

George P. Long, III
Senior Counsel and Corporate Secretary
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December 29, 2008

**VIA E-MAIL TO shareholderproposals@sec.gov
WITH COPIES BY FEDERAL EXPRESS**

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

**Re: The PNC Financial Services Group, Inc. –
Shareholder Proposal Exclusion Pursuant to Rule 14a-8**

Ladies and Gentlemen:

This letter is submitted on behalf of The PNC Financial Services Group, Inc. (the "Company"), a Pennsylvania corporation, pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). On November 25, 2008, the Company received a letter, dated November 25, 2008, from the United Brotherhood of Carpenters and Joiners of America (the "Proponent") requesting that the Company include a shareholder proposal (the "Proposal") in the Company's 2009 proxy statement. A copy of the Proponent's letter and the Proposal is attached hereto as Exhibit A. The Proposal reads as follows:

Resolved: Given that The PNC Financial Services Group, Inc. ("Company") is a participant in the Capital Purchase Program established under the Troubled Asset Relief Program ("TARP") of the Economic Emergency Stabilization Act of 2008 ("Stabilization Act") and has received an infusion of capital from the U.S. Treasury, Company shareholders urge the Board of Directors and its compensation committee to implement the following set of executive compensation reforms that impose important limitations on senior executive compensation:

The PNC Financial Services Group
One PNC Plaza 249 Fifth Avenue Pittsburgh Pennsylvania 15222-2707

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- A limit on senior executive target annual incentive compensation (bonus) to an amount no greater than one times the executive's annual salary.
- A requirement that a majority of long-term compensation be awarded in the form of performance-vested equity instruments, such as performance shares or performance-vested restricted shares.
- A freeze on new stock option awards to senior executives, unless the options are indexed to peer group performance so that relative, not absolute, future stock price improvements are rewarded.
- A strong equity retention requirement mandating that senior executives hold for the full term of their employment at least 75% of the shares of stock obtained through equity awards.
- A prohibition on accelerated vesting for all unvested equity awards held by senior executives.
- A limit on all senior executive severance payments to an amount no greater than one times the executive's annual salary.
- A freeze on senior executives' accrual of retirement benefits under any supplemental executive retirement plan (SERP) maintained by the Company for the benefit of senior executives.

While the Company is committed to compliance with the applicable executive compensation limits established under the TARP, and to responsible compensation practices generally, the Company believes that it may omit the Proposal from the proxy statement and form of proxy (collectively, the "Proxy Materials") relating to the Company's 2009 annual meeting of shareholders pursuant to Exchange Act Rules 14a-8(i)(1), (6) and (8). Pursuant to Exchange Act Rule 14a-8(j)(2), enclosed are six (6) copies of this letter, including exhibits. By copy of this letter, the Company is notifying the Proponent of its intention to omit the Proposal from the Proxy Materials.

The Company intends to file its definitive 2008 Proxy Materials with the Securities and Exchange Commission (the "Commission") on or about March 19, 2009 and the annual meeting of the Company's shareholders is expected to occur on or about April 28, 2009. Printing of the definitive proxy statement is expected to begin on March 16, 2009. Pursuant to Rule 14a-8(j), this letter is being submitted not less than 80 calendar days before the Company files its definitive Proxy Materials with the Commission.

The Proposal is Excludable Pursuant to Rule 14a-8(i)(3)

Rule 14a-8(i)(3) permits the exclusion of a stockholder proposal if the proposal or supporting statement is contrary to any of the Commission's proxy rules or regulations, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting

materials. For the reasons discussed below, the Proposal is impermissibly misleading and vague and, therefore, is excludable under Rule 14a-8(i)(3).

The Staff has stated that a proposal will violate Rule 14a-8(i)(3) when “the resolution contained in the proposal is so inherently vague or indefinite that neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.” Division of Corporation Finance Staff Legal Bulletin No. 14B (September 15, 2004). In particular, the Staff has allowed exclusion of proposals that failed to define key terms or otherwise provide guidance on how the proposal would be implemented. See, e.g., *Schering-Plough Corporation* (March 7, 2008) (proposal urging board to adopt a bylaw to provide for an independent lead director failed to provide the independence standard); *Prudential Financial, Inc.* (February 16, 2007) (proposal urging the board to seek shareholder approval for senior management incentive compensation programs failed to define critical terms and was subject to differing interpretations); *General Electric Company* (January 23, 2003) (proposal seeking caps on salaries and benefits for officers and directors failed to define “benefits” or otherwise provide guidance on how benefits should be measured for purposes of implementing the proposal); *General Electric Company (Newby Proposal)* (February 5, 2003) (proposal urging limitations on compensation for senior executives and directors failed to define critical terms).

In the case of the Proposal, there are numerous failures to define terms or to clarify the interaction of the various components of the Proposal. Consequently, neither PNC stockholders voting on the proposal, nor PNC’s management and board compensation committee in implementing the proposal (if adopted), would be able to determine with any reasonable certainty the actions or measures the proposal requires.

First, the Proposal seeks to impose limitations on “senior executive” compensation, but it never defines the term “senior executive.” One might guess that the reference is meant to correspond to the term “Senior Executive Officer” under the Capital Purchase Program (the “CPP”) established under the Troubled Asset Relief Program (the “TARP”) of the Economic Emergency Stabilization Act of 2008 given the Proponent’s efforts to tie the Proposal to PNC’s participation in the CPP. But the Proposal does not so specify. The Proponent could be referring to “executive officer” as defined in Rule 3b-7 of the Exchange Act, “officer” as defined in Rule 16a-1 of the Exchange Act or “named executive officer” as defined in Item 402 of the Commission’s Regulation S-K. In addition, the Proposal could mean “senior executive” in the sense of those with “senior” executive-level titles at PNC (PNC has approximately 76 members of management with the title “Senior Vice President” at the holding company alone) or in the colloquial sense (which could mean an even larger group of individuals at both PNC and its subsidiaries). The fact that the entire Proposal turns on a term that is never defined should, even standing alone, be sufficient to exclude the Proposal pursuant to Rule 14a-8(i)(3).

Second, the Proposal does not reference the intended duration of the elements of its Proposal. Despite the absence of any true linkage between the CPP and the executive compensation limits included in the Proposal, as noted above the Proponent has tried to closely tie the Proposal to the participation in the CPP and the TARP. This could be meant to imply to both PNC shareholders voting on the proposal, and PNC in implementing the Proposal if adopted, that the executive compensation provisions of the Proposal correspond to the executive compensation provisions of the CPP – i.e., they apply only for the period of Treasury’s investment in PNC. However, there is nothing in the Proposal that clarifies the duration of the proposed compensation limits, or whether the limits apply for all time.

Third, the Proposal seeks to limit “target annual incentive compensation (bonus)” to no greater than one times annual salary, but it gives no guidance for when it would be appropriate to pay (as opposed to “target”) bonuses greater than one times annual salary. It is also unclear what the Proponent means in its use in the Proposal of “annual incentive compensation (bonus).” As can be seen in the varying categories and definitions included in Item 402 of the Commission’s Regulation S-K, both “bonus” and “incentive” compensation are susceptible of different meanings.

Fourth, the Proposal seeks to require that a majority of long-term compensation be made in the form of performance-vested equity instruments, such as performance shares or performance-vested restricted shares. However, the Proposal does not clarify whether the determination of “majority” applies on a senior executive by senior executive basis or on an aggregate basis. Similarly, the Proposal does not clarify whether the determination applies on a year by year basis or over a longer period of time. The Proposal also fails to clarify the impact of awards made in any one year that could increase or decrease in value in the future, or how value would be determined, all of which could substantially impact the “majority” determination.

Fifth, the Proposal requires that stock options be indexed to “peer performance so that relative, not absolute, future stock price improvements are rewarded.” The Proposal does not, however, delineate performance measures, provide guidance for determining peers within the meaning of the Proposal or their relative weighting in the index (e.g., is there market capitalization weighting, how are mergers addressed, how often should the peer group be updated, etc.), or otherwise explain how the indexing would work.

Sixth, the Proposal calls for executives to hold at least 75% of the shares obtained through equity awards for the full term of their employment. But once again the Proponent has failed to answer numerous questions, including the treatment of shares surrendered or sold to satisfy exercise prices or tax obligations relating to the equity award, whether vested (but unexercised) options are credited towards the holding period, whether shares held in a family trust or other estate planning vehicle count towards the holding requirement or whether the holding requirement is determined on a senior executive by senior executive basis or on an aggregate basis. It is also ambiguous whether shares acquired at a discount under an employee

stock purchase program, or pursuant to a match program under tax-deferred retirement plans, would be considered equity awards for purposes of the Proposal.

Seventh, the Proposal calls for a prohibition on “accelerated vesting” for all unvested equity awards held by senior executives. However, the Proponent does not define “accelerated vesting.” For example, it is unclear whether the Proposal prohibits only the PNC board from determining to vest unvested equity awards where the award holder has no right to be vested in the award, or whether the Proposal prohibits customary vesting provisions that apply in limited circumstances (such as in a change of control, termination without cause, death, disability, etc.). It is unclear where the Proposal draws the line between time (or performance) based vesting and vesting based on the occurrence of other events or circumstances.

Eighth, the Proposal would limit “severance payments” to an amount no greater than one times annual salary, but the Proposal fails to specify how severance payments would be calculated. For example, would only cash payments be included, or would other items, like continuing medical coverage or payout of deferred compensation count. Similarly, the Proposal doesn’t answer the question as to whether retirement obligations that become payable upon termination count as “severance” if they are paid on an accelerated basis. PNC notes that the CPP specifically excludes from its definition of potentially prohibited “parachute” payments amounts that have already been earned in full by the executive. But the Proposal doesn’t provide clarity on this topic.

Ninth, the Proposal seeks to require a freeze on additional accruals of retirement benefits under any SERP for the benefit of senior executives. However, the Proposal does not define what is meant by “additional accruals” under a SERP. PNC’s SERP, for example, is a plan under which book-keeping accounts are established for each participant to which retirement savings based on compensation, and income on the balances of these accounts, are credited. The balances are paid to the participating executives at or following retirement. The income credits, typically based on notional investment returns, are included in the accrued benefit to which the participant is entitled at retirement. It is not clear from the Proposal whether the Proponent intends for the Proposal to prohibit just additional corporate contributions based on participants’ compensation or also additional income credits on existing balances.

In sum, the Proposal is exceedingly vague and indefinite and gives rise to a strong likelihood that PNC’s shareholders will interpret the elements of the Proposal to set standards different from those envisioned by other shareholders, from those that were meant by the Proponent and from those that the PNC board of directors and independent compensation committee may adopt. Neither the PNC shareholders voting on the Proposal, nor PNC in implementing the Proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires and, accordingly, the Proposal is excludable pursuant to Rule 14a-8(i)(3).

The Proposal is Excludable Pursuant to Rule 14a-8(i)(7)

The Proposal may be properly omitted in accordance with Rule 14a-8(i)(7) because it relates to the Company's ordinary business operations. Under Rule 14a-8(i)(7), a company may properly exclude a shareholder proposal that "deals with a matter relating to the company's ordinary business operations." See Exchange Act Rule 14a-8(i)(7). As the Commission stated in Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), the purpose of Rule 14a-8(i)(7) is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting."

To the extent that the Proposal's definition of "senior executive" could have coverage beyond senior executive officers within the meaning of Staff Legal Bulletin No. 14A (July 12, 2002), the Proposal is properly excluded pursuant to Rule 14a-8(i)(7) as a matter relating to PNC's ordinary business operations. Moreover, the Proposal calls for "a majority of long-term compensation [to] be awarded in the form of performance-vested equity instruments" in an element of the Proposal that is not expressly limited to senior executive officers. As the Commission noted in an analogous situation in Staff Legal Bulletin No. 14A, proposals that seek to obtain shareholder approval of all equity compensation plans without regard to their potential dilutive effect can be excluded in reliance on Rule 14a-8(i)(7). The above referenced equity incentive changes do not address the dilutive effect of equity awards and should, therefore, be excludable pursuant to Rule 14a-8(i)(7).

PNC also believes that, in as much as the Commission has in the past appropriately noted that proposals regarding executive officer and director compensation are among those proposals that can "transcend the day-to-day business matters," at some point a proposal – even if related to important significant social policy issues – moves beyond addressing significant policy issues and back into the realm of ordinary business operations. The breadth of the proposal set forth by the Proponent, with seven separate components, and applying to at least the top five (and possibly significantly more) officers at the company, has moved from important policy statement appropriate to shareholder vote to micromanagement of the board and the compensation committee's compensation philosophy, process, needs and powers. At some point, the exception swallows the rule. Accordingly, the Proposal should be excludable pursuant to Rule 14a-8(i)(7).

The Proposal is Excludable Pursuant to Rule 14a-8(i)(6)

The Proposal is not within PNC's power to implement because implementation would require PNC to breach its existing compensation arrangements. In the past, the Staff has allowed the exclusion of shareholder proposals if the proposal could cause the issuer to breach existing compensation agreements or arrangements. See, e.g., *Home Depot, Inc.* (February 12, 2008) (proposal excludable because it could cause the issuer to breach existing employment agreement); *Phillips Petroleum Company* (March 13, 2002) (proposal providing for specified levels of salary increases excludable pursuant to Rule 14a-8(i)(2) because of the potential to cause the issuer to breach an existing compensation agreement); *NetCurrents, Inc.* (June 1, 2002)

(proposal excludable because it could cause the issuer to terminate and breach existing employment agreements or other contractual obligations).

Assuming that the term "senior executive officer" is meant to encompass only the five "named executive officers," each of these officers has contractual compensation rights that could be violated if the PNC board were to adopt the Proposal. For example, (1) assuming the Proposal intends for the term "accelerated vesting" to cover vesting that under PNC's existing award agreements occurs based on particular events (such as change of control and death) rather than straight time- or performance-based vesting, the Proposal would violate the rights of each of the named executives under their equity compensation awards in certain circumstances, including those noted in the preceding parenthetical (a sample form of stock option agreement, reflective of the agreements of the named executive officers, is attached as Exhibit B, and attention is directed to Section 2.2 of that agreement), and (2) assuming the Proposal intends to cover change-of-control severance rights among those severance rights that cannot, under the Proposal, exceed one times annual salary, the Proposal would violate the named executives' rights under their change of control employment agreements (a form of change of control agreement used for the named executives is attached as Exhibit C and attention is directed to Section 5). While the supporting statement references existing employment arrangements, the Proposal that the Proponent seeks to have adopted includes no exceptions for such arrangements, notwithstanding that the Proponent would clearly have been aware of those existing employment arrangements. Adopting the Proposal would require the alteration of valid and enforceable employment obligations that PNC does not have the unilateral power to alter and, therefore, the Proposal is excludable pursuant to Rule 14a-8(i)(6).

Conclusion

We respectfully submit, for the foregoing reasons, that the Proposal may be omitted in accordance with Rules 14a-8(i)(1), (6) and (7). We respectfully request that the Staff confirm that it will not recommend any enforcement action if the Proposal is omitted in its entirety from the Company's 2009 Proxy Materials. Should the Staff disagree with the Company's position or require any additional information, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of its response.

If you have any questions regarding this request or require additional information, please contact the undersigned at (412) 762-1901 or fax at (412) 705-2194.

U.S. Securities and Exchange Commission
December 29, 2008
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Very truly yours,

A handwritten signature in cursive script, appearing to read "George P. Long, III". The signature is written in dark ink and is positioned above the typed name.

George P. Long, III
Senior Counsel & Corporate Secretary

cc: Ed Durkin
United Brotherhood of Carpenters
Corporate Affairs Department
101 Constitution Avenue, NW
Washington, D.C. 20001
Fax: (202) 543-4871



Exhibit A

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

Douglas J. McCarron

General President

[SENT VIA MAIL AND FACSIMILE 412-705-2194]

November 25, 2008

George P. Long, III
Corporate Secretary
The PNC Financial Services Group, Inc.
One PNC Plaza
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222-2707

Dear Mr. Long:

On behalf of the United Brotherhood of Carpenters Pension Fund ("Fund"), I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in the PNC Financial Services Group, Inc. ("Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal addresses executive compensation issues related to the Company's participation in the Troubled Asset Relief Program, and is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the U.S. Securities and Exchange Commission proxy regulations.

The Fund is the beneficial owner of 5,541 shares of the Company's common stock that have been held continuously for more than a year prior to this date of submission. The Fund intends to hold the shares through the date of the Company's next annual meeting of shareholders. The record holder of the stock will provide the appropriate verification of the Fund's beneficial ownership by separate letter. Either the undersigned or a designated representative will present the Proposal for consideration at the annual meeting of shareholders.

If you would like to discuss the Proposal, please contact Ed Durkin at edurkin@carpenters.org or at (202)546-6206 x221 to set a convenient time to talk. Please forward any correspondence related to the proposal to Mr. Durkin at United Brotherhood of Carpenters, Corporate Affairs Department, 101 Constitution Avenue, NW, Washington D.C. 20001 or via fax to (202) 543-4871.

Sincerely,

Handwritten signature of Douglas J. McCarron in cursive.

Douglas J. McCarron
Fund Chairman

cc. Edward J. Durkin
Enclosure

TARP Capital Purchase Program Executive Compensation Reforms Proposal

Resolved: Given that The PNC Financial Services Group, Inc. ("Company") is a participant in the Capital Purchase Program established under the Troubled Asset Relief Program ("TARP") of the Economic Emergency Stabilization Act of 2008 ("Stabilization Act") and has received an infusion of capital from the U.S. Treasury, Company shareholders urge the Board of Directors and its compensation committee to implement the following set of executive compensation reforms that impose important limitations on senior executive compensation:

- A limit on senior executive target annual incentive compensation (bonus) to an amount no greater than one times the executive's annual salary;
- A requirement that a majority of long-term compensation be awarded in the form of performance-vested equity instruments, such as performance shares or performance-vested restricted shares;
- A freeze on new stock option awards to senior executives, unless the options are indexed to peer group performance so that relative, not absolute, future stock price improvements are rewarded;
- A strong equity retention requirement mandating that senior executives hold for the full term of their employment at least 75% of the shares of stock obtained through equity awards;
- A prohibition on accelerated vesting for all unvested equity awards held by senior executives;
- A limit on all senior executive severance payments to an amount no greater than one times the executive's annual salary; and
- A freeze on senior executives' accrual of retirement benefits under any supplemental executive retirement plan (SERP) maintained by the Company for the benefit of senior executives.

Supporting Statement: Many Company shareholders are experiencing serious financial losses related to the problems afflicting our nation's credit markets and economy. The Company's financial and stock price performance has been challenged by these credit market events and their impact on the nation's economy. The Company's participation in the Stabilization Act's TARP is the result of these broad capital market problems and decisions made by Company senior executives.

Generous executive compensation plans that produce ever-escalating levels of executive compensation unjustified by corporate performance levels are major factors undermining investor confidence in the markets and corporate leadership. Establishing renewed investor confidence in the markets and corporate leadership is a critical challenge. Congress enacted executive compensation requirements for those companies participating in the Stabilization Act's TARP. Unfortunately, we believe those executive compensation restrictions fail to

(a) Unless the Option has become fully vested pursuant to Section 2.2(b), 2.2(c), 2.2(d), 2.2(e) or 2.2(f), the Option will become exercisable (“vest”):

(i) as to one-third ($1/3^{\text{rd}}$) of the Covered Shares (rounded down to the nearest whole Share), commencing on the first (1^{st}) anniversary date of the Grant Date *provided that* Optionee is still an employee of the Corporation on such vesting date or is a Retiree whose Retirement date occurred on or after the six (6) month anniversary date of the Grant Date;

(ii) as to one-half ($1/2$) of the remaining Covered Shares (rounded down to the nearest whole Share), commencing on the second (2^{nd}) anniversary date of the Grant Date *provided that* Optionee is still an employee of the Corporation on such vesting date or is a Retiree whose Retirement date occurred on or after the first (1^{st}) anniversary date of the Grant Date; and

(iii) as to the remaining Covered Shares, commencing on the third (3^{rd}) anniversary date of the Grant Date *provided that* Optionee is still an employee of the Corporation on such vesting date or is a Retiree whose Retirement date occurred on or after the first (1^{st}) anniversary date of the Grant Date.

(b) If Optionee’s employment is terminated by the Corporation by reason of Total and Permanent Disability and not for Cause, the Option will vest as to all outstanding Covered Shares as to which it has not otherwise vested commencing on Optionee’s Termination Date.

(c) If Optionee’s employment with the Corporation is terminated by reason of Optionee’s death, the Option will immediately vest as to all outstanding Covered Shares as to which it has not otherwise vested, and the Option may be exercised by Optionee’s properly designated beneficiary, by the person or persons entitled to do so under Optionee’s will, or by the person or persons entitled to do so under the applicable laws of descent and distribution.

(d) If, after the occurrence of a CIC Triggering Event but prior to the occurrence of a CIC Failure or of the Change in Control triggered by the CIC Triggering Event, Optionee’s employment with the Corporation is terminated by the Corporation without Cause or by Optionee with Good Reason, the Option will vest as to all outstanding Covered Shares as to which it has not otherwise vested commencing on Optionee’s Termination Date.

(e) Notwithstanding any other provision of this Section 2.2, to the extent that the Option is outstanding but not yet fully vested at the time a Change in Control occurs, the Option will vest as to all then outstanding Covered Shares as to which it has not otherwise vested, effective as of the day immediately prior to the occurrence of the Change in Control, *provided that*, at the time the Change in Control occurs, Optionee is either (i) an employee of the Corporation or (ii) a former employee of the Corporation whose unvested Option, or portion thereof, is then outstanding and continues to qualify for vesting pursuant to the terms of Section 2.2(a)(i), (ii) and/or (iii).

(f) The Committee or its delegate may in their sole discretion, but need not, accelerate the vesting date of all or any portion of the Option subject, if applicable, to such limitations as may be set forth in the Plan.

If Optionee is employed by a Consolidated Subsidiary that ceases to be a subsidiary of PNC or ceases to be a consolidated subsidiary of PNC under generally accepted accounting principles and Optionee does not continue to be employed by PNC or a Consolidated Subsidiary, then for purposes of the Agreement, Optionee's employment with the Corporation terminates effective at the time this occurs.

2.3 Formal Allegations of Detrimental Conduct. If any criminal charges are brought against Optionee alleging the commission of a felony that relates to or arises out of Optionee's employment or other service relationship with the Corporation in an indictment or in other analogous formal charges commencing judicial criminal proceedings, the Committee may determine to suspend the exercisability of the Option, to the extent that the Option is then outstanding and exercisable, or to require the escrow of the proceeds of any exercise of the Option. Any such suspension or escrow is subject to the following restrictions:

(a) It may last only until the earliest to occur of the following:

(i) resolution of the criminal proceedings in a manner that constitutes Detrimental Conduct;

(ii) resolution of the criminal proceeding in one of the following ways: (A) the charges as they relate to such alleged felony have been dismissed (with or without prejudice), (B) Optionee has been acquitted of such alleged felony, or (C) a criminal proceeding relating to such alleged felony has been completed without resolution (for example, as a result of a mistrial) and the relevant time period for recommencing criminal proceedings relating to such alleged felony has expired without any such recommencement; and

(iii) termination of the suspension or escrow in the discretion of the Committee; and

(b) It may be imposed only if the Committee makes reasonable provision for the retention or realization of the value of the Option to Optionee as if no suspension or escrow had been imposed upon any termination of the suspension or escrow under clauses (a)(ii) or (iii) above.

2.4 Nontransferability; Designation of Beneficiary; Payment to Legal Representative.

(a) The Option is not transferable or assignable by Optionee.

(b) During Optionee's lifetime, the Option may be exercised only by Optionee or, in the event of Optionee's legal incapacity, by his or her legal representative, as determined in good faith by PNC.

(c) During Optionee's lifetime, Optionee may file with PNC, at such address and in such manner as PNC may from time to time direct, on a form to be provided by PNC on request, a designation of a beneficiary or beneficiaries (a "properly designated beneficiary") to hold and exercise Optionee's stock options, to the extent outstanding and exercisable, in accordance with their respective stock option agreements and the Plan in the event of Optionee's death.

(d) If Optionee dies prior to the full exercise or expiration of the Option and has not filed a designation of beneficiary form as specified above, the Option will be held and may be exercised by the person or persons entitled to do so under Optionee's will or under the applicable laws of descent and distribution, as to which PNC will be entitled to rely in good faith on instructions from Optionee's executor, administrator, or other legal representative.

(e) Any delivery of shares or other payment made or action taken hereunder by PNC in good faith to or on the instructions of Optionee's executor, administrator, or other legal representative shall extinguish all right to payment hereunder.

3. Capital Adjustments. Upon the occurrence of a corporate transaction or transactions (including, without limitation, stock dividends, stock splits, spin-offs, split-offs, recapitalizations, mergers, consolidations or reorganizations of or by PNC (each, a "Corporate Transaction")), the Committee shall make those adjustments, if any, in the number, class or kind of Covered Shares as to which the Option is outstanding and has not yet been exercised and in the Option Price that it deems appropriate in its discretion to reflect the Corporate Transaction(s) such that the rights of Optionee are neither enlarged nor diminished as a result of such Corporate Transaction or Transactions, including without limitation cancellation of the Option immediately prior to the effective time of the Corporate Transaction and payment, in cash, in consideration therefor, of an amount equal to the product of (a) the excess, if any, of the per share value of the consideration payable to a PNC common shareholder in connection with such Corporate Transaction over the Option Price and (b) the total number of Covered Shares subject to the Option that were outstanding and unexercised immediately prior to the effective time of the Corporate Transaction.

All determinations hereunder shall be made by the Committee in its sole discretion and shall be final, binding and conclusive for all purposes on all parties, including without limitation the holder of the Option.

No fractional shares will be issued on exercise of the Option. PNC shall determine the manner in which any fractional shares will be treated.

4. Exercise of Option.

4.1 Notice and Effective Date. The Option may be exercised, in whole or in part, by delivering to PNC written notice of such exercise, in such form as PNC may from time to

time prescribe, and by paying in full the aggregate Option Price with respect to that portion of the Option being exercised and satisfying any amounts required to be withheld pursuant to applicable tax laws in connection with such exercise.

In addition, notwithstanding Sections 4.2 and 4.3, Optionee may elect to complete his or her Option exercise through a brokerage service/margin account pursuant to the broker-assisted cashless option exercise procedure under Regulation T of the Board of Governors of the Federal Reserve System and in such manner as may be permitted by PNC from time to time consistent with said Regulation T.

The effective date of such exercise will be the Exercise Date. Until PNC notifies Optionee to the contrary, the form attached to the Agreement as Annex B shall be used to exercise the Option and the form attached to the Agreement as Annex C shall be used to make tax payment elections.

In the event that the Option is exercised, pursuant to Section 2.4, by any person or persons other than Optionee, such notice of exercise must be accompanied by appropriate proof of the derivative right of such person or persons to exercise the Option.

4.2 Payment of Option Price. Upon exercise of the Option, in whole or in part, Optionee may pay the aggregate Option Price (a) in cash or (b) if and to the extent then permitted by PNC, using whole shares of PNC common stock (either by physical delivery to PNC of certificates for the shares or through PNC's share attestation procedure) having an aggregate Fair Market Value on the Exercise Date not exceeding that portion of the aggregate Option Price being paid using such shares, or through a combination of cash and shares of PNC common stock; *provided, however*, that shares of PNC common stock used to pay all or any portion of the aggregate Option Price may not be subject to any contractual restriction, pledge or other encumbrance and must be shares that have been owned by Optionee for at least six (6) months prior to the Exercise Date and, in the case of restricted stock, for which it has been at least six (6) months since the restrictions lapsed, or, in either case, for such other period as may be specified or permitted by PNC.

4.3 Payment of Taxes. Optionee may elect to satisfy any or all applicable federal, state, or local tax liabilities incurred in connection with exercise of the Option (a) by payment of cash, (b) if and to the extent then permitted by PNC and subject to such terms and conditions as PNC may from time to time establish, through the retention by PNC of sufficient whole shares of PNC common stock otherwise issuable upon such exercise to satisfy the minimum amount of taxes required to be withheld in connection with such exercise, or (c) if and to the extent then permitted by PNC and subject to such terms and conditions as PNC may from time to time establish, using whole shares of PNC common stock (either by physical delivery to PNC of certificates for the shares or through PNC's share attestation procedure) that are not subject to any contractual restriction, pledge or other encumbrance and that have been owned by Optionee for at least six (6) months prior to the Exercise Date and, in the case of restricted stock, for which it has been at least six (6) months since the restrictions lapsed, or, in either case, for such other period as may be specified or permitted by PNC.

For purposes of this Section 4.3, shares of PNC common stock that are used to satisfy applicable taxes will be valued at their Fair Market Value on the date the tax withholding obligation arises. In no event will the Fair Market Value of the shares of PNC common stock otherwise issuable upon exercise of the Option but retained pursuant to Section 4.3(b) exceed the minimum amount of taxes required to be withheld in connection with the Option exercise.

4.4 Effect. The exercise, in whole or in part, of the Option will cause a reduction in the number of unexercised Covered Shares as to which the Option is outstanding equal to the number of shares of PNC common stock with respect to which the Option is exercised.

5. Restrictions on Exercise and on Shares Issued on Exercise. Notwithstanding any other provision of the Agreement, the Option may not be exercised at any time that PNC does not have in effect a registration statement under the Securities Act of 1933 as amended relating to the offer of shares of PNC common stock under the Plan unless PNC agrees to permit such exercise. Upon the issuance of any shares of PNC common stock pursuant to exercise of the Option at a time when such a registration statement is not in effect, Optionee will, upon the request of PNC, agree in writing that Optionee is acquiring such shares for investment only and not with a view to resale and that Optionee will not sell, pledge, or otherwise dispose of such shares unless and until (a) PNC is furnished with an opinion of counsel to the effect that registration of such shares pursuant to the Securities Act of 1933 as amended is not required by that Act or by rules and regulations promulgated thereunder, (b) the staff of the SEC has issued a no-action letter with respect to such disposition, or (c) such registration or notification as is, in the opinion of counsel for PNC, required for the lawful disposition of such shares has been filed and has become effective; *provided, however*, that PNC is not obligated hereby to file any such registration or notification. PNC may place a legend embodying such restrictions on the certificate(s) evidencing such shares.

6. Rights as Shareholder. Optionee will have no rights as a shareholder with respect to any Covered Shares until the Exercise Date and then only with respect to those shares of PNC common stock issued upon such exercise of the Option and not retained as provided in Section 4.3.

7. Employment. Neither the granting of the Option evidenced by the Agreement nor any term or provision of the Agreement will constitute or be evidence of any understanding, expressed or implied, on the part of PNC or any subsidiary to employ Optionee for any period.

8. Subject to the Plan. The Option evidenced by the Agreement and the exercise thereof are subject to the terms and conditions of the Plan, which is incorporated by reference herein and made a part hereof, but the terms of the Plan will not be considered an enlargement of any benefits under the Agreement. In addition, the Option is subject to any rules and regulations promulgated by or under the authority of the Committee.

9. Optionee Covenants.

9.1 General. Optionee and PNC acknowledge and agree that Optionee has received adequate consideration with respect to enforcement of the provisions of Sections 9 and 10 hereof by virtue of receiving this Option, which gives Optionee an opportunity potentially to benefit from an increase in the future value of PNC common stock (regardless of whether any such benefit is ultimately realized); that such provisions are reasonable and properly required for the adequate protection of the business of PNC and its subsidiaries; and that enforcement of such provisions will not prevent Optionee from earning a living.

9.2 Non-Solicitation; No-Hire. Optionee agrees to comply with the provisions of subsections (a) and (b) of this Section 9.2 while employed by the Corporation and for a period of twelve (12) months after Optionee's Termination Date regardless of the reason for such termination of employment.

(a) Non-Solicitation. Optionee shall not, directly or indirectly, either for Optionee's own benefit or purpose or for the benefit or purpose of any Person other than PNC or any of its subsidiaries, solicit, call on, do business with, or actively interfere with PNC's or any subsidiary's relationship with, or attempt to divert or entice away, any Person that Optionee should reasonably know (i) is a customer of PNC or any subsidiary for which PNC or any subsidiary provides any services as of the Termination Date, or (ii) was a customer of PNC or any subsidiary for which PNC or any subsidiary provided any services at any time during the twelve (12) months preceding the Termination Date, or (iii) was, as of the Termination Date, considering retention of PNC or any subsidiary to provide any services.

(b) No-Hire. Optionee shall not, directly or indirectly, either for Optionee's own benefit or purpose or for the benefit or purpose of any Person other than PNC or any of its subsidiaries, employ or offer to employ, call on, or actively interfere with PNC's or any subsidiary's relationship with, or attempt to divert or entice away, any employee of PNC or any of its subsidiaries, nor shall Optionee assist any other Person in such activities.

Notwithstanding the above, if Optionee's employment with the Corporation is terminated by the Corporation without Cause or by Optionee with Good Reason and such Termination Date occurs during a Coverage Period (either as Coverage Period is defined in Section A.13 of Annex A or, if Optionee was a party to a CIC Severance Agreement that was in effect at the time of such termination of employment, as Coverage Period is defined in such CIC Severance Agreement, if longer), then commencing immediately after such Termination Date, the provisions of subsections (a) and (b) of this Section 9.2 shall no longer apply and shall be replaced with the following subsection (c):

(c) No-Hire. Optionee agrees that Optionee shall not, for a period of twelve (12) months after the Termination Date, employ or offer to employ, solicit, actively interfere with PNC's or any PNC affiliate's relationship with, or attempt to divert or entice away, any officer of PNC or any PNC affiliate.

9.3 Confidentiality. During Optionee's employment with the Corporation, and thereafter regardless of the reason for termination of such employment, Optionee will not disclose or use in any way any confidential business or technical information or trade secret acquired in the course of such employment, all of which is the exclusive and valuable property of the Corporation whether or not conceived of or prepared by Optionee, other than (a) information generally known in the Corporation's industry or acquired from public sources, (b) as required in the course of employment by the Corporation, (c) as required by any court, supervisory authority, administrative agency or applicable law, or (d) with the prior written consent of PNC.

9.4 Ownership of Inventions. Optionee shall promptly and fully disclose to PNC any and all inventions, discoveries, improvements, ideas or other works of inventorship or authorship, whether or not patentable, that have been or will be conceived and/or reduced to practice by Optionee during the term of Optionee's employment with the Corporation, whether alone or with others, and that are (a) related directly or indirectly to the business or activities of PNC or any of its subsidiaries or (b) developed with the use of any time, material, facilities or other resources of PNC or any subsidiary ("Developments"). Optionee agrees to assign and hereby does assign to PNC or its designee all of Optionee's right, title and interest, including copyrights and patent rights, in and to all Developments. Optionee shall perform all actions and execute all instruments that PNC or any subsidiary shall deem necessary to protect or record PNC's or its designee's interests in the Developments. The obligations of this Section 9.4 shall be performed by Optionee without further compensation and shall continue beyond the Termination Date.

10. Enforcement Provisions. Optionee understands and agrees to the following provisions regarding enforcement of the Agreement.

10.1 Governing Law and Jurisdiction. The Agreement is governed by and construed under the laws of the Commonwealth of Pennsylvania, without reference to its conflict of laws provisions. Any dispute or claim arising out of or relating to the Agreement or claim of breach hereof shall be brought exclusively in the federal court for the Western District of Pennsylvania or in the Court of Common Pleas of Allegheny County, Pennsylvania. By execution of the Agreement, Optionee and PNC hereby consent to the exclusive jurisdiction of such courts, and waive any right to challenge jurisdiction or venue in such courts with regard to any suit, action, or proceeding under or in connection with the Agreement.

10.2 Equitable Remedies. A breach of the provisions of any of Sections 9.2, 9.3 or 9.4 will cause the Corporation irreparable harm, and the Corporation will therefore be entitled to issuance of immediate, as well as permanent, injunctive relief restraining Optionee, and each and every person and entity acting in concert or participating with Optionee, from initiation and/or continuation of such breach.

10.3 Tolling Period. If it becomes necessary or desirable for the Corporation to seek compliance with the provisions of Section 9.2 by legal proceedings, the period during

which Optionee shall comply with said provisions will extend for a period of twelve (12) months from the date the Corporation institutes legal proceedings for injunctive or other relief.

10.4 No Waiver. Failure of PNC to demand strict compliance with any of the terms, covenants or conditions of the Agreement shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any such term, covenant or condition on any occasion or on multiple occasions be deemed a waiver or relinquishment of such term, covenant or condition.

10.5 Severability. The restrictions and obligations imposed by Sections 9.2, 9.3 and 9.4 are separate and severable, and it is the intent of Optionee and PNC that if any restriction or obligation imposed by any of these provisions is deemed by a court of competent jurisdiction to be void for any reason whatsoever, the remaining provisions, restrictions and obligations shall remain valid and binding upon Optionee.

10.6 Reform. In the event any of Sections 9.2, 9.3 and 9.4 are determined by a court of competent jurisdiction to be unenforceable because unreasonable either as to length of time or area to which said restriction applies, it is the intent of Optionee and PNC that said court reduce and reform the provisions thereof so as to apply the greatest limitations considered enforceable by the court.

10.7 Waiver of Jury Trial. Each of Optionee and PNC hereby waives any right to trial by jury with regard to any suit, action or proceeding under or in connection with any of Sections 9.2, 9.3 and 9.4.

10.8 Applicable Law. Notwithstanding anything in the Agreement, PNC will not be required to comply with any term, covenant or condition of the Agreement if and to the extent prohibited by law, including but not limited to federal banking and securities regulations, or as otherwise directed by one or more regulatory agencies having jurisdiction over PNC or any of its subsidiaries. Further, to the extent, if any, applicable to Optionee, Optionee agrees to reimburse PNC for any amounts Optionee may be required to reimburse the Corporation pursuant to Section 304 of the Sarbanes-Oxley Act of 2002, and agrees that PNC need not comply with any term, covenant or condition of the Agreement to the extent that doing so would require that Optionee reimburse PNC or its subsidiaries for such amounts pursuant to Section 304 of the Sarbanes-Oxley Act of 2002.

10.9 Compliance with Internal Revenue Code Section 409A. It is the intention of the parties that the Option and the Agreement comply with the provisions of Section 409A to the extent, if any, that such provisions are applicable to the Agreement, and the Agreement will be administered by PNC in a manner consistent with this intent.

If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of Section 409A, Optionee agrees that PNC may, without the consent of Optionee, modify the Agreement

and the Option to the extent and in the manner PNC deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that PNC deems appropriate in order either to preclude any such payments or benefits from being deemed "deferred compensation" within the meaning of Section 409A or to provide such payments or benefits in a manner that complies with the provisions of Section 409A such that they will not be taxable thereunder.

11. Effective Date. If Optionee does not accept the grant of the Option by executing and delivering a copy of the Agreement to PNC, without altering or changing the terms of the Agreement in any way, within thirty (30) days of receipt by Optionee of a copy of the Agreement, PNC may, in its sole discretion, withdraw its offer and cancel the Option and the Agreement at any time prior to Optionee's delivery to PNC of a copy of the Agreement executed by Optionee.

Otherwise, upon execution and delivery of the Agreement by both PNC and Optionee and, in the event that Optionee is subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to PNC securities, the filing with and acceptance by the SEC of a Form 4 reporting the Grant, the Option and the Agreement are effective as of the Grant Date.

IN WITNESS WHEREOF, PNC has caused the Agreement to be signed on its behalf effective as of the Grant Date.

THE PNC FINANCIAL SERVICES GROUP, INC.

By:

Chairman and Chief Executive Officer

ATTEST:

By:

Corporate Secretary

January 2008

Accepted and agreed to as of the Grant Date

Optionee

Annex A - Certain Definitions
Annex B - Notice of Exercise
Annex C - Tax Payment Election Form

ANNEX A
CERTAIN DEFINITIONS

* * *

A.1 "Agreement" means the Nonstatutory Stock Option Agreement between PNC and Optionee evidencing the grant of the Option to Optionee pursuant to the Plan.

A.2 "Board" means the Board of Directors of PNC.

A.3 "Cause."

(a) "Cause" during a Coverage Period. If the termination of Optionee's employment with the Corporation occurs during a Coverage Period, then, for purposes of the Agreement, "Cause" means:

(i) the willful and continued failure of Optionee to substantially perform Optionee's duties with the Corporation (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to Optionee by the Board or the CEO that specifically identifies the manner in which the Board or the CEO believes that Optionee has not substantially performed Optionee's duties; or

(ii) the willful engaging by Optionee in illegal conduct or gross misconduct that is materially and demonstrably injurious to PNC or any of its subsidiaries.

For purposes of the preceding clauses (i) and (ii), no act or failure to act, on the part of Optionee, shall be considered willful unless it is done, or omitted to be done, by Optionee in bad faith and without reasonable belief that Optionee's action or omission was in the best interests of the Corporation. Any act, or failure to act, based upon the instructions or prior approval of the Board, the CEO or Optionee's superior or based upon the advice of counsel for the Corporation, shall be conclusively presumed to be done, or omitted to be done, by Optionee in good faith and in the best interests of the Corporation.

The cessation of employment of Optionee will be deemed to be a termination of Optionee's employment with the Corporation for Cause for purposes of the Agreement only if and when there shall have been delivered to Optionee, as part of the notice of Optionee's termination, a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board, at a Board meeting called and held for the purpose of considering such termination, finding on the basis of clear and convincing evidence that, in the

good faith opinion of the Board, Optionee is guilty of conduct described in clause (i) or (ii) above and, in either case, specifying the particulars thereof in detail. Such resolution shall be adopted only after (1) reasonable notice of such Board meeting is provided to Optionee, together with written notice that PNC believes that Optionee is guilty of conduct described in clause (i) or (ii) above and, in either case, specifying the particulars thereof in detail, and (2) Optionee is given an opportunity, together with counsel, to be heard before the Board.

(b) “Cause” other than during a Coverage Period. If the termination of Optionee’s employment with the Corporation occurs other than during a Coverage Period, then, for purposes of the Agreement, “Cause” means:

- (i) the willful and continued failure of Optionee to substantially perform Optionee’s duties with the Corporation (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to Optionee by PNC that specifically identifies the manner in which it is believed that Optionee has not substantially performed Optionee’s duties;
- (ii) a material breach by Optionee of (1) any code of conduct of PNC or one of its subsidiaries or (2) other written policy of PNC or a subsidiary, in either case required by law or established to maintain compliance with applicable law;
- (iii) any act of fraud, misappropriation, material dishonesty, or embezzlement by Optionee against PNC or one of its subsidiaries or any client or customer of PNC or a subsidiary;
- (iv) any conviction (including a plea of guilty or of *nolo contendere*) of Optionee for, or entry by Optionee into a pre-trial disposition with respect to, the commission of a felony; or
- (v) entry of any order against Optionee, by any governmental body having regulatory authority with respect to the business of PNC or any of its subsidiaries, that relates to or arises out of Optionee’s employment or other service relationship with the Corporation.

The cessation of employment of Optionee will be deemed to have been a termination of Optionee’s employment with the Corporation for Cause for purposes of the Agreement only if and when the CEO or his or her designee (or, if Optionee is the CEO, the Board) determines that Optionee is guilty of conduct described in clause (i), (ii) or (iii) above or that an event described in clause (iv) or (v) above has occurred with respect to Optionee and, if so, determines that the termination of Optionee’s employment with the Corporation will be deemed to have been for Cause.

A.4 “CEO” means the chief executive officer of PNC.

A.5 "Change in Control" means a change of control of PNC of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Exchange Act, whether or not PNC is then subject to such reporting requirement; *provided, however*, that without limitation, a Change in Control shall be deemed to have occurred if:

(a) any Person, excluding employee benefit plans of the Corporation, is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act or any successor provisions thereto), directly or indirectly, of securities of PNC representing twenty percent (20%) or more of the combined voting power of PNC's then outstanding securities; *provided, however*, that such an acquisition of beneficial ownership representing between twenty percent (20%) and forty percent (40%), inclusive, of such voting power shall not be considered a Change in Control if the Board approves such acquisition either prior to or immediately after its occurrence;

(b) PNC consummates a merger, consolidation, share exchange, division or other reorganization or transaction of PNC (a "Fundamental Transaction") with any other corporation, other than a Fundamental Transaction that results in the voting securities of PNC outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least sixty percent (60%) of the combined voting power immediately after such Fundamental Transaction of (i) PNC's outstanding securities, (ii) the surviving entity's outstanding securities, or (iii) in the case of a division, the outstanding securities of each entity resulting from the division;

(c) the shareholders of PNC approve a plan of complete liquidation or winding-up of PNC or an agreement for the sale or disposition (in one transaction or a series of transactions) of all or substantially all of PNC's assets;

(d) as a result of a proxy contest, individuals who prior to the conclusion thereof constituted the Board (including for this purpose any new director whose election or nomination for election by PNC's shareholders in connection with such proxy contest was approved by a vote of at least two-thirds (2/3rds) of the directors then still in office who were directors prior to such proxy contest) cease to constitute at least a majority of the Board (excluding any Board seat that is vacant or otherwise unoccupied);

(e) during any period of twenty-four (24) consecutive months, individuals who at the beginning of such period constituted the Board (including for this purpose any new director whose election or nomination for election by PNC's shareholders was approved by a vote of at least two-thirds (2/3rds) of the directors then still in office who were directors at the beginning of such period)

cease for any reason to constitute at least a majority of the Board (excluding any Board seat that is vacant or otherwise unoccupied); or

(f) the Board determines that a Change in Control has occurred.

Notwithstanding anything to the contrary herein, a divestiture or spin-off of a subsidiary or division of PNC or any of its subsidiaries shall not by itself constitute a Change in Control.

A.6 "CIC Failure" means the following:

(a) with respect to a CIC Triggering Event described in Section A.8(a), PNC's shareholders vote against the transaction approved by the Board or the agreement to consummate the transaction is terminated; or

(b) with respect to a CIC Triggering Event described in Section A.8(b), the proxy contest fails to replace or remove a majority of the members of the Board.

A.7 "CIC Severance Agreement" means the written agreement, if any, between Optionee and PNC providing, among other things, for certain change in control severance benefits.

A.8 "CIC Triggering Event" means the occurrence of either of the following:

(a) the Board or PNC's shareholders approve a transaction described in Subsection (b) of the definition of Change in Control contained in Section A.5; or

(b) the commencement of a proxy contest in which any Person seeks to replace or remove a majority of the members of the Board.

A.9 "Committee" means the Personnel and Compensation Committee of the Board or such person or persons as may be designated or appointed by that committee as its delegate or designee.

A.10 "Competitive Activity" means, for purposes of the Agreement, any participation in, employment by, ownership of any equity interest exceeding one percent (1%) in, or promotion or organization of, any Person other than PNC or any of its subsidiaries (1) engaged in business activities similar to some or all of the business activities of PNC or any subsidiary as of Optionee's Termination Date or (2) engaged in business activities that Optionee knows PNC or any subsidiary intends to enter within the first twelve (12) months after Optionee's Termination Date or, if later and if applicable, after the date specified in clause (ii) of Section A.15(a), in either case whether Optionee is acting as agent, consultant, independent contractor, employee, officer, director, investor, partner,

shareholder, proprietor or in any other individual or representative capacity therein.

A.11 "Consolidated Subsidiary" means a corporation, bank, partnership, business trust, limited liability company or other form of business organization that (1) is a consolidated subsidiary of PNC under generally accepted accounting principles and (2) satisfies the definition of "service recipient" under Section 409A of the Internal Revenue Code.

A.12 "Corporation" means PNC and its Consolidated Subsidiaries.

A.13 "Coverage Period" means a period (a) commencing on the earlier to occur of (i) the date of a CIC Triggering Event and (ii) the date of a Change in Control and (b) ending on the date that is two (2) years after the date of the Change in Control; *provided, however*, that in the event that a Coverage Period commences on the date of a CIC Triggering Event, such Coverage Period will terminate upon the earlier to occur of (x) the date of a CIC Failure and (y) the date that is two (2) years after the date of the Change in Control triggered by the CIC Triggering Event. After the termination of any Coverage Period, another Coverage Period will commence upon the earlier to occur of clauses (a)(i) and (a)(ii) in the preceding sentence.

A.14 "Covered Shares" means the number of shares of PNC common stock that Optionee has the option to purchase from PNC pursuant to the Option.

A.15 "Detrimental Conduct" means, for purposes of the Agreement:

(a) Optionee has engaged, without the prior written consent of PNC (with consent to be given at PNC's sole discretion), in any Competitive Activity in the continental United States at any time during the period commencing on Optionee's Termination Date and extending through (and including) the first (1st) anniversary of the later of (i) Optionee's Termination Date and, if different, (ii) the first date after Optionee's Termination Date as of which Optionee ceases to be engaged by the Corporation in any capacity for which Optionee receives compensation from the Corporation, including but not limited to acting for compensation as a consultant, independent contractor, employee, officer, director or advisory director;

(b) any act of fraud, misappropriation, or embezzlement by Optionee against PNC or one of its subsidiaries or any client or customer of PNC or one of its subsidiaries; or

(c) any conviction (including a plea of guilty or of *nolo contendere*) of Optionee for, or any entry by Optionee into a pre-trial disposition with respect to, the commission of a felony that relates to or arises out of Optionee's employment or other service relationship with the Corporation.

Optionee will be deemed to have engaged in Detrimental Conduct for purposes of the Agreement only if and when the Committee (if Optionee was an "executive officer" of PNC as defined in SEC Regulation S-K when he or she ceased to be an employee of the Corporation) or the CEO (if Optionee was not such an executive officer), whichever is applicable, determines that Optionee has engaged in conduct described in clause (a) or clause (b) above or that an event described in clause (c) above has occurred with respect to Optionee, and, if so, determines that Optionee will be deemed to have engaged in Detrimental Conduct.

A.16 "Exchange Act" means the Securities Exchange Act of 1934 as amended, and the rules and regulations promulgated thereunder.

A.17 "Exercise Date" means the date (which must be a business day for PNC Bank, National Association) on which PNC receives written notice, in such form as PNC may from time to time prescribe, of the exercise, in whole or in part, of the Option pursuant to the terms of the Agreement, subject to receipt by PNC of full payment of the aggregate Option Price, calculation by PNC of the applicable withholding taxes, and receipt by PNC of payment for any taxes required to be withheld in connection with such exercise as provided in Sections 4.1, 4.2 and 4.3 of the Agreement.

A.18 "Expiration Date."

(a) Expiration Date. Expiration Date means the date on which the Option expires, which will be the tenth (10th) anniversary of the Grant Date unless the Option expires earlier pursuant to any of the provisions set forth in Sections A.18(b) through A.18(d);

provided, however, if there is a Change in Control, then notwithstanding Sections A.18(c) and A.18(d), to the extent that the Option is outstanding and vested or vests at the time the Change in Control occurs, the Option will not expire at the earliest before the close of business on the ninetieth (90th) day after the occurrence of the Change in Control (or the tenth (10th) anniversary of the Grant Date if earlier), *provided that* either (1) Optionee is an employee of the Corporation at the time the Change in Control occurs and Optionee's employment with the Corporation is not terminated for Cause or (2) Optionee is a former employee of the Corporation whose Option, or portion thereof, is outstanding at the time the Change in Control occurs by virtue of the application of one or more of the exceptions set forth in Section A.18(c) and at least one of such exceptions is still applicable at the time the Change in Control occurs.

In no event will the Option remain outstanding beyond the tenth (10th) anniversary of the Grant Date.

(b) Termination for Cause. Upon a termination of Optionee's employment with the Corporation for Cause, unless the Committee determines otherwise, the Option will expire at the close of business on Optionee's Termination Date with respect to all Covered Shares, whether or not vested and whether or not Optionee is eligible to Retire or Optionee's employment also terminates for another reason.

(c) Ceasing to be an Employee other than by Termination for Cause. If Optionee ceases to be an employee of the Corporation other than by termination of Optionee's employment for Cause, then unless the Committee determines otherwise, the Option will expire at the close of business on Optionee's Termination Date with respect to all Covered Shares, whether or not vested, except to the extent that the provisions set forth in subsection (1), (2), (3), (4) or (5) of this Section A.18(c) apply to Optionee's circumstances and such applicable subsection specifies a later expiration date for all or a portion of the Option. If more than one of such exceptions is applicable to the Option or a portion thereof, then the Option or such portion of the Option will expire in accordance with the provisions of the subsection that specifies the latest expiration date.

(1) Retirement. If the termination of Optionee's employment with the Corporation meets the definition of Retirement, then the Option will expire on the tenth (10th) anniversary of the Grant Date with respect to any Covered Shares as to which the Option is vested on the Retirement date or thereafter vests pursuant to Section 2.2 of the Agreement.

(2) Death. If Optionee's employment with the Corporation is terminated by reason of Optionee's death, then the Option will expire on the tenth (10th) anniversary of the Grant Date.

(3) Termination during a Coverage Period without Cause or with Good Reason. If Optionee's employment with the Corporation is terminated (other than by reason of Optionee's death) during a Coverage Period by the Corporation without Cause or by Optionee with Good Reason, then the Option will expire on the third (3rd) anniversary of such Termination Date (but in no event later than on the tenth (10th) anniversary of the Grant Date).

(4) Total and Permanent Disability. If Optionee's employment is terminated by the Corporation by reason of Total and Permanent Disability, then the Option will expire on the third (3rd) anniversary of such Termination Date (but in no event later than on the tenth (10th) anniversary of the Grant Date).

(5) DEAP or Agreement or Arrangement in lieu of or in addition to DEAP. In the event that (a) Optionee's employment with the Corporation is terminated by

the Corporation, and Optionee is offered and has entered into the standard Waiver and Release Agreement with PNC or one of its subsidiaries under an applicable PNC or subsidiary Displaced Employee Assistance Plan, or any successor plan by whatever name known ("DEAP"), or Optionee is offered and has entered into a similar waiver and release agreement between PNC or one of its subsidiaries and Optionee pursuant to the terms of an agreement or arrangement entered into by PNC or a subsidiary and Optionee in lieu of or in addition to the DEAP, and (b) Optionee has not revoked such waiver and release agreement, and (c) the time for revocation of such waiver and release agreement by Optionee has lapsed, then the Option will expire at the close of business on the ninetieth (90th) day after Optionee's Termination Date (but in no event later than on the tenth (10th) anniversary of the Grant Date) with respect to any Covered Shares as to which the Option has already become vested; *provided, however*, that if Optionee returns to employment with the Corporation no later than said ninetieth (90th) day, then for purposes of the Agreement, the entire Option, whether vested or unvested, will be treated as if the termination of Optionee's employment with the Corporation had not occurred.

If the vested portion of the Option (or the entire Option if fully vested) will expire on Optionee's Termination Date unless the conditions set forth in this Section A.18(c)(5) are met, then such vested Option or portion thereof will not terminate on the Termination Date, but Optionee will not be able to exercise the Option after such Termination Date unless and until all of the conditions set forth in this Section A.18(c)(5) have been met and the Option will terminate on the ninetieth (90th) day after Optionee's Termination Date (but in no event later than on the tenth (10th) anniversary of the Grant Date).

(d) Detrimental Conduct. If the Option would otherwise remain outstanding after Optionee's Termination Date with respect to any of the Covered Shares pursuant to one or more of the exceptions set forth in the subsections of Section A.18(c), then notwithstanding the provisions of such exception or exceptions, the Option will expire on the date that PNC determines that Optionee has engaged in Detrimental Conduct, if earlier than the date on which the Option would otherwise expire; *provided, however*, that:

(1) no determination that Optionee has engaged in Detrimental Conduct may be made on or after the date of Optionee's death, and Detrimental Conduct will not apply to conduct by or activities of beneficiaries or other successors to the Option in the event of Optionee's death;

(2) in the event that Optionee's employment with the Corporation is terminated (other than by reason of Optionee's death) during a Coverage Period by the Corporation without Cause or by Optionee with Good Reason, whether or not another exception is applicable, no determination that Optionee has engaged in

Detrimental Conduct for purposes of the Agreement may be made on or after such Termination Date; and

(3) no determination that Optionee has engaged in Detrimental Conduct may be made after the occurrence of a Change in Control.

A.19 "Fair Market Value" as it relates to a share of PNC common stock as of any given date means the average of the reported high and low trading prices on the New York Stock Exchange (or such successor reporting system as PNC may select) for a share of PNC common stock on such date, or, if no PNC common stock trades have been reported on such exchange for that day, the average of such prices on the next preceding day and the next following day for which there were reported trades.

A.20 "GAAP" or "generally accepted accounting principles" means accounting principles generally accepted in the United States of America.

A.21 "Good Reason" means:

(a) the assignment to Optionee of any duties inconsistent in any respect with Optionee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities immediately prior to either the CIC Triggering Event or the Change in Control, or any other action by the Corporation that results in a diminution in any respect in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith that is remedied by the Corporation promptly after receipt of notice thereof given by Optionee;

(b) a reduction by the Corporation in Optionee's annual base salary as in effect on the Grant Date, as the same may be increased from time to time;

(c) the Corporation's requiring Optionee to be based at any office or location that is more than fifty (50) miles from Optionee's office or location immediately prior to either the CIC Triggering Event or the Change in Control;

(d) the failure by the Corporation (i) to continue in effect any bonus, stock option or other cash or equity-based incentive plan in which Optionee participates immediately prior to either the CIC Triggering Event or the Change in Control that is material to Optionee's total compensation, unless a substantially equivalent arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or (ii) to continue Optionee's participation in such plan (or in such substitute or alternative plan) on a basis at least as favorable, both in terms of the amount of benefits provided and the level of Optionee's participation relative to other participants, as existed immediately prior to the CIC Triggering Event or the Change in Control; or

(e) the failure by the Corporation to continue to provide Optionee with benefits substantially similar to those received by Optionee under any of the Corporation's pension (including, but not limited to, tax-qualified plans), life insurance, health, accident, disability or other welfare plans in which Optionee was participating, at costs substantially similar to those paid by Optionee, immediately prior to the CIC Triggering Event or the Change in Control.

A.22 "Grant Date" means the date set forth as the Grant Date on page 1 of the Agreement and is the date as of which the Option is authorized to be granted by the Committee in accordance with the Plan.

A.23 "Internal Revenue Code" means the Internal Revenue Code of 1986 as amended, and the rules and regulations promulgated thereunder.

A.24 "Option" means the option to purchase shares of PNC common stock granted to Optionee under the Plan in Section 1 of the Agreement in accordance with the terms of Article 6 of the Plan.

A.25 "Option Period" means the period during which the Option may be exercised, as set forth in Section 2.2 of the Agreement.

A.26 "Option Price" means the dollar amount per share of PNC common stock at which the Option may be exercised. The Option Price is set forth on page 1 of the Agreement.

A.27 "Optionee" means the person to whom the Option is granted and is identified as Optionee on page 1 of the Agreement.

A.28 "Person" has the meaning given in Section 3(a)(9) of the Exchange Act and also includes any syndicate or group deemed to be a person under Section 13(d)(3) of the Exchange Act.

A.29 "Plan" means The PNC Financial Services Group, Inc. 2006 Incentive Award Plan.

A.30 "PNC" means The PNC Financial Services Group, Inc.

A.31 "Retire" or "Retirement" means, for purposes of this Option and all PNC stock options held by Optionee, whether granted under the Plan or under an earlier PNC plan, termination of Optionee's employment with the Corporation (a) at any time on or after the first day of the first month coincident with or next following the date on which Optionee attains age fifty-five (55) and completes five (5) years of service (where a year of service is determined in the same manner as the determination of a year of Vesting Service under the provisions of The PNC Financial Services Group, Inc. Pension Plan) with the Corporation and (b) for a reason other than termination by reason of Optionee's death or by the

Corporation for Cause or, unless the Committee determines otherwise, termination in connection with a divestiture of assets or a divestiture of one or more subsidiaries.

A.32 "Retiree" means an Optionee who has Retired.

A.33 "SEC" means the U.S. Securities and Exchange Commission.

A.34 "Share" means a share of authorized but unissued PNC common stock or a reacquired share of PNC common stock, including shares purchased by PNC on the open market for purposes of the Plan or otherwise.

A.35 "Termination Date" means Optionee's last date of employment with the Corporation. If Optionee is employed by a Consolidated Subsidiary that ceases to be a subsidiary of PNC or ceases to be a consolidated subsidiary of PNC under generally accepted accounting principles and Optionee does not continue to be employed by PNC or a Consolidated Subsidiary, then for purposes of the Agreement, Optionee's employment with the Corporation terminates effective at the time this occurs.

A.36 "Total and Permanent Disability" means, unless the Committee determines otherwise, Optionee's disability as determined to be total and permanent by the Corporation for purposes of the Agreement.

FORM OF CHANGE OF CONTROL EMPLOYMENT AGREEMENT

CHANGE OF CONTROL EMPLOYMENT AGREEMENT, dated as of the [] day of [], [] (this "Agreement"), by and between The PNC Financial Services Group, Inc., a Pennsylvania corporation (the "Company"), and [] (the "Executive").

WHEREAS, the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined herein). The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control, to encourage the Executive's full attention and dedication to the Company in the event of any threatened or pending Change of Control and to provide the Executive with compensation and benefits arrangements upon a Change of Control that ensure that the compensation and benefits expectations of the Executive will be satisfied and that provide the Executive with compensation and benefits arrangements that are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

Section 1. Certain Definitions. (a) "Effective Date" means the first date during the Change of Control Period (as defined herein) on which a Change of Control occurs. Notwithstanding anything in this Agreement to the contrary, if the Executive's employment with the Company is terminated by the Company other than for Cause, death or Disability prior to the date on which a Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the request of a third party that has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control (such a termination of employment, an "Anticipatory Termination"), then for all purposes of this Agreement, "Effective Date" means the date immediately prior to the date of such termination of employment.

(b) "Change of Control Period" means the period commencing on the date hereof and ending on the third anniversary of the date hereof; *provided, however*, that, commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof, the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless, at least 60 days prior to the Renewal Date, the Company shall give notice to the Executive that the Change of Control Period shall not be so extended; *provided, however*, that upon the date on which the Executive attains age 65, the Change of Control Period shall be reduced to the one-year period beginning on such date and ending on the first annual anniversary of such date, and commencing on the first annual anniversary of such

date and on each subsequent annual anniversary thereof (such annual anniversary and each annual anniversary thereof, the "Post-65 Renewal Date"), the Change of Control Period shall be automatically extended so as to terminate one year from such Post-65 Renewal Date, unless, at least 60 days prior to the Post-65 Renewal Date, the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

(c) "Affiliated Company" means any company controlled by, controlling or under common control with the Company.

(d) "Benefits Period" means the period commencing on the Date of Termination (as defined herein) and continuing thereafter for the number of months equal to the product of 12 and the Classification Factor.

(e) "Change of Control" means:

(i) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); *provided, however*, that, for purposes of this Section 1(e), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliated Company, (4) any acquisition pursuant to an Excluded Combination (as defined in Section 1(e)(iii)) or (5) an acquisition of beneficial ownership representing between 20% and 40%, inclusive, of the Outstanding Company Voting Securities or Outstanding Company Common Stock shall not be considered a Change of Control if the Incumbent Board as of immediately prior to any such acquisition approves such acquisition either prior to or immediately after its occurrence;

(ii) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board (excluding any Board seat that is vacant or otherwise unoccupied); *provided, however*, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries, a

sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), excluding, however, a Business Combination following which all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be (such a Business Combination, an "Excluded Combination"); or

(iv) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

(f) "Classification Factor" means _____ [three for all named executive officers], *provided*, that upon the date on which the Executive attains age 65, if and only if the Effective Date has not occurred as of such date, the Classification Factor shall be reduced by one-half.

Section 2. Employment Period. The Company hereby agrees to continue the Executive in its employ, subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second anniversary of the Effective Date (the "Employment Period"). The Employment Period shall terminate upon the Executive's termination of employment for any reason.

Section 3. Terms of Employment. (a) **Position and Duties.** (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date, (B) the Executive's services shall be performed at the office where the Executive was employed immediately preceding the Effective Date or at any other location less than 50 miles from such office and (C) the Executive shall not be required to travel on Company business to a substantially greater extent than required during the 120-day period immediately prior to the Effective Date.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such

responsibilities. During the Employment Period, it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that, to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) **Compensation.** (i) **Base Salary.** During the Employment Period, the Executive shall receive an annual base salary (the "Annual Base Salary") at an annual rate at least equal to 12 times the highest monthly base salary paid or payable, including any base salary that has been earned but deferred, to the Executive by the Company and the Affiliated Companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. The Annual Base Salary shall be paid at such intervals as the Company pays executive salaries generally. During the Employment Period, the Annual Base Salary shall be reviewed at least annually, beginning no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date. Any increase in the Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. The Annual Base Salary shall not be reduced after any such increase and the term "Annual Base Salary" shall refer to the Annual Base Salary as so increased.

(ii) **Annual Bonus.** In addition to the Annual Base Salary, the Executive shall be awarded, for each fiscal year of the Company ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal the product of (A) the Executive's Annual Base Salary and (B) the Executive's average Bonus Percent (as defined below) for the three fiscal years (or such shorter period during which the Executive has been employed by the Company) immediately preceding the Effective Date (such average, the "Minimum Annual Bonus Percent"). Notwithstanding the foregoing and not in contravention of the foregoing, to the extent that, during the Employment Period, the committee administering the applicable annual incentive plan establishes specific Annual Bonus targets with respect to an applicable fiscal year of the Company ending during the Employment Period for peer executives of the Company, the Annual Bonus target established by such committee for the Executive shall be no less favorable to the Executive than the annual bonus target established for such peer executives of the Company, and any performance criteria established with respect to the Executive's Annual Bonus target shall be (and shall be evaluated on a basis that is) no less favorable to the Executive than the performance criteria (and the basis for evaluation) applicable to peer executives of the Company. For purposes of this Agreement, the "Bonus Percent" shall mean, with respect to a particular fiscal year of the Company, the amount expressed as a percentage equal to (1) the Executive's annual bonus (including any amounts deferred by the Executive and the cash value (measured in accordance with the immediately following sentence) of any portion of any annual bonus amounts paid in stock, restricted stock or other equity-based consideration and of any additional stock, restricted stock or other equity-based awards granted to the Executive with respect to the portion of such bonus amounts paid in stock, restricted stock or an equity-based award) earned under the Company's annual incentive plans, or any comparable bonus under any

predecessor or successor plan, during such fiscal year, divided by (2) the Executive's annual base salary paid or payable to the Executive for such fiscal year. For purposes of the preceding sentences, shares of stock or other consideration will be valued without regard to any vesting, transfer or other restrictions applicable to such stock or other consideration, and the cash value of any stock-based portion of such annual bonus will be determined based on a per share value equal to the closing price of the stock, as of the date the shares were awarded, on the principal stock exchange on which the stock is traded, and, with respect to awards that are stock options, based on the grant date value determined based on the Company's valuation methodology as in effect on the date of grant. Each such Annual Bonus shall be paid no later than two and a half months after the end of the fiscal year of the Company for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus pursuant to an arrangement that meets the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

(iii) **Long-Term Cash and Equity Incentives, Savings and Retirement Plans.** During the Employment Period, the Executive shall be entitled to participate in all long-term cash incentive, equity incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and the Affiliated Companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and the Affiliated Companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and the Affiliated Companies.

(iv) **Welfare Benefit Plans.** During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and the Affiliated Companies (including, without limitation, medical, prescription, dental, vision, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and the Affiliated Companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and the Affiliated Companies.

(v) **Expenses.** During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred (regardless of whether incurred prior to or following the Effective Date) by the Executive in accordance with the most favorable policies, practices and procedures of the Company and the Affiliated Companies in effect for the Executive at any time during the 120-day period immediately preceding the

Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and the Affiliated Companies.

(vi) **Fringe Benefits.** During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, transportation benefits and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and the Affiliated Companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and the Affiliated Companies.

(vii) **Office and Support Staff.** During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and the Affiliated Companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and the Affiliated Companies.

(viii) **Vacation.** During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and the Affiliated Companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and the Affiliated Companies.

Section 4. Termination of Employment. (a) **Death or Disability.** The Executive's employment shall terminate automatically if the Executive dies during the Employment Period. If the Company determines in good faith that the Disability (as defined herein) of the Executive has occurred during the Employment Period (pursuant to the definition of "Disability"), it may give to the Executive written notice in accordance with Section 11(b) of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), *provided, however,* that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. "Disability" means the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative (such agreement as to acceptability not to be unreasonably withheld).

(b) **Cause.** The Company may terminate the Executive's employment during the Employment Period with or without Cause. "Cause" means:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties (as contemplated by Section 3(a)(i)(A)) with the Company or any

Affiliated Company (other than any such failure resulting from incapacity due to physical or mental illness or following the Executive's delivery of a Notice of Termination for Good Reason), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company that specifically identifies the manner in which the Board or the Chief Executive Officer of the Company believes that the Executive has not substantially performed the Executive's duties; or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company.

For purposes of this Section 4(b), no act, or failure to act, on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon (A) authority given pursuant to a resolution duly adopted by the Board, or if the Company is not the ultimate parent corporation of the Affiliated Companies and is not publicly-traded, the board of directors of the ultimate parent of the Company (the "Applicable Board"), (B) the instructions of the Chief Executive Officer of the Company or a senior officer of the Company or (C) the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Applicable Board (excluding the Executive, if the Executive is a member of the Applicable Board) at a meeting of the Applicable Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel for the Executive, to be heard before the Applicable Board), finding that, in the good faith opinion of the Applicable Board, the Executive is guilty of the conduct described in Section 4(b)(i) or 4(b)(ii), and specifying the particulars thereof in detail.

(c) **Good Reason.** The Executive's employment may be terminated during the Employment Period by the Executive for Good Reason or by the Executive voluntarily without Good Reason. "Good Reason" means:

(i) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 3(a), or any other diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(ii) any failure by the Company to comply with any of the provisions of Section 3(b), other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) the Company's requiring the Executive to be based at any office or location other than as provided in Section 3(a)(i)(B) of this Agreement;

(iv) any action or inaction that constitutes a material breach by the Company of this Agreement; or

(v) any failure by the Company to comply with and satisfy Section 10(c).

For purposes of this Section 4(c) of this Agreement, any good faith determination of Good Reason made by the Executive shall be conclusive. The Executive's mental or physical incapacity following the occurrence of an event described above in clauses (i) through (v) shall not affect the Executive's ability to terminate employment for Good Reason, and the Executive's death following delivery of a Notice of Termination for Good Reason shall not affect the Executive's estate's entitlement to severance payments benefits provided hereunder upon a termination of employment for Good Reason.

(d) **Notice of Termination.** Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 11(b). "Notice of Termination" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined herein) is other than the date of receipt of such notice, specifies the Date of Termination (which Date of Termination shall be not more than 60 days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's respective rights hereunder. If within 30 days of receiving the Notice of Termination the party receiving such notice notifies the other party that a dispute exists concerning the provisions of the Agreement that apply to such termination, the dispute shall be resolved either (A) by mutual written agreement of the parties or (B) by a final judgment, order or decree of a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected). The parties shall pursue the resolution of such dispute with reasonable diligence. Following the final resolution of such dispute, any party owing any payments under this Agreement pursuant to such resolution shall make all such payments, together with interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code ("Interest") determined as of the Date of Termination (and in the case of compensatory amounts payable to the Executive under this Agreement, accrued from the Date of Termination) through the date such payments are actually made. Notwithstanding anything herein to the contrary, the Executive's mental or physical incapacity following the receipt of a Notice of Termination by the Company terminating the Executive's employment other than for Cause shall not affect the obligation of the Company to pay, or the Executive's entitlement to, the payments and benefits to which the Executive is entitled to under this Agreement upon a termination of employment other than for Cause, regardless of whether the Company terminates the Executive's employment as a

result of such mental or physical incapacity prior to the date set forth in the Notice of Termination.

(e) **Date of Termination.** “Date of Termination” means (i) if the Executive’s employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or such later date specified in the Notice of Termination, as the case may be, (ii) if the Executive’s employment is terminated by the Company other than for Cause or Disability, the date on which the Company notifies the Executive of such termination or such later date specified in the Notice of Termination, as the case may be, (iii) if the Executive resigns without Good Reason, the date on which the Executive notifies the Company of such termination and (iv) if the Executive’s employment is terminated by reason of death or Disability, the date of death of the Executive or the Disability Effective Date, as the case may be. Notwithstanding the foregoing, in no event shall the Date of Termination occur until the Executive experiences a “separation from service” within the meaning of Section 409A of the Code, and notwithstanding anything contained herein to the contrary, the date on which such separation from service takes place shall be the “Date of Termination.”

Section 5. Obligations of the Company upon Termination. (a) **By the Executive for Good Reason; By the Company Other Than for Cause, Death or Disability.** If, during the Employment Period, the Company terminates the Executive’s employment other than for Cause, Death or Disability, or the Executive terminates employment for Good Reason:

(i) the Company shall pay to the Executive, in a lump sum in cash within 30 days after the Date of Termination, the aggregate of the following amounts:

(A) the sum of:

- (1) the Executive’s Annual Base Salary through the Date of Termination to the extent not theretofore paid;
- (2) the Executive’s business expenses that are reimbursable pursuant to Section 3(b)(v) but have not been reimbursed by the Company as of the Date of Termination;
- (3) if an annual bonus for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs (x) has not been determined as of the Date of Termination, an amount equal to the product of (I) the percentage of the Executive’s Annual Base Salary on which the Executive’s target cash incentive award is based under the Company’s annual incentive plans (the “Target Bonus Percent”) in effect during the fiscal year of the Company preceding the Effective Date, or to the extent no such percentage exists, the Minimum Annual Bonus Percent, and (II) the Annual

Base Salary, or (y) has been determined as of the Date of Termination but not yet paid, the greater of (I) the bonus amount as so determined and (II) the product of the Minimum Annual Bonus Percent and the Annual Base Salary) (such amount, the "Prior Year Bonus");

- (4) any accrued vacation pay to the extent not theretofore paid (the sum of the amounts described in subclauses (1), (2), (3) and (4), the "Accrued Obligations"); and
- (5) an amount equal to the product of (x) the Executive's Target Bonus Percent in effect during the fiscal year of the Company preceding the Effective Date, or to the extent no such percentage exists, the Minimum Annual Bonus Percent, and (y) the Annual Base Salary (such amount, the "Termination Year Bonus");

provided, that notwithstanding the foregoing, if the Executive has made an irrevocable election under any nonqualified deferred compensation arrangement subject to Section 409A of the Code to defer any portion of the Executive's annual bonus for the fiscal year of the Company immediately preceding the fiscal year of the Company in which the Date of Termination occurs, then for purposes of this Section 5 (except as set forth in Section 5(d) with respect to a termination for Cause), such deferral election, and the terms of the applicable deferral arrangement, shall apply to the same portion of the Prior Year Bonus, and such portion shall not be considered as part of the "Accrued Obligations" but shall instead be an "Other Benefit" (as defined below);

(B) the amount equal to the product of (x) the Classification Factor and (y) the sum of the following amounts:

- (1) the Annual Base Salary; and
- (2) the product of (x) the higher of (I) the Minimum Annual Bonus Percent and (II) the average Bonus Percent for the three fiscal years (or such shorter period during which the Executive has been employed by the Company) immediately preceding the Date of Termination, and (y) the Annual Base Salary (such product, the "Highest Annual Bonus"); *provided*, however, that the Highest Annual Bonus shall be calculated for purposes of this Section 5(a)(i)(B)(2) assuming the Bonus Percent with respect to the fiscal year of the Company immediately preceding the Effective Date is not less than the Executive's Target Bonus Percent for such fiscal year, but only to the extent such a Target Bonus Percent was established for the Executive; and

(C) an amount equal to the sum of the Company or an Affiliated Company's (as applicable) contributions under The PNC Financial Services

Group, Inc. Incentive Savings Plan and the Supplemental Savings Plan (or similar qualified defined contribution plans and any excess or supplemental defined contribution plans sponsored by an Affiliated Company, if applicable to Executive) in which the Executive participates as of the Date of Termination (or, if more favorable to the Executive, the plans as in effect immediately prior to the Effective Date) (collectively, the "Savings Plans") that the Executive would receive if the Executive's employment continued during the Benefits Period, assuming for this purpose that (1) the Executive's benefits under such plans are fully vested; (2) the Executive's compensation during each year of the Benefits Period is equal to the Annual Base Salary and the Highest Annual Bonus, and such amounts are paid in equal installments ratably over each year of the Benefits Period; (3) the Executive received (x) an Annual Bonus with respect to the year in which the Date of Termination occurs equal to the amount payable pursuant to Section 5(a)(i)(A)(5) and (y) an Annual Bonus with respect to the fiscal year of the Company preceding the Date of Termination equal to the amount payable pursuant to Section 5(a)(i)(A)(3), in each case, only to the extent that an accrual in respect of the compensation described in this clause (3) has not already been credited to the Executive under the Savings Plans; (4) the amount of any such employer contributions is equal to the maximum amount that could be provided under the terms of the applicable Saving Plans for the year in which the Date of Termination occurs (or, if more favorable to the Executive, or in the event that as of the Date of Termination the amount of any such contributions for such year is not determinable, the amount of contribution that could be provided under the Savings Plans for the plan year ending immediately prior to the Effective Date) for a participant whose compensation is as provided in clauses (2) and (3) above; and (5) to the extent that the Company's contributions are determined based on the contributions or deferrals of the Executive, disregarding the Executive's actual contributions or deferral elections as of the Date of Termination and assuming that the Executive had elected to participate in the Savings Plans and to defer that percentage of Annual Base Salary and/or Annual Bonuses under the Savings Plans that would result in the maximum possible Company contribution.

(ii) Pension Benefits.

[Alternative 1: For SERP participants who were age 50 or over with at least five years of credited service as of January 1, 1999]

(A) Additional Earnings Credits under the Pension Plan and the Excess Plan. The Company shall pay to the Executive within 30 days of the Date of Termination a lump sum amount in cash equal to the earnings credits (including any transitional earnings credits, to the extent applicable) under The PNC Financial Services Group, Inc. Pension Plan or any successor plan (the "Pension Plan") and the PNC Financial Services Group, Inc. ERISA Excess Pension Plan or any successor plan (the "Excess Plan") in which the Executive participates as of the Date of Termination (or, if more favorable to the Executive, the Pension Plan and the Excess Plan in which the Executive participated as in effect immediately prior to the Effective Date) that the Executive would receive if the

Executive's employment continued during the Benefits Period and assuming for this purpose that (1) the Executive's benefits under such plans are fully vested; (2) the Executive's compensation during each year of the Benefits Period is equal to the Annual Base Salary and Highest Annual Bonus, and such amounts are paid in equal installments ratably over each year of the Benefits Period; (3) the Executive received (x) an Annual Bonus with respect to the year in which the Date of Termination occurs equal to the amount payable pursuant to Section 5(a)(i)(A)(5) and (y) an Annual Bonus with respect to the fiscal year of the Company preceding the Date of Termination equal to the amount payable pursuant to Section 5(a)(i)(A)(3), in each case, only to the extent that an accrual in respect of the compensation described in this clause (3) has not already been credited to the Executive under the Pension Plan and the Excess Plan; and (4) the earnings credits are at the level of earnings credits as in effect under the Pension Plan and the Excess Plan as of the Date of Termination (or, if more favorable to the Executive, as in effect under the Pension Plan and the Excess Plan immediately prior to the Effective Date).

(B) Additional SERP Accruals. In addition to the benefits provided under Section 5(a)(ii)(A), the Executive's retirement benefit under The PNC Financial Services Group, Inc. Supplemental Executive Retirement Plan or any successor plan (the "SERP," and together with the Excess Plan, the "Nonqualified Company Pension Plans;" and the Nonqualified Company Pension Plans together with the Pension Plan, the "Company Pension Plans") shall be calculated assuming for this purpose that (1) the Executive's employment continued during the Benefits Period and that during such period, (x) the Executive received service credit under the SERP for any purpose for which, and to the extent, the Executive was receiving service credit as of the Date of Termination (or, if more favorable to the Executive, as of the Effective Date), and (y) the Executive's age increased by the number of years (including partial years) that the Executive is deemed to be so employed; (2) the Executive's compensation during each year of the Benefits Period is equal to the Annual Base Salary and Highest Annual Bonus, and such amounts are paid in equal installments ratably over each year of the Benefits Period; and (3) the Executive received (x) an Annual Bonus with respect to the year in which the Date of Termination occurs equal to the amount payable pursuant to Section 5(a)(i)(A)(5) and (y) an Annual Bonus with respect to the fiscal year of the Company preceding the Date of Termination equal to the amount payable pursuant to Section 5(a)(i)(A)(3), in each case, only to the extent that an accrual in respect of the compensation described in this clause (3) has not already been credited to the Executive under the SERP; *provided, however,* notwithstanding clause (1), in no event shall the Executive be entitled to age or service credit, as a result of the application of this Section 5(a)(ii)(B), beyond the maximum age or maximum number of years of service credit, as applicable, permitted under the SERP.

(C) No Adverse Effect. The determinations and calculations made pursuant to Sections 5(a)(ii)(A) and 5(a)(ii)(B) shall be made without giving effect to any amendments made to the Company Pension Plans during the

Employment Period that adversely affect in any manner the amount of pension benefits payable to the Executive under the Company Pension Plans.

[Alternative 2: For all other SERP participants]

(A) Vesting of Pension Plan Benefits.

(1) To the extent that (i) the Executive's benefits under The PNC Financial Services Group, Inc. ERISA Excess Pension Plan or any successor plan (the "Excess Plan") and The PNC Financial Services Group, Inc. Supplemental Executive Retirement Plan or any successor plan (the "SERP," and together with the Excess Plan, the "Nonqualified Company Pension Plans") are unvested as of the Date of Termination, and (ii) the Executive would become vested in the Nonqualified Company Pension Plans had the Executive's employment continued for a number of years (including partial years) equal to the Classification Factor, the Executive's benefits under the Nonqualified Company Pension Plans shall vest in full and be paid to the Executive in accordance with the terms of such plans. This clause 5(a)(ii)(A)(1) shall constitute an amendment of the Nonqualified Company Pension Plans.

(2) To the extent that (i) the Executive is not fully vested in the accrued benefit under The PNC Financial Services Group, Inc. Pension Plan or any successor plan (the "Pension Plan," and together with the Nonqualified Company Pension Plans, the "Company Pension Plans") as of the Date of Termination, and (ii) the Executive would become vested in the Pension Plan had the Executive's employment continued for a number of years (including partial years) equal to the Classification Factor, the Company shall immediately credit to the Executive's account balance under the Excess Plan an amount equal to the Executive's unvested benefit under the Pension Plan as of the Date of Termination, which amount will be paid to the Executive in accordance with the terms of, and the Executive's distribution elections (if any) applicable to, the Excess Plan.

(B) Additional Earnings Credits with respect to the Benefits Period. In addition to the benefits provided under Section 5(a)(ii)(A), the Company shall pay to the Executive within 30 days of the Date of Termination a lump sum amount in cash equal to the earnings credits (including any transitional earnings credits, to the extent applicable) under the Company Pension Plans in which the Executive participates as of the Date of Termination (or, if more favorable to the Executive, the Company Pension Plans in which the Executive participated as in effect immediately prior to the Effective Date) that the Executive would receive if the Executive's employment continued during the Benefits Period and assuming for this purpose that (1) the Executive's benefits under such plans are fully vested; (2) the Executive's compensation during each year of the Benefits Period is equal to the Annual Base Salary and the Highest Annual Bonus, and such amounts are paid in equal installments ratably over each year of the Benefits Period; (3) the

Executive received (x) an Annual Bonus with respect to the year in which the Date of Termination occurs equal to the amount payable pursuant to Section 5(a)(i)(A)(5) and (y) an Annual Bonus with respect to the fiscal year of the Company preceding the Date of Termination equal to the amount payable pursuant to Section 5(a)(i)(A)(3), in each case, only to the extent that an accrual in respect of the compensation described in this clause (3) has not already been credited to the Executive under the Company Pension Plans; and (4) the earnings credits are at the level of earnings credits (including any transitional earnings credits, to the extent applicable) as in effect under the Company Pension Plans as of the Date of Termination (or, if more favorable to the Executive, as in effect under the Company Pension Plans immediately prior to the Effective Date).

(C) No Adverse Effect. The determinations and calculations made pursuant to Sections 5(a)(ii)(A)(2) and 5(a)(ii)(B) shall be made without giving effect to any amendments made to the Company Pension Plans during the Employment Period that adversely affect in any manner the amount of pension benefits payable to the Executive under the Company Pension Plans.

[Alternative 3: For all other executive officers]

(A) Vesting of Pension Plan Benefits.

(1) To the extent that (i) the Executive's benefits under The PNC Financial Services Group, Inc. ERISA Excess Pension Plan or any successor plan (the "Excess Plan") are unvested as of the Date of Termination, and (ii) the Executive would become vested in the Excess Plan had the Executive's employment continued for a number of years (including partial years) equal to the Classification Factor, Executive's benefits under the Excess Plan shall vest in full and be paid to the Executive in accordance with the terms of such plan. This clause 5(a)(ii)(A)(1) shall constitute an amendment of the Excess Plan.

(2) To the extent that (i) the Executive is not fully vested in the accrued benefit under The PNC Financial Services Group, Inc. Pension Plan or any successor plan (the "Pension Plan," and together with the Excess Plan, the "Company Pension Plans") as of the Date of Termination, and (ii) the Executive would become vested in the Pension Plan had the Executive's employment continued for a number of years (including partial years) equal to the Classification Factor, the Company shall immediately credit to the Executive's account balance under the Excess Plan an amount equal to the Executive's unvested benefit under the Pension Plan as of the Date of Termination, which amount will be paid to the Executive in accordance with the terms of, and the Executive's distribution elections (if any) applicable to, the Excess Plan.

(B) Additional Earnings Credits with respect to the Benefits Period. In addition to the benefits provided under Section 5(a)(ii)(A), the Company shall pay

to the Executive within 30 days of the Date of Termination a lump sum amount in cash equal to the earnings credits under the Company Pension Plans in which the Executive participates as of the Date of Termination (or, if more favorable to the Executive, the Company Pension Plans in which the Executive participated as in effect immediately prior to the Effective Date), that the Executive would receive if the Executive's employment continued during the Benefits Period and assuming for this purpose the following: (1) the Executive's benefits under such plans are fully vested; (2) the Executive's compensation during each year of the Benefits Period is equal to the Annual Base Salary and the Highest Annual Bonus, and such amounts are paid in equal installments ratably over each year of the Benefits Period; (3) the Executive received (x) an Annual Bonus with respect to the year in which the Date of Termination occurs equal to the amount payable pursuant to Section 5(a)(i)(A)(5) and (y) an Annual Bonus with respect to the fiscal year of the Company preceding the Date of Termination equal to the amount payable pursuant to Section 5(a)(i)(A)(3), in each case, only to the extent that an accrual in respect of the compensation described in this clause (3) has not already been credited to the Executive under the Company Pension Plans; and (4) the earnings credits are at the level of earnings credits as in effect under the Company Pension Plans as of the Date of Termination or, if more favorable to the Executive, as in effect under the Company Pension Plans immediately prior to the Effective Date.

(C) No Adverse Effect. The determinations and calculations made pursuant Sections 5(a)(ii)(A)(2) and 5(a)(ii)(B) shall be made without giving effect to any amendments made to the Company Pension Plans during the Employment Period that adversely affect in any manner the amount of pension benefits payable to the Executive under the Company Pension Plans.

(iii) Continued Health Care Insurance Coverage.

(A) During the Benefits Period, the Company shall provide the Executive with medical and dental insurance coverage (the "Health Care Benefits") substantially similar in all respects to those which the Executive was receiving immediately prior to the Notice of Termination or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and the Affiliated Companies and their families; *provided, however*, that the Health Care Benefits shall be provided during the Benefits Period in such a manner that such benefits are excluded from the Executive's income for federal income tax purposes.

(B) The receipt of the Health Care Benefits shall, except as provided in 5(a)(iii)(E) below, be conditioned upon the Executive continuing to pay the applicable premiums for such Health Care Benefits during the Benefits Period.

(1) The applicable monthly premium shall be the monthly premium as in effect at the Company from time to time with respect to the coverage provided under Section 4980B of the Code (the "COBRA Premium").

(2) During the portion of the Benefits Period in which the Executive continues to receive coverage under the Company's Health Care Benefits plans, the Company shall pay to the Executive an amount equal to the premium cost set forth in clause (1) above, minus the amount equal to the employee contribution rate that is paid by Company employees generally for such coverage, as in effect from time to time (and which amount shall in no event be greater than the employee contribution rate for the applicable level of coverage as in effect immediately prior to the Effective Date and shall not take into account any premium or cost increases which constituted Good Reason pursuant to Section 4(c)), which payment shall be paid in advance on the first payroll day of each month, commencing with the month immediately following the Executive's Date of Termination, provided that the first such payment shall be made within 30 days after the Date of Termination.

(C) The Health Care Benefits otherwise receivable by the Executive pursuant to Section 5(a)(iii) shall terminate if the Executive becomes re-employed with another employer and is eligible to receive health care benefits under another employer-provided plan. The Executive agrees to report to the Company any coverage and benefits actually received by or made available to the Executive from such other employer(s).

(D) During the Benefits Period, the Executive shall be entitled to elect to change the Executive's level of coverage and/or choice of coverage options (such as the Executive only or family medical coverage) with respect to the Health Care Benefits to the same extent that actively employed senior executives of the Company are permitted to make such changes; *provided, however*, that in the event of any such changes, the premiums paid by the Executive for the Health Care Benefits shall reflect any cost increase or decrease to the premium rates set forth in Section 5(a)(iii)(B)(1).

(E) During the COBRA health care continuation coverage period under Section 4980B of the Code (the "COBRA Period"), all group health benefits provided to the Executive pursuant to this Section 5(a)(iii) shall constitute continuation coverage for purposes of Part 6 of Title I of the Employee Retirement Income Security Act of 1974, as amended, and Section 4980B of the Code to the maximum extent permitted thereby. To the extent that, after the COBRA Period, the Company is unable to provide the Executive with the Health Care Benefits required by this Section 5(a)(iii) under the Company's benefit plans in such a manner that such benefits (and the costs and premiums thereof) are excluded from the Executive's income for federal income tax purposes or otherwise, the Company shall provide such benefits at the level required thereby through the purchase of individual insurance coverage, the full cost of which shall be borne by the Company and paid directly to the applicable insurance carrier at such time as the Company would have otherwise made payments to the Executive pursuant to Section 5(a)(iii)(B)(2) had such benefits been provided through the Company's Health Care Benefits plans.

(iv) The Company shall pay to the Executive, in a lump sum in cash within 30 days after the Date of Termination, an amount equal to the product of (A) the annual premium payments based on the conversion rates applicable to the Executive as of the Date of Termination in respect of the group term life insurance policy (and not any supplemental policies) under which the Executive was covered immediately prior to the Date of Termination and (B) the Classification Factor. To the extent requested by the Executive within 30 days following the Date of Termination, the Company shall take all action necessary, if any, to facilitate the Executive's exercise of all conversion privileges, if any, under such group term life insurance policy.

(v) Except as otherwise set forth in the last sentence of Section 6, to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any Other Benefits (as defined in Section 6) in accordance with the terms of the underlying plans or agreements.

Notwithstanding the foregoing provisions of this Section 5(a), in the event that the Executive is a "specified employee" within the meaning of Section 409A of the Code (as determined in accordance with the methodology established by the Company as in effect on the Date of Termination) (a "Specified Employee"), amounts that are deferred compensation (within the meaning of Section 409A of the Code) that would otherwise be payable in a lump sum within 30 days following the Date of Termination under Section 5(a) or pursuant to Section 5(a)(iii)(B)(2) during the six-month period immediately following the Date of Termination shall instead be paid, with Interest determined as of the Date of Termination, on the first business day after the date that is six months following the Executive's "separation from service" within the meaning of Section 409A of the Code (the "Delayed Payment Date").

(b) **Death.** If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, the Company shall provide the Executive's estate or beneficiaries with (i) the Accrued Obligations, (ii) an amount equal to a the product of (x) the Termination Year Bonus and (y) a fraction, the numerator of which is the number of days in the current fiscal year of the Company through the Date of Termination and the denominator of which is 365 (the "Pro Rata Bonus") and (iii) the timely payment or delivery of the Other Benefits, and shall have no other severance obligations under this Agreement. The Accrued Obligations (subject to the proviso set forth in Section 5(a)(i)(A) to the extent applicable) and the Pro Rata Bonus shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of the Other Benefits, the term "Other Benefits" as utilized in this Section 5(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and the Affiliated Companies to the estates and beneficiaries of peer executives of the Company and the Affiliated Companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive's estate and/or the Executive's beneficiaries, as in effect on the date of the Executive's death with respect to other peer executives of the Company and the Affiliated Companies and their beneficiaries.

(c) **Disability.** If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, the Company shall provide the Executive with the payments and benefits as set forth in Section 5(a) above at the times provided under Section 5(a) (subject to the proviso set forth in Section 5(a)(i)(A) to the extent applicable); *provided, however*, to the extent that the Executive is a Specified Employee, any such payments and benefits that are deferred compensation (within the meaning of Section 409A of the Code) shall be paid, with Interest, on the Delayed Payment Date. With respect to the provision of the Other Benefits following a Termination of Employment by reason of the Executive's Disability during the Employment Period, the term "Other Benefits" shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and the Affiliated Companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and the Affiliated Companies and their families.

(d) **Cause; Other Than for Good Reason.** If the Executive's employment is terminated for Cause during the Employment Period, the Company shall provide the Executive with the Executive's Annual Base Salary through the Date of Termination, and the timely payment or delivery of the Other Benefits (disregarding the proviso set forth in Section 5(a)(i)(A) to the extent applicable), and shall have no other severance obligations under this Agreement. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, the Company shall provide to the Executive the Accrued Obligations and the timely payment or delivery of the Other Benefits, and shall have no other severance obligations under this Agreement. In such case, all of the Accrued Obligations (subject to the proviso set forth in Section 5(a)(i)(A)) shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

Section 6. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or the Affiliated Companies and for which the Executive may qualify, nor, subject to Section 11(f), shall anything herein limit or otherwise affect such rights as the Executive may have under any other contract or agreement with the Company or the Affiliated Companies. Amounts that are vested benefits or that the Executive is otherwise entitled to receive under any plan, policy, practice or program of, or any other contract or agreement with, the Company or the Affiliated Companies at or subsequent to the Date of Termination ("Other Benefits"), including, without limitation, the pension benefits accrued by the Executive under the Company Pension Plans, shall be payable in accordance with such plan, policy, practice or program or contract or agreement, except as explicitly modified by this Agreement. Without limiting the generality of the foregoing, the Executive's resignation under this Agreement with or without Good Reason, shall in no way affect the Executive's ability to terminate employment by reason of the Executive's "retirement" under, or the Executive's eligibility to receive benefits under, any compensation or benefit plans, programs or arrangements of the Company or the Affiliated Companies, including without limitation any retirement or pension plan or arrangement of the Company or the Affiliated Companies or

substitute plans adopted by the Company, the Affiliated Companies or their respective successors, and any termination which otherwise qualifies as Good Reason shall be treated as such even if it is also a "retirement" for purposes of any such plan. To the extent that the Worker Adjustment and Retraining Notification Act of 1988 set forth at 29 U.S.C. § 2101 *et seq.* or any similar state or local statute to the extent not preempted by ERISA (the "WARN Act") requires the Company to make a payment (*e.g.*, a payment in lieu of notice) of any kind to the Executive because of the Executive's involuntary termination due to a layoff, reduction in force, plant or facility closing, sale of business, or similar event, the separation pay and benefits provided under this Agreement shall be in lieu of, or in full satisfaction of, the Company's obligations under the WARN Act. Notwithstanding the foregoing, if the Executive receives payments and benefits pursuant to Section 5(a) or 5(c) of this Agreement, the Executive shall not be entitled to any severance pay or benefits under any severance plan, program or policy of the Company and the Affiliated Companies, unless otherwise specifically provided therein in a specific reference to this Agreement.

Section 7. Full Settlement; Legal Fees. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall, subject to Section 11(g), not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement, and subject to Section 5(a)(iii)(C), such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred (within 10 days following the Company's receipt of an invoice from the Executive), at any time from the Effective Date of this Agreement through the Executive's remaining lifetime (or, if longer, through the 20th anniversary of the Effective Date) to the full extent permitted by law, all legal fees and expenses that the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus, in each case, Interest determined as of the date such legal fees and expenses were incurred; *provided, however*, in connection with a contest initiated by the Executive related to an Anticipatory Termination, if a Change of Control has not occurred during the pendency of such contest relating to an Anticipatory Termination (and unless and until such time as a Change of Control does occur during the 12 months following the date of such Anticipatory Termination), the Company (i) shall not pay such legal fees and expenses as incurred, but (ii) shall reimburse the Executive for such legal fees and expenses within 30 days following the final resolution of such contest if the Executive prevails on a material issue in such contest. In order to comply with Section 409A of the Code, in no event shall the payments by the Company under this Section 7 be made later than the end of the calendar year next following the calendar year in which such fees and expenses were incurred (or, in connection with a contest related to an Anticipatory Termination, following the calendar year in which such contest is finally resolved), *provided, however*, that the Executive shall have submitted an invoice for such fees and expenses at least 10 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred (or, in connection with a contest related to an Anticipatory Termination, following the calendar year in which such contest is finally resolved). The amount of such legal fees and expenses that the Company is obligated to pay in

any given calendar year shall not affect the legal fees and expenses that the Company is obligated to pay in any other calendar year, and the Executive's right to have the Company pay such legal fees and expenses may not be liquidated or exchanged for any other benefit.

Section 8. Certain Additional Payments by the Company. (a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any Payment would be subject to the Excise Tax, then the Executive shall be entitled to receive an additional payment (the "Gross-Up Payment") in an amount such that, after payment by the Executive of all taxes (and any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, but excluding any income taxes and penalties imposed pursuant to Section 409A of the Code, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. The Company's obligation to make Gross-Up Payments under this Section 8 shall not be conditioned upon the Executive's termination of employment. Notwithstanding the foregoing provisions of this Section 8(a), if it shall be determined that the Executive is entitled to the Gross-Up Payment, but that the Parachute Value of all Payments does not exceed 105% of the Safe Harbor Amount, then no Gross-Up Payment shall be made to the Executive and the amounts payable under this Agreement shall be reduced so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing the payments under the following sections in the following order: (i) Section 5(a)(iii)(B)(2); (ii) Section 5(a)(iv); (iii) Section 5(a)(i)(C); (iv) Section 5(a)(i)(B); and (v) Section 5(a)(i)(A)(5). For purposes of reducing the Payments to the Safe Harbor Amount, only amounts payable under this Agreement (and no other Payments) shall be reduced. If the reduction of the amount payable under this Agreement would not result in a reduction of the Parachute Value of all Payments to the Safe Harbor Amount, no amounts payable under the Agreement shall be reduced pursuant to this Section 8(a) and the Executive shall be entitled to the Gross-Up Payment.

(b) Subject to the provisions of Section 8(c), all determinations required to be made under this Section 8, including whether and when a Gross-Up Payment is required, the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by tax counsel or such other nationally recognized certified public accounting firm as may be designated by the Executive and reasonably acceptable to the Company (the "Accounting Firm"). The Accounting Firm shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive may appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Company should have been made (the "Underpayment"), consistent with the calculations required to be made hereunder. In the event the Company exhausts its remedies

pursuant to Section 8(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable, but no later than 10 business days after the Executive is informed in writing of such claim. The Executive shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which the Executive gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that the Company desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest, and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 8(c), the Company shall control all proceedings taken in connection with such contest, and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either pay the tax claimed to the appropriate taxing authority on behalf of the Executive and direct the Executive to sue for a refund or to contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; *provided, however,* that, if the Company pays such claim and directs the Executive to sue for a refund, the Company shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties) imposed with respect to such payment or with respect to any imputed income in connection with such payment; and *provided, further,* that any extension of the statute of limitations relating to

payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which the Gross-Up Payment would be payable hereunder, and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of a Gross-Up Payment or payment by the Company of an amount on the Executive's behalf pursuant to Section 8(c), the Executive becomes entitled to receive any refund with respect to the Excise Tax to which such Gross-Up Payment relates or with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 8(c), if applicable) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment by the Company of an amount on the Executive's behalf pursuant to Section 8(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then the amount of such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) Any Gross-Up Payment, as determined pursuant to this Section 8, shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination; *provided, however*, that, the Gross-Up Payment shall in all events be paid no later than the end of the Executive's taxable year next following the Executive's taxable year in which the Excise Tax (and any income or other related taxes or interest or penalties thereon) on a Payment are remitted to the Internal Revenue Service or any other applicable taxing authority or, in the case of amounts relating to a claim described in Section 8(c) that does not result in the remittance of any federal, state, local and foreign income, excise, social security and other taxes, the calendar year in which the claim is finally settled or otherwise resolved. Notwithstanding any other provision of this Section 8, the Company may, in its sole discretion, withhold and pay over to the Internal Revenue Service or any other applicable taxing authority, for the benefit of the Executive, all or any portion of any Gross-Up Payment, and the Executive hereby consents to such withholding.

(f) Definitions. The following terms shall have the following meanings for purposes of this Section 8:

(i) "Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(ii) "Parachute Value" of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment.

(iii) A "Payment" shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Executive, whether paid or payable pursuant to this Agreement or otherwise.

(iv) The "Safe Harbor Amount" means 2.99 times the Executive's "base amount," within the meaning of Section 280G(b)(3) of the Code.

Section 9. Confidential Information; No-Raid. (a) The Executive agrees that, in the event the Executive's employment with the Company is terminated for any reason whatsoever, and as a result of such termination the Executive is entitled to receive the severance amounts and benefits specified in Section 5(a) or Section 5(c), the Executive shall not, for a period of one year after the Date of Termination, employ or offer to employ, solicit, actively interfere with the Company's or any Company affiliate's relationship with, or attempt to divert or entice away, any officer of the Company or any Company affiliate.

(b) The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential business or technical information, trade secret, knowledge or data relating to the Company or the Affiliated Companies, and their respective businesses, which information, knowledge or data shall have been obtained by the Executive during the Executive's employment by the Company or the Affiliated Companies and which information, trade secret, knowledge or data shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those persons designated by the Company other than (i) information that is generally known in the Company's industry or acquired from public sources, (ii) as required in the course of such employment or (iii) as required by any court, supervisory authority, administrative agency or applicable law. In no event shall an asserted violation of the provisions of this Section 9 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

Section 10. Successors. (a) This Agreement is personal to the Executive, and, without the prior written consent of the Company, shall not be assignable by the Executive other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees, and any benefit payable to or for the benefit of Executive, if legally incompetent, or incapable of giving a receipt therefor, shall be deemed paid when paid to Executive's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Company.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Except as provided in Section 10(c), without the prior written consent of the Executive this Agreement shall not be assignable by the Company.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. "Company" means the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid that assumes and agrees to perform this Agreement by operation of law or otherwise.

Section 11. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Pennsylvania, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. Subject to the last sentence of Section 11(h), this Agreement may not be amended or modified other than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

if to the Executive:

At the most recent address on file at the Company.

if to the Company:

The PNC Financial Services Group, Inc.
One PNC Plaza
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222
Attention: Chief human resources executive of the Company

with a copy to:

The PNC Financial Services Group, Inc.
One PNC Plaza
249 Fifth Avenue
Pittsburgh, Pennsylvania 15222
Attention: General Counsel of the Company

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such United States federal, state or local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Sections 4(c)(i) through 4(c)(v), shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a), prior to the Effective Date, the Executive's employment may be terminated by either the Executive or the Company at any time prior to the Effective Date, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date, except as specifically provided herein, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof. From and after the day and year first above written, this Agreement shall supersede the Change in Control Severance Agreement between the Company (d/b/a PNC Bank Corp.) and the Executive, dated as of [•].

(g) In the event payments are made and benefits provided under Section 5(a) in connection with an Anticipatory Termination, notwithstanding anything contained herein to the contrary, if a Change of Control does not occur within 12 months following the date of such Anticipatory Termination, and the Company makes a demand in writing, (x) the Executive shall forfeit the right to retain, and shall return to the Company, any after-tax cash amounts received by the Executive from the Company, plus any amount realized by the Executive by virtue of such amounts being returned to the Company due to any refund of income or other taxes relating to, or the Executive's ability to take a loss on a tax return for, any such returned amounts, pursuant to Section 5(a)(i)(A)(5), Section 5(a)(i)(B), Section 5(a)(i)(C), Section 5(a)(ii) (to the extent previously paid, and to the extent not previously paid, any additional amounts accrued or benefits deemed to be vested under the Company Pension Plans pursuant to Section 5(a)(ii) shall be forfeited), and Section 5(a)(iv); and (y) the Company's obligations under this Agreement (other than the obligation to reimburse legal fees payable in connection with a contest relating to Anticipatory Termination as provided under Section 7), including but not limited to the provision of Health Care Benefits pursuant to Section 5(a)(iii), shall cease (other than the Executive's continued right to COBRA coverage at the Executive's expense during the COBRA Period) as of the date that is 12 months following the date of such Anticipatory Termination (or, if earlier, the date on which the proposed Change of Control to which the Anticipatory Termination was alleged to have related is finally and formally abandoned or terminated).

(h) The Agreement is intended to comply with the requirements of Section 409A of the Code or an exemption and shall in all respects be administered in accordance with Section 409A of the Code. Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A of the Code. In no event may the Executive, directly or indirectly, designate the calendar year of any payment to be made under this Agreement. If the

Executive dies following the Date of Termination and prior to the payment of any amounts delayed on account of Section 409A of the Code, such amounts shall be paid to the personal representative of the Executive's estate within 30 days after the date of the Executive's death. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code, including, without limitation, that (i) in no event shall reimbursements by the Company under this Agreement be made later than the end of the calendar year next following the calendar year in which the applicable fees and expenses were incurred, provided, that the Executive shall have submitted an invoice for such fees and expenses at least 10 days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred; (ii) the amount of in-kind benefits that the Company is obligated to pay or provide in any given calendar year shall not affect the in-kind benefits that the Company is obligated to pay or provide in any other calendar year; (iii) the Executive's right to have the Company pay or provide such reimbursements and in-kind benefits may not be liquidated or exchanged for any other benefit; and (v) in no event shall the Company's obligations to make such reimbursements or to provide such in-kind benefits apply later than the Executive's remaining lifetime (or if longer, through the 20th anniversary of the Effective Date). Prior to the Effective Date but within the time period permitted by the applicable Treasury Regulations, the Company may, in consultation with the Executive, modify the Agreement, in the least restrictive manner necessary and without any diminution in the value of the payments to the Executive, in order to cause the provisions of the Agreement to comply with the requirements of Section 409A of the Code, so as to avoid the imposition of taxes and penalties on the Executive pursuant to Section 409A of the Code.

(i) In the event the payments to be provided to the Executive under Section 5(a) are not to be paid until the Delayed Payment Date, then within five business days of the Executive's Date of Termination, the Company shall deliver cash, in an amount equal to the aggregate of the cash amounts payable under Section 5(a) (plus the estimated Interest) and, to the extent not previously paid (or immediately payable within five business days of the determination in accordance with Section 8(e) of this Agreement), any unpaid portion of the then estimated Gross-Up Payment (as determined by the Accounting Firm), to a "rabbi trust" (the "Trust") to be established by the Company with a nationally recognized financial institution as trustee (the "Trustee") to be held by the Trustee pursuant to the terms of the trust agreement entered into between the Company and the Trustee prior to the Effective Date; *provided, however,* that the Trust shall not be funded if the funding thereof would result in taxable income to the Executive by reason of Section 409A(b) of the Code; and *provided, further,* in no event shall any Trust assets at any time be located or transferred outside of the United States, within the meaning of Section 409A(b) of the Code. Any fees and expenses of the Trustee shall be paid by the Company.

(j) Upon the expiration or other termination of this Agreement or the Executive's employment, the respective rights and obligations of the parties hereto shall survive until such rights and obligations have been fulfilled.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from the Board, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

THE PNC FINANCIAL SERVICES GROUP, INC.

By: _____

Joan L. Gulley
Senior Vice President and Chief Human Resources
Officer

EXECUTIVE

By: _____

[Executive]