

# **UNITED BANKSHARES, INC.**

## **CORPORATE GOVERNANCE POLICY AND GUIDELINES**

### **1. Director Qualifications**

The Board will have a supermajority of Directors who meet the criteria for independence required by the National Association of Securities Dealers Quotation System (NASDAQ). The Governance and Nominating Committee is responsible for reviewing the qualifications and independence of the member of the Board and its various Committees on a periodic basis, as well as the composition of the Board as a whole. This assessment will include members' qualification as independent, as well as consideration of diversity, age, skills, stock ownership requirements, and experience in the context of the needs of the Company. Nominees for Directorship will be recommended to the Board by the Governance and Nominating Committee in accordance with the policies and principles in its Charter. While UBSI does not have a separate policy with regard to the consideration of diversity in identifying director nominees, the Governance and Nominating Committee will review available information about the candidates including gender, race, and ethnicity, as well as the candidate's diverse individual background, skills, experiences, and geographic location. United regularly assesses the size of the Board, whether any vacancies are expected due to retirement or otherwise, and the need for particular expertise on the Board.

It is the policy of the Board that if a nominee for director who is an incumbent director does not receive a majority of the votes cast in an uncontested election, at any meeting for the election of directors at which a quorum is present, the director shall promptly tender his or her resignation to the Board of Directors. The Board's Governance and Nominating Committee shall make a recommendation to the Board of Directors as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board of Directors shall act on the tendered resignation, taking into account the Governance and Nominating Committee's recommendation. The Governance and Nominating Committee in making its recommendation, and the Board of Directors in making its decision, may each consider any factors or other information that it considers appropriate and relevant. The director who tenders his or her resignation shall not participate in the recommendation of the Governance and Nominating Committee or the decision of the Board of Directors with respect to his or her resignation. If such incumbent director's resignation is not accepted by the Board of Directors, such director shall continue to serve until the next annual meeting and until his or her successor is duly elected, or until his or her earlier resignation or removal. If a director's resignation is accepted by the Board of Directors, then the Board of Directors, in its sole discretion, may fill any resulting vacancy pursuant to the provisions of the Restated By-laws. In addition, those individual Directors who change their principal occupation, position, or responsibility they held when they were elected to the Board should submit their resignation from the Board. It is not the sense of the Board that in every instance the Directors who retire or change from the position they held when they joined the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, through the Governance and Nominating Committee, to review the continued appropriateness of Board membership under the circumstances.

The Board has established a stock ownership requirement for outside Directors of 5,000 shares (minimum) of beneficial ownership of shares of common stock and options.

Directors should advise the Executive Chairman of the Board and the Chairman of the Governance and Nominating Committee in advance of accepting an invitation to serve on another public

company board. There should be an opportunity for the Board, through the Governance and Nominating Committee to review the Director's availability to fulfill his or her responsibilities as a Director if he or she serves on more than three other public company boards.

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they have the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Corporation and its operations and, therefore, provide an increasing contribution to the Board as a whole.

## **2. Director Responsibilities and Leadership Structure**

The basic responsibility of the Directors is to exercise their business judgment in good faith, to act in what they reasonably believe to be in the best interests of the Corporation. In discharging that obligation, Directors should be entitled to rely on the honesty and integrity of their fellow Directors and the Corporation's senior executives and outside advisors and auditors. The Directors shall also be entitled to have the Corporation purchase reasonable Directors' and Officers' Liability Insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Corporation's articles of incorporation, by-laws and any indemnification agreements, and to exculpation by state law and the Corporation's articles of agreements.

Directors are expected to attend Board meetings and meetings of Committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board meeting should generally be distributed in writing to the Directors before the meeting, and Directors should review these materials in advance of the meeting. All Directors are expected to attend the annual meeting of UBSI's shareholders.

The Board does not have a fixed policy regarding the separation of the offices of the Chairman and the Chief Executive Officer and believes it should maintain the flexibility to establish a leadership structure that fits the needs of the Company and its shareholders at any particular point in time. The Board of Directors regularly evaluates the Board's leadership structure to ensure it continues to be in the best interest of the Company and its shareholders. The Board is led by a Chairman, selected by the Board, who recently moved to the Executive Chairman role related to the naming of a new CEO.

The Board recognizes the importance of strong independent leadership and is aware of the potential conflicts that may arise when an insider chairs the Board. The Board believes, however, that these potential conflicts are mitigated and offset by existing safeguards which include maintaining a supermajority of independent directors, the designation of a lead independent director, regular meetings of the independent directors in executive session without the presence of insiders, the Board's succession plan for incumbent management, the fact that management compensation is determined by a committee of independent directors who make extensive use of peer benchmarking, and the fact that much of the Company's operations are highly regulated.

The Executive Chairman will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise, at any Board meeting, subjects that are not on the agenda for that meeting. The Board will review the Corporation's long-term strategic plans and the principal issues that the Corporation will face in the future during at least one Board meeting each year.

The Independent Directors will meet periodically in executive session without the presence of insiders. The name of the Director who will preside at these meetings, or the method by which the presiding Director of each session is selected, will be determined by the Independent Directors.

The Board believes that the management speaks for the Corporation. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Corporation. But it is expected that Board members will do this only with the knowledge of the management and, absent unusual circumstances or as contemplated by the Committee Charters, only at the request of management.

### **3. Environmental, Social and Governance (ESG)**

The Board has ultimate oversight of the Company's environmental, social and governance (ESG) practices and initiatives and has tasked the Governance & Nominating Committee with monitoring the Company's progress and efforts in that regard. The Board Risk Committee has oversight of ESG-related items incorporated within the enterprise risk management program. This includes climate-related risk, information security, customer due diligence, complaint management, legal and reputational risk, and fair and responsible banking.

### **4. Board Committees**

The Board will have at all times an Audit Committee, Risk Committee, Compensation and Human Capital Committee, and a Governance and Nominating Committee. All of the members of these Committees will be independent Directors under the criteria established by the National Association of Securities Dealers Quotation System (NASDAQ). In addition, there is an Executive Committee made up of the Executive Chairman and the CEO, management Directors and Independent Directors. The Board will have additional standing and temporary Committees as appropriate. In general, Committee members will be appointed by the Board with consideration of the desires of individual Directors. It is the sense of the Board that consideration should be given to rotating Committee members periodically, but the Board does not feel that rotation should be mandated as a policy.

Each Committee will have its own Charter. The Charters will set forth the purposes, goals and responsibilities of the Committees as well as certain specific qualifications for Committee membership and procedures for Committee member appointment; in addition, the Charters will address the Committee's responsibility for reporting to the Board.

The Chairman of each Committee, in consultation with the Committee members, will determine the frequency and length of the Committee meetings consistent with any requirements set forth in the Committee's Charter. The Chairman of each Committee, in consultation with the appropriate members of the Committee and management, will develop the Committee's agenda.

### **5. Director Access to Officers and Employees**

Directors have full and free access to officers and employees of the Corporation. Any meetings or contacts that a Director wishes to initiate may be arranged through the CEO or the Corporate Secretary or directly by the Director. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Corporation and will, to the extent not

inappropriate; copy the CEO on any written communications between a Director and an officer or employee of the Corporation.

The Board welcomes regular attendance at each Board meeting of the appropriate representatives of senior management of the Corporation as shall be determined from time to time, subject to the Board's right in all instances, to meet in executive session or with a more limited number of management representatives.

## **6. Director Compensation**

The form and amount of Director compensation will be determined by the Compensation & Human Capital Committee in accordance with the policies and principles set forth in its Charter and any NASDAQ or other applicable rules, and that Committee will conduct an annual review of Director Compensation. The Governance and Nominating Committee will consider that a Directors' independence may be jeopardized if Director compensation and perquisites exceed customary levels, if the Corporation makes substantial charitable contributions to organizations of which a Director is affiliated, or if the Corporation enters into consulting contracts with (or provides other indirect forms of compensation to) a Director or an organization of which the Director is affiliated.

## **7. Director Orientation and Continuing Education**

All new Directors must participate in the Corporation's Orientation Program, which should be conducted within two months of the annual meeting at which new Directors are elected or within two months of the time the new Director otherwise joins the Board. This orientation will include presentations by senior management to familiarize new Directors with the Corporation's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Statement of Principles and Code of Ethics, its principal officers, and its internal and independent auditors. All continuing Directors are also invited to attend the Orientation Program.

## **8. CEO Evaluation and Management Succession**

The Compensation & Human Capital Committee will conduct an annual review of the CEO's performance, as set forth in its Charter.

The Compensation & Human Capital Committee should periodically report to the Board on succession planning. The entire Board will work with the Compensation & Human Capital Committee to nominate and evaluate potential successors to the CEO. The CEO should, at all times, make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

## **9. Annual Performance Evaluation**

The Board of Directors will conduct an annual self-evaluation to determine whether it and its Committees are functioning effectively. The Governance and Nominating Committee will receive comments from all Directors and report annually to the Board with an assessment of the Board's performance. This will be discussed with the full Board following the end of each fiscal year. The

assessment will focus on the Board's contribution to the Corporation and specifically focus on areas in which the Board or management believes that the Board could improve.

#### **10. Hedging Transactions; Pledging of Shares**

Outside directors and the executive officers of United are prohibited from hedging their ownership of United stock, including trading in publicly-traded options, puts, calls, or other derivative instruments related to United stock.

Board members and named executive officers are prohibited from, directly or indirectly, pledging the Company's equity securities. For these purposes, "pledging" includes the intentional creation of any form of pledge, security interest, deposit, lien or other hypothecation, including the holding of shares in a margin account, that entitles a third-party to foreclose against, or otherwise sell, any equity securities, whether with or without notice, consent, default or otherwise, but does not include either the involuntary imposition of liens, such as tax liens or liens arising from legal proceedings, or customary purchase and sale agreements, such as Rule 10b5-1 plans. All existing pledging arrangements in effect as of the date of the approval of this policy, February 23, 2015, were grandfathered.

Any exceptions to this policy must be approved by the Chairman of the Governance and Nominating Committee and the Chief Executive Officer.

#### **11. Named Executive Officers Stock Ownership Requirement**

The stock ownership requirement for Named Executive Officers is as follows: Named Executive Officers (non CEO) are required to hold 3 times his/her base salary; the CEO is required to hold 6 times his/her base salary.