Shares with a value at least equal to five times the Corporation’s non-employee director annual retainer, which should include at least 1,000 directly-owned actual common shares. For purposes of these Guidelines, “Common Shares” include actual common shares, restricted shares, and restricted stock units and deferred shares payable in actual common shares. Each non-employee director should retain 75% of the net (after-tax) KeyCorp Common Shares paid as director compensation until he or she has met this guideline.

XIII. DIRECTOR ORIENTATION

A new director orientation is conducted for all new directors. The orientation consists of meetings with the Chief Executive Officer and other members of senior management including the senior officer who acts as the liaison for the Committee(s) upon which the new director will serve.

XIV. DIRECTOR CONTINUING EDUCATION

Each director is encouraged to obtain the requisite training or education to fulfill his or her director responsibilities. The Corporation may, from time to time, present director education sessions featuring topics requested by the directors.

If a director has accepted becoming Chair-Elect of a Committee, in the year prior to the director becoming the Chair of the Committee, the director is encouraged to obtain director training and/or attend an educational session of relevance to that Committee. Similarly, within a year after accepting a new Committee assignment, a director is encouraged to obtain director training and/or attend an educational session of relevance to that Committee. Directors who are new to serving on public company boards are encouraged to obtain director training during their first 18 months of service on KeyCorp's board.

XV. LIMITATION ON PUBLIC COMPANY DIRECTORSHIPS

Unless the Nominating and Corporate Governance Committee otherwise determines, a director should not serve as a director of more than three other public companies (for a total of four including KeyCorp), except that a director who is a senior executive officer of a public company should only serve as a director of up to two other public companies (for a total of three including KeyCorp and his or her own company). A director is required to notify the Nominating and Corporate Governance Committee of changes in the number of public company boards on which the director serves.

XVI. REPRICING OR BACK-DATING OF OPTIONS

The Board has determined that the Corporation will not reprice or back-date options.

XVII. STRATEGIC PLANNING

The Board reviews the Corporation's long-term strategic plan at least annually and monitors implementation of the strategic plan throughout the year. In this regard, the Board holds an extended meeting that focuses on the Corporation's strategy and the major areas of the Corporation's business.

XVIII. SENIOR EXECUTIVE STOCK OWNERSHIP GUIDELINES

The Corporation has adopted stock ownership guidelines for its senior executives which specify that: the Chief Executive Officer should own KeyCorp Common Shares with a value equal to at least six times base salary payable in cash, which should include at least 10,000 directly-owned actual common shares; that all senior executives who are members of the Corporation's Management Committee should own KeyCorp Common Shares with a value equal to at least three times their respective base salary payable in cash, which should include at least 5,000 directly-owned actual common shares; and other corporate senior executives and line of business senior executives whose compensation is subject to individual review and approval by the Compensation and Organization Committee should own KeyCorp Common Shares with a value at least equal to two times their respective base salary payable in cash, which should include at least 2,500 directly-owned actual common shares. Newly hired executives and recently promoted executives are encouraged to meet or exceed their required ownership levels within three years of the date they become subject to the particular guideline in question and are required to comply within five years. Once a senior executive has achieved compliance, he/she will be in compliance for up to three years unless they take action (i.e., a sale of shares) which takes them out of compliance. For purposes of these Guidelines, “Common Shares” include actual common shares, restricted shares, and restricted stock units and deferred shares payable in actual common shares. The Compensation and Organization Committee of the KeyCorp Board has recommended against the use of 10b5-1 trading plans by corporate senior executives.

XIX. EXTENSIONS OF CREDIT COLLATERALIZED BY KEYCORP STOCK

The Board has determined that neither the Corporation nor its subsidiaries will extend to any director or senior executive covered by the Corporation’s stock ownership guidelines credit collateralized by Corporation stock.

XX. FORMAL EVALUATION OF CHIEF EXECUTIVE OFFICER

The independent directors, facilitated by the Compensation and Organization Committee, conduct an annual evaluation of the Chief Executive Officer which includes soliciting input from the full Board. The results of the annual evaluation are discussed with the Board as a whole in executive session and are used by the Compensation and Organization Committee in setting the Chief Executive Officer’s compensation.

XXI. ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS

Board members have complete access to the Corporation’s management. Senior executives normally attend portions of each Board meeting. The Board may, when appropriate, obtain advice and assistance from outside advisors and consultants.

XXII. SUCCESSION PLANNING/MANAGEMENT DEVELOPMENT

The Compensation and Organization Committee, as a part of its oversight of the management and organizational structure of the Corporation, annually reviews and approves the Corporation’s management succession plan for the CEO and other senior executives and annually reviews the Corporation’s program for management development and, in turn, reports on and reviews these matters, and their independent deliberations, with the Board in executive session.

XXIII. AUDITOR PROHIBITED FROM DOING PERSONAL TAX WORK FOR SENIOR EXECUTIVES

The Corporation’s independent auditors shall not serve as the personal tax advisors or preparers for senior executives who are members of its Management Committee, officers of the Corporation in a financial reporting oversight role or their immediate families unless exempted by the rules of the Public Company Accounting Oversight Board, or executives of the Corporation who are expatriates.

XXIV. CORPORATE GOVERNANCE FEEDBACK

The Board encourages management to meet periodically with significant investors to discuss the Corporation’s corporate governance practices. Management reports the results of the meetings to the Nominating and Corporate Governance Committee. In addition, the Lead Director and other directors, as appropriate, are available for consultation and direct communication with significant investors.

XXV. COMMITTEE STRUCTURE

The Board exercises certain of its powers through its four standing committees: Audit, Compensation and Organization, Risk, and Nominating and Corporate Governance. Each Committee has a Charter that defines the scope of its duties and responsibilities. Each Committee reviews its

Charter annually and recommends its approval to the full Board which in turn approves the Charter. The Audit, Compensation and Organization, Risk, and Nominating and Corporate Governance Committees are comprised of only independent directors. Each independent director sits on at least one Committee. The frequency, length and agendas of Committee meetings are determined by the Committee Chair in consultation with Committee members and appropriate senior executives. The Committee Chair reports to the full Board on the matters undertaken at each Committee meeting. The Audit, Compensation and Organization, Risk, and Nominating and Corporate Governance meet in executive session on a regular basis.

In addition, the Board has organized an Executive Committee. The Executive Committee has and may exercise from time to time the full power and authority of the Board between Board meetings and the full power and authority of the standing Board committees between committee meetings.

XXVI. COMPENSATION PHILOSOPHY

Each year, prior to the determination of compensation awards to senior executives, the Compensation and Organization Committee should present to the Board for discussion an overview of the Committee's pay-for-performance compensation philosophy, compensation programs and their implementations, and the structure of the Corporation's incentive compensation plans. The Committee should also review measures that have been implemented to insure the Corporation's alignment in practice with the pay-for-performance philosophy and should review performance against these measures.