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SOCIETY CORP

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127 PUBLIC SQ
CLEVELAND OH 44114-1306
2166893000

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Filed pursuant to Rule 424(b)(3)
Registration No. 33-51717

[KeyCorp Letterhead]

December 29, 1993

Dear KeyCorp Shareholder:

You are cordially invited to attend a Special Meeting of Shareholders of KeyCorp to be held at the KeyCorp Tower, 30 South Pearl Street, Albany, New York, on February 16, 1994, at 8:00 a.m., local time.

The Boards of Directors of KeyCorp and Society Corporation ("Society") have unanimously approved a merger of KeyCorp and Society. At the Special Meeting, KeyCorp shareholders will be asked to adopt the Merger Agreement providing for the merger of KeyCorp into and with Society (the "Merger") with the surviving corporation being named "Key Bancshares Inc." or a variant thereof ("New Key"). In the Merger, each outstanding share of KeyCorp Common Stock will be converted into 1.205 shares of New Key Common Stock, each outstanding share of KeyCorp 10% Cumulative Preferred Stock, Series B, will be converted into one share of New Key 10% Cumulative Preferred Stock, Class A, and each share of Society Common Stock will remain outstanding as a share of New Key Common Stock.

This "merger of equals" transaction is designed to create one of the nation's premier banking organizations. The merger represents significant geographic expansion for both KeyCorp and Society from their existing markets and offers the potential for enhancing the financial products and services available to our customers and those of Society.

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE IN FAVOR OF THE ADOPTION OF THE MERGER AGREEMENT.

A proxy card is enclosed. Please indicate your voting instructions and sign, date, and mail the proxy card promptly in the return envelope provided. Whether or not you plan to attend the Special Meeting in person, it is important that you return the enclosed proxy card so that your shares of KeyCorp Common Stock are voted. Because the Merger requires approval of the holders of two-thirds of the shares of KeyCorp Common Stock, a failure to vote has the same effect as a vote against the Merger.

Sincerely,

VICTOR J. RILEY, JR.
Chairman of the Board, President
and Chief Executive Officer

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[KeyCorp Letterhead]

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

February 16, 1994

A Special Meeting of Shareholders of KeyCorp (including any adjournments or postponements thereof, the "KeyCorp Meeting") will be held on February 16, 1994 at 8:00 a.m., local time, at the KeyCorp Tower, 30 South Pearl Street, Albany, New York, for the purpose of voting on the adoption of the Agreement and Plan of Merger and the related Supplemental Agreement to Agreement and Plan of Merger, each dated as of October 1, 1993, as amended (together, the "Merger Agreement"), between KeyCorp and Society Corporation, providing for the merger of KeyCorp into and with Society Corporation, with Society Corporation as the surviving corporation under the name "Key Bancshares Inc." or a variant thereof ("New Key"), as described in the accompanying Prospectus/Joint Proxy Statement.

Only holders of record of KeyCorp Common Stock as of the close of business on December 28, 1993, have the right to receive notice of and to vote at the KeyCorp Meeting. Holders of KeyCorp Preferred Stock, as such, will not be entitled to vote.

The accompanying document constitutes the Prospectus/Joint Proxy Statement of KeyCorp and Society Corporation for their respective special meetings of shareholders. Copies of the Agreement and Plan of Merger and the related Supplemental Agreement to Agreement and Plan of Merger are attached as Appendices I and II, respectively, to the Prospectus/Joint Proxy Statement and

copies of the Amended and Restated Articles of Incorporation and Regulations of New Key are attached as Exhibits I and II, respectively, to the Agreement and Plan of Merger. The adoption of the Merger Agreement by the shareholders of KeyCorp and Society Corporation will constitute, under applicable law, the adoption of such Amended and Restated Articles of Incorporation and Regulations of New Key.

YOU ARE CORDIALLY INVITED TO ATTEND THE KEYCORP MEETING IN PERSON. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, YOU ARE URGED TO COMPLETE, DATE, SIGN, AND RETURN THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED AS SOON AS POSSIBLE.

HOLDERS OF KEYCORP STOCK AND DEPOSITARY SHARES SHOULD RETAIN THEIR STOCK CERTIFICATES AND DEPOSITARY RECEIPTS UNTIL TRANSMITTAL FORMS HAVE BEEN RECEIVED. STOCK CERTIFICATES AND DEPOSITARY RECEIPTS SHOULD NOT BE RETURNED WITH THE ENCLOSED PROXY CARD.

By Order of the Board of Directors

ROBERT W. BOUCHARD, Secretary

December 29, 1993

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING,
PLEASE SIGN, DATE, AND PROMPTLY RETURN
THE ACCOMPANYING PROXY CARD IN THE ENCLOSED ENVELOPE

[SOCIETY CORPORATION LETTERHEAD]

December 29, 1993

Dear Shareholder:

You are cordially invited to attend a Special Meeting of Shareholders of Society Corporation to be held at The Forum Conference Center, One Cleveland Center, 1375 East Ninth Street, Cleveland, Ohio, on February 16, 1994, at 9:30 a.m., local time.

At the Special Meeting, Society shareholders will be asked to adopt the Merger Agreement providing for the merger of KeyCorp into and with Society, with Society as the surviving corporation under the name "Key Bancshares Inc." or a variant thereof ("New Key"). In the merger, each outstanding share of KeyCorp Common Stock will be converted into 1.205 shares of New Key Common Stock, each outstanding share of KeyCorp 10% Cumulative Preferred Stock, Series B, will be converted into one share of New Key 10% Cumulative Preferred Stock, Class A, and each share of Society Common Stock will remain outstanding as a share of New Key Common Stock.

This "merger of equals" transaction is designed to create one of the nation's premier banking organizations. The merger represents significant geographic expansion for both Society and KeyCorp from their existing markets and offers the potential for enhancing the financial products and services available to our customers and those of KeyCorp.

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE IN FAVOR OF THE ADOPTION OF THE MERGER AGREEMENT.

A proxy card is enclosed. Please indicate your voting instructions and sign, date, and mail the proxy card promptly in the return envelope provided. Whether or not you plan to attend the Special Meeting in person, it is important that you return the enclosed proxy card so that your shares of Society Common Stock are voted.

Sincerely,

ROBERT W. GILLESPIE
Chairman of the Board and
Chief Executive Officer

[Society Corporation Letterhead]

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

February 16, 1994

A Special Meeting of Shareholders of Society Corporation (including any adjournments or postponements thereof, the "Society Meeting") will be held on

February 16, 1994 at 9:30 a.m., local time, at The Forum Conference Center, One Cleveland Center, 1375 East Ninth Street, Cleveland, Ohio, for the purpose of voting on the adoption of the Agreement and Plan of Merger and the related Supplemental Agreement to Agreement and Plan of Merger, each dated as of October 1, 1993, as amended (together, the "Merger Agreement"), between KeyCorp and Society Corporation, providing for the merger of KeyCorp into and with Society Corporation, with Society Corporation as the surviving corporation under the name "Key Bancshares Inc." or a variant thereof ("New Key"), as described in the accompanying Prospectus/Joint Proxy Statement, and all other matters properly coming before the Society Meeting which relate to the Merger Agreement and the transactions contemplated thereby.

Only holders of record of Society Common Stock as of the close of business on December 28, 1993, have the right to receive notice of and to vote at the Society Meeting.

The accompanying document constitutes the Prospectus/Joint Proxy Statement of Society Corporation and KeyCorp for their respective special meetings of shareholders. Copies of the Agreement and Plan of Merger and the Supplemental Agreement to Agreement and Plan of Merger are attached as Appendices I and II, respectively, to the Prospectus/Joint Proxy Statement and copies of the Amended and Restated Articles of Incorporation and Regulations of New Key are attached as Exhibits I and II, respectively, to the Agreement and Plan of Merger. The adoption of the Merger Agreement by the shareholders of Society Corporation and KeyCorp will constitute, under applicable law, the adoption of such Amended and Restated Articles of Incorporation and Regulations of New Key.

YOU ARE CORDIALLY INVITED TO ATTEND THE SOCIETY MEETING IN PERSON. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, YOU ARE URGED TO COMPLETE, DATE, SIGN, AND RETURN THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED AS SOON AS POSSIBLE.

By Order of the Board of Directors

LAWRENCE J. CARLINI, Secretary

DECEMBER 29, 1993

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING,
PLEASE SIGN, DATE, AND PROMPTLY RETURN
THE ACCOMPANYING PROXY CARD IN THE ENCLOSED ENVELOPE

JOINT PROXY STATEMENT

KEYCORP AND SOCIETY CORPORATION
SPECIAL MEETINGS OF SHAREHOLDERS TO BE HELD ON FEBRUARY 16, 1994

PROSPECTUS

SOCIETY CORPORATION
(TO BE RENAMED "KEY BANCSHARES INC." OR A VARIANT THEREOF UPON CONSUMMATION OF THE MERGER DESCRIBED HEREIN)

COMMON SHARES, WITH A PAR VALUE OF $1 EACH (NOT TO EXCEED 137,788,925 COMMON SHARES)

AND

DEPOSITARY SHARES, EACH REPRESENTING A ONE-FIFTH INTEREST IN A SHARE OF 10% CUMULATIVE PREFERRED STOCK, CLASS A, PAR VALUE $5.00 PER SHARE (NOT TO EXCEED 6,400,000 DEPOSITARY SHARES)

This Prospectus/Joint Proxy Statement is being furnished to holders of Common Shares, par value $5.00 per share (the "KeyCorp Common Stock"), of KeyCorp, a New York corporation ("KeyCorp"), in connection with the solicitation of proxies by the Board of Directors of KeyCorp for use at a Special Meeting of Shareholders of KeyCorp to be held at 8:00 a.m. on February 16, 1994 at the KeyCorp Tower, 30 South Pearl Street, Albany, New York, and at any adjournments or postponements thereof (the "KeyCorp Meeting"). This Prospectus/Joint Proxy Statement is also being furnished to holders of Common Shares, with a par value of $1 each (the "Society Common Stock"), of Society Corporation, an Ohio corporation ("Society"), in connection with the solicitation of proxies by the Board of Directors of Society for use at a Special Meeting of Shareholders of Society to be held at 9:30 a.m. on February 16, 1994, at The Forum Conference Center, One Cleveland Center, 1375 East Ninth Street, Cleveland, Ohio, and at any adjournments or postponements thereof (the "Society Meeting"). At the KeyCorp Meeting and at the Society Meeting, the holders of KeyCorp Common Stock and Society Common Stock, respectively, will consider and vote upon the adoption of an Agreement and Plan of Merger, as amended (the "Plan of Merger"), and a related Supplemental Agreement to Agreement and Plan of Merger, as amended (the "Supplemental Agreement"), each of which is by and between KeyCorp and Society and is dated as of October 1, 1993 (the Supplemental Agreement together with the

Plan of Merger being hereinafter the "Merger Agreement"), providing for the merger (the "Merger") of KeyCorp into and with Society, with Society as the surviving corporation under the name "Key Bancshares Inc." or a variant thereof ("New Key"). See "TERMS OF THE MERGER -- Name." Adoption of the Merger Agreement will also constitute, under applicable law, adoption of the Amended and Restated Articles of Incorporation and the Regulations of New Key attached hereto as Exhibits I and II, respectively, to the Plan of Merger. See "TERMS OF THE MERGER - -- General."

This Prospectus/Joint Proxy Statement also constitutes a prospectus of Society in respect of up to 137,788,925 Common Shares, with a par value of $1 each, of New Key (the "New Key Common Stock") to be issued in connection with the Merger and up to 6,400,000 Depositary Shares (the "New Key Depositary Shares") each representing a one-fifth interest in a share of 10% Cumulative Preferred Stock, Class A, par value $5.00 per share (the "New Key Preferred Stock"), of New Key to be issued in connection with the Merger. Upon consummation of the Merger, except as described herein, each outstanding share of KeyCorp Common Stock will be converted into 1.205 shares (the "Exchange Ratio") of New Key Common Stock and each outstanding share of KeyCorp Preferred Stock (as defined herein) will be converted into one share of New Key Preferred Stock. Unless the context otherwise requires, all references herein to the KeyCorp Common Stock and the Society Common Stock also include the respective rights attached thereto. Each share of New Key Common Stock issued in the Merger will be accompanied by one New Key Right (as defined herein) to purchase one share of New Key Common Stock upon the terms and conditions set forth in the New Key Rights Agreement (as defined herein). See "COMPARISON OF CERTAIN RIGHTS OF HOLDERS OF CAPITAL STOCK OF KEYCORP, SOCIETY, AND NEW KEY -- Shareholder Rights Plans." Upon consummation of the Merger, except as described herein, each outstanding share of Society Common Stock will continue to be an outstanding share of New Key Common Stock and each outstanding right to purchase Society Common Stock under the Society Rights Plan (as defined herein) will continue to be an outstanding right to purchase New Key Common Stock under the New Key Rights Plan (as defined herein). See "TERMS OF THE MERGER -- Conversion of KeyCorp Capital Stock; Effects on Society Shareholders." This Prospectus/Joint Proxy Statement is also being furnished to holders of Depositary Shares (the "KeyCorp Depositary Shares") each representing a one-fifth interest in a share of 10% Cumulative Preferred Stock, Series B, par value $5.00 per share (the "KeyCorp Preferred Stock") of KeyCorp.

The outstanding shares of Society Common Stock are, and the shares of New Key Common Stock offered hereby will be, listed on the New York Stock Exchange (the "NYSE"). The last reported sale price of Society Common Stock reported on the NYSE on December 30, 1993 was $29.63 per share.

The terms, designations, preferences, limitations, privileges, and relative rights of New Key Preferred Stock and KeyCorp Preferred Stock are identical except for certain non-material technical differences. Each share of KeyCorp Preferred Stock is, and each share of New Key Preferred Stock to be issued in the Merger will be, represented by five depositary shares, with each depositary share being evidenced by one depositary receipt. The following provisions of the New Key Preferred Stock are also terms of the KeyCorp Preferred Stock. Upon any liquidation, dissolution, or winding up of New Key, the holders of New Key Preferred Stock will be entitled to receive, in full, the amount of $125.00 per share, plus an amount equal to accrued and unpaid dividends, in preference to the New Key Common Stock or any other class of stock of New Key ranking junior to the New Key Preferred Stock upon liquidation. On and after June 30, 1996, the New Key Preferred Stock will be redeemable at New Key's option, subject to prior approval of the Board of Governors of the Federal Reserve System, if necessary, at $125.00 per share plus an amount equal to accrued and unpaid dividends. The New Key Depositary Shares, each representing a one-fifth interest in one share of New Key Preferred Stock, will be listed on the NYSE. Except to the extent expressly required under Ohio law (New York law as to the KeyCorp Preferred Stock) and except in the case of certain dividend defaults, the holders of New Key Preferred Stock, as such, will not have voting rights. See "DESCRIPTION OF NEW KEY CAPITAL STOCK -- New Key Preferred Stock and New Key Depositary Shares."

This Prospectus/Joint Proxy Statement and the accompanying proxy cards are first being mailed to shareholders of KeyCorp and Society on or about January 4, 1994.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS/JOINT PROXY STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE SECURITIES OFFERED HEREBY ARE NOT SAVINGS ACCOUNTS, DEPOSITS, OR OTHER OBLIGATIONS OF A BANK OR SAVINGS ASSOCIATION AND ARE NOT INSURED BY THE

FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

The date of this Prospectus/Joint Proxy Statement is December 29, 1993

AVAILABLE INFORMATION

Each of KeyCorp and Society is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "SEC"). Society has filed with the SEC a Registration Statement on Form S-4 (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), covering the New Key Common Stock, the New Key Preferred Stock, and the related New Key Depositary Shares to be issued by New Key in connection with the Merger. The Registration Statement and the exhibits thereto, as well as the reports, proxy statements, and other information filed with the SEC by KeyCorp and Society under the Exchange Act, may be inspected and copied at prescribed rates at the public reference facilities maintained by the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional offices of the SEC located at 7 World Trade Center, Thirteenth Floor, New York, New York 10048, and The Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material may also be obtained at prescribed rates from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549. In addition, the KeyCorp Common Stock, the Depositary Shares each representing a one-fifth interest in one share of KeyCorp Preferred Stock (the "KeyCorp Depositary Shares"), and the Society Common Stock are listed on the NYSE and all materials filed by KeyCorp and Society with the SEC will be available for inspection at the offices of the NYSE, 20 Broad Street, New York, New York 10005. As permitted by the rules and regulations of the SEC, this Prospectus/Joint Proxy Statement omits certain information, exhibits, and undertakings contained in the Registration Statement. Reference is made to the Registration Statement and to the exhibits thereto for further information.

Statements contained herein or in any document incorporated herein by reference as to the contents of any contract or other document referred to herein or therein are not necessarily complete and, in each instance, reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement or such other document incorporated herein by reference. Each such statement is qualified in its entirety by such reference.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed with the SEC under the Exchange Act by KeyCorp are hereby incorporated by reference into this Prospectus/Joint Proxy Statement: (a) KeyCorp's Annual Report on Form 10-K for the year ended December 31, 1992; (b) KeyCorp's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1993, June 30, 1993, and September 30, 1993; (c) KeyCorp's Current Reports on Form 8-K filed on January 14, January 27, March 18 (as amended by a Form 8 filed on May 20), which contained the audited restated consolidated financial statements of KeyCorp for the fiscal year ended December 31, 1992 (which gave effect to the merger of KeyCorp with Puget Sound Bancorp on January 15, 1993), April 28, May 19, July 8 (two Reports), September 21, October 13 (two Reports), and October 15, 1993; (d) the description of the KeyCorp Common Stock contained in KeyCorp's Registration Statement on Form 8-A with respect thereto filed pursuant to Section 12 of the Exchange Act (and any amendment or report filed for the purpose of updating the description); (e) the description of the KeyCorp Preferred Stock and the KeyCorp Depositary Shares contained in KeyCorp's Registration Statement on Form 8-A with respect thereto filed pursuant to Section 12 of the Exchange Act (and any amendment or report filed for the purpose of updating the description); and (f) the description of the rights issued pursuant to the Shareholder Protection Rights Plan of KeyCorp contained in KeyCorp's Registration Statement on Form 8-A with respect thereto filed pursuant to Section 12 of the Exchange Act (and any amendment or report filed for the purpose of updating the description).

The following documents filed with the SEC under the Exchange Act by Society are hereby incorporated by reference into this Prospectus/Joint Proxy Statement: (a) Society's Annual Report on Form 10-K for the year ended December 31, 1992; (b) Society's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1993, June 30, 1993, and September 30, 1993; (c) Society's Current Reports on Form 8-K filed on January 27, March 22, April 14, July 9, October 13, and November 19, 1993; and (d) the descriptions of Society Common Stock and the rights to purchase Society Common Stock contained in Society's Registration

Statement on Form 8-A with respect thereto filed pursuant to Section 12 of the

Exchange Act (and any amendment or report filed for the purpose of updating the description).

The information relating to KeyCorp and Society contained in this Prospectus/Joint Proxy Statement should be read together with the information in the documents incorporated by reference.

All documents filed by KeyCorp and Society, respectively, under Section 13(a), 13(c), 14, or 15(d) of the Exchange Act after the date of this Prospectus/Joint Proxy Statement and prior to the date of the KeyCorp Meeting and the Society Meeting shall be deemed to be incorporated by reference in this Prospectus/Joint Proxy Statement and to be a part hereof from the date of filing such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus/Joint Proxy Statement to the extent that a statement contained herein or in any other subsequently filed document which is also incorporated or deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus/Joint Proxy Statement.

THIS PROSPECTUS/JOINT PROXY STATEMENT INCORPORATES CERTAIN DOCUMENTS BY REFERENCE WHICH ARE NOT PRESENTED HEREIN OR DELIVERED HEREWITH. THESE DOCUMENTS (WITHOUT EXHIBITS, UNLESS SUCH EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE INTO THIS PROSPECTUS/JOINT PROXY STATEMENT) ARE AVAILABLE WITHOUT CHARGE TO EACH PERSON, INCLUDING ANY BENEFICIAL OWNER, TO WHOM A COPY OF THIS PROSPECTUS/JOINT PROXY STATEMENT IS DELIVERED, UPON WRITTEN OR ORAL REQUEST. REQUESTS FOR SUCH DOCUMENTS SHOULD BE DIRECTED, IN THE CASE OF KEYCORP DOCUMENTS, TO LEE IRVING, SENIOR VICE PRESIDENT, KEYCORP, ONE KEYCORP PLAZA, ALBANY, NEW YORK 12201 (TELEPHONE (518) 486-8579), AND, IN THE CASE OF SOCIETY DOCUMENTS, TO LAWRENCE J. CARLINI, GENERAL COUNSEL, SOCIETY CORPORATION, 127 PUBLIC SQUARE, CLEVELAND, OHIO 44114-1306 (TELEPHONE (216) 689-3000). IN ORDER TO ENSURE TIMELY DELIVERY OF SUCH DOCUMENTS, ANY REQUEST SHOULD BE MADE BY FEBRUARY 2, 1994.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS/JOINT PROXY STATEMENT, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY KEYCORP OR SOCIETY. THIS PROSPECTUS/JOINT PROXY STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE, THE SECURITIES OFFERED BY THIS PROSPECTUS/JOINT PROXY STATEMENT, OR THE SOLICITATION OF A PROXY, IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH AN OFFER, SOLICITATION OF AN OFFER, OR PROXY SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS/JOINT PROXY STATEMENT NOR ANY DISTRIBUTION OF THE SECURITIES OFFERED PURSUANT TO THIS PROSPECTUS/JOINT PROXY STATEMENT SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION SET FORTH HEREIN OR IN THE AFFAIRS OF KEYCORP OR SOCIETY OR ANY OF THEIR RESPECTIVE SUBSIDIARIES SINCE THE DATE OF THIS PROSPECTUS/JOINT PROXY STATEMENT OR THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

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SUMMARY

The following summary is intended to summarize certain information contained elsewhere in this Prospectus/Joint Proxy Statement. This summary is not intended to be complete and is qualified in its entirety by reference to the more detailed information contained elsewhere in this Prospectus/Joint Proxy Statement, the appendices hereto, and the documents referred to and incorporated herein.

INTRODUCTION

The Boards of Directors of KeyCorp and Society have each unanimously approved and adopted the Plan of Merger and the Supplemental Agreement, pursuant to which KeyCorp will be merged into and with Society if the shareholders of both KeyCorp and Society adopt the Merger Agreement by the requisite shareholder votes, regulatory approvals are received, and certain other conditions are satisfied. Society will be the surviving corporation in the Merger under New Key's name. Copies of the Plan of Merger and the Supplemental Agreement are attached hereto as Appendices I and II, respectively, and are incorporated herein by reference. The terms of the Merger and information regarding the KeyCorp Meeting and the Society Meeting are summarized below.

PARTIES TO THE MERGER

KeyCorp. KeyCorp is a multi-regional financial services holding company headquartered in Albany, New York. Incorporated in 1970 under the laws of the State of New York as First Commercial Banks Inc., KeyCorp is registered under the federal Bank Holding Company Act of 1956, as amended (the "BHCA"). At September 30, 1993, based on data from the American Banker publication, KeyCorp was the 25th largest bank holding company in the United States, in terms of total consolidated assets, with approximately $32.4 billion at that date. Through its eleven banking subsidiaries in nine states along the country's Northeast, Pacific Northwest and Rocky Mountain tiers, KeyCorp provides banking services to individual customers, small-to medium-sized businesses, and municipalities. The oldest bank subsidiary of KeyCorp was organized in 1825. KeyCorp's banking subsidiaries all operate under the Key Bank name and are located in Alaska, Colorado, Idaho, Maine, New York, Oregon, Utah, Washington, and Wyoming. As of September 30, 1993, KeyCorp's banking subsidiaries served their respective markets with over 800 full-service banking offices. In addition to its banking services, KeyCorp offers a variety of personal and commercial financial services through other subsidiaries. KeyCorp Mortgage Inc., KeyCorp's primary mortgage banking subsidiary, serviced a $22.0 billion portfolio of mortgage loans as of September 30, 1993, making it one of the largest mortgage servicing companies in the country. KeyCorp's other specialized financial service companies provide such services as trust, credit life reinsurance, equipment leasing, securities brokerage, annuity sales, asset management, and data processing. At September 30, 1993, KeyCorp and its subsidiaries had approximately 17,800 full-time equivalent employees. See "BUSINESS OF KEYCORP."

Society. Society, a financial services holding company organized in 1958, is headquartered in Cleveland, Ohio, is incorporated in Ohio, and is registered under the BHCA. It is principally a regional banking organization and provides a wide range of banking, fiduciary, and other financial services to corporate, institutional, and individual customers. At September 30, 1993, Society had total consolidated assets of approximately $25.8 billion, making it the 29th largest bank holding company in the United States, in terms of total consolidated assets and based on data from the American Banker publication. The first predecessor of a subsidiary of Society was organized in 1849. Society's lead bank, Society National Bank, is the largest bank in Ohio and one of the nation's major regional banks, with headquarters in Cleveland, Ohio. Society National Bank serves markets throughout most of Ohio with 294 full-service banking offices as of September 30, 1993. Society also has banking subsidiaries in Indiana and Michigan and a savings bank subsidiary in Florida. These subsidiaries operate a total of 146 full-service banking offices in Indiana, Michigan, and Florida. In addition to customary banking services of accepting funds for deposit and making loans, Society's banking subsidiaries provide a wide range of specialized services tailored to specific markets, including investment management, personal and corporate trust services, personal financial services, cash management services, investment banking services, and international banking services. Society had one of the nation's largest trust

departments with approximately $25.0 billion in managed assets at September 30, 1993. Although Society is principally a banking organization, its nonbanking subsidiaries provide insurance sales services, reinsurance of credit life

and accident and health insurance on loans made by subsidiary banks, securities brokerage services, investment management, corporate and personal trust services, venture capital and small business investment financing services, equipment lease financing, registered investment advisory services, mortgage banking services, community development services, and other financial services. At September 30, 1993, Society and its subsidiaries had approximately 12,700 full-time equivalent employees. See "BUSINESS OF SOCIETY."

The principal executive offices of KeyCorp are located at One KeyCorp Plaza, Albany, New York 12201-0088, and its telephone number is (518) 486-8000. The principal executive offices of Society are located at 127 Public Square, Cleveland, Ohio 44114-1306, and its telephone number is (216) 689-3000.

REASONS FOR THE MERGER; RECOMMENDATIONS OF THE BOARDS OF DIRECTORS

The merger of KeyCorp and Society will create a diversified financial services company with a national presence by merging two high performing super-regional bank holding companies. New Key, the combined entity, will be the tenth largest bank holding company in the United States, based on total pro forma consolidated assets and on data provided as of September 30, 1993 by the American Banker publication. New Key will have a significant market position in 15 of the 100 largest metropolitan markets in the United States and its branch network will be the fifth largest network of banking offices in the United States. The map on page 31 shows the markets now served by the banks that will become subsidiaries of New Key and the number of banking offices that such subsidiaries had at September 30, 1993 in each state where they were conducting banking operations (including pending acquisitions). The Merger will combine two companies that currently have high performance records, do not have significant asset quality problems, as compared to their peer bank group and the industry in general, have strong management teams each with experience in successfully completing substantial mergers, maintain compatible data-processing and other operating systems, and share many cultural traits. The Merger also will permit each company to diversify beyond its current markets and its current strengths in specialty financial products and services by expanding the marketing of its products and services into the markets now served by the other. KeyCorp, for example, has a strong mortgage banking business and specializes in delivery of services to small-and medium-sized businesses in local communities. Society has a strong trust and asset management business and specializes in developing and delivering products to the large corporate and various specialized industries markets. Although no assurance can be given, KeyCorp and Society expect that cost savings will be achieved by New Key at an annual rate of $80 to $105 million by the end of the first quarter of 1995 as a result of steps to be taken to integrate their operations and to achieve efficiencies in certain combined lines of business. These anticipated merger cost savings were determined based upon preliminary estimates provided by major business groups at both Society and KeyCorp. Merger integration task forces, made up of representatives of both companies, are in the process of validating these preliminary estimates. However, it is presently expected that approximately 50% of the anticipated annualized savings will be achieved in 1994. KeyCorp and Society also anticipate that they will incur one-time merger expenses and restructuring charges, estimated to be in the range of $90 to $110 million in the aggregate, in connection with the Merger. See "NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS."

The Boards of Directors of each of KeyCorp and Society believe for the reasons set forth herein that the Merger would be in the best interests of each company's shareholders. See "BACKGROUND AND REASONS FOR THE MERGER."

THE BOARDS OF DIRECTORS OF KEYCORP AND SOCIETY HAVE UNANIMOUSLY APPROVED AND ADOPTED THE MERGER AGREEMENT AND RECOMMEND ITS ADOPTION BY THEIR RESPECTIVE SHAREHOLDERS.

OPINIONS OF FINANCIAL ADVISORS

Salomon Brothers Inc ("Salomon Brothers") has delivered its written opinions to KeyCorp's Board of Directors to the effect that, as of the date the Merger Agreement was signed and as of the date of this Prospectus/Joint Proxy Statement, the Exchange Ratio pursuant to the Merger Agreement was fair, from a financial point of view, to the holders of KeyCorp Common Stock. CS First Boston Corporation ("CS First Boston") has delivered its written opinions to Society's Board of Directors that, as of the date the Merger

Agreement was signed and as of the date of this Prospectus/Joint Proxy Statement, the Exchange Ratio pursuant to the Merger was fair to holders of Society Common Stock from a financial point of view. Copies of the opinions of Salomon Brothers and CS First Boston dated as of the date of this Prospectus/Joint Proxy Statement are attached hereto as Appendices III and IV, respectively. The opinions should be read in their entirety for a description of the procedures followed by, assumptions and qualifications made by, matters considered by, and limitations imposed on, Salomon Brothers and CS First Boston, respectively. See also "BACKGROUND OF AND REASONS FOR THE MERGER -- Opinions of Financial Advisors."

BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICERS
OF NEW KEY THROUGH DECEMBER 31, 1998

At the Effective Time (as defined herein), the Regulations of New Key (the "New Key Regulations") provide that the Board of Directors of New Key will have 22 members, divided into three classes. No more than two members of the Board may be "Insider Directors" (as defined herein). Victor J. Riley, Jr., the Chairman of the Board, President, and Chief Executive Officer of KeyCorp and Robert W. Gillespie, the Chairman of the Board, President, and Chief Executive Officer of Society will each be Directors of New Key and, after consultation with each other, and with the approval of the respective Boards of Directors of KeyCorp and Society, have each designated an additional ten individuals to be members of the New Key Board of Directors. All 22 individuals who will be members of the Board of Directors of New Key, and the present Board of Directors affiliation and occupation of each of them, are listed on the table appearing under the heading "TERMS OF THE MERGER -- Board of Directors and Chief Executive Officers of New Key through December 31, 1998." Mr. Riley and Mr. Gillespie will also consult with each other, subject to appropriate Board approval, with respect to the formation, number and selection of members of, removal from, and filling of vacancies for, the Executive, Compensation and Organization, Audit, Nominating, Community Responsibility, and other committees of the Board of Directors of New Key, and with respect to vacancies arising on its Board of Directors. Mr. Riley will serve as Chairman of the Board of Directors and Chairman of the Executive Committee of New Key through December 31, 1998, or until his earlier failure to continue to be a director of New Key, and Mr. Gillespie will become Chairman of the Board and Chairman of the Executive Committee on the date (which in no event shall be later than December 31, 1998) on which Mr. Riley ceases to hold such positions, subject to Mr. Gillespie's earlier failure to continue to be a director of New Key. At the Effective Time, Mr. Riley will be the Chief Executive Officer of New Key for a term expiring on December 31, 1995, or upon his earlier death, retirement, resignation, or removal. At the Effective Time, Mr. Gillespie will be the President of New Key for a term expiring on December 31, 1998, or upon his earlier death, retirement, resignation, or removal. At such time (which in no event shall be later than December 31, 1995) as Mr. Riley ceases to hold the separate office of Chief Executive Officer, Mr. Gillespie will, by virtue of being President, also be the Chief Executive Officer of New Key through the expiration of his term on December 31, 1998. On December 31, 1995, Mr. Riley will retire from all positions he then holds as an officer of New Key or as an officer, director, or employee of any of its subsidiaries. Notwithstanding anything to the contrary in the Merger Agreement, any of the provisions relating to the foregoing that are contained in the Merger Agreement and that, pursuant to the Merger Agreement, survive the Effective Time, shall be deemed to be automatically amended to the extent necessary to conform to the provisions of the New Key Articles of Incorporation and/or the New Key Regulations as either of them may be amended after the Effective Time in accordance with its respective terms or applicable law. See "TERMS OF THE MERGER -- Board of Directors and Chief Executive Officers of New Key through December 31, 1998" and " -- Interests of Certain Persons in the Merger."

TERMS OF THE MERGER

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General..... Pursuant to the Merger Agreement, at the Effective Time, KeyCorp will be merged into and with Society, with Society as the surviving corporation under New Key's name. See "TERMS OF THE MERGER -- General." For information on how KeyCorp shareholders will be able to exchange certificates representing shares of KeyCorp Common Stock and Depositary Receipts (the "KeyCorp Depositary Receipts") evidencing KeyCorp Depositary Shares each representing a one-fifth interest in a share of KeyCorp Preferred Stock for

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	new certificates representing the shares of New Key Common Stock and New Key Depositary Receipts (the "New Key Depositary Receipts") evidencing the New Key Depositary Shares which will represent the New Key Preferred Stock to be issued to them, as the case may be, see "TERMS OF THE MERGER -- Surrender of Certificates and Depositary Receipts."
Effective Time.....	The Merger is expected to be consummated during the first quarter of 1994, although the timing is subject to the receipt of regulatory approvals and the satisfaction of other conditions. The Merger will be consummated after shareholder adoption of the Merger Agreement, receipt of regulatory approvals, and satisfaction or waiver of all other conditions under the Merger Agreement. The time and date at which the Merger is consummated is referred to herein as the "Effective Time." See "TERMS OF THE MERGER -- Effective Time"; "-- Conditions to the Merger" and "-- Regulatory Approvals."
Conversion of KeyCorp Capital Stock.....	At the Effective Time, each outstanding share of KeyCorp Common Stock will be converted into 1.205 shares of New Key Common Stock (the "Exchange Ratio"), with cash being paid in lieu of issuing fractional shares of New Key Common Stock to shareholders who properly exercise dissenters' rights, and each outstanding share of KeyCorp Preferred Stock will be converted into one share of New Key Preferred Stock and each share of New Key Preferred Stock will be represented by five New Key Depositary Shares. All references to the New Key Common Stock in this Prospectus/Joint Proxy Statement include the associated rights ("New Key Rights") to purchase New Key Common Stock pursuant to a Rights Agreement, dated as of August 25, 1989, between Society and Society National Bank, as rights agent (the "Society Rights Agent"), as amended (the "Society Rights Agreement" and, after the Merger, the "New Key Rights Agreement"); each share of New Key Common Stock issued to shareholders of KeyCorp in the Merger will be accompanied by one New Key Right which will be evidenced by the certificate for the New Key Common Stock. The terms, designations, preferences, limitations, privileges, and rights of the New Key Preferred Stock and the KeyCorp Preferred Stock are identical except for certain non-material technical differences. See "TERMS OF THE MERGER -- Conversion of KeyCorp Capital Stock; Effects on Society Shareholders" and "-- Certain Federal Income Tax Consequences"; "DESCRIPTION OF NEW KEY CAPITAL STOCK -- New Key Common Stock" and "-- New Key Preferred Stock and New Key Depositary Shares"; "COMPARISON OF CERTAIN RIGHTS OF HOLDERS OF CAPITAL STOCK OF KEYCORP, SOCIETY, AND NEW KEY -- No Material Differences in Rights of Holders of New Key Preferred Stock and KeyCorp Preferred Stock" and "RIGHTS OF DISSENTING SHAREHOLDERS."
Effects on Society Shareholders.....	At the Effective Time, each share of Society Common Stock then issued and outstanding will continue as one share of New Key Common Stock, and will continue to be accompanied by one New Key Right under the New Key Rights Agreement, subject to rights of dissenting shareholders.

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Dissenters' Rights.....	Holders of KeyCorp Common Stock may, by complying with Section 623 of the New York Business Corporation Law, exercise dissenters' rights. Holders of KeyCorp Preferred Stock, represented by the related KeyCorp Depositary Shares, are not, as such, entitled to dissenters' rights under the New York Business Corporation Law. Holders of Society Common Stock may, by complying with Section 1701.85 of the Ohio General Corporation Law, exercise dissenters' rights. Failure

	to comply precisely with the requirements of the applicable statutes will result in the loss of dissenters' rights. See "RIGHTS OF DISSENTING SHAREHOLDERS."
NYSE Listing.....	Society has agreed to use its best efforts to cause the listing on the NYSE of (a) the New Key Common Stock issued in the Merger, (b) the New Key Rights which will accompany the shares of New Key Common Stock issued in the Merger, and (c) the New Key Depositary Shares, each representing a one-fifth interest in one share of the New Key Preferred Stock issued in the Merger.
Conditions; Regulatory Approvals.....	Consummation of the Merger is conditioned upon adoption of the Merger Agreement by the requisite votes of holders of shares of KeyCorp Common Stock and Society Common Stock as set forth herein; receipt of all necessary material approvals of the Merger by governmental regulatory agencies, including the Federal Reserve Board, and bank and/or insurance regulatory agencies in Alaska, Arizona, Colorado, Idaho, Maine, New York, Oregon, Utah, Washington, and Wyoming, applications for which have been filed; receipt by each party of a favorable tax opinion from its legal counsel; receipt of letters from Ernst & Young to the effect that the Merger qualifies for pooling of interests accounting treatment; the continuing accuracy of the representations and warranties of each party; performance of specified obligations by each party; and other conditions. See "TERMS OF THE MERGER -- Conditions to the Merger" and "-- Regulatory Approvals."
Termination of the Merger Agreement.....	The Merger Agreement may be terminated, and the Merger abandoned, prior to the Effective Time, whether before or after its adoption by the shareholders of KeyCorp and Society (a) by the respective majority votes of the Boards of Directors of both KeyCorp and Society, or (b) by either Board of Directors under certain specified circumstances, including if the Merger shall not have been consummated by December 31, 1994. See "TERMS OF THE MERGER -- Waiver of Conditions, Amendment, or Termination of the Merger Agreement."
Tax and Accounting Treatment of the Merger.....	Consummation of the Merger is conditioned upon receipt by KeyCorp and Society of opinions from their respective legal counsel substantially to the effect that the Merger will constitute a tax-free reorganization within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). Because the Merger will be a tax-free reorganization, no income, gain, or loss will be recognized by a shareholder of KeyCorp upon the exchange of shares of KeyCorp Common Stock for New Key Common Stock (including the New Key Rights) or shares of

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	KeyCorp Preferred Stock for New Key Preferred Stock pursuant to the Merger, except that income, gain, or loss will be recognized by a holder of KeyCorp Common Stock upon exercise of dissenters' rights or upon receipt of cash in lieu of a fractional share of New Key Common Stock. There will be no tax consequences to a holder of Society Common Stock as a result of the Merger except that income, gain, or loss will be recognized by a holder of Society Common Stock on receipt of cash upon exercise of dissenters' rights. Consummation of the Merger is also conditioned upon receipt by KeyCorp and Society of letters from Ernst & Young to the effect that the Merger will qualify for pooling of interests accounting treatment. See "TERMS OF THE MERGER -- Certain Federal Income Tax Consequences"; "-- Accounting Treatment of Merger" and "RIGHTS OF DISSENTING SHAREHOLDERS."
New Key Amended and Restated Articles of Incorporation and Regulations of	

New Key.....	At the Effective Time, as a consequence of the adoption of the Merger Agreement by the shareholders of KeyCorp and Society, the Society Articles of Incorporation (as defined herein) will be amended and restated, and will become the Amended and Restated Articles of Incorporation of New Key (the "New Key Articles of Incorporation"), a copy of which is included as Exhibit I to the Plan of Merger attached hereto as Appendix I. The New Key Articles of Incorporation will authorize 900,000,000 shares of New Key Common Stock, 25,000,000 shares of New Key Serial Preferred Stock, and 1,400,000 shares of New Key Preferred Stock. The New Key Articles of Incorporation will (a) provide that holders of New Key Common Stock will not have preemptive rights or the right to cumulate their voting power, (b) contain an "opt-out" from the provisions of Ohio's control share acquisition statute, and (c) generally reduce any requisite shareholder vote of two-thirds of the voting power to a majority vote, except that there is no reduction in the vote of shareholders required to approve a transaction which requires shareholder approval under the Ohio Interested Shareholder Transaction Law. See "AMENDED AND RESTATED ARTICLES OF INCORPORATION AND REGULATIONS OF NEW KEY." The Society Regulations (as defined herein) will also be amended and restated at the Effective Time, as a consequence of the adoption of the Merger Agreement by the shareholders of KeyCorp and Society, and will become the New Key Regulations, a copy of which is included as Exhibit II to the Plan of Merger attached hereto as Appendix I. The New Key Regulations will provide, among other things, for specific procedures regarding the nomination, election, and removal of certain persons as members of the Board of Directors, certain committees of the Board of Directors, and management of New Key through December 31, 1998. Regulations under Ohio law are similar to by-laws under New York law. For a detailed description of these and other provisions of the New Key Regulations, see "TERMS OF THE MERGER -- Board of Directors and Chief Executive Officers of New Key through December 31, 1998" and "AMENDED AND RESTATED ARTICLES OF

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	INCORPORATION AND REGULATIONS OF NEW KEY."
Interests of Certain Persons in the Merger.....	If the Merger is consummated, new employment agreements between New Key and each of Messrs. Riley and Gillespie will become effective with terms running from the Effective Time through December 31, 1998. In addition, as a result of the Merger, 40 other key employees of KeyCorp and 27 other key employees of Society will become entitled to certain rights under existing employment, severance, and change of control agreements. The Boards of Directors of KeyCorp and Society, however, are presently considering possible executive retention programs which may involve the offer to a number of such employees of alternative arrangements. Not later than the Effective Time, KeyCorp will fully fund certain trusts to secure payment of certain severance, deferred compensation, supplemental retirement, and other benefits to key employees and directors of KeyCorp. See "TERMS OF THE MERGER -- Interests of Certain Persons in the Merger -- Interests of KeyCorp Directors and Executive Officers" and "-- Interests of Society Executive Officers."
SHAREHOLDER MEETINGS	
Date, Time, and Place.....	The KeyCorp Meeting will be held on February 16, 1994, at 8:00 a.m., local time, at the KeyCorp Tower, 30 South Pearl Street, Albany, New York. The Society Meeting will be held on the same date at 9:30 a.m. at The Forum Conference Center, One Cleveland Center, 1375 East Ninth Street, Cleveland, Ohio. See "SPECIAL

	MEETING OF KEYCORP SHAREHOLDERS -- Date, Time, and Place" and "SPECIAL MEETING OF SOCIETY SHAREHOLDERS -- Date, Time, and Place."
Purpose of Meetings.....	The purpose of both the KeyCorp Meeting and the Society Meeting is to vote on the adoption of the Merger Agreement providing for the Merger of KeyCorp into and with Society, with Society as the surviving corporation under New Key's name. In addition, under applicable law, the adoption of the Merger Agreement by the shareholders of KeyCorp and Society will constitute the adoption of the New Key Articles of Incorporation and the New Key Regulations, which are set forth as exhibits to, and are parts of, the Plan of Merger attached hereto as Appendix I. See "SPECIAL MEETING OF KEYCORP SHAREHOLDERS -- Purpose of Meeting"; "SPECIAL MEETING OF SOCIETY SHAREHOLDERS -- Purpose of Meeting" and "AMENDED AND RESTATED ARTICLES OF INCORPORATION AND REGULA-TIONS OF NEW KEY."
Shares Outstanding and Entitled to Vote; Record Date.....	Shares of KeyCorp Common Stock are the only shares entitled to vote at the KeyCorp Meeting and the shares of Society Common Stock are the only shares entitled to vote at the Society Meeting. December 28, 1993, is the record date for the KeyCorp Meeting and the Society Meeting (the "Record Date"); on that date there were 101,826,896 shares of KeyCorp Common Stock outstanding and 117,337,789 shares of Society Common Stock outstanding. See "SPECIAL MEETING OF

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	KEYCORP SHAREHOLDERS -- Shares Outstanding and Entitled to Vote; Record Date" and "SPECIAL MEETING OF SOCIETY SHAREHOLDERS -- Shares Outstanding and Entitled to Vote; Record Date."
Votes Required.....	The affirmative votes of two-thirds of the shares of KeyCorp Common Stock outstanding on the Record Date and a majority of the shares of Society Common Stock outstanding on the Record Date are required to adopt the Merger Agreement. See "SPECIAL MEETING OF KEYCORP SHAREHOLDERS -- Vote Required" and "SPECIAL MEETING OF SOCIETY SHAREHOLDERS -- Vote Required."
Shares Owned by Directors, Executive Officers, and Certain Subsidiaries of KeyCorp and Society.....	As of the Record Date, KeyCorp's directors, executive officers, and their affiliates owned and were entitled to vote 1,828,013 shares at the KeyCorp Meeting, which represent 2.7% of the total number of KeyCorp shareholder votes necessary to adopt the Merger Agreement. As of the Record Date, Society's directors, executive officers, and their affiliates owned and were entitled to vote 1,230,577 shares at the Society Meeting, which represent 2.1% of the total number of Society shareholder votes necessary to adopt the Merger Agreement. In addition, as of the Record Date, trust departments of one or more subsidiaries of KeyCorp, in a fiduciary capacity for third parties, had sole voting and dispositive power or shared voting and dispositive power as to 2,306,487 shares of KeyCorp Common Stock or 2.3% of the outstanding KeyCorp Common Stock and 16,300 shares of Society Common Stock or 0.01% of the outstanding Society Common Stock. Also, as of the Record Date, the trust departments of one or more subsidiaries of Society, in a fiduciary capacity for third parties, had sole or shared voting power as to 115,548 shares of KeyCorp Common Stock or 0.11% of the outstanding KeyCorp Common Stock and 6,469,266 shares of Society Common Stock or 5.51% of the outstanding Society Common Stock. As of the Record Date, 12,170,471 shares of Society Common Stock or 10.37% of the outstanding Society Common Stock, were held under Society's Employee Stock Purchase and Savings Plan (the "Society ESOP") and such shares will be voted by the trustee of the Society ESOP as

	named fiduciary in accordance with directions given by such participants and beneficiaries under the Society ESOP. See "SPECIAL MEETING OF KEYCORP SHAREHOLDERS -- Vote Required" and "SPECIAL MEETING OF SOCIETY SHAREHOLDERS -- Vote Required."
KEYCORP AND SOCIETY STOCK OPTION AGREEMENTS AND SHAREHOLDER RIGHTS AGREEMENTS	
Option Agreements.....	As an inducement to Society to enter into the Merger Agreement, KeyCorp and Society entered into the KeyCorp Stock Option Agreement, dated as of October 2, 1993 (the "KeyCorp Option Agreement"), pursuant to which KeyCorp granted Society an option (the "KeyCorp Option") to purchase from KeyCorp up to 19.9% of the KeyCorp Common Stock outstanding as of October 1, 1993 (without giving effect to the exercise of the option), or 20,229,509 shares of KeyCorp Common Stock, at a price of $38.50 per share (the closing

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	price of KeyCorp Common Stock on October 1, 1993). Society may exercise the KeyCorp Option only upon the occurrence of certain events (none of which has occurred) and upon obtaining any regulatory approvals necessary for the acquisition of the KeyCorp Common Stock subject to the KeyCorp Option. At the request of Society, under limited circumstances (none of which has occurred), KeyCorp will repurchase for a formula price the KeyCorp Option and any shares of KeyCorp Common Stock purchased upon exercise of the KeyCorp Option and beneficially owned by Society at that time. See "KEYCORP AND SOCIETY STOCK OPTION AGREEMENTS AND SHAREHOLDER RIGHTS AGREEMENTS; RESALES OF NEW KEY CAPITAL STOCK -- The KeyCorp and Society Option Agreements."
	As an inducement to KeyCorp to enter into the Merger Agreement, Society and KeyCorp entered into the Society Corporation Stock Option Agreement, dated as of October 2, 1993 (the "Society Option Agreement" and, together with the KeyCorp Option Agreement, the "Option Agreements"), pursuant to which Society granted KeyCorp an option (the "Society Option") to purchase from Society up to 19.9% of the Society Common Stock outstanding as of October 1, 1993 (without giving effect to the exercise of the option), or 23,299,888 shares of Society Common Stock, at a price of $32.50 per share (the closing price of Society Common Stock on October 1, 1993). KeyCorp may exercise the Society Option only upon the occurrence of certain events (none of which has occurred) and upon obtaining any regulatory approvals necessary for the acquisition of the Society Common Stock subject to the Society Option. At the request of KeyCorp, under limited circumstances (none of which has occurred), Society will repurchase for a formula price the Society Option and any shares of Society Common Stock purchased upon exercise of the Society Option and beneficially owned by KeyCorp at that time. See "KEYCORP AND SOCIETY STOCK OPTION AGREEMENTS AND SHARE-HOLDER RIGHTS AGREEMENTS; RESALES OF NEW KEY CAPITAL STOCK -- The KeyCorp and Society Option Agreements."
	The terms of the KeyCorp Option Agreement and the Society Option Agreement are identical in all material respects.
The KeyCorp Rights Agreement and The Third Amendment to the Society Rights Agreement.....	Concurrently with the execution of the Merger Agreement, KeyCorp entered into the KeyCorp Rights Agreement, pursuant to which holders of KeyCorp Common Stock received a dividend of certain rights (the "KeyCorp Rights") which, upon the occurrence of certain events (none of which has occurred), are exercisable for certain securities of KeyCorp. The KeyCorp Rights Agreement is generally similar in purpose and effect to the Society Rights Agreement previously adopted by Society. The KeyCorp Rights

Agreement provides that, with certain exceptions, Society will not become an "Acquiring Person," and that no "Flip-in Date," "Flip-over Transaction or Event," "Separation Time," or "Stock Acquisition Date" (as

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those terms are defined in the KeyCorp Rights Agreement) will occur by reason of the Merger Agreement or the KeyCorp Stock Option Agreement or the transactions contemplated thereby. The KeyCorp Rights Agreement will terminate in accordance with its terms upon the Effective Time. See "KEYCORP AND SOCIETY STOCK OPTION AGREEMENTS AND SHAREHOLDER RIGHTS AGREEMENTS; RESALES OF NEW KEY CAPITAL STOCK -- The KeyCorp Rights Agreement" and "COMPARISON OF CERTAIN RIGHTS OF HOLDERS OF CAPITAL STOCK OF KEYCORP, SOCIETY, AND NEW KEY -- Shareholder Rights Plans."

Concurrently with the execution of the Merger Agreement, Society and the Society Rights Agent entered into a third amendment to the Society Rights Agreement (the "Society Rights Agreement Amendment"). The Society Rights Agreement Amendment provides that, with certain exceptions, for purposes of the definition of "Acquiring Person" and of the "flip-in" provision of the Society Rights Agreement, neither KeyCorp nor any of its affiliates or associates will be deemed to be the beneficial owner of Society Common Stock by reason of the Merger Agreement or the Society Option Agreement or the transactions contemplated thereby. See "KEYCORP AND SOCIETY STOCK OPTION AGREEMENTS AND SHAREHOLDER RIGHTS AGREEMENTS; RESALES OF NEW KEY CAPITAL STOCK -- The Third Amendment to the Society Rights Agreement" and "COMPARISON OF CERTAIN RIGHTS OF HOLDERS OF CAPITAL STOCK OF KEYCORP, SOCIETY, AND NEW KEY -- Shareholder Rights Plans."

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MARKET PRICES

KeyCorp Common Stock and Society Common Stock are listed for trading on the NYSE. The information presented in the table below sets forth the closing prices for KeyCorp Common Stock and Society Common Stock on the NYSE on October 1, 1993, and on December 30, 1993, together with the equivalent value per share of KeyCorp Common Stock calculated by multiplying the closing prices of Society Common Stock on such dates by the Exchange Ratio of 1.205 shares of New Key Common Stock for each share of KeyCorp Common Stock.

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	SOCIETY COMMON STOCK	KEYCORP COMMON STOCK	EQUIVALENT VALUE PER SHARE
<S>	<C>	<C>	<C>
Closing Prices, October 1, 1993	$32.50	$38.50	$39.16
Closing Prices, December 30, 1993	29.63	35.38	35.70

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No assurance can be given as to the market price of New Key Common Stock if and at the time that the Merger is consummated or when the shares of New Key Common Stock are actually issued.

SELECTED FINANCIAL DATA

The following tables set forth selected historical financial data for KeyCorp and Society for each of the five years in the period ended December 31, 1992, and the nine-month periods ended September 30, 1993 and 1992. Such data have been derived from, and should be read in conjunction with, the consolidated financial statements and the unaudited consolidated interim financial statements of KeyCorp and Society, including the notes thereto, incorporated by reference in this Prospectus/Joint Proxy Statement. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE." Selected unaudited financial information for the nine-month periods ended September 30, 1993 and 1992, for KeyCorp and Society includes all adjustments, consisting only of normal recurring adjustments, that, in the opinion of the managements of KeyCorp and Society, respectively, were considered necessary for a fair presentation of the consolidated operating results and financial position for and at the end of such interim periods. Results for the interim periods are not necessarily indicative of results expected for the year as a whole. See "AVAILABLE INFORMATION."

The following tables also set forth unaudited pro forma combined selected financial data for each of the three years in the period ended December 31, 1992, and the nine-month periods ended September 30, 1993 and 1992, giving effect to the Merger on the basis described in the notes to the unaudited pro forma condensed combined financial statements included elsewhere herein. The effect of other pending or recently-completed acquisitions is not expected to be material to the pro forma combined selected financial data and is not included therein. See "BUSINESS OF KEYCORP--Pending Acquisitions." Certain pro forma combined selected financial data are derived from the unaudited pro forma condensed combined financial statements and should be read in conjunction with those statements. Pro forma per share amounts are presented based on the Exchange Ratio of 1.205 shares of New Key Common Stock for each share of KeyCorp Common Stock. See "UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS." The pro forma data and ratios set forth in the following tables do not reflect the merger expenses and restructuring charges anticipated to be incurred by KeyCorp and Society or the cost savings anticipated to result from the Merger. The following pro forma data prior to the Effective Time may not be indicative of the results that actually would have occurred if the Merger had been in effect during the periods presented or which may be attained in the future. See "BACKGROUND AND REASONS FOR THE MERGER--Reasons for the Merger--General" and "NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS."

KEYCORP AND SUBSIDIARIES

SELECTED FINANCIAL DATA

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,			
	1993	1992(1)(3)	1992(1)(3)	1991(1)(4)(6)	1990(1)(4)	1989(1)(4)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
CONSOLIDATED SUMMARY OF OPERATIONS						
Interest income	$ 1,752,179	$ 1,714,337	$ 2,295,357	$ 2,388,478	$ 2,007,446	$ 1,846,098
Interest expense	652,920	746,291	977,071	1,302,677	1,168,804	1,077,740
Net interest income	1,099,259	968,046	1,318,286	1,085,801	838,642	768,358
Provision for loan losses	106,226	144,841	190,971	186,116	97,302	94,123
Noninterest income	368,415	311,504	423,659	394,197	283,574	273,951
Noninterest expense	905,166	798,997	1,124,461(2)	953,186	754,410	726,538
Income before income taxes and cumulative effect of accounting change	456,282	335,712	426,513	340,696	270,504	221,648
Provision for income taxes	158,864	108,684	142,238	103,478	75,871	56,806
Income before cumulative effect of accounting change	297,418	227,028	284,275	237,218	194,633	164,842
Cumulative effect of accounting change	--	6,613(5)	6,613(5)	--	--	--
Net income	$ 297,418	$ 233,641	$ 290,888	$ 237,218	$ 194,633	$ 164,842

Net income applicable to KeyCorp Common Stock.....	$ 284,359	$ 220,289	$ 273,085	$ 227,244	$ 192,724	$ 161,378
Weighted average shares of KeyCorp Common Stock.....	100,466	97,393	97,640	92,821	86,816	86,449
CONSOLIDATED PER SHARE DATA APPLICABLE TO KEYCORP COMMON STOCK						
Income before cumulative effect of accounting change.....	$ 2.83	$ 2.19	$ 2.73	$ 2.45	$ 2.22	$ 1.87
Net income.....	2.83	2.26	2.80	2.45	2.22	1.87
Cash dividends declared.....	.93	.78	1.04	.95	.89	.84
Book value at period-end.....	21.23	18.92	19.19	17.50	15.87	14.45
CONSOLIDATED BALANCE SHEET DATA AT PERIOD-END						
Investment securities(7).....	$ 5,150,950	$ 4,390,902	$ 4,491,919	$ 5,497,800	$ 4,446,340	$ 4,015,801
Loans, net of unearned income(7).....	22,075,319	20,060,197	20,014,345	18,726,583	16,140,839	13,197,900
Allowance for loan losses....	314,402	294,081	279,905	267,603	216,255	169,258
Total assets.....	32,432,601	30,027,558	30,114,082	28,039,360	23,856,079	19,755,010
Deposits.....	26,574,883	24,360,178	24,775,065	22,820,243	19,540,312	15,612,042
Short-term borrowings.....	2,278,336	2,313,013	1,971,945	2,131,880	1,801,483	1,896,567
Long-term debt.....	830,587	918,029	904,026	760,716	674,202	708,471
Total shareholders' equity...	2,317,716	2,043,474	2,074,790	1,876,843	1,395,262	1,276,485

<CAPTION>

	1988(1)(4)
<S>	<C>
CONSOLIDATED SUMMARY OF OPERATIONS	
Interest income.....	$ 1,557,057
Interest expense.....	855,564
Net interest income.....	701,493
Provision for loan losses....	57,055
Noninterest income.....	231,472
Noninterest expense.....	667,292
Income before income taxes and cumulative effect of accounting change.....	208,618
Provision for income taxes...	48,357
Income before cumulative effect of accounting change.....	160,261
Cumulative effect of accounting change.....	--
Net income.....	$ 160,261
Net income applicable to KeyCorp Common Stock.....	$ 155,426
Weighted average shares of KeyCorp Common Stock.....	83,027
CONSOLIDATED PER SHARE DATA APPLICABLE TO KEYCORP COMMON STOCK	
Income before cumulative effect of accounting change.....	$ 1.87
Net income.....	1.87
Cash dividends declared.....	.80
Book value at period-end.....	13.40
CONSOLIDATED BALANCE SHEET DATA AT PERIOD-END	
Investment securities(7).....	$ 3,998,547
Loans, net of unearned income(7).....	12,353,660
Allowance for loan losses....	151,445
Total assets.....	18,592,526
Deposits.....	14,331,699
Short-term borrowings.....	1,974,730
Long-term debt.....	834,794
Total shareholders' equity...	1,211,122

</TABLE>

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<TABLE>
<S> <C>

(1) On January 15, 1993, KeyCorp merged with Puget Sound Bancorp, a bank holding company based in Tacoma, Washington ("PSB"). The transaction was accounted for as a pooling of interests and, accordingly, historical financial data for KeyCorp have been restated to include the accounts of PSB.

(2) Noninterest expense includes $42.7 million in restructuring charges recorded in the fourth quarter of 1992 in connection with the merger with PSB.

(3) On September 3, 1992, KeyCorp purchased 48 branches and other business and private banking operations of the former Security Pacific Bank-Washington from BankAmerica Corporation. Deposits of $1.3 billion and loans totaling $709 million were acquired as part of the transaction.

(4) KeyCorp Common Stock-related amounts have been restated to reflect a three-for-two stock split effective April 15, 1992.

(5) Effective January 1, 1992, KeyCorp adopted SFAS No. 109, "Accounting for Income Taxes."

(6) On May 31, 1991, KeyCorp purchased from the Federal Deposit Insurance Corporation certain assets and liabilities of Goldome Savings Bank in a regulator-assisted transaction. KeyCorp initially acquired total assets of $7.3 billion and assumed deposits of $2.9 billion and borrowings of $4.2 billion. Significant amounts of assets were liquidated to repay the borrowings of Goldome.

(7) Investment securities and loans, net of unearned income, exclude securities available for sale and loans held for sale/putback, respectively.

</TABLE>

SOCIETY CORPORATION AND SUBSIDIARIES

SELECTED FINANCIAL DATA

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,			
	1993	1992(1)	1992(1)	1991(1)(2)	1990(1)(2)	1989(1)(2)(3)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
CONSOLIDATED SUMMARY OF OPERATIONS						
Interest income	$ 1,411,193	$ 1,439,693	$ 1,903,434	$ 2,263,873	$ 2,521,399	$ 2,564,120
Interest expense	509,798	600,190	773,047	1,216,713	1,498,953	1,538,031
Net interest income	901,395	839,503	1,130,387	1,047,160	1,022,446	1,026,089
Provision for loan losses	59,080	116,257	147,366	280,047(4)	419,914(5)	212,127
Noninterest income	396,147(6)	387,652(7)	501,534(7)	455,064	460,608	361,143
Noninterest expense	790,505	798,793(8)	1,045,951(8)	1,112,493(8)	1,065,087	979,265
Income (loss) before income taxes and cumulative effect of accounting change	447,957	312,105	438,604	109,684	(1,947)	195,840
Provision (credit) for income taxes	157,811	97,401	137,394	33,206	(60,698)	73,994
Income before cumulative effect of accounting change	290,146	214,704	301,210	76,478	58,751	121,846
Cumulative effect of accounting change	--	--	--	--	2,714(9)	--
Net income	$ 290,146	$ 214,704	$ 301,210	$ 76,478	$ 61,465	$ 121,846
Net income applicable to Society Common Stock	$ 289,108	$ 210,034	$ 294,984	$ 70,229	$ 56,313	$ 119,876
Weighted average shares of Society Common Stock	118,376	117,200	117,349	115,267	115,465	119,730
CONSOLIDATED PER SHARE DATA APPLICABLE TO SOCIETY COMMON STOCK						
Income before cumulative effect of accounting change	$ 2.44	$ 1.79	$ 2.51	$ .61	$ .47	$ 1.00
Net income	2.44	1.79	2.51	.61	.49	1.00
Cash dividends declared	.84	.735	.98	.92	.88	.80
Book value at period-end	17.15	14.97	15.49	13.82	13.90	14.46

CONSOLIDATED BALANCE SHEET DATA AT PERIOD-END						
Investment securities(10)	$ 4,906,794	$ 5,477,912	$ 4,484,381	$ 4,790,470	$ 4,369,366	$ 3,921,756
Loans, net of unearned income(10)	17,019,340	15,742,132	16,031,488	16,831,674	18,076,828	18,372,525
Allowance for loan losses	484,992	512,736	502,744	525,916	461,039(5)	283,443
Total assets	25,760,633	24,388,881	24,978,302	25,585,558	26,121,369	27,450,103
Deposits	17,764,988	17,327,194	18,658,000	20,014,763	21,394,976	21,763,362
Short-term borrowings	4,291,869	3,817,143	3,110,462	2,955,653	2,188,424	2,961,378
Long-term debt	1,077,832	687,121	886,052	463,754	471,086	468,867
Total shareholders' equity	2,007,996	1,798,703	1,868,103	1,655,190	1,645,999	1,702,913

<CAPTION>

	1988(1)(2)(3)
<S>	<C>
CONSOLIDATED SUMMARY OF OPERATIONS	
Interest income	$ 2,222,334
Interest expense	1,292,721
Net interest income	929,613
Provision for loan losses	147,324
Noninterest income	332,208
Noninterest expense	866,479
Income (loss) before income taxes and cumulative effect of accounting change	248,018
Provision (credit) for income taxes	43,227
Income before cumulative effect of accounting change	204,791
Cumulative effect of accounting change	--
Net income	$ 204,791
Net income applicable to Society Common Stock	$ 202,749
Weighted average shares of Society Common Stock	122,859
CONSOLIDATED PER SHARE DATA APPLICABLE TO SOCIETY COMMO	
Income before cumulative effect of accounting change	$ 1.65
Net income	1.65
Cash dividends declared	.68
Book value at period-end	14.87
CONSOLIDATED BALANCE SHEET D AT PERIOD-END	
Investment securities(10)	$ 4,041,007
Loans, net of unearned income(10)	17,627,298
Allowance for loan losses	261,633
Total assets	26,694,487
Deposits	20,506,804
Short-term borrowings	3,543,648
Long-term debt	463,086
Total shareholders' equity	1,769,754

</TABLE>

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(1) Society Common Stock-related amounts have been restated to reflect a two-for-one stock split effective March 22, 1993.

(2) On March 16, 1992, Society merged with Ameritrust Corporation, a bank holding company based in Cleveland, Ohio ("Ameritrust"). That transaction was accounted for as a pooling of interests and, accordingly, historical financial data for Society have been restated to include the operating results of Ameritrust.

(3) On January 5, 1990, Society merged with Trustcorp, Inc., a bank holding company based in Toledo, Ohio ("Trustcorp"). That transaction was accounted for as a pooling of interests and, accordingly, historical financial data for Society have been restated to include the operating results of Trustcorp.

(4) The provision for loan losses includes $93.9 million recorded by Ameritrust in the fourth quarter of 1991 in connection with the merger with Society.

(5) Ameritrust recorded a special provision for loan losses of $120.0 million for the first quarter of 1990 and, as a result of efforts to address asset quality issues which arose later in 1990, recorded a substantially higher provision of $147.4 million in the fourth quarter of 1990. The level of its allowance for loan losses at December 31, 1990, reflected the results of its management's extensive review of loan portfolios, with special emphasis on commercial real estate loans and media and other highly leveraged transactions.

(6) Noninterest income includes a $29.4 million gain on the sale of Ameritrust Texas Corporation recorded in the third quarter of 1993.

(7) Noninterest income includes a $20.1 million gain on the sale of branch offices and loans recorded in the second quarter of 1992 in connection with the merger with Ameritrust and as part of an agreement with the United States Department of Justice.

(8) Noninterest expense includes restructuring charges of $50.0 million recorded in the first quarter of 1992 and $93.8 million recorded in the fourth quarter of 1991 in connection with the Ameritrust merger.

(9) Effective January 1, 1990, Society adopted SFAS No. 96, "Accounting for Income Taxes."

(10) Investment securities and loans, net of unearned income, exclude securities available for sale and mortgage loans held for sale, respectively.

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KEYCORP AND SUBSIDIARIES AND
SOCIETY CORPORATION AND SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED SELECTED FINANCIAL DATA

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,		
	1993	1992	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>
CONSOLIDATED SUMMARY OF OPERATIONS					
Interest income	$ 3,163,372	$ 3,154,030	$ 4,198,791	$ 4,652,351	$ 4,528,845
Interest expense	1,162,718	1,346,481	1,750,118	2,519,390	2,667,757
Net interest income	2,000,654	1,807,549	2,448,673	2,132,961	1,861,088
Provision for loan losses	165,306	261,098	338,337	466,163	517,216
Noninterest income	764,562	699,156	925,193	849,261	744,182
Noninterest expense	1,695,671	1,597,790	2,170,412	2,065,679	1,819,497
Income before income taxes and cumulative effect of accounting change	904,239	647,817	865,117	450,380	268,557
Provision for income taxes	316,675	206,085	279,632	136,684	15,173
Income before cumulative effect of accounting change	$ 587,564	$ 441,732	$ 585,485	$ 313,696	$ 253,384
Weighted average shares of					

New Key Common Stock.....	239,437	234,559	235,005	227,116	220,079
CONSOLIDATED PER SHARE DATA					
APPLICABLE TO NEW KEY COMMON STOCK					
Income before cumulative effect of accounting change.....	$ 2.40	$ 1.81	$ 2.39	$ 1.31	$ 1.12
Cash dividends declared.....	.84	.735	.98	.92	.88
Book value at period-end....	17.39	15.34	15.71	14.17	13.55
CONSOLIDATED BALANCE SHEET DATA AT PERIOD-END					
Investment securities.....	$10,057,744	$ 9,868,814	$ 8,976,300	$10,288,270	$ 8,815,706
Loans, net of unearned income.....	39,094,659	35,802,329	36,045,833	35,558,257	34,217,667
Allowance for loan losses...	799,394	806,817	782,649	793,519	677,294
Total assets.....	58,193,234	54,416,439	55,092,384	53,624,918	49,977,448
Deposits.....	44,339,871	41,687,372	43,433,065	42,835,006	40,935,288
Short-term borrowings.....	6,570,205	6,130,156	5,082,407	5,087,533	3,989,907
Long-term debt.....	1,908,419	1,605,150	1,790,078	1,224,470	1,145,288
Total shareholders' equity.....	4,325,712	3,842,177	3,942,893	3,532,033	3,041,261

</TABLE>

See "NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS."

UNAUDITED COMPARATIVE PER SHARE BOOK VALUE, MARKET PRICE, DIVIDEND, AND EARNINGS DATA AND SELECTED FINANCIAL RATIOS

Based upon the Exchange Ratio of 1.205 shares of New Key Common Stock for each share of KeyCorp Common Stock outstanding immediately prior to the Merger, the following table sets forth unaudited comparative per common share book value, market price, cash dividends declared, income before cumulative effect of change in accounting principle, and net income data of: (a) Society, (b) New Key pro forma adjusted to give effect to the Merger as if the Merger had occurred at January 1, 1990, (c) KeyCorp, and (d) the pro forma equivalent of one share of KeyCorp Common Stock, in each case adjusted for all stock splits. Also set forth is a table of certain unaudited selected financial ratios of: (a) KeyCorp, (b) Society, and (c) New Key pro forma adjusted to give effect to the Merger as if the Merger had occurred at January 1, 1990. The following information should be read in conjunction with the historical financial statements of KeyCorp and Society incorporated by reference in this Prospectus/Joint Proxy Statement and the unaudited pro forma condensed combined financial statements giving effect to the Merger appearing elsewhere herein. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE"; "AVAILABLE INFORMATION," and "UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS." The pro forma data prior to the Effective Time may not be indicative of the results that actually would have occurred if the Merger had been in effect during the periods presented or which may be attained in the future.

UNAUDITED COMPARATIVE PER COMMON SHARE DATA

<TABLE>
<CAPTION>

	SOCIETY AND NEW KEY		KEYCORP	
	SOCIETY HISTORICAL	NEW KEY PRO FORMA	HISTORICAL	EQUIVALENT PRO FORMA (1)
<S> <C>	<C>	<C>	<C>	<C>
BOOK VALUE				
September 30, 1993	$17.15	$ 17.39	$21.23	$ 20.95
1992	14.97	15.34	18.92	18.48
December 31, 1992	15.49	15.71	19.19	18.93
1991	13.82	14.17	17.50	17.07
1990	13.90	13.55	15.87	16.33
MARKET PRICE (2)				
September 30, 1993	$32.00	$ 32.00	$37.88	$ 38.56
1992	28.25	28.25	33.25	34.04
December 31, 1992	32.13	32.13	38.63	38.72
1991	24.75	24.75	29.63	29.82
1990	16.13	16.13	15.50	19.44
CASH DIVIDENDS DECLARED (2)				
Third quarter 1993	$ .28	$ .28	$ .31	$ .34
Second quarter 1993	.28	.28	.31	.34

First quarter 1993	.28	.28	.31	.34
Third quarter 1992	.245	.245	.26	.30
Second quarter 1992	.245	.245	.26	.30
First quarter 1992	.245	.245	.26	.30
INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE				
Nine months ended:				
September 30, 1993	$ 2.44	$ 2.40	$ 2.83	$ 2.89
1992	1.79	1.81	2.19	2.18
Year ended:				
December 31, 1992	2.51	2.39	2.73	2.88
1991	.61	1.31	2.45	1.58
1990	.47	1.12	2.22	1.35

</TABLE>

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(1) The equivalent pro forma per share amounts for KeyCorp Common Stock represent, in the cases of book value and income before cumulative effect of change in accounting principle, the pro forma amounts for shares of New Key Common Stock multiplied by 1.205 (the Exchange Ratio) and, in the cases of cash dividends declared and market price, the historical data for shares of Society Common Stock multiplied by 1.205 (the Exchange Ratio).

(2) The New Key pro forma market price and combined dividends represent Society historical market price and dividends. No assurance can be given that equivalent dividends will be paid in the future. The amount of future dividends payable by New Key will depend upon the earnings and financial condition of New Key and other factors, including, without limitation, applicable governmental regulations and policies.

UNAUDITED SELECTED FINANCIAL RATIOS

<TABLE>
<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,		
	1993 (1)	1992 (1)	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>
PERFORMANCE RATIOS					
Return on Average Total Assets:					
KeyCorp.....	1.27%	1.12%	1.02%	.89%	.93%
Society.....	1.52	1.21	1.26	.30	.23
New Key Pro Forma.....	1.39	1.16	1.13	.60	.54
Return on Average Total Shareholders' Equity:					
KeyCorp.....	18.04%	15.98%	14.70%	14.35%	14.61%
Society.....	20.26	16.74	17.28	4.46	3.59
New Key Pro Forma.....	19.13	16.60	15.91	9.31	8.41
Net Interest Margin:					
KeyCorp.....	5.37%	5.29%	5.30%	4.76%	4.65%
Society.....	5.31	5.33	5.33	4.65	4.44
New Key Pro Forma.....	5.34	5.31	5.31	4.71	4.53
Total Shareholders' Equity to Total Assets (end of period):					
KeyCorp.....	7.15%	6.81%	6.89%	6.69%	5.85%
Society.....	7.79	7.38	7.48	6.47	6.30
New Key Pro Forma.....	7.43	7.06	7.16	6.59	6.09
RISK-BASED CAPITAL RATIOS					
Tier I:					
KeyCorp.....	8.68%	8.42%	8.64%	7.95%	6.71%
Society.....	8.71	8.16	8.53	7.43	6.85
New Key Pro Forma.....	8.69	8.29	8.58	7.70	6.79
Total Capital:					
KeyCorp.....	11.49%	10.87%	11.18%	9.93%	8.93%
Society.....	12.99	11.15	12.39	9.71	9.42
New Key Pro Forma.....	12.21	11.00	11.76	9.83	9.20
ASSET QUALITY DATA					
Net Charge-Offs to Average Loans:					
KeyCorp.....	.57%	.91%	.99%	1.00%	.65%
Society.....	.61	1.07	1.06	1.23	1.31
New Key Pro Forma.....	.59	.98	1.02	1.11	1.02
Allowance for Loan Losses to Loans (end of period):					
KeyCorp.....	1.42%	1.47%	1.40%	1.43%	1.34%
Society.....	2.85	3.26	3.14	3.12	2.55
New Key Pro Forma.....	2.04	2.25	2.17	2.23	1.98

Allowance for Loan Losses to Nonperforming Loans (end of period):					
KeyCorp	174.72%	150.46%	137.08%	111.63%	102.35%
Society	242.80	129.52	144.17	107.39	78.46
New Key Pro Forma	210.53	136.44	141.55	108.78	84.78
Nonperforming Assets to Loans Plus Other Real Estate Owned and Other Nonperforming Assets (end of period):					
KeyCorp	1.43%	2.03%	1.99%	2.35%	2.15%
Society	1.78	3.61	3.07	3.70	3.66
New Key Pro Forma	1.58	2.72	2.47	2.98	2.94

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	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,		
	1993 (1)	1992 (1)	1992	1991	1990
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS(2)					
Excluding Interest on Deposits:					
KeyCorp	4.12x	3.05x	2.98x	2.33x	2.17x
Society	4.00	3.76	3.72	1.50	--(3)
New Key Pro Forma	4.06	3.35	3.31	1.96	1.54
Including Interest on Deposits:					
KeyCorp	1.63x	1.40x	1.39x	1.24x	1.23x
Society	1.85	1.49	1.54	1.08	--(3)
New Key Pro Forma	1.73	1.44	1.45	1.17	1.10

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(1) Ratios for the periods ended September 30, 1993 and 1992, represent annualized amounts.

(2) The ratios of earnings to combined fixed charges and preferred stock dividends, excluding interest on deposits, for the year ended December 31, 1989, were 1.82x for KeyCorp, 1.62x for Society, and 1.71x for New Key pro forma. Including interest on deposits, the ratios were 1.20x, 1.12x, and 1.15x, respectively. For the year ended December 31, 1988, the ratios, excluding interest on deposits, were 2.00x for KeyCorp, 1.91x for Society, and 1.95x for New Key pro forma, while those including interest on deposits were 1.23x, 1.19x, and 1.21x, respectively.

(3) Earnings were inadequate to cover combined fixed charges and preferred stock dividends, both excluding and including interest on deposits, by $7.1 million for the year ended December 31, 1990.

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INTRODUCTION

This Prospectus/Joint Proxy Statement is being furnished in connection with the solicitation of proxies by the Board of Directors of KeyCorp for use at the KeyCorp Meeting to be held on February 16, 1994. This Prospectus/Joint Proxy Statement is also being furnished in connection with the solicitation of proxies by the Board of Directors of Society for use at the Society Meeting to be held on February 16, 1994. This Prospectus/Joint Proxy Statement also serves as a prospectus for the New Key Common Stock (including the New Key Rights) and the New Key Depositary Shares each representing a one-fifth interest in one share of New Key Preferred Stock which will be issued upon the effectiveness of the Merger.

All information contained in this Prospectus/Joint Proxy Statement relating to KeyCorp has been furnished by KeyCorp, and Society is relying upon the accuracy of that information. All information contained in this Prospectus/Joint Proxy Statement relating to Society has been furnished by Society, and KeyCorp is relying upon the accuracy of that information.

SPECIAL MEETING OF KEYCORP SHAREHOLDERS

DATE, TIME, AND PLACE

The KeyCorp Meeting will be held on February 16, 1994, commencing at 8:00 a.m., local time, at The KeyCorp Tower, 30 South Pearl Street, Albany, New York.

PURPOSE OF MEETING

The purpose of the KeyCorp Meeting is to consider and vote upon the adoption of the Merger Agreement. The adoption of the Merger Agreement by the shareholders of KeyCorp (and Society) will also constitute the adoption of the New Key Articles of Incorporation and New Key Regulations. See "AMENDED AND RESTATED ARTICLES OF INCORPORATION AND REGULATIONS OF NEW KEY -- General."

SHARES OUTSTANDING AND ENTITLED TO VOTE; RECORD DATE

The close of business on December 28, 1993 (the "Record Date"), has been fixed by the Board of Directors of KeyCorp as the record date for the determination of holders of shares of KeyCorp Common Stock entitled to notice of and to vote at the KeyCorp Meeting. At the close of business on the Record Date, there were 101,826,896 shares of KeyCorp Common Stock issued and outstanding held by 24,120 holders of record. Holders of record of KeyCorp Common Stock on the Record Date are entitled to one vote per share and are entitled to exercise dissenters' rights. Holders of KeyCorp Preferred Stock, represented by the related Depositary Shares, are, as such, not entitled to vote on the Merger Agreement or to exercise dissenters' rights. See "RIGHTS OF DISSENTING SHAREHOLDERS -- KeyCorp Shareholders."

VOTE REQUIRED

The affirmative vote of two-thirds of all shares of KeyCorp Common Stock outstanding on the Record Date is required to adopt the Merger Agreement.

As of the Record Date, KeyCorp's directors, executive officers, and their affiliates owned and were entitled to vote 1,828,013 shares at the KeyCorp Meeting, representing 2.7% of the total number of KeyCorp shareholder votes necessary to adopt the Merger Agreement. In addition, as of the Record Date, the trust departments of one or more subsidiaries of KeyCorp had sole voting and dispositive power, in a fiduciary capacity for third parties, as to 2,215,212 shares of KeyCorp Common Stock or approximately 2.2% of the outstanding KeyCorp Common Stock. Further, 91,275 shares of KeyCorp Common Stock or approximately 0.1% of the outstanding shares of KeyCorp Common Stock were held by such subsidiaries under arrangements that provide for the exercise of voting power to be shared with co-fiduciaries, settlors, beneficiaries, or others. In addition, as of the Record Date, the trust departments of one or more subsidiaries of Society had sole voting power, in a fiduciary capacity for third parties, as to 111,548 shares of KeyCorp Common Stock or 0.11% of the outstanding KeyCorp Common Stock. An additional 4,000 shares of KeyCorp Common Stock or 0.004%

of the outstanding KeyCorp Common Stock were held by such subsidiaries under arrangements that provide for the exercise of voting power to be shared with co-fiduciaries, settlors, beneficiaries, or others.

VOTING, SOLICITATION, AND REVOCATION OF PROXIES

Proxy cards for use at the KeyCorp Meeting accompany this Prospectus/Joint Proxy Statement delivered to record holders of KeyCorp Common Stock. A holder of KeyCorp Common Stock may use his proxy if he does not attend the KeyCorp Meeting in person or wishes to have his shares voted by proxy even if he does attend the meeting. The proxy may be revoked in writing by the person giving it at any time before it is exercised by notice of such revocation to the Secretary of KeyCorp,

or by submitting a proxy having a later date, or by such person appearing at the KeyCorp Meeting and electing to vote in person. All proxies validly submitted and not revoked will be voted in the manner specified therein. IF NO SPECIFICATION IS MADE, THE PROXIES WILL BE VOTED IN FAVOR OF ADOPTION OF THE MERGER AGREEMENT.

Under the New York Business Corporation Law and the KeyCorp By-Laws, the presence, in person or by proxy, of a majority of the outstanding shares of KeyCorp Common Stock is necessary to constitute a quorum of shareholders to take action at the KeyCorp Meeting. For these purposes, shares which are present, or represented by a proxy, at the KeyCorp Meeting will be counted for quorum purposes regardless of whether the holder of the shares or proxy fails to vote on the Merger Agreement ("abstentions") or whether a broker with discretionary authority fails to exercise its discretionary authority to vote shares with respect to the Merger Agreement ("broker non-votes"). For voting purposes, only shares voted for the adoption of the Merger Agreement, and neither abstentions nor broker non-votes, will be counted as voting in favor in determining whether the Merger Agreement is adopted by the holders of KeyCorp Common Stock. As a consequence, abstentions and broker non-votes will have the same effect as votes against adoption of the Merger Agreement.

KeyCorp will bear the cost of solicitation of proxies from its shareholders. In addition to using the mails, proxies may be solicited by personal interview, telephone, and wire. Banks, brokerage houses, other institutions, nominees, and fiduciaries will be requested to forward their proxy soliciting material to their principals and obtain authorizations for the execution of proxies. Officers and other employees of KeyCorp and its subsidiaries, acting on KeyCorp's behalf, may solicit proxies personally. KeyCorp has retained Morrow & Company, Inc. ("Morrow") to assist in such solicitation. The fee of Morrow is estimated not to exceed $40,000, plus reasonable out-of-pocket costs and expenses. KeyCorp does not expect to pay any other compensation for the solicitation of proxies, but will, upon request, pay the standard charges and expenses of banks, brokerage houses, other institutions, nominees, and fiduciaries for forwarding proxy materials to and obtaining proxies from their principals. However, no such payment will be made to any of KeyCorp's subsidiaries acting through their nominees or acting as a fiduciary.

SPECIAL MEETING OF SOCIETY SHAREHOLDERS

DATE, TIME, AND PLACE

The Society Meeting will be held on February 16, 1994, commencing at 9:30 a.m., local time, at The Forum Conference Center, One Cleveland Center, 1375 East Ninth Street, Cleveland, Ohio.

PURPOSE OF MEETING

The purpose of the Society Meeting is to consider and vote upon the adoption of the Merger Agreement and all other matters properly coming before the Society Meeting which relate to the Merger Agreement and the transactions contemplated thereby. The adoption of the Merger Agreement by the shareholders of Society (and KeyCorp) will constitute the adoption of the New Key Articles of Incorporation and the New Key Regulations. See "AMENDED AND RESTATED ARTICLES OF INCORPORATION AND REGULATIONS OF NEW KEY -- General."

SHARES OUTSTANDING AND ENTITLED TO VOTE; RECORD DATE

The close of business on December 28, 1993, (the "Record Date") has been fixed by the Board of Directors of Society as the record date for the determination of holders of shares of Society Common Stock entitled to notice of

and to vote at the Society Meeting. At the close of business on the Record Date, there were 117,337,789 shares of Society Common Stock issued and outstanding held by 36,331 holders of record. Holders of record of Society Common Stock on the Record Date are entitled to one vote per share and are entitled to exercise dissenters' rights.

VOTE REQUIRED

The affirmative vote of a majority of all Society Common Stock outstanding on the Record Date is required to adopt the Merger Agreement.

As of the Record Date, Society's directors, executive officers, and their affiliates owned and were entitled to vote 1,230,577 shares at the Society Meeting, representing 2.1% of the total number of Society shareholder votes necessary to adopt the Merger Agreement. In addition, as of the Record Date, the trust departments of one or more subsidiaries of Society had sole voting power, in a fiduciary capacity for third parties, as to 5,156,275 shares of Society Common Stock or 4.39% of the outstanding shares of Society Common Stock. An additional 1,312,991 shares of Society Common Stock or 1.12% of the outstanding Society Common Stock were held by such subsidiaries under arrangements that provide for the exercise of voting power to be shared with co-fiduciaries, settlors, beneficiaries, or others. In addition, as of the Record Date, the trust departments of one or more subsidiaries of KeyCorp had sole voting and dispositive power, in a fiduciary capacity for third parties, as to 200 shares of Society Common Stock or 0.0002% of the outstanding Society Common Stock. Also, 16,100 shares of Society Common Stock or 0.01% of the outstanding Society Common Stock were held by such subsidiaries under arrangements that provide for the exercise of voting power to be shared with co-fiduciaries, settlors, beneficiaries, or others. As of the Record Date, 12,170,471 shares of Society Common Stock or 10.37% of the outstanding Society Common Stock, were held by one or more trustees, for the Society ESOP, under instruments that provide for the pass-through of voting rights to participants and beneficiaries under the Society ESOP. Under the applicable trust agreement, the trustees as named fiduciaries will vote shares of Society Common Stock, including shares allocated to participants and shares held by the Society ESOP but not allocated, in accordance with directions given by those participants and beneficiaries.

VOTING, SOLICITATION, AND REVOCATION OF PROXIES

Proxy cards for use at the Society Meeting accompany this Prospectus/Joint Proxy Statement delivered to record holders of Society Common Stock. A Society shareholder may use his proxy if he is unable to attend the Society Meeting in person or wishes to have his shares voted by proxy even if he does attend the meeting. The proxy may be revoked in writing by the person giving it at any time before it is exercised by notice of such revocation to the Secretary of Society, or by submitting a proxy having a later date, or by such person appearing at the Society Meeting and electing to vote in person. All proxies validly submitted and not revoked will be voted in the manner specified therein. IF NO SPECIFICATION IS MADE, THE PROXIES WILL BE VOTED IN FAVOR OF ADOPTION OF THE MERGER AGREEMENT.

Under Society's listing agreement with the NYSE, the presence of a majority of the outstanding shares of Society Common Stock in person or by proxy is necessary to constitute a quorum of shareholders for the Society Meeting. For these purposes, abstentions and broker non-votes are counted in determining the shares present at a meeting. For voting purposes, only shares voted for the adoption of the Merger Agreement, and neither abstentions nor broker non-votes, will be counted as voting in favor in determining whether the Merger Agreement is adopted by the holders of Society Common Stock. As a consequence, abstentions and broker non-votes will have the same effect as votes against adoption of the Merger Agreement.

Society will bear the cost of solicitation of proxies from its shareholders. In addition to using the mails, proxies may be solicited by personal interview, telephone, and wire. Banks, brokerage houses, other institutions, nominees, and fiduciaries will be requested to forward their proxy soliciting material to their

principals and obtain authorizations for the execution of proxies. Officers and other employees of Society and its subsidiaries, acting on Society's behalf, may solicit proxies personally. Society has retained Corporation Investor Communications, Inc. ("CIC") to assist in such solicitation. The fee of CIC is estimated not to exceed $14,000, plus reasonable out-of-pocket costs and expenses. Society does not expect to pay any other compensation for the solicitation of proxies, but will, upon request, pay the standard charges and expenses of banks, brokerage houses, other institutions, nominees, and

fiduciaries for forwarding proxy materials to and obtaining proxies from their principals. However, no such payment will be made to any of Society's subsidiaries acting through their nominees or acting as a fiduciary.

BACKGROUND OF AND REASONS FOR THE MERGER

BACKGROUND OF THE MERGER

KeyCorp and Society each conducts its banking and financial services operations in multiple (although different) regions of the United States. Each historically has expanded its geographic franchise and increased its customer base and market share by means of acquisition programs, initially on an intrastate basis, later also on an interstate basis. The acquisition strategies followed by KeyCorp and Society over the years were strongly influenced and shaped by the economic conditions in their home states and the banking legislation governing activities in those states, New York in the case of KeyCorp and Ohio in the case of Society, as well as in other states.

Under the BHCA, interstate banking acquisitions are prohibited in the absence of enabling legislation at the state level. New York in 1983 became one of the first states to adopt legislation permitting acquisition of in-state banks by out-of-state bank holding companies. The New York statute is not geographically limited, but has a "reciprocity" requirement under which the home state of the out-of-state company must enable New York bank holding companies to acquire banks in that state. Ohio in 1985 adopted a reciprocal law limited initially to thirteen states in its region and the District of Columbia. New York was not one of the "regional" states in the Ohio legislation. The Ohio law included, however, a nationwide "trigger" date of October 1988, at which time it became virtually identical to the New York law in its effect. Although a number of other states adopted interstate statutes, almost all these statutes included geographic limitations (regions) and a reciprocity requirement. Primarily because of the possibility of incursions by the major New York City banks, virtually no state in the mid-1980s included New York in the defined region. Exceptions included Maine and Alaska, which had national statutes.

KeyCorp had been a successful acquiror of upstate New York banks for some years prior to 1983. In reviewing its alternatives, KeyCorp determined that markets in New England and in the Pacific Northwest had many of the same demographic and economic characteristics as the markets it served in upstate New York. KeyCorp developed a strategy of expanding into such of those markets that were in states that had permissive legislation reciprocal with that of New York. KeyCorp then successfully expanded its franchise from its upstate New York base and Albany headquarters first to Maine in 1984 and to Alaska in 1985, and subsequently to Colorado, Idaho, Oregon, Utah, Washington, and Wyoming as these states adopted national statutes. It continued to make acquisitions in New York, including acquisitions that resulted in its becoming a major mortgage servicer.

Society, based in Cleveland, Ohio, followed a different strategy. It chose to concentrate its acquisition efforts on in-state transactions in the various major metropolitan areas in Ohio. Society did not directly undertake interstate transactions, but did secure significant market positions in Indiana and Michigan through the acquisitions of Trustcorp, Inc., and Ameritrust Corporation, companies based in Toledo, Ohio, and Cleveland, Ohio, respectively, that themselves had earlier executed interstate acquisitions. Both of these companies had major trust and investment management operations, contributing to Society's emergence as a major national participant in providing trust and investment management services. Society's acquisition in 1993 of a thrift based in Fort Myers, Florida, was its first direct interstate acquisition and in large part was in furtherance of its expanding trust activities.

Management of each of KeyCorp and Society has been cognizant of the rapidly changing structure of the United States banking market, fueled in part by the weakened local economies in areas such as New England

and Texas. Certain bank holding companies had been able to take advantage of the failure of major banks by acquiring such banks in government-assisted transactions, as a means of breaking out of regional constraints and beginning the formation of what could become truly nationwide banking organizations. Similarly, increased competitive pressures from nonbank participants in the financial services arena clearly demonstrated the over-capacity that existed in the banking system and the need to gain economies of scale in areas such as product development and delivery. The strategies that had proved successful for KeyCorp and for Society, although initially very different, were beginning to converge as a result of these external pressures. Society's strategies included expansion and diversification of its distribution system, particularly on a geographic basis. KeyCorp's strategies included expansion and deepening of its product lines. Each had the capability and the financial means to execute these strategies with acquisitions of smaller companies. Each recognized, however, that such potential acquisitions were, in many markets, becoming increasingly

expensive and limited in number. Management of each company, by 1990, had started to consider "breakout" strategies, including the possibility of mergers of equals, that would position their respective franchises to take full advantage of this markedly different banking environment and thereby create the opportunity for enhancing shareholder value.

In the summer of 1990, Mr. Gillespie and Mr. Riley held an informal meeting in Albany. In the spring and summer of 1991, Mr. Gillespie and Mr. Riley met again and explored on a preliminary basis the possible combination of KeyCorp and Society. Each of them visited operations in various locations and met executives of the other company. A meeting was held on August 8, 1991 in Albany that involved Messrs. Riley and Gillespie, other executives, and legal counsel for KeyCorp and Society. These discussions, which were reported to the KeyCorp and Society Boards of Directors, did not involve financial advisors, did not lead to any agreements, and were terminated by mutual agreement after the August 8, 1991 meeting.

Both KeyCorp and Society have continued to hold periodic informal discussions with banking and financial institutions to explore acquisition and combination possibilities, and each has consummated various such transactions since 1991.

On July 19, 1993, at a meeting in Cleveland, Mr. Riley and Mr. Gillespie renewed their discussions of a possible combination of KeyCorp and Society. Over the course of meetings and other discussions with each other during September 1993, Mr. Riley and Mr. Gillespie tentatively resolved a number of basic issues for such a combination, including the name and the headquarters location of the proposed combined entity and an approach to governance issues, including their own respective positions, succession, and tenure, choices as to other senior management, and the basis upon which the Board of Directors of the combined entity would be selected. Mr. Riley and Mr. Gillespie reported these meetings to members of their respective Boards of Directors. Mr. Gillespie brought the possible combination before the Society Board of Directors at its regular meeting on September 23, 1993, and received authorization to proceed with discussions of a possible combination with KeyCorp.

After that meeting, KeyCorp and Society entered into mutual confidentiality agreements on September 24, 1993, and thereafter conducted due diligence reviews of each other, reviewed the proposed transaction with their respective financial advisors, legal counsel, and members of their respective Boards of Directors, negotiated the terms of the Merger Agreement and related documents, and gave consideration to the possible financial basis, and detailed other terms, upon which the transaction might be consummated. At special meetings of the Boards of Directors of both companies held on the afternoon of Friday, October 1, 1993, the proposed combination was considered in detail by the Board of Directors of each company with its respective managements, financial advisors, and legal counsel. At each meeting, the Merger, the Exchange Ratio, and related transactions were unanimously approved by all the members of the respective Board of Directors present, subject to the approval of shareholders, obtaining necessary regulatory approvals, and the further conditions set forth in the Merger Agreement.

REASONS FOR THE MERGER -- GENERAL

The merger of KeyCorp and Society will create a diversified financial services company with a national presence by merging two high performing super-regional bank holding companies. New Key, the combined entity, will have a significant market position in 15 of the 100 largest metropolitan markets in the United States. Its branch network will be the fifth largest network of banking offices in the United States. The map on

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this page shows the markets now served by the banks that will become subsidiaries of New Key and the number of banking offices that such subsidiaries had at September 30, 1993 in each state where they then were conducting banking operations. The Merger will combine two companies that currently have high performance records, do not have significant asset quality problems, as compared to their peer bank group and the industry in general, have strong management teams with experience in successfully completing substantial merger transactions, maintain compatible data-processing and other operating systems, and share many cultural traits. The Merger also will permit each company to diversify beyond its current markets and its current strengths in specialty financial products and services by expanding the marketing of its products and services into the markets now served by the other. KeyCorp, for example, has a strong mortgage banking business and specializes in the delivery of services to small-and medium-sized businesses in local communities. Society has a strong trust and asset management services business and specializes in developing and delivering products to the large corporate and various specialized industries markets. Both KeyCorp and Society believe that the Merger will provide the opportunity for the combined entity to reach expanded markets for these

complementary, individual business strengths of the two companies.

In addition, although no assurance can be given, KeyCorp and Society expect that cost savings will be achieved by New Key at an annual rate of $80 to $105 million by the end of the first quarter of 1995 as a result of steps to be taken to integrate their operations and to achieve efficiencies in certain combined lines of business. These anticipated merger cost savings were determined based upon preliminary estimates provided by major business groups at both Society and KeyCorp. Merger integration task forces, made up of representatives of both companies, are in the process of validating these preliminary estimates. However, it is presently expected that approximately 50% of the anticipated annualized savings will be achieved in 1994. KeyCorp and Society also anticipate that they will incur one-time merger expenses and restructuring charges, estimated to be in the range of $90 to $110 million in the aggregate, in connection with the Merger. See "NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS."

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SEPTEMBER 30, 1993	
BANKING OFFICES*	
NEW YORK	339
OHIO	294
WASHINGTON	191
MAINE	96
INDIANA	86
OREGON	80
IDAHO	44
MICHIGAN	36
UTAH	36
WYOMING	27
FLORIDA	24
ALASKA	20
COLORADO	16
TOTAL	1,289

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KEYCORP SOCIETY
*INCLUDING PENDING ACQUISITIONS

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The Boards of Directors of each of KeyCorp and Society believe for the reasons set forth below that the Merger would be in the best interests of each company's shareholders.

REASONS FOR THE MERGER -- KEYCORP

At its meeting on October 1, 1993, the Board of Directors of KeyCorp determined that the Merger and the Merger Agreement are fair to, and in the best interests of, KeyCorp and its shareholders. In reaching its determination, the KeyCorp Board of Directors consulted with KeyCorp management, as well as its financial and legal advisors, and considered a number of factors, including the following:

(a) The effectiveness of the Merger in implementing and accelerating KeyCorp's basic strategy, and changes in the merger and acquisition environment that have made acquisitions more difficult and expensive;

(b) The KeyCorp Board of Director's review, based in part on a presentation by KeyCorp management regarding (i) its due diligence review of Society, including the business, operations, earnings, asset quality, financial condition, and corporate culture of Society on a historical, prospective, and pro forma basis, (ii) product compatibility, the compatibility of corporate goals, and the respective contributions the parties would bring to a combined institution, (iii) the enhanced opportunities for acquisitions and growth that the Merger makes possible as a result of the greater capitalization of the combined entity, and (iv) the enhanced opportunities for cost savings and synergies that are expected to result from the Merger;

(c) The terms of the Merger Agreement, the KeyCorp Stock Option

Agreement and the Society Stock Option Agreement, and the other documents executed in connection with the Merger, which were reciprocal in nature;

(d) The opinion of Salomon Brothers, discussed elsewhere in this Prospectus/Joint Proxy Statement, that as of October 1, 1993, the Exchange Ratio was fair, from a financial point of view, to the holders of KeyCorp Common Stock;

(e) The opportunity that the Merger provides to strengthen and deepen the management team of the combined entity by integrating the already strong management teams at both KeyCorp and Society;

(f) KeyCorp's long-term strategy of seeking to expand its operations across the entire Northern tier of the United States, and particularly its frequently-stated goal of extending its banking operations into the Midwest, and to enhance the range of banking services available to its customers;

(g) The expectation that the Merger would be tax-free for federal income tax purposes to KeyCorp and its shareholders (other than in respect of cash paid in lieu of fractional shares and dissenters' shares) and that the Merger would be accounted for under the pooling of interests method of accounting and, therefore, would not give rise to goodwill; and

(h) The current and prospective economic environment facing financial institutions generally and KeyCorp in particular.

In considering the Merger, the KeyCorp Board of Directors determined that it would better serve KeyCorp's basic business strategy than expansion through internal growth and/or acquisitions. In particular, the KeyCorp Board of Directors considered the increased competition in the banking industry, which had resulted, among other things, in compression of interest rate margins and thereby diminished prospects for internal growth. The KeyCorp Board of Directors also took into account the increase in premiums being paid for bank acquisitions which has made it more difficult to increase shareholder returns from acquisitions.

The KeyCorp Board of Directors was also aware that KeyCorp could pursue being acquired by a larger financial institution, now or in the near future, instead of completing the Merger, and that the acquisition price would have exceeded the then current market value of KeyCorp Common Stock. The KeyCorp Board of Directors concluded that this was not the optimum time to pursue being acquired in such a transaction because existing limitations on interstate banking and the current circumstances of some large financial institutions severely limit the number of institutions capable of acquiring KeyCorp now or in the near future,

and, therefore, the price that could be expected to be paid to KeyCorp shareholders in connection with any such acquisition was unlikely to be the highest potentially attainable. The KeyCorp Board therefore determined that there was no compelling reason to depart from its basic business strategy and that the Merger enhances that strategy. Although after the Merger New Key would be the 10th largest bank holding company in the United States (based on total consolidated assets at September 30, 1993), given the market capitalization of certain other financial institutions and the consolidations and changes occurring in the banking and financial services industry, including potential changes in applicable laws, the Board of Directors of New Key would not be precluded, if it should determine such a step to be in the best interests of New Key and the shareholders of New Key, from pursuing a future transaction involving the acquisition of the combined entity at a price that represented a premium to the then market value of New Key Common Stock.

The KeyCorp Board of Directors determined that the Merger would best advance KeyCorp's strategic plan because of its belief that the Merger combined two financially sound institutions with complementary businesses and business strategies, thereby creating a stronger combined institution with greater size, flexibility, breadth of services, efficiency, capital strength, and profitability than KeyCorp would possess on a stand-alone basis. The KeyCorp Board of Directors believes that each institution is currently well-managed and possesses management philosophies and strategic focus that are compatible with those of the other, that each institution will contribute complementary business strengths resulting in a well-diversified combined institution, and that the strong capitalization of the combined institution will allow it to take advantage of future acquisition opportunities which otherwise may not be available to either institution individually. The KeyCorp Board of Directors also believes that the Merger will allow the combined institution to compete effectively in the rapidly changing marketplace for banking and financial services and to take advantage of opportunities for growth and diversification that may not be available to either institution on its own.

The KeyCorp Board of Directors did not assign any specific or relative weight to the foregoing factors in the course of its consideration.

REASONS FOR THE MERGER -- SOCIETY

In reaching its determination that the Merger and the Merger Agreement are fair to, and in the best interests of, Society and its shareholders, the Society Board of Directors consulted with Society management, as well as its financial and legal advisors, and considered a number of factors, including the following:

(a) The effectiveness of the Merger in implementing and accelerating Society's basic strategy;

(b) Changes in the acquisition environment that make it increasingly more difficult and expensive to make significant non-dilutive acquisitions;

(c) The presentation by Society management regarding its due diligence review of KeyCorp, including the business, operations, earnings, asset quality, financial condition and performance, regulatory compliance, asset-liability management, and operations of KeyCorp on a historical, prospective, and pro forma basis;

(d) The enhanced opportunities for cost savings and synergies that are expected to result from the Merger;

(e) The enhanced opportunities for growth, including appropriate acquisitions, that the Merger makes possible;

(f) Product compatibility, the compatibility of corporate goals, and the respective contributions the parties would bring to a combined institution;

(g) The terms of the Merger Agreement, the KeyCorp Stock Option Agreement and the Society Stock Option Agreement, and the other documents executed in connection with the Merger, which were reciprocal in nature;

(h) The opinion of CS First Boston, discussed elsewhere in this Prospectus/Joint Proxy Statement, that, as of October 1, 1993, the Exchange Ratio pursuant to the Merger was fair to the holders of Society Common Stock, from a financial point of view;

(i) The opportunity that the Merger provides to strengthen and deepen the management team of the combined entity by integrating the already strong management teams at both Society and KeyCorp;

(j) The expectation that the Merger would be tax-free for federal income tax purposes to Society and its shareholders (other than in respect of cash paid in lieu of dissenters' shares) and that the Merger would be accounted for under the pooling of interests method of accounting and, therefore, would not give rise to goodwill; and

(k) The current and prospective economic and competitive environment facing financial institutions generally and Society in particular.

The Society Board of Directors did not assign any specific or relative weight to the foregoing factors in the course of its consideration.

The Society Board of Directors determined that the Merger would place Society in an improved competitive position in the financial markets because of its belief that the Merger combines two financially sound institutions with complementary businesses and business strategies, thereby creating a stronger combined institution with greater size, flexibility, breadth of services, efficiency, capital strength, and profitability than Society would possess on a stand-alone basis. The Society Board of Directors believes that each institution is currently well-managed and possesses management philosophies and strategic focus compatible with those of the other, that each institution will contribute complementary business strengths resulting in a well-diversified combined institution, and that the strong capitalization and diversification of the combined institution will allow it to take advantage of future opportunities for growth, including appropriate acquisitions. The Society Board of Directors also believes that the Merger will allow the combined institution to compete effectively in the rapidly changing marketplace for banking and financial services and to take advantage of opportunities for growth and diversification that may not be available to either institution on its own. In evaluating the

Merger, the Society Board of Directors and management recognized the size of the transaction, discussed the critical importance of successfully integrating, and building on the respective strengths of, the management teams and cultures of both companies in a true merger of equals transaction, and considered the uncertainties inherent in any such combination of two very large companies, although both Society and KeyCorp have considerable experience in successfully effecting substantial merger transactions.

OPINIONS OF FINANCIAL ADVISORS

KeyCorp. Salomon Brothers has delivered its written opinions to the KeyCorp Board of Directors that, as of October 1, 1993 and as of the date of this Prospectus/Joint Proxy Statement, the Exchange Ratio was fair, from a financial point of view, to the holders of KeyCorp Common Stock. No limitations were imposed by the KeyCorp Board of Directors upon Salomon Brothers with respect to the investigations made or procedures followed by Salomon Brothers in rendering its opinions.

THE FULL TEXT OF THE OPINION OF SALOMON BROTHERS DATED THE DATE OF THIS PROSPECTUS/JOINT PROXY STATEMENT, WHICH SETS FORTH ASSUMPTIONS MADE, MATTERS CONSIDERED, AND LIMITS ON THE REVIEW UNDERTAKEN BY SALOMON BROTHERS, IS ATTACHED HERETO AS APPENDIX III. KEYCORP SHAREHOLDERS ARE URGED TO READ THIS OPINION IN ITS ENTIRETY. SALOMON BROTHERS' OPINIONS ARE DIRECTED ONLY TO THE EXCHANGE RATIO IN THE MERGER AND DO NOT CONSTITUTE RECOMMENDATIONS TO ANY KEYCORP SHAREHOLDER AS TO HOW SUCH SHAREHOLDER SHOULD VOTE AT THE KEYCORP MEETING. THE SUMMARY SET FORTH IN THIS PROSPECTUS/JOINT PROXY STATEMENT OF THE OPINIONS OF SALOMON BROTHERS IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT OF SUCH OPINIONS. THE OCTOBER 1, 1993 OPINION IS SUBSTANTIALLY IDENTICAL TO THE OPINION ATTACHED HERETO.

In connection with its opinions, Salomon Brothers reviewed, among other things: (a) the Merger Agreement and the Option Agreements; (b) certain publicly available reports filed with the SEC by KeyCorp and Society; (c) certain other publicly available financial and other information concerning KeyCorp and Society and the trading markets for the publicly traded securities of KeyCorp and Society; (d) certain other internal information, including projections, relating to KeyCorp and Society, prepared by the managements of KeyCorp and Society and furnished to Salomon Brothers for purposes of its analysis; and (e) certain publicly available information concerning certain other banks and bank holding companies, the trading markets for their securities, and the nature and terms of certain other merger and acquisition transactions Salomon

Brothers believed were relevant to its inquiry. Salomon Brothers also met with certain officers and representatives of KeyCorp and Society to discuss the foregoing as well as other matters Salomon Brothers believed were relevant to its inquiry. Salomon Brothers also considered such financial and other factors as it deemed appropriate under the circumstances and took into account its assessment of general economic, market, and financial conditions, and its experience in similar transactions, as well as its experience in securities valuation and its knowledge of the banking industry generally. Salomon Brothers' opinions are necessarily based upon conditions as they existed and could be evaluated on the respective dates thereof and the information made available to Salomon Brothers through the respective dates thereof.

In conducting its review and in arriving at its opinions, Salomon Brothers relied upon and assumed the accuracy and completeness of the financial and other information provided to it or publicly available and did not attempt independently to verify the same. Salomon Brothers relied upon the managements of KeyCorp and Society as to the reasonableness and achievability of the projections (and the assumptions and bases therefor) provided to Salomon Brothers, and assumed that such projections reflected the best currently available estimates and judgments of such managements and that such projections would be realized in the amounts and in the time periods estimated by such managements. Salomon Brothers also assumed, without independent verification, that the aggregate allowances for loan losses for KeyCorp and Society were adequate to cover such losses. Salomon Brothers did not make or obtain any evaluations or appraisals of the property of KeyCorp or Society, nor did Salomon Brothers examine any individual loan credit files. Salomon Brothers was retained by the KeyCorp Board to express its opinions as to the fairness, from a financial point of view, to the holders of KeyCorp Common Stock of the Exchange Ratio in the Merger. Salomon Brothers did not address KeyCorp's underlying business decision to proceed with the Merger and did not make any recommendation to the KeyCorp Board of Directors with respect to any approval of the Merger or to the holders of KeyCorp Common Stock with respect to any approval of the Merger.

In connection with rendering its opinions to the KeyCorp Board of Directors, Salomon Brothers performed a variety of financial analyses which are summarized below. Salomon Brothers believes that its analyses must be considered

as a whole and that selecting portions of such analyses and the factors considered therein, without considering all factors and analyses, could create an incomplete view of the analyses and the processes underlying Salomon Brothers' opinions. The preparation of a fairness opinion is a complex process involving subjective judgments and is not necessarily susceptible to partial analyses or summary description. In its analyses, Salomon Brothers also took into account its assessment of general economic, market, and financial conditions and its experience in similar transactions, as well as its experience in securities valuation and its knowledge of the banking industry generally. With respect to the comparable company analysis and bank merger transaction analysis summarized below, no public company utilized as a comparison is identical to KeyCorp or Society and such analyses necessarily involve complex considerations and judgments concerning the differences in financial and operating characteristics of the companies and other factors that could affect the acquisition or public trading values of the companies concerned. Any estimates contained in Salomon Brothers' analyses are not necessarily indicative of future results or values, which may be significantly more or less favorable than such estimates. Estimates of values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities actually may be sold. None of the analyses performed by Salomon Brothers was assigned a greater significance by Salomon Brothers than any other.

The projections reviewed by Salomon Brothers were prepared by the managements of KeyCorp and Society. Neither KeyCorp nor Society publicly discloses internal management projections of the type provided to the KeyCorp Board of Directors and to Salomon Brothers in connection with the review of the Merger. Such projections were not prepared with a view towards public disclosure. The projections were based on numerous variables and assumptions which are inherently uncertain, including without limitation factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in such projections.

The following is a brief summary of the analyses performed by Salomon Brothers in connection with its opinion dated October 1, 1993:

(a) Pro Forma Merger Balance Sheet and Income Statement Analysis. Salomon Brothers analyzed certain balance sheet and income statement data for KeyCorp and Society on a pro forma combined basis

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at June 30, 1993 and for the 12 months then ended. The analysis showed, among other things, that at June 30, 1993, KeyCorp contributed approximately 52.0% of the pro forma combined common shareholders' equity and 55.6% of pro forma combined total assets (giving effect to the sale by Society of its wholly-owned subsidiary, Ameritrust Texas Corporation, to Texas Commerce Bancshares, Inc. (the "Ameritrust Texas Sale")), and that for the 12 months ended June 30, 1993, KeyCorp contributed approximately 45.3% of pro forma combined net income to common shareholders. At the Exchange Ratio of 1.205 shares of New Key Common Stock for each share of KeyCorp Common Stock, the holders of KeyCorp Common Stock will own 51.6% of the combined entity. Salomon Brothers noted that the KeyCorp net income contribution reflected certain charges related to the acquisition of Puget Sound Bancorp during such 12 month period.

(b) Contribution Analysis. Salomon Brothers analyzed certain historical balance sheet and income statement data for KeyCorp and Society for 1989, 1990, 1991, and 1992, and for KeyCorp and Society on a projected basis for 1993 and 1994. The analysis showed, among other things, that for 1993 and 1994 KeyCorp would have contributed approximately 49.8% and 51.9%, respectively, of pro forma combined net income to common shareholders and at December 31, 1993 and December 31, 1994 KeyCorp would have contributed 51.5% and 52.7%, respectively, of pro forma combined tangible common shareholders' equity. At the Exchange Ratio of 1.205 shares of New Key Common Stock for each share of KeyCorp Common Stock, the holders of KeyCorp Common Stock will own 51.6% of the combined entity. Salomon Brothers also analyzed the average contributions of KeyCorp and Society over the six year period from 1989 through 1994, noting the effects of significant acquisitions and related charges during that period.

(c) Exchange Ratio Profile. Salomon Brothers analyzed the ratio of the closing prices of KeyCorp Common Stock to Society Common Stock over various time periods during the period from September 30, 1988 through September 30, 1993. The analysis showed that such ratio ranged from 1.3347 to 0.7517 over the five year period ending September 30, 1993 and ranged from 1.3347 to 1.1544 over the six month period then ended. This analysis further showed that for the two month period ended September 30, 1993, such ratio ranged from a high of 1.2520 to a low of 1.1571, with a mean and median value of 1.2091. This analysis further showed that, for the two week period preceding announcement of the Merger, such ratio ranged from 1.1571 to 1.2024. The Exchange Ratio is 1.205 shares of New Key Common Stock for each

share of KeyCorp Common Stock.

(d) Pro Forma Pooling Analyses. Salomon Brothers analyzed, using managements' projections as noted above, certain projected balance sheet and income statement data for KeyCorp and Society on a pro forma combined basis for 1993 and 1994. The analysis showed, among other things, that, excluding managements' estimates of cost savings resulting from the Merger, holders of KeyCorp Common Stock would receive a 2.2% increase over KeyCorp's projected stand-alone earnings per share for 1993, and that such common shareholders would receive a 0.2% increase over KeyCorp's projected stand-alone earnings per share for 1994. Including managements' estimates of cost savings resulting from the Merger, the analysis showed, among other things, that holders of KeyCorp Common Stock would receive a 3.7% increase over KeyCorp's projected stand-alone earnings per share for 1994. The analysis also showed that holders of KeyCorp Common Stock would own 51.6% of the combined entity. This analysis further showed that the indicated annual dividend per share of KeyCorp Common Stock on a pro forma basis for 1993 and 1994 would be approximately 8.8% and 6.7% higher, respectively, than KeyCorp's projected stand-alone dividend for 1993 and 1994.

(e) Discounted Cash Flow Analysis. Salomon Brothers performed a discounted cash flow analysis using assumed growth rates for KeyCorp and Society earnings per share of 10% and 14%, discount rates ranging from 12.0% to 16.0%, terminal price to earnings multiples ranging from 8x to 14x to apply to 1998 forecasted earnings, and projecting per share dividend growth at the same rate as the assumed earnings per share growth. This analysis showed a range of present values per share of KeyCorp Common Stock from $29.66 to $ 64.78 and a range of present values per share of Society Common Stock from $25.00 to $54.30. In addition, Salomon Brothers performed a discounted cash flow analysis for the combined entity on a pro forma basis using similar assumptions regarding earnings per share, dividends per share, discount rates, terminal price to earnings multiples, and using managements' estimate of cost savings resulting

from the Merger. This analysis showed for each share of KeyCorp Common Stock a range of present values of $30.36 to $65.65. This analysis did not purport to be indicative of actual values or expected values of the shares of KeyCorp Common Stock before or New Key Common Stock after the Merger. Salomon Brothers noted that the discounted cash flow analysis was included because it is a widely used valuation methodology, but noted that it relies on numerous assumptions, including earnings growth rates, dividend payout rates, terminal values, and discount rates.

(f) Historical Performance and Comparable Company Analysis. Salomon Brothers analyzed the stock price performance of KeyCorp and Society, compared to the Standard & Poor's Composite and to the Salomon Brothers' Superregional Bank Index, for the years 1988 through 1992 and, for certain per share data, projected for 1993 and 1994. Salomon Brothers placed greater emphasis on the more recent periods because both KeyCorp's and Society's performance were affected by significant acquisitions during the period from 1988 through 1991. This analysis showed, among other things, that, for 1992 and for projected 1993 and 1994, the price/earnings ratio was 11.6x, 10.5x, and 9.2x, respectively, for KeyCorp Common Stock, 11.4x, 9.8x, and 9.0x, respectively, for Society Common Stock, and 14.0x, 10.7x, and 9.6x, respectively, for the Salomon Brothers' Superregional Bank Index, and that the price/book ratio was 2.01x, 1.78x, and 1.52x, respectively, for KeyCorp Common Stock, 2.07x, 1.93x, and 1.73x, respectively, for Society Common Stock and 1.79x for 1992 only for the Salomon Brothers' Superregional Bank Index (projected data not available). Salomon Brothers analyzed certain credit and operating statistics for KeyCorp, Society, and the pro forma combined entity, comparing these statistics to comparable data for certain institutions included in the Salomon Brothers' Superregional Bank Index. This analysis showed, among other things, that, for 1992, the return on average assets for KeyCorp was 1.02%, for Society was 1.26%, for the pro forma combined entity was 1.10%, and for the Salomon Brothers' Superregional Bank Index was 0.99%; that the return on average common equity for KeyCorp was 15.21%, for Society was 17.52%, for the pro forma combined entity was 16.22%, and for the Salomon Brothers' Superregional Bank Index was 14.20%; and that the ratio of tangible common equity to tangible assets for KeyCorp was 5.27%, for Society was 6.26%, for the pro forma combined entity was 5.72%, and for the Salomon Brothers' Superregional Bank Index was 5.55% (projected data for these ratios not available). The institutions included in Salomon Brothers Superregional Bank Index are Fleet Financial Group, Inc., Bank of Boston Corp., First Fidelity Bancorporation, CoreStates Financial Corp., Mellon Bank Corporation, PNC Bank Corp., Banc One Corporation, Comerica Incorporated, National City Corporation, NBD Bancorp, Inc., First Bank System, Inc., Norwest Corporation, NationsBank Corporation, First Union Corp., SunTrust Banks, Inc., Wachovia Corporation, BankAmerica Corporation, First

Interstate Bancorp., and Wells Fargo & Company.

(g) Analysis of Other Merger of Equals Transactions. Salomon Brothers analyzed other mergers of equals in the United States over the period from 1987 to September 30, 1993. The merger of equals transactions analyzed were: Comerica Incorporated/Manufacturers National Corporation, Chemical Banking Corporation/Manufacturers Hanover Corporation, Sovran Financial Corporation/The Citizens and Southern Corp., and Fleet Financial Group, Inc./Norstar Bancorp Inc. This analysis, which was based on publicly available financial information for the 12 months preceding the announcement of the transaction, showed an impact on earnings per share ranging from dilution of 18.2% to accretion of 0.3%. This analysis also showed that the ratio of (i) the ownership of the combined entity by the common shareholders of the non-surviving partner in the merger of equals transactions analysis by Salomon Brothers to (ii) the net income contributed to the combined entity by the non-surviving partner ranged from .99x to 1.25x, compared to 1.04x for 1993 and .99x for 1994 for the Merger.

In connection with its opinion dated the date of this Prospectus/Joint Proxy Statement, Salomon Brothers also confirmed the appropriateness of its reliance on the analyses used to render its October 1, 1993 opinion by performing procedures to update certain of such analyses and by reviewing the assumptions on which such analyses were based and the factors considered in connection therewith.

Salomon Brothers is a nationally recognized investment banking firm and is continually engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, and valuations for estate,

corporate and other purposes. KeyCorp selected Salomon Brothers as its financial advisor because of its reputation and because Salomon Brothers has substantial experience in transactions such as the Merger.

In addition to the financial advisory services referred to above, Salomon Brothers acted as financial advisor to KeyCorp in connection with its acquisition of Puget Sound Bancorp in 1993, has acted as agent for KeyCorp's Medium Term Note program and as managing underwriter for offerings of KeyCorp Common Stock and KeyCorp Preferred Stock represented by the KeyCorp Depositary Shares in 1991, and has from time to time provided other financial advisory and brokerage services to KeyCorp, for all of which Salomon Brothers has received customary compensation. In the ordinary course of business, Salomon Brothers makes a market in KeyCorp Common Stock and Society Common Stock and trades the debt and equity securities of KeyCorp and Society for its own account and for the account of its customers and may at any time hold a long or short position in such securities.

KeyCorp and Salomon Brothers have entered into a letter agreement, dated September 27, 1993 (the "Salomon Engagement Letter"), relating to the services to be provided by Salomon Brothers in connection with the Merger. KeyCorp has agreed to pay Salomon Brothers fees as follows: (a) $250,000 upon execution of the Salomon Engagement Letter (which has been paid), (b) an additional fee of $1,250,000 upon execution of the Merger Agreement (which has been paid), (c) an additional fee of $1,500,000 upon the mailing of this Prospectus/Joint Proxy Statement, and (d) an additional fee equal to $3,000,000 upon the consummation of the Merger. In the Salomon Engagement Letter, KeyCorp also has agreed to reimburse Salomon Brothers for its reasonable and necessary out-of-pocket expenses and to indemnify Salomon Brothers against certain liabilities, including liabilities under the federal securities laws.

Society. Society retained CS First Boston to act as Society's financial advisor in connection with the Merger and related matters based upon its qualifications, expertise, and reputation, as well as CS First Boston's prior investment banking relationship and familiarity with Society.

On October 1, 1993, at the meeting at which the Society Board of Directors approved and adopted the Merger Agreement, and as of the date of this Prospectus/Joint Proxy Statement, CS First Boston delivered opinions to the Society Board of Directors that, as of such dates, the Exchange Ratio pursuant to the Merger was fair to the holders of Society Common Stock from a financial point of view. No limitations were imposed by Society with respect to the investigations made or the procedures followed by CS First Boston in rendering its opinions.

THE FULL TEXT OF THE OPINION DATED AS OF THE DATE OF THIS PROSPECTUS/JOINT PROXY STATEMENT, WHICH SETS FORTH CERTAIN ASSUMPTIONS MADE, MATTERS CONSIDERED, AND LIMITATIONS ON THE REVIEWS UNDERTAKEN, IS ATTACHED AS APPENDIX IV TO THIS PROSPECTUS/JOINT PROXY STATEMENT, AND SHOULD BE READ IN ITS ENTIRETY IN

CONNECTION WITH THIS PROSPECTUS/JOINT PROXY STATEMENT. THE SUMMARY OF THE OPINIONS OF CS FIRST BOSTON SET FORTH IN THIS PROSPECTUS/JOINT PROXY STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE OPINION AS SET FORTH AS APPENDIX IV. THE OCTOBER 1, 1993 OPINION IS SUBSTANTIALLY IDENTICAL TO THE OPINION ATTACHED HERETO.

In rendering its opinions, CS First Boston (a) reviewed certain publicly available business and financial information relating to KeyCorp and Society, (b) reviewed certain other information, including financial forecasts, provided to it by KeyCorp and Society, and met with the managements of KeyCorp and Society to discuss the business of and prospects for KeyCorp and Society, respectively, (c) reviewed with Society's management the results of its discussions with KeyCorp's management with respect to the historical and current operating results and financial condition of and prospects for KeyCorp, (d) considered certain financial and stock market data for KeyCorp and Society and for other publicly held bank holding companies, (e) considered the financial terms of certain business combinations in the commercial banking industry, (f) considered the views of Society's management with regard to the strategic aspects of the Merger, (g) analyzed the pro forma effect of the Merger on the earnings per share, asset quality, consolidated capitalization, funding mix, and other balance sheet and profitability ratios of KeyCorp and Society, and (h) considered such other information, financial studies, analyses, and investigations, and financial, economic, and market criteria that it deemed relevant.

CS First Boston, in conducting its analyses and in arriving at its opinions, did not conduct a physical inspection of any of the properties or assets of KeyCorp and Society and did not make or obtain any

independent evaluation or appraisals of any properties, assets, or liabilities of KeyCorp and Society. CS First Boston assumed and relied upon the accuracy and completeness of the financial and other information provided it by KeyCorp's and Society's managements or publicly available, relied upon the representations and warranties of KeyCorp and Society made pursuant to the Merger Agreement, and did not attempt independently to verify any of such information. With respect to the financial forecasts furnished, CS First Boston assumed without independent verification that they reflect the best currently available estimates and judgments of the management of KeyCorp and Society as to the reasonableness and achievability of future performance of KeyCorp and Society (and the assumptions and bases therefor). CS First Boston did not examine any of the loan or other files of KeyCorp or Society, and relied exclusively upon the review with Society's management of the results of discussions between KeyCorp's and Society's management and investigations by Society's management regarding (a) the past and current operations and financial condition and prospects (including financial projections) of KeyCorp and (b) KeyCorp's loan files. The opinions of CS First Boston are necessarily based on economic, market, and other conditions as in effect on, and the information made available to CS First Boston as of, the dates of its analyses.

The following is a brief summary of the analyses performed by CS First Boston in connection with rendering its opinion dated October 1, 1993:

Relative Contribution Analysis. In performing relative contribution analysis, CS First Boston analyzed the contribution of each of KeyCorp and Society to the income statement and balance sheet of the pro forma combined company (see "UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS"). Among the various balance sheet and income statement items analyzed were the relative contribution to the pro forma company of each of KeyCorp's and Society's assets, total loans, deposits, total equity, common equity, tangible equity, net income available to common stockholders for the six months ended June 30, 1992, and 1993 and 1994 projected net income available to common shareholders. 1993 and 1994 estimates of net income available to common shareholders were based on estimates of each of KeyCorp's and Society's management. In addition, Society's intangible account as of June 30, 1993 was adjusted throughout CS First Boston's analysis to reflect the estimated effects of the Ameritrust Texas Sale, which closed on September 15, 1993. The relative contribution analysis produced a range of relative contribution to the pro forma company of a maximum of 51% (net income available to common shareholders for the six months ended June 30, 1993) and a minimum of 41% (deposits) for Society. This analysis implied an exchange ratio in the range of 1.155 to 1.610.

Comparative Market Performance. CS First Boston analyzed the various exchange ratios implied by the current and historical trading values of each of KeyCorp's and Society's common equity securities. In addition to current market value (based on the respective closing price of KeyCorp and Society at September 30, 1993), daily closing averages for the prior 30, 60, 90, and 180 trading day periods were analyzed. The exchange ratios implied by these criteria ranged from 1.184 to 1.230. The Exchange Ratio is

1.205 shares of New Key Common Stock for each share of KeyCorp Common Stock.

Comparison of Historical Performance. CS First Boston compared the performance of Society to that of KeyCorp on a historical financial basis, which included, among other things, a comparison of the two companies using profitability, asset quality, and capital adequacy measures. Among other things, CS First Boston compared the following ratios: return on assets and tangible equity to tangible asset ratios (see "Comparable Company Analysis" below); allowance for credit losses to nonperforming loans (which were, as of June 30, 1993, 163.69% for KeyCorp and 219.86% for Society); and nonperforming assets as a percentage of net loans and leases and foreclosed properties (which were, as of June 30, 1993, 1.68% for KeyCorp and 1.96% for Society).

Comparable Company Analysis. In performing comparable company analysis, CS First Boston analyzed the operating performance of KeyCorp and Society relative to (a) Banc One Corp., Comerica Incorporated, Mellon Bank Corporation, National City Corporation, NationsBank Corporation, NBD Bancorp, Inc., Norwest Corporation, PNC Bank Corp., and U.S. Bancorp (the "Comparable Companies") and (b) Banc One Corporation, NationsBank Corporation, Norwest Corporation, and PNC Bank Corp. (the "Combined Comparable Companies") (using market data as of September 30, 1993 and financial data as of the six months ended June 30, 1993 adjusted in certain cases to reflect the estimated

effects of certain publicly announced but pending merger transactions). Among the financial information compared was information relating to capital adequacy, credit quality, and profitability. Among the market trading information compared was (a) market price to reported book value at June 30, 1993, which was 1.85x for KeyCorp and 1.93x for Society, and the average for the Comparable Companies was 1.78x and the average for the Combined Comparable Companies was 1.95x and (b) market price to earnings per share estimates for 1993 and 1994 which, for KeyCorp were 9.94x and 8.83x in 1993 and 1994, respectively, and, for Society were 9.76x and 8.96x in 1993 and 1994, respectively, and the average for the Comparable Companies was 11.09x and 9.85x in 1993 and 1994, respectively, and the average for the Combined Comparable Companies was 11.64x and 10.30x in 1993 and 1994, respectively. Earnings per share estimates were based on Institutional Brokers Estimate System ("IBES") estimates as of September 17, 1993 (which, for KeyCorp, were $3.81 and $4.29 per common share in 1993 and 1994, respectively, and which, for Society, were $3.28 and $3.57 per common share in 1993 and 1994, respectively). IBES is a data service that monitors and publishes a compilation of earnings estimates produced by selected research analysts regarding companies of interest to institutional investors. Among the profitability and capital ratios compared, (i) return on assets for the six months ended June 30, 1993 on an annualized basis, was 1.27%, 1.51%, and 1.38% for KeyCorp, Society, and the pro forma combined institution, respectively, and averaged 1.25% and 1.34%, respectively, for the Comparable Companies and the Combined Comparable Companies and (ii) the tangible equity to tangible asset ratio was 6.04%, 6.73%, and 6.35% for KeyCorp, Society (adjusting Society's leverage ratio for the Ameritrust Texas Sale), and the pro forma combined institution, respectively, and averaged 6.92% and 6.42%, respectively, for the Comparable Companies and the Combined Comparable Companies.

Bank Merger Transaction Analysis. CS First Boston analyzed certain financial aspects of recent bank merger transactions. These transactions consisted of the mergers between Comerica Incorporated and Manufacturers National Corporation, BankAmerica Corp. and Security Pacific Corporation, Chemical Banking Corporation and Manufacturers Hanover Corporation, The Planters Corporation and Peoples Bancorporation, Sovran Financial Corporation and The Citizens & Southern Corporation, and Fleet Financial Group Inc. and Norstar Bancorp, Inc. Among the financial terms of the transactions analyzed were the relative contributions of the participants in terms of assets, book value, and ownership. In the Comerica Incorporated and Manufacturers National Corporation transaction, Comerica Incorporated contributed 54% and 52%, respectively, of the combined assets and book value of the pro forma institution and its shareholders held a 54% pro forma ownership therein; in the BankAmerica Corporation and Security Pacific Corporation transaction, BankAmerica Corporation contributed 59% and 61%, respectively, of the pro forma combined assets and book value of the pro forma institution and held a 67% ownership therein; in the Chemical Banking Corporation and Manufacturers Hanover Corporation transaction, Chemical Banking Corporation contributed 55% and 52%, respectively, of the pro forma combined assets and book value of the pro forma institution and its shareholders held a 50% ownership therein; in The Planters Corporation and Peoples Bancorporation transaction, The Planters Corporation contributed 48% and 49%, respectively, of the pro forma combined assets and

book value of the pro forma institution and held a 50% ownership therein; in the Sovran Financial Corporation and The Citizens & Southern Corporation transaction, Sovran Financial Corporation contributed 51% and 54%, respectively, of the pro forma combined assets and book value of the pro forma institution and held a 54% ownership therein; and in the Fleet Financial Group Inc. and Norstar Bancorp Inc. transaction, Fleet Financial Group Inc. contributed 51% and 51%, respectively, of the pro forma combined assets and book value of the pro forma institution and held a 55% ownership therein. As of September 30, 1993, Society would contribute 44% and 48% of the pro forma combined assets and book value of the pro forma combined institution, assuming completion of the Merger on that date, and its shareholders would hold a 48% ownership therein.

Pro Forma Merger Analysis. CS First Boston analyzed the estimated effect of the Merger on financial projections of KeyCorp and Society provided by their respective managements. Society's stand-alone projections were compared to pro forma combined company projections for earnings per share. This analysis showed initial dilution in earnings per share of 2.0% in 1993 and 0.2% per share in 1994. The above referenced analysis made no assumption as to, and did not include the effects of, any potential cost savings or merger-related restructuring charges and relied upon stand-alone earnings and earnings per

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share projections provided by KeyCorp's and Society's respective managements. In addition, CS First Boston analyzed capital adequacy, credit quality, and reserve coverage ratios for Society on both a stand-alone basis and on a pro forma basis assuming consummation of the Merger. Furthermore, CS First Boston analyzed Society's position, both prior to and pro forma for the Merger, within the banking industry including market value, assets, common equity, and profitability. CS First Boston also took note of the geographic diversity of Society's loan portfolio and deposit franchise in terms of market share of deposits, assets, and branches and geographic and industry concentrations in its portfolios both prior to and after giving effect to the Merger.

In arriving at its opinion, CS First Boston performed certain financial analyses, the material portions of which are summarized above. The summary set forth above does not purport to be a complete description of the analyses performed by CS First Boston. The analyses performed by CS First Boston are not necessarily indicative of actual values, which may be significantly more or less favorable than suggested by such analyses. Additionally, analyses relating to the values of businesses do not purport to be appraisals or to reflect actual market valuations or trading ranges, which may vary significantly from amounts set forth above. Actual trading values will depend on several factors, including events affecting KeyCorp's and Society's industry, general economic, market and interest rate conditions, and other factors that generally influence the price of securities. CS First Boston believes that these analyses and the summary set forth above must be considered as a whole and that selecting portions of its analyses could create an incomplete view of the process underlying its opinion. With respect to the comparable company analysis and bank merger transaction analysis summarized above, no public company utilized as a comparison is identical to KeyCorp or Society and such analyses necessarily involve complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the acquisition or public trading values of the companies analyzed. In performing their analyses, CS First Boston made numerous assumptions regarding industry performance, general business, and economic conditions, and other matters, many of which are beyond the control of KeyCorp or Society. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given more weight than any other analyses. In addition, as described above, CS First Boston's opinion is just one of many factors taken into consideration by Society's Board of Directors.

In connection with its opinion dated as of the date of this Prospectus/Joint Proxy Statement, CS First Boston confirmed the appropriateness of its reliance on the analyses used to render its October 1, 1993 opinion by performing procedures to update certain of such analyses and by reviewing the assumptions on which such analyses were based and the factors considered in connection therewith.

Society and CS First Boston have entered into a letter agreement dated September 27, 1993 (the "CS First Boston Engagement Letter"), relating to the services to be provided by CS First Boston in connection with the Merger. Society has agreed to pay CS First Boston fees as follows: (a) $250,000 upon execution of the CS First Boston Engagement Letter (which has been paid), (b) an additional fee of $1,250,000 upon execution of the Merger Agreement (which has been paid), (c) an additional fee of $1,500,000 upon the mailing of this Prospectus/Joint Proxy Statement, and (d) an additional fee equal to $3,000,000 upon consummation of the Merger. In the CS First Boston Engagement Letter and a

separate letter agreement dated October 1, 1993, Society has also agreed to reimburse CS First Boston for its reasonable out-of-pocket expenses and to indemnify CS First Boston and its affiliates and their respective partners, directors, officers, employees, agents, and controlling persons against certain expenses and liabilities, including liabilities under the federal securities laws.

In addition to the financial advisory services referred to above, CS First Boston acted as financial advisor to Society in connection with the Ameritrust Texas Sale and the acquisition of Ameritrust and other companies by Society, has acted as underwriter or placement agent for Society or its affiliates in respect of offerings of debt securities during 1992 and 1993, and has from time to time provided other financial advisory and investment banking services to Society for all of which CS First Boston has received customary compensation. CS First Boston has also provided certain financial advisory and investment banking services to KeyCorp for which CS First Boston has received customary compensation.

CS First Boston is a nationally recognized investment banking firm regularly engaged in the valuation of businesses (including banks and financial institutions) and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements, and valuations for corporate and other purposes.

RECOMMENDATIONS OF BOARDS OF DIRECTORS

THE BOARDS OF DIRECTORS OF KEYCORP AND SOCIETY UNANIMOUSLY RECOMMEND THAT THEIR RESPECTIVE SHAREHOLDERS VOTE FOR THE ADOPTION OF THE MERGER AGREEMENT.

TERMS OF THE MERGER

This portion of the Prospectus/Joint Proxy Statement describes various aspects of the Merger. The following description does not purport to be complete and is qualified in its entirety by reference to the Plan of Merger and the Supplemental Agreement attached hereto as Appendices I and II, respectively, and incorporated herein by reference. ALL SHAREHOLDERS OF KEYCORP AND SOCIETY ARE URGED TO READ THE PLAN OF MERGER AND THE SUPPLEMENTAL AGREEMENT IN THEIR ENTIRETY.

GENERAL

The Merger Agreement provides that, subject to the satisfaction (including, among other things, adoption of the Merger Agreement by the shareholders of KeyCorp and Society and receipt of all necessary material regulatory approvals), or, in certain cases, waiver of certain conditions, KeyCorp will be merged into and with Society. Upon consummation of the Merger, the separate corporate existence of KeyCorp will cease, Society will be the surviving corporation under New Key's name, the shareholders of KeyCorp will become shareholders of New Key, and the shareholders of Society will, by virtue of their ownership of Society Common Stock, be shareholders of New Key. See "TERMS OF THE MERGER -- Effective Time."

CONVERSION OF KEYCORP CAPITAL STOCK; EFFECTS ON SOCIETY SHAREHOLDERS

Conversion of KeyCorp Common Stock. At the Effective Time, each share of KeyCorp Common Stock then issued and outstanding (other than treasury shares held by KeyCorp or KeyCorp Common Stock owned by Society for its own account) will cease to be outstanding and will be converted into 1.205 shares of New Key Common Stock. Each share of New Key Common Stock issued to KeyCorp shareholders in the Merger will be accompanied by one New Key Right to be evidenced by certificates of New Key Common Stock under the New Key Rights Agreement. Each New Key Right represents the right to purchase one share of New Key Common Stock upon the terms and conditions set forth in the New Key Rights Agreement. See "TERMS OF THE MERGER -- Conversion of KeyCorp Capital Stock; Effects on Society Shareholders -- No Fractional Shares of New Key Common Stock to be Issued"; "DESCRIPTION OF NEW KEY CAPITAL STOCK -- New Key Common Stock" and "COMPARISON OF CERTAIN RIGHTS OF HOLDERS OF CAPITAL STOCK OF KEYCORP, SOCIETY, AND NEW KEY."

Conversion of KeyCorp Preferred Stock. At the Effective Time, each share of KeyCorp Preferred Stock then issued and outstanding (other than treasury shares held by KeyCorp or KeyCorp Preferred Stock owned by Society for its own account) will cease to be outstanding and will be converted into one share of New Key Preferred Stock and each share of New Key Preferred Stock will be represented by five New Key Depositary Shares. Pursuant to the terms of the Deposit Agreement (as defined herein), promptly after the Effective Time, the Depositary (as defined herein) will call for surrender of the KeyCorp Depositary Receipts then outstanding and, upon surrender, will exchange New Key Depositary Receipts for such KeyCorp Depositary Receipts. See "TERMS OF THE MERGER -- Surrender of

Certificates and Depositary Receipts"; "DESCRIPTION OF NEW KEY CAPITAL STOCK -- New Key Preferred Stock and New Key Depositary Shares" and "COMPARISON OF CERTAIN RIGHTS OF HOLDERS OF CAPITAL STOCK OF KEYCORP, SOCIETY, AND NEW KEY."

Effect on Society Shareholders. At the Effective Time, each share of Society Common Stock then issued and outstanding will continue as one share of New Key Common Stock and will continue to be accompanied by one New Key Right under the New Key Rights Agreement.

No Fractional Shares of New Key Common Stock to be Issued. No fractional share of New Key Common Stock will be issued in the Merger, but, in lieu thereof, each holder of shares of KeyCorp Common Stock who otherwise would have been entitled to a fraction of a share of New Key Common Stock, upon surrender of his certificates representing shares of KeyCorp Common Stock, will be paid the cash value (without interest) of such fraction, which will be equal to such fraction multiplied by the closing price of Society Common Stock as reported on the NYSE on the last trading day immediately preceding the Effective Time. See "TERMS OF THE MERGER -- Certain Federal Income Tax Consequences."

Dissenters' Rights. No conversion of KeyCorp Common Stock into New Key Common Stock shall be made with respect to any share of KeyCorp Common Stock as to which a shareholder of KeyCorp has properly elected to exercise any rights to dissent and obtain payment of the fair value of his shares under the New York Business Corporation Law. To the extent provided in the Ohio General Corporation Law, any holder of record of Society Common Stock as of the record date entitled to notice of the Society Meeting shall, upon strict compliance with all applicable requirements set forth in the Ohio General Corporation Law, be entitled to relief as a dissenting shareholder under the Ohio General Corporation Law. See "RIGHTS OF DISSENTING SHAREHOLDERS."

SURRENDER OF CERTIFICATES AND DEPOSITARY RECEIPTS

Manner of Exchange -- Certificates. KeyCorp and Society have selected Society National Bank as exchange agent (the "Exchange Agent") to effect the exchange of certificates representing shares of KeyCorp Common Stock in connection with the Merger. Promptly after the Effective Time, the Exchange Agent will mail to each holder of record (other than holders of KeyCorp Common Stock who have properly demanded and perfected dissenters' rights under the New York Business Corporation Law) of certificates which immediately prior to the Effective Time represented outstanding shares of KeyCorp Common Stock, a notice advising the holder of the effectiveness of the Merger accompanied by a transmittal form (the "Certificate Transmittal Form"). The Certificate Transmittal Form will contain instructions with respect to the surrender of certificates representing KeyCorp Common Stock to be exchanged for shares of New Key Common Stock (together with cash in lieu of any fractional share) and will specify that delivery will be effected, and risk of loss and title to such certificates will pass, only upon delivery of the certificates to the Exchange Agent. Upon surrender, in accordance with the instructions contained in the Certificate Transmittal Form, to the Exchange Agent of certificates representing shares of KeyCorp Common Stock, the holder thereof will be entitled to receive in exchange therefor a certificate(s) representing the appropriate number of shares of New Key Common Stock to which such holder is entitled and cash in lieu of any fractional share of New Key Common Stock.

THE DEPOSITARY IS THE ONLY HOLDER OF RECORD OF SHARES OF KEYCORP PREFERRED STOCK, WHICH ARE REPRESENTED BY THE KEYCORP DEPOSITARY SHARES. THE EXCHANGE AGENT WILL EFFECT THE EXCHANGE OF CERTIFICATES REPRESENTING THE KEYCORP PREFERRED STOCK FOR CERTIFICATES REPRESENTING THE NEW KEY PREFERRED STOCK IN CONNECTION WITH THE MERGER. ALL HOLDERS OF RECORD OF KEYCORP DEPOSITARY RECEIPTS EVIDENCING KEYCORP DEPOSITARY SHARES SHOULD FOLLOW THE EXCHANGE PROCEDURES OUTLINED UNDER "MANNER OF EXCHANGE -- DEPOSITARY RECEIPTS," IMMEDIATELY BELOW.

Manner of Exchange -- Depositary Receipts. Promptly after the Effective Time, the Depositary will mail to each holder of record of KeyCorp Depositary Receipts which immediately prior to the Effective Time evidenced KeyCorp Depositary Shares a notice advising the holder of the effectiveness of the Merger accompanied by a transmittal form (the "Depositary Receipt Transmittal Form"). The Depositary Receipt Transmittal Form will contain instructions with respect to the surrender of KeyCorp Depositary Receipts evidencing KeyCorp Depositary Shares to be exchanged for New Key Depositary Receipts evidencing New Key Depositary Shares and will specify that delivery will be effected, and risk of loss and title to such KeyCorp Depositary Receipts will pass, only upon delivery of the KeyCorp Depositary Receipts to the Depositary. Upon surrender, in accordance with the instructions contained in the Depositary Receipt Transmittal Form, to the Depositary of KeyCorp Depositary Receipts evidencing KeyCorp Depositary Shares, the holder thereof will be

entitled to receive in exchange therefor New Key Depositary Receipts evidencing the appropriate number of New Key Depositary Shares to which such holder is entitled.

KEYCORP STOCK CERTIFICATES AND/OR DEPOSITORY RECEIPTS SHOULD NOT BE FORWARDED TO THE EXCHANGE AGENT OR THE DEPOSITARY UNTIL A KEYCORP SHAREHOLDER HAS RECEIVED A TRANSMITTAL FORM AND SHOULD NOT BE RETURNED WITH THE ENCLOSED PROXY. NO ACTION IS REQUIRED OF ANY HOLDER OF SOCIETY COMMON STOCK WHO DOES NOT EXERCISE DISSENTERS' RIGHTS UNDER THE OHIO GENERAL CORPORATION LAW.

Rights of Holders of KeyCorp Stock Certificates Prior to Surrender. Prior to the time certificates representing shares of KeyCorp Common Stock or KeyCorp Depositary Receipts evidencing KeyCorp Depositary Shares are surrendered, dividends and other distributions declared or payable to holders of record of New Key Common Stock or New Key Depositary Shares as of any time subsequent to the Effective Time will be paid to the holder of any unsurrendered certificate representing KeyCorp Common Stock or any unsurrendered KeyCorp Depositary Receipt, as the case may be, and such holder's other rights as a shareholder of New Key (including, if applicable, the right to vote on any matter submitted to New Key shareholders for their approval) will continue. However, beginning nine months after the Effective Time, in the event a holder fails to physically surrender his certificates representing KeyCorp Common Stock or his KeyCorp Depositary Receipts for exchange, no dividend or other distribution payable to holders of record on any date that is nine months after the Effective Time (or such longer period as determined by New Key) will be paid to any shareholder of New Key until such holder physically surrenders for exchange his certificates representing shares of KeyCorp Common Stock or his KeyCorp Depositary Receipts, and New Key may suspend such holder's other rights as a shareholder, including his right to vote, at any time beginning nine months after the Effective Time until such holder physically surrenders his certificates representing KeyCorp Common Stock or his KeyCorp Depositary Receipts for exchange. Upon surrender by any such shareholder of his certificates representing KeyCorp Common Stock or his KeyCorp Depositary Receipts to the Exchange Agent or the Depositary, as the case may be, after such nine-month period, the former KeyCorp shareholder will receive certificates or the New Key Depositary Receipts representing the shares of New Key Common Stock or New Key Depositary Shares into which such shareholder's shares of KeyCorp Common Stock or KeyCorp Depositary Shares, as the case may be, were converted and the dividends or other distributions (without interest) that have theretofore become payable with respect to such shares of New Key Common Stock or New Key Depositary Shares since that date that is nine months after the Effective Time (or such longer period as determined by New Key) and, if suspended, such shareholder's other rights as a shareholder will thereupon be restored.

Lost Certificates and Depositary Receipts. Any KeyCorp shareholder who has lost or misplaced a certificate for any of his shares of KeyCorp Common Stock or his KeyCorp Depositary Receipts should immediately call KeyCorp Shareholder Relations (1-800-888-7412) for information regarding the procedures to be followed for replacing the lost certificate or Depositary Receipt. Until a replacement certificate is obtained, the KeyCorp shareholder will be unable to properly submit the Certificate Transmittal Form or the Depositary Receipt Transmittal Form, as the case may be.

TREATMENT OF STOCK OPTIONS

As of December 28, 1993, there were 3,311,734 unexercised options outstanding under various employee and director stock option plans of KeyCorp (collectively, the "KeyCorp Option Plans") to purchase shares of KeyCorp Common Stock at prices varying from $8.01 to $46.00 per share. As of that date, options to purchase 2,815,667 shares of KeyCorp Common Stock were exercisable. See "--Interests of Certain Persons in the Merger -- Interests of KeyCorp Directors and Executive Officers -- New Stock Options to be Granted."

At the Effective Time, New Key will assume each option, whether or not then exercisable, under the KeyCorp Option Plans outstanding immediately prior to the Effective Time, and each such option will become an option of New Key and remain outstanding in accordance with the terms of the KeyCorp Option Plan under which it was issued and the stock option agreement by which it is evidenced, except that (a) each such option may be exercised only for New Key Common Stock, (b) each such option will become an option to purchase the number of shares of New Key Common Stock equal to 1.205 multiplied by the number of shares

of KeyCorp Common Stock subject to such option immediately prior to the

Effective Time (with the product rounded down to the next whole share), (c) the exercise price per share of New Key Common Stock at which each such option is exercisable will be an amount (rounded up to the next whole cent) computed by dividing the exercise price per share of KeyCorp Common Stock at which such option is exercisable immediately prior to the Effective Time by 1.205, and (d) New Key and the Compensation and Organization Committee of the Board of Directors of New Key will be substituted for KeyCorp and the committee of KeyCorp's Board of Directors administering such plans. At the Effective Time, the KeyCorp Option Plans will be automatically and without further action assumed by New Key (and thereupon become stock option and stock appreciation rights plans of New Key). Under the Merger Agreement, KeyCorp has agreed not to grant additional options prior to the Effective Time under the KeyCorp Option Plans, except with Society's prior consent, in connection with certain permitted acquisition transactions, and pursuant to the Career Equity Program of KeyCorp.

NAME

At the Effective Time, Society, as the surviving corporation in the Merger, will change its name to "Key Bancshares Inc.," "KeyCorp," or a variant thereof. The decision regarding the name of New Key will be made based upon name availability and other factors. Pursuant to the terms of the Merger Agreement, the Boards of Directors of KeyCorp and Society have the authority to establish the name of New Key. The decision regarding the name of New Key will not require the resolicitation of the shareholders of KeyCorp or Society, regardless of whether such decision is made before or after the KeyCorp Meeting or the Society Meeting. Pursuant to the terms of the Merger Agreement, once the name of New Key has been established by the respective Boards of Directors of KeyCorp and Society, the New Key Articles of Incorporation and the New Key Regulations will automatically be amended to reflect the name selected, if necessary.

CONDUCT OF BUSINESS PENDING THE MERGER

General. The Merger Agreement contains certain restrictions, which are reciprocal, on the conduct of the respective businesses of KeyCorp and Society pending the consummation of the Merger. In particular, unless the prior written consent of the other party is obtained, or as permitted by the Merger Agreement or previously noted in letters (the "Disclosure Letters") delivered by each of KeyCorp and Society to the other pursuant to the Merger Agreement, prior to the Effective Time, the Merger Agreement requires both KeyCorp and Society, and their respective subsidiaries, to (a) conduct their respective businesses in the ordinary course consistent with past practices, (b) preserve intact their respective business organizations and assets and maintain their rights and franchises, and (c) take no action which would adversely affect the ability of either of them to obtain any approvals of governmental authorities required for the transactions contemplated by the Merger Agreement or to perform their respective obligations under the Merger Agreement, the KeyCorp Option Agreement, or the Society Option Agreement.

The Merger Agreement also prohibits each of KeyCorp and Society, and their respective subsidiaries, from engaging in certain activities prior to the Effective Time without the prior written consent of the other party (which consent may not be unreasonably withheld). Specifically, without such consent, neither KeyCorp nor Society, nor their respective subsidiaries, may:

(a) except as permitted by the Merger Agreement or as previously noted in the Disclosure Letters, amend such party's charter or by-laws or regulations, or the KeyCorp Rights Agreement or the Society Rights Agreement, as the case may be;

(b) impose or suffer the imposition of any material lien, charge, or encumbrance on any share of stock held by such party or by one of its subsidiaries, or permit any such imposition to exist;

(c) repurchase, redeem, or otherwise acquire or exchange, directly or indirectly, any shares of such party's capital stock (or securities convertible into such shares), except (i) as permitted by the Merger Agreement, (ii) in connection with the use of shares of KeyCorp Common Stock or Society Common Stock, as the case may be, by optionees in payment of option exercise prices or tax liabilities under any KeyCorp Option Plans or various employee stock option plans of Society, or (iii) pursuant to the KeyCorp Option Agreement or the Society Option Agreement;

(d) except as permitted by the Merger Agreement or as previously noted in the Disclosure Letters, acquire direct or indirect control over any corporation, firm, association, or other organization, except for (i) mergers, acquisitions, or other transactions approved in advance in writing by the other party, (ii) mergers, acquisitions, or other transactions involving cash consideration (and not debt or equity securities issued by either KeyCorp or Society, as the case may be) after consulting with (but

with no requirement to obtain the approval of) the other party, provided that the aggregate amount of the total assets acquired or total deposits assumed in all such transactions by such party does not exceed $1,000,000,000 and the total cash paid does not exceed $50,000,000, (iii) internal reorganizations or consolidations involving existing subsidiaries, (iv) good faith foreclosures in the ordinary course, (v) acquisitions of control by a banking subsidiary in a bona fide fiduciary capacity, (vi) investments made by a small business investment corporation or by subsidiaries that invest in unaffiliated companies in the ordinary course, and (vii) the creation of new subsidiaries organized to continue or conduct activities otherwise permitted under the Merger Agreement;

(e) except as previously noted in the Disclosure Letters, sell or otherwise dispose of (i) any shares of the capital stock of such party or any of its subsidiaries, except shares sold or transferred, in the case of KeyCorp, to KeyCorp or any of its subsidiaries, and, in the case of Society, to Society or any of its subsidiaries, (ii) any substantial part of the assets or earning power of such party or any of its subsidiaries, or (iii) any asset other than in the ordinary course of business and for reasonable and adequate consideration, provided, however, that either KeyCorp or Society may sell shares or assets in transactions not otherwise prohibited by the Merger Agreement involving an aggregate consideration (including assumed liabilities) not in excess of $50,000,000;

(f) except as previously noted in the Disclosure Letters and except for transactions in the ordinary course of business of such party and its subsidiaries consistent with past practices and other than the issuance of commercial paper exempt from registration under the Securities Act, incur any additional obligation for borrowed money, except (i) in replacement of existing short-term debt with other short-term debt, (ii) financing banking related subsidiary activities consistent with past practices, (iii) intercompany indebtedness, (iv) inter-affiliate indebtedness, or (v) in connection with the issuance of Medium Term Notes by either party pursuant to certain effective registration statements of the respective parties filed with the SEC prior to October 1, 1993;

(g) declare or pay any dividend other than the regular quarterly cash dividends payable, in the case of KeyCorp, on KeyCorp Common Stock (at a quarterly rate not in excess of $.31 per share) and on KeyCorp Preferred Stock (in accordance with the terms of the KeyCorp Preferred Stock) and, in the case of Society, on the Society Common Stock (at a quarterly rate not in excess of $.28 per share); or

(h) issue, sell, or otherwise permit to be outstanding (or enter into an agreement to issue, sell, or otherwise permit to be outstanding) any additional shares of such party's capital stock (or any stock appreciation rights, options, warrants, or other rights to acquire such stock or any security convertible into such stock) other than (i) pursuant to existing employee stock options, stock appreciation rights, or similar stock based employee compensation rights previously granted, (ii) as permitted by the Merger Agreement, the KeyCorp Option Agreement, or the Society Option Agreement, or (iii) as previously noted in the Disclosure Letters.

In addition, prior to the Effective Time, KeyCorp and Society will coordinate with each other as to the declaration and payment of cash dividends on the shares of KeyCorp Common Stock and Society Common Stock to be declared in 1994 so as to ensure that KeyCorp and Society have declared, in connection with record dates prior to the Effective Time, the same number of quarterly dividends in 1994.

Employee Related Matters. From the date of the Merger Agreement until the Effective Time, neither KeyCorp nor Society, nor any of their respective subsidiaries, without the prior written consent of the other party (which consent may not be unreasonably withheld), may:

(a) except as permitted by the Merger Agreement, grant any general increase in compensation or benefits to such party's officers or employees, except in accordance with past practice or as required by law;

(b) pay any bonus, except in accordance with past practice or the provisions of any applicable program or plan adopted by the Board of Directors of such party prior to October 1, 1993 and which has been previously noted in the Disclosure Letters;

(c) enter into any severance agreements with any of such party's officers or directors, or any officers or directors of its subsidiaries, except as previously noted in the Disclosure Letters;

(d) increase the fees, compensation, or other benefits to any of such

party's present or former directors;

(e) effect any change in the retirement benefits for any class of such party's officers or employees (except as required by law or, in the opinion of counsel, as necessary or advisable to maintain the tax qualification of any plan under which retirement benefits are provided) that would materially increase the retirement benefit liabilities of such party and its subsidiaries on a consolidated basis;

(f) except as required by law, as noted in the Disclosure Letters, or as permitted by the Merger Agreement, amend any existing employment agreement between such party or any of its subsidiaries, and any employee having a salary in excess of $100,000 under such agreement for the purpose of increasing the compensation or benefits payable under, or extending the term of, such agreement;

(g) enter into any new employment agreement between such party or any of its subsidiaries and any employee having a salary in excess of $100,000 under such agreement, except (i) as previously noted in the Disclosure Letters, (ii) as permitted by the Merger Agreement, (iii) any agreement as is unconditionally terminable by such party or any of its subsidiaries, without liability, at any time on or after the Effective Time, or (iv) as required by law;

(h) adopt any new employee benefit plan for such party's employees or the employees of any of its subsidiaries or make any material change in or to any of such party's or its subsidiaries' existing employee benefit plans, except (i) as previously noted in the Disclosure Letters, (ii) as required by law, or (iii) in the opinion of counsel, as necessary or advisable to maintain the tax qualified status of any such plan; or

(i) make any new grants of employee stock options, stock appreciation rights, or similar stock based employee compensation rights other than in accordance with the Career Equity Program of KeyCorp.

NO SOLICITATIONS

Neither KeyCorp nor Society, nor any of their respective subsidiaries, may solicit, initiate, participate in discussions of, or encourage or take any other action to facilitate (including by way of disclosing or furnishing any information that it is not legally obligated to disclose or furnish) any inquiry or proposal relating to an actual or potential "Acquisition Transaction" (as defined herein) involving such party or any of its subsidiaries. In addition, neither KeyCorp nor Society, nor any of their respective subsidiaries, may enter into any written or oral agreement, arrangement, or understanding regarding any proposal or transaction, or solicit, initiate, participate in discussions of, or encourage or take any other action to facilitate any inquiry or proposal, (a) relating to an actual or potential Acquisition Transaction involving the other party (b) providing for or requiring such party to (i) abandon, terminate, or fail to complete the transactions contemplated by the Merger Agreement or (ii) forebear from exercising or permit to lapse its rights under the KeyCorp Option Agreement or the Society Option Agreement, as the case may be, or (c) compensating such party or any of its subsidiaries for taking any action set forth in clause (b)(i) or (b)(ii) of this sentence. Each of KeyCorp and Society will instruct and use its best efforts to cause each of its directors, officers, employees, agents, and other representatives to comply with the foregoing prohibitions. Neither KeyCorp nor Society may negotiate with respect to any proposal relating to any such actual or potential Acquisition Transaction, termination, or forbearance, nor may they reach any formal or informal, written or oral, agreement or understanding with respect to any such proposal. In addition, each of KeyCorp and Society must notify the other party orally and in writing if it receives any inquiry or proposal relating to any such actual or potential Acquisition Transaction, termination, or forbearance. Notwithstanding these prohibitions, with respect to any such inquiry or proposal, each of KeyCorp and Society may provide accurate disclosure in any document required to be filed with the SEC or any other disclosure to the extent required by applicable law if, in the opinion of the Board of Directors of KeyCorp or Society, as the case may be, such disclosure is required.

For purposes of the foregoing discussion, an "Acquisition Transaction" includes with respect to each of KeyCorp and Society (a) any business acquisition (other than those expressly permitted by the Merger Agreement) involving such party or any of its respective "Significant Subsidiaries" (as defined in Rule 1.02 of Regulation S-X promulgated by the SEC), (b) any acquisition or lease of all or substantially all of the assets of such party or any of its Significant Subsidiaries, (c) any acquisition by a "person" or "group" (as defined pursuant to the rules and regulations of the SEC) of securities representing at least 10% of the voting power of such party or any of its Significant Subsidiaries, (d) any tender or exchange offer to acquire

securities representing at least 10% of the voting power of such party, (e) any public proxy or consent solicitation made to such party's shareholders seeking proxies in opposition to any proposal recommended by such party's Board of Directors, (f) the filing of any application or notice with federal or state banking regulators which is accepted for processing seeking approval to engage in any of the types of transactions described in clauses (a)-(d) of this paragraph, or (g) the making of any bona fide proposal to such party or its respective shareholders, by public announcement or written communication that is or becomes the subject of public disclosure, to engage in any of the types of transactions described in clauses (a)-(e) of this paragraph. Both KeyCorp and Society have agreed in the Merger Agreement to use their best efforts to take all actions necessary to cause the Merger and the related transactions to become effective as soon as possible, including by using their best efforts (a) to lift or rescind any injunction or restraining order or other order adversely affecting the ability of the parties to consummate the Merger and the related transactions and (b) to obtain all consents of governmental bodies and other third parties necessary or desirable for the consummation of the Merger and the related transactions. The Merger Agreement requires KeyCorp and Society to use their best efforts to obtain the required approvals of their respective shareholders for consummation of the Merger and the related transactions. The Merger Agreement also requires the Boards of Directors of KeyCorp and Society to recommend that their respective shareholders approve the Merger Agreement unless (a) either party has received an offer to effect an Acquisition Transaction and (b) the Board of Directors of such party reasonably determines that, in the exercise of its fiduciary obligations, it is required to withdraw, modify, or amend its recommendation, based on the written opinion of its legal counsel.

CONDITIONS TO THE MERGER

The respective obligations of KeyCorp and Society to effect the Merger are subject to the satisfaction prior to the Effective Time of certain conditions, including, but not limited to, the following significant conditions (some of which may be waived):

(a) in the case of each party, performance in all material respects at or prior to the Effective Time of the agreements and covenants required to be performed by the other party;

(b) in the case of each party, the truth and correctness in all material respects as of the Effective Time and the date of signing of the Merger Agreement of the representations and warranties of the other party contained in the Merger Agreement, except as expressly contemplated by the Merger Agreement and except for any representation and warranty made as of a specified date (which shall be true and correct as of such date);

(c) adoption of the Merger Agreement by the requisite votes of shareholders of KeyCorp and Society;

(d) receipt of all material approvals of governmental agencies required to consummate the transactions contemplated by the Merger Agreement and to prevent the termination of any material right, privilege, license, or agreement of either party or any of their respective subsidiaries, without any conditions or restrictions which would so materially and adversely affect the economic or business assumptions of the Merger as to render inadvisable its consummation in the reasonable judgment of the Board of Directors of both KeyCorp and Society. See "TERMS OF THE MERGER -- Regulatory Approvals";

(e) receipt by KeyCorp and Society of letters, dated as of the Effective Time, from Ernst & Young, independent auditors, stating that, for financial reporting purposes, the Merger qualifies for pooling of interests accounting treatment. See "TERMS OF THE MERGER -- Accounting Treatment of Merger";

(f) absence of any temporary restraining order, injunction, or other order by any federal or state court or agency which enjoins or prohibits consummation of the Merger;

(g) receipt by each of KeyCorp and Society of a written opinion from their respective legal counsel as to certain federal income tax consequences of the Merger. See "TERMS OF THE MERGER -- Certain Federal Income Tax Consequences";

(h) the Registration Statement shall have been declared effective by the SEC and shall not be subject to a stop order suspending the effectiveness of the Registration Statement and no proceedings for the purpose of suspending the effectiveness of the Registration Statement shall be pending before or threatened by the SEC;

(i) no "Shares Acquisition Date" or "Triggering Event" (as such terms are defined in the Society Rights Agreement) shall have occurred under the Society Rights Agreement; and

(j) Society shall not be an "Acquiring Person" under the terms of the KeyCorp Rights Agreement, no "Flip-in-Date," "Flip-over Transaction or Event," "Separation Time," or "Stock Acquisition Date" (as such terms are defined in the KeyCorp Rights Agreement) shall have occurred under the KeyCorp Rights Agreement, and the KeyCorp Rights Agreement shall have terminated in accordance with its terms at or prior to the Effective Time.

REGULATORY APPROVALS

Consummation of the Merger is subject to receipt by KeyCorp and Society of all necessary material regulatory approvals. The material regulatory approvals that must be obtained as a condition to the consummation of the Merger are from the Federal Reserve Board, the Alaska Department of Commerce and Economic Development, the Arizona Director of Insurance, the Colorado Banking Board, the Director of the Idaho Department of Finance, the New York Superintendent of Banks, the New York Banking Board, the Superintendent of the Maine Bureau of Banking, the Director of the Oregon Department of Insurance and Finance, the Utah Commissioner of Financial Institutions, the Washington State Director of the Department of Financial Institutions, and the Wyoming Banking Commission.

IT IS ANTICIPATED THAT THE REGULATORY APPROVALS DESCRIBED HEREIN WILL BE OBTAINED IN TIME TO ALLOW FOR CONSUMMATION OF THE MERGER DURING THE FIRST QUARTER OF 1994, BUT NO ASSURANCE CAN BE GIVEN THAT SUCH REGULATORY APPROVALS WILL BE OBTAINED SO AS TO PERMIT CONSUMMATION OF THE MERGER OR THAT SUCH APPROVALS WILL NOT BE CONDITIONED UPON MATTERS THAT WOULD CAUSE THE PARTIES TO ABANDON THE MERGER. THERE LIKEWISE CAN BE NO ASSURANCE THAT THE UNITED STATES DEPARTMENT OF JUSTICE OR A STATE ATTORNEY GENERAL WILL NOT CHALLENGE THE MERGER, OR IF SUCH A CHALLENGE IS MADE, AS TO THE RESULTS THEREOF.

The Merger is subject to approval by the Federal Reserve Board under Sections 3 and 4 of the Bank Holding Company Act of 1956, as amended (the "BHCA"). Section 3 of the BHCA requires that the Federal Reserve Board take into consideration the financial and managerial resources and future prospects of the existing and proposed institutions and the convenience and needs of the communities to be served. The Federal Reserve Board has indicated that it will not approve a significant acquisition unless the resulting institution has adequate capitalization, taking into account, among other things, asset quality. The BHCA prohibits the Federal Reserve Board from approving the Merger if (a) it would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize the business of banking in any part of the United States or (b) its effect in any section of the country may be substantially to lessen competition or to tend to create a monopoly or would be in restraint of trade in any other manner, unless the Federal Reserve Board finds that any anticompetitive effects of the Merger are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served. In addition, under the Community Reinvestment Act, as amended (the "Community Reinvestment Act") the Federal Reserve Board must take into account the records of performance of the bank subsidiaries of KeyCorp and Society in meeting the credit needs of each community, including low-and moderate-income neighborhoods, served by such bank subsidiaries. The Federal Reserve Board must also determine, under Section 3(d) of the BHCA, that each state in which KeyCorp has a bank subsidiary authorizes the acquisition of such bank

subsidiary by a bank holding company principally located in Ohio; in some cases, this determination will require a finding that the interstate statute of the relevant state is reciprocal with the Ohio interstate statute.

Under Section 4 of the BHCA and related regulations, the Federal Reserve Board must assess whether the performance by New Key of KeyCorp's nonbanking activities can reasonably be expected to produce benefits to the public such as greater convenience, increased competition, or gains in efficiency, that outweigh any possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices. This assessment also includes an evaluation of the financial and managerial resources of KeyCorp and Society and the effect of the Merger on those resources.

Under the BHCA, the Merger may not be consummated until the 30th day following the date of Federal Reserve Board approval, during which time the United States Department of Justice may challenge the Merger on antitrust grounds. The commencement of an antitrust action by the Department of Justice would stay the effectiveness of the Federal Reserve Board's approval unless a court specifically orders otherwise. KeyCorp and Society believe that antitrust concerns will not interfere with the consummation of the Merger.

Applications seeking the foregoing approvals of the Federal Reserve Board were accepted for processing on November 23, 1993.

The consummation of the Merger, resulting in the acquisition by New Key of Key Bancshares of Alaska, Inc. and Key Bank of Alaska, both wholly owned subsidiaries of KeyCorp, is subject to approval by the Alaska Department of Commerce and Economic Development under Section 06.05.570 of the Alaska Banking Code. In considering whether to approve the Merger, the Alaska Department of Commerce and Economic Development will consider the benefits to the public, the preservation of a competitive banking industry, and the maintenance of a safe and sound banking industry.

The acquisition by New Key of Key Bank Life Insurance, a wholly-owned subsidiary of KeyCorp, as a result of the Merger, will require the approval of the Director of the Arizona Department of Insurance pursuant to Section 20-481.02 of the Arizona Code. The Director shall approve the Merger unless he finds, among other things, that the Merger is contrary to law; is inequitable to the shareholders of Key Bank Life Insurance Company; would substantially reduce the security of and services to be rendered to policyholders; would preclude Key Bank Life Insurance Company from satisfying the requirements for the reissuance of a certificate of authority to write the line or lines of insurance for which they are presently licensed; would substantially lessen competition in insurance in Arizona or tend to create a monopoly. The Director shall also consider whether the financial condition of New Key might jeopardize the financial stability of Key Bank Life Insurance Company or prejudice its policyholders; whether the plans or proposals of the Merger are unfair and unreasonable or are not in the public interest; the competence, experience, and integrity of those persons who would control the operation of Key Bank Life Insurance Company; and whether the Merger is likely to be hazardous or prejudicial to the insurance buying public.

The consummation of the Merger, resulting in the acquisition by New Key of Key Bank of Colorado, a wholly-owned subsidiary of KeyCorp, is subject to approval by the Colorado Banking Board under Section 11-1-6.4-103 of the Colorado Banking Code. The approval of the application will be based on the following considerations: whether the Merger will provide positive benefits for Colorado citizens; whether the Merger affords protection to bank depositors in Colorado; and whether the Merger enhances the opportunity of the people of Colorado to receive services provided by banks and bank holding companies. KeyCorp has pending two acquisitions in the State of Colorado, which are subject to similar approval. See "BUSINESS OF KEYCORP -- Pending Acquisitions."

The acquisition by New Key of Key Bancshares of Idaho, Inc. and Key Bank of Idaho, both wholly-owned subsidiaries of KeyCorp, as a result of the Merger will require the approval of the Director of the Idaho Department of Finance under Section 26-2605 of the Idaho Code. The Director must disapprove the Merger if any of the following are true: the Merger would be detrimental to the safety and soundness of Key Bancshares of Idaho, Inc. or Key Bank of Idaho; New Key, its executive officers, directors, or principal shareholders do not have a record of sound performance, efficient management, financial responsibility, and integrity; the consummation of the Merger will tend substantially to lessen competition within Idaho (unless the Director finds that the anticompetitive effects of the Merger are clearly outweighed by the benefit of meeting the

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convenience and needs of the community); or KeyCorp and Society have not established a record of meeting the credit needs of the communities served by their respective subsidiaries.

The acquisition by New Key of Key Bancshares of Maine, Inc., Key Bank of Maine, and Key Trust of Maine, each a wholly-owned subsidiary of KeyCorp, as a result of the Merger will require the approval of the Superintendent of the Maine Bureau of Banking pursuant to Section 1013.2 of the Maine Code. The Superintendent will consider whether the Merger contributes to the financial strength and success of Key Bancshares of Maine, Inc., Key Bank of Maine, and Key Trust of Maine, and promotes the convenience and advantage of the public. In making the determination, the Superintendent will consider the following: the adequacy of capital and financial resources of Key Bancshares of Maine, Inc., Key Bank of Maine, and Key Trust of Maine; the competitive abilities and future prospects of Key Bancshares of Maine, Inc., Key Bank of Maine, and Key Trust of Maine; the convenience and needs of the market area or areas to be served; the competitive effect of the Merger on the price, availability, and quality of services in the market areas to be served; the likely impact of the Merger on other financial institutions in the market area; and the fairness and equities involved in the Merger.

The consummation of the Merger, resulting in the acquisition by New Key of Key Bancshares of New York, Inc., Key Bank of New York, and Key Bank USA, N.A., each a wholly-owned subsidiary of KeyCorp, and KeyCorp Mortgage Inc., a

wholly-owned subsidiary of Key Bank of New York, will require the approval of the New York Superintendent of Banks pursuant to Sections 142, 142-b and 594-b of the New York Banking Law. The Superintendent will not approve the Merger if the Superintendent finds that either KeyCorp or Society or any of KeyCorp's New York banking subsidiaries has failed to comply with the requirements of the Community Reinvestment Act or comparable New York law. Such acquisition, as well as the acquisition of Key Trust Company, will also require the approval of the New York Banking Board by a three-fifths vote of all members pursuant to Sections 142 and 143-b of the New York Banking Law allowing New Key to become a New York bank holding company and to acquire KeyCorp's banking subsidiaries located in New York. When approving an application, the Banking Board will consider, among other things, whether the effect of the Merger will be consistent with adequate or sound banking and its preservation; whether the Merger will lessen competition so as to injure the public interest or tend toward monopoly; and, primarily, the public interest and the needs and convenience of the public.

The acquisition by New Key of Key Bank of Oregon, a wholly-owned subsidiary of KeyCorp, as a result of the Merger will be subject to the approval of the Director of the Oregon Department of Insurance and Finance pursuant to Section 715.015 of the Oregon Code. The approval of the application will result only if, among other things: the controlling directors and officers of New Key are qualified by character, experience and financial responsibility; the interests of the stockholders, depositors, and creditors of Key Bank of Oregon, and the public generally, will not be jeopardized; the change in management and ownership will not result in a monopoly or further any attempt to monopolize banking; and the change in control will not have anticompetitive effects, unless such effects are clearly outweighed by the benefits of meeting the convenience and needs of the financial market to be served.

The consummation of the Merger, resulting in the acquisition by New Key of Key Bancshares of Utah, Inc. and Key Bank of Utah, both wholly-owned subsidiaries of KeyCorp, is subject to approval by the Utah Commissioner of Financial Institutions pursuant to Section 7-1-705 of the Utah Code. The Commissioner may disapprove the Merger if he finds that: the Merger would be detrimental to the safety and soundness of New Key, Key Bancshares of Utah, Inc., Key Bank of Utah, KeyCorp, Society, or any of their affiliates; New Key, its executive officers, directors, or principal stockholders do not have a record of sound performance, efficient management, financial responsibility, and integrity; the consummation of the Merger will tend to substantially lessen competition (unless the Commissioner finds that the Merger's anticompetitive effects are clearly outweighed by the benefit of meeting the convenience and needs of the community), or KeyCorp and Society have not established a record of meeting the credit needs of the communities served by their respective subsidiaries.

The acquisition by New Key of Key Bancshares of Washington, Inc., Key Bank of Washington, Key Savings Bank, and Key Trust Company of the Northwest, each wholly-owned subsidiaries of KeyCorp, as a result of the Merger will require the approval of Washington's Director of the Department of Financial

Institutions pursuant to Sections 30.04.232 and 30.04.405(1) of the Washington Code. The Supervisor may disapprove the Merger if: the financial condition of New Key might jeopardize the financial stability of Key Bancshares of Washington, Inc., Key Bank of Washington, Key Savings Bank, or Key Trust Company of the Northwest, or might prejudice the interests of their respective depositors, shareholders, or borrowers; the Merger is not fair and reasonable; or the Merger is not in the public interest.

The consummation of the Merger, resulting in the acquisition by New Key of Key Bancshares of Wyoming, Inc., Key Bank of Wyoming, and Key Trust Company of the West, each wholly-owned subsidiaries of KeyCorp, will require the approval of Wyoming's State Banking Commissioner pursuant to Section 13-9-303 of the Wyoming Code. The Commissioner shall approve the Merger unless he finds that: there is or recently has been evidence of criminal activity on the part of New Key or any of its officers or directors; the Merger would jeopardize the integrity of Key Bancshares of Wyoming, Inc., Key Bank of Wyoming, or Key Trust Company of the West; or Society and KeyCorp have not responsibly met the service, credit, and financing needs within their respective communities.

Applications for the foregoing approvals have been filed except for the approval of the Director of the Arizona Department of Insurance, which will be filed shortly.

WAIVER OF CONDITIONS, AMENDMENT, OR TERMINATION OF THE MERGER AGREEMENT

Waiver. The Merger Agreement provides that either KeyCorp or Society may waive any default in the performance of any obligation of the other, waive or extend the time for compliance or fulfillment of any obligation of the other,

and waive any condition precedent to such party's obligations under the Merger Agreement.

Amendment. The Merger Agreement may be amended, either before or after its adoption by the shareholders of KeyCorp and Society, upon approval of each of their Boards of Directors (except for certain technical amendments). However, any such amendment made subsequent to the adoption of the Merger Agreement by the shareholders of KeyCorp and Society, unless approved by the requisite vote of such shareholders, may not alter the manner or basis in which shares of capital stock of KeyCorp will be exchanged for shares of capital stock of New Key in the Merger. Only an amendment which constitutes a fundamental change to the Merger Agreement as described herein would require subsequent solicitation by KeyCorp and Society of their respective shareholders.

Termination. The Merger Agreement may be terminated, and the Merger abandoned, at any time prior to the Effective Time, whether before or after adoption of the Merger Agreement by the shareholders of KeyCorp and Society, or both:

(a) by a vote of a majority of the Boards of Directors of both of KeyCorp and Society for any reason;

(b) by a vote of a majority of the Board of Directors of either KeyCorp or Society at any time after December 31, 1994, if the Merger shall not have been consummated by that date;

(c) by a vote of a majority of the Board of Directors of either KeyCorp or Society in the event of a material breach by the other party of any of such party's representations, warranties, covenants, or agreements contained in the Merger Agreement which would result in a failure to satisfy any of the conditions to the obligations of KeyCorp or Society, as the case may be, to consummate the Merger outlined in paragraphs (a) and (b) under "TERMS OF THE MERGER -- Conditions to the Merger," which breach cannot be cured or has not been cured within thirty days after notice to the breaching party of such breach;

(d) by a vote of a majority of the Board of Directors of either KeyCorp or Society if (i) any governmental agency required to approve the Merger denies such approval in a final non-appealable action by such agency or if any such action is not appealed during the time permitted for such an appeal or (ii) the shareholders of either KeyCorp or Society fail to approve the Merger;

(e) by a vote of a majority of the Board of Directors of either KeyCorp or Society if any of the conditions to such party's obligations to consummate the Merger cannot be satisfied or fulfilled on or

before December 31, 1994 (other than by reason of a breach by the party seeking to terminate). See "TERMS OF THE MERGER -- Conditions to the Merger"; or

(f) by a vote of a majority of the Board of Directors of either KeyCorp or Society in the event of an acquisition by any "person" or "group" of "beneficial ownership" (all as defined in Section 13(d) of the Exchange Act) of 25% or more of the outstanding shares of common stock of the other party.

EFFECTIVE TIME

The Merger becomes effective when KeyCorp and Society file appropriate certificates with, and such filings are accepted by, the Secretary of State of the State of Ohio and the Department of State of the State of New York. Upon the Merger becoming effective Society will be the surviving corporation under New Key's name and the separate existence of KeyCorp will cease. For a description of circumstances under which KeyCorp or Society may terminate the Merger Agreement, see "TERMS OF THE MERGER -- Waiver of Conditions, Amendment, or Termination of the Merger Agreement." If not so terminated by either Board of Directors, the Effective Time will occur as promptly as practicable after the date upon which all of the conditions to the Merger are satisfied or duly waived or at such other time and date as KeyCorp and Society may agree. However, KeyCorp and Society currently anticipate that the Merger will be completed during the first quarter of 1994, but, in any event, prior to December 31, 1994. See "TERMS OF THE MERGER -- Regulatory Approvals."

BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICERS OF NEW KEY THROUGH DECEMBER 31, 1998

Board of Directors of New Key Through December 31, 1998. The Merger Agreement and the New Key Regulations provide that, at the Effective Time, New

Key will have 22 directors, divided into three classes as follows: one class of seven directors whose term will expire at the next annual meeting of shareholders occurring after the Effective Time, one class of seven directors whose term will expire at the second annual meeting of shareholders occurring after the Effective Time, and one class of eight directors whose term will expire at the third annual meeting of shareholders occurring after the Effective Time. Through December 31, 1998, not more than two directors of New Key may be "Insider Directors." "Insider Director" means any person who, as of immediately prior to the Effective Time, was a current or former officer of Society or KeyCorp or any of their subsidiaries or any predecessor or constituent (by merger, consolidation, or otherwise) of New Key (including KeyCorp and Society) or any of its subsidiaries, but does not include Mr. H. Douglas Barclay (who previously served as Secretary and General Counsel of KeyCorp, but who has never been an employee of KeyCorp or any subsidiary) and Mr. Henry S. Hemingway (who previously served as a director of a liquidated intermediate holding company subsidiary of KeyCorp). The Merger Agreement and the New Key Regulations further provide that, through December 31, 1998, if the Board of Directors or shareholders of New Key change the size of the Board of Directors of New Key in accordance with the New Key Regulations, no more than two directors of the total number of directors on the Board may be Insider Directors, and that any increase or decrease in the size of the Board must be by a multiple of two.

The Merger Agreement provides that Victor J. Riley, Jr. and Robert W. Gillespie will be directors of New Key immediately following the Effective Time. The Merger Agreement further provides that Messrs. Riley and Gillespie will consult with each other as to the determination of the remaining 20 directors of New Key, and that after such consultation and prior to the Effective Time, they will each designate ten persons to be members of the Board of Directors of New Key (subject to the approval of the respective Boards of Directors of KeyCorp and Society), with Mr. Riley designating four of the seven directors in the first class of directors and three of the seven directors in the second class of directors, and Mr. Gillespie designating three of the first class of directors and four of the second class of directors, and each designating four of the third class of directors (except that the number of directors to be designated for the class in which Messrs. Riley and Gillespie are members shall be reduced by one designation each). None of the persons designated by Messrs. Riley and Gillespie may be an "Insider Director."

Messrs. Riley and Gillespie have consulted with each other and, with the approval of the Boards of Directors of KeyCorp and Society, respectively, have designated the following individuals to be Directors of New Key from and after the Effective Time:

<TABLE>
<CAPTION>

NAME	AGE	PRESENT BOARD AFFILIATION	OCCUPATION
<S>	<C>	<C>	<C>
TERM EXPIRING IN 1994			
William G. Bares	52	Society	President and Chief Operating Officer of The Lubrizol Corporation, a producer of chemicals for use in lubricants and fuels.
Lucie J. Fjeldstad	49	KeyCorp	Private Consultant.
Robert W. Gillespie	49	Society	Chairman of the Board, President, and Chief Executive Officer of Society
Henry S. Hemingway	40	KeyCorp	President of Town & Country Life Insurance Company.
Steven A. Minter	55	Society	Executive Director and President of The Cleveland Foundation, a philanthropic foundation.
Victor J. Riley, Jr.	62	KeyCorp	Chairman of the Board, President, and Chief Executive Officer of KeyCorp
Ronald B. Stafford	58	KeyCorp	Partner of the law firm of Stafford, Trombley, Purcell, Lahtinen, Owens & Curtin; member of the New York State Senate.
TERM EXPIRING IN 1995			
H. Douglas Barclay	61	KeyCorp	Partner of the law firm of Hiscock & Barclay.
Thomas A. Commes	51	Society	President and Chief Operating Officer of The Sherwin-Williams Company, a paints and painting supplies manufacturer.
Stephen R. Hardis	58	Society	Vice Chairman and Chief Financial and Administrative Officer of Eaton Corporation, a diversified manufacturing company.
Lawrence A. Leser	58	Society	President and Chief Executive Officer of

			the E.W. Scripps Company, a communications and multi-media services company.
John C. Morley	62	Society	President and Chief Executive Officer of Reliance Electric Company, an electro-mechanical automation and telecommunications equipment manufacturer.
Peter G. Ten Eyck, II	55	KeyCorp	President of Indian Ladder Farms, a commercial orchard.
Nancy B. Veeder	67	KeyCorp	President of Veeder Realty, Inc. and partner in V.R. Associates Ltd, doing business as Residence Inn.
TERM EXPIRING IN 1996			
Robert A. Schumacher	70	KeyCorp	Consultant for Georgia Pacific Corporation.

NAME	AGE	PRESENT BOARD AFFILIATION	OCCUPATION
Albert C. Bersticker	59	Society	President and Chief Executive Officer of Ferro Corporation, a manufacturer of industrial specialty materials.
Kenneth M. Curtis	62	KeyCorp	President, Maine Maritime Academy, an ocean-oriented college offering degree programs including a program to train officers for the Merchant Marine and Uniformed Services.
John C. Dimmer	65	KeyCorp	President of Firs Management Corporation, a real estate and investment company.
Charles R. Hogan	56	KeyCorp	Co-Chairman of the Board, Puget Sound Marketing Co., Inc., an operator of a supermarket chain.
M. Thomas Moore	59	Society	Chairman, President, and Chief Executive Officer of Cleveland-Cliffs Inc, a producer of iron ore pellets.
Richard W. Pogue	65	Society	Senior Partner of Jones, Day, Reavis & Pogue, Attorneys at Law.
Dennis W. Sullivan	55	Society	Executive Vice President -- Industrial and Automotive of Parker-Hannifin Corporation, an aeronautic and automotive parts manufacturer.

Additional information about Messrs. Riley and Gillespie and the other individuals designated to be directors of New Key, except for Mr. Sullivan, is contained in KeyCorp's and Society's Proxy Statements for their respective 1993 Annual Meetings of Shareholders, relevant portions of which are incorporated by reference in this Prospectus/Joint Proxy Statement to KeyCorp's and Society's respective Annual Reports on Form 10-K for the year ended December 31, 1992. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE" and "AVAILABLE INFORMATION." Mr. Sullivan was first elected as a Director of Society on November 18, 1993. He has held his current position as Executive Vice President -- Industrial and Automotive at Parker-Hannifin Corporation for more than the last five years. Mr. Sullivan currently serves on the Boards of Directors of Parker-Hannifin Corporation and Ferro Corporation and, as of December 21, 1993, beneficially owned 400 shares of Society Common Stock (less than 1% of the total outstanding shares). Under applicable law, adoption of the Merger Agreement by the shareholders of KeyCorp and Society constitutes approval of the above directors of New Key designated by Messrs. Riley and Gillespie and approved by the respective Boards of Directors of KeyCorp and Society in accordance with the Merger Agreement.

The above list of the classes of directors presumes that, as presently anticipated, the Effective Time will occur prior to the 1994 Annual Meeting of Shareholders of Society, so that Messrs. Riley and Gillespie are listed in the class of directors of New Key whose term will expire at that meeting which will be the 1994 Annual Meeting of Shareholders of New Key, and that all the directors of New Key whose term expires at the 1994 Annual Meeting of Shareholders of New Key will be nominated for re-election as directors of New Key for terms expiring at the 1997 Annual Meeting of Shareholders of New Key.

New Key will solicit proxies for, and use its best efforts to cause, the election of all such persons as directors. If the 1994 Annual Meeting of Shareholders of Society occurs prior to the Effective Time, however, the first Annual Meeting of Shareholders of New Key will occur in 1995 and Messrs. Riley and Gillespie, together with the other individuals from the class in the above table whose terms are shown to expire in 1994 and Mr. Sullivan, will be in the class of directors of New Key whose term will expire at the 1997 Annual Meeting of Shareholders of New Key.

After the Effective Time, and for as long as Mr. Riley is Chairman of the Board of New Key, Messrs. Riley and Gillespie will further consult with each other with respect to any vacancies on the Board of Directors of New Key. Through December 31, 1998, nominations for the election of directors of New Key may only be made by (a) the shareholders of New Key in compliance with the procedure described in "AMENDED

AND RESTATED ARTICLES OF INCORPORATION AND REGULATIONS OF NEW KEY -- Regulations of New Key" or (b) the affirmative vote of three-quarters of the entire authorized Board of Directors of New Key and three-quarters of the members of the Nominating Committee of New Key, if any, then in office; provided, however, that if the Nominating Committee is unable, for any reason, to approve by the requisite vote a nomination for election of a particular director or directors, such nomination will be made instead by the affirmative vote of two-thirds of the entire authorized Board of Directors of New Key and three-quarters of the members of a committee to be comprised, depending on whether the director position to be filled was originally held at the Effective Time by an individual who had been a director of KeyCorp or of Society, of all of the directors then in office who immediately prior to the Effective Time had been directors of KeyCorp (or of Society, as the case may be) or who have been elected to fill a director position originally held by an individual who at the Effective Time had been a director of KeyCorp (or of Society, as the case may be); provided, further, that, in the case of a nomination for election to fill a director position which resulted from an increase in the size of the Board after the Effective Time, such nomination shall be made by the affirmative vote of three-quarters of the entire authorized Board of Directors of New Key acting alone if the Nominating Committee is unable, for any reason, to approve by the requisite vote a nomination to fill such director position.

Committees of the Board of Directors of New Key. New Key will have an Executive Committee of the Board of Directors comprised of at least four members of the Board of Directors designated annually by two-thirds of the entire authorized Board of Directors. Through December 31, 1998, Messrs. Riley and Gillespie will each be members of the Executive Committee as long as they are also members of the Board of Directors of New Key. Through December 31, 1998, New Key will also have a Nominating Committee of the Board of Directors comprised of four members of the Board of Directors designated annually by two-thirds of the entire authorized Board of Directors. Through December 31, 1998, two of the members of the Nominating Committee will be individuals who were serving as directors of KeyCorp at the Effective Time (one of whom will be Mr. Riley, as long as he is a director of New Key), and the other two members of the Nominating Committee will be individuals who were serving as directors of Society at the Effective Time (one of whom will be Mr. Gillespie, as long as he is a director of New Key).

The Merger Agreement provides that, prior to the Effective Time, Messrs. Riley and Gillespie will mutually agree as to the number of members of the Executive Committee, the Compensation and Organization Committee, the Audit Committee, and the Community Responsibility Committee, and will consult with each other as to the formation of any other committees of the Board of Directors of New Key and as to the appointment of members to the Executive Committee, the Compensation and Organization Committee, the Audit Committee, the Nominating Committee, the Community Responsibility Committee, and any other committee of the Board of Directors of New Key. After such consultation, Messrs. Riley and Gillespie will each designate an equal number of members to the Executive Committee, the Compensation and Organization Committee, the Audit Committee, the Nominating Committee, the Community Responsibility Committee, and any other committee of the Board of Directors of New Key, subject, prior to the Effective Time, to the approval of the respective Boards of Directors of KeyCorp and Society and, after the Effective Time, to the approval of the Board of Directors of New Key. After the Effective Time, and for as long as Mr. Riley is Chairman of the Board of New Key, Messrs. Riley and Gillespie will further consult with each other with respect to any vacancies on the Board of Directors, the Executive Committee, the Compensation and Organization Committee, the Audit Committee, the Nominating Committee, the Community Responsibility Committee, or any other committee of the Board of Directors of New Key, as to the formation of any other committee of the Board of Directors of New Key, and as to any adjustment to the number of members of any committee of the Board of Directors of New Key other than the Nominating Committee.

Chairman of the Board and Chairman of the Executive Committee of New Key. The Merger Agreement and the New Key Regulations provide that Mr. Riley will be Chairman of the Board and Chairman of the Executive Committee of the Board of Directors of New Key through December 31, 1998 or his earlier failure to continue to be a director of New Key (whether as a result of his death, resignation, removal, or failure to be re-elected at the expiration of his term as director). On December 31, 1998, Mr. Riley will cease to be Chairman of the Board and Chairman of the Executive Committee, unless he has earlier ceased to hold those

positions. Mr. Gillespie will become Chairman of the Board and Chairman of the Executive Committee of New Key on the date (which in no event will be later than December 31, 1998) on which Mr. Riley ceases to be Chairman of the Board and Chairman of the Executive Committee, subject, in all cases, to Mr. Gillespie's earlier failure to continue to be a director of New Key (whether as a result of his death, resignation, removal, or failure to be re-elected at the expiration of his term as director). If Mr. Riley ceases, at any time prior to December 31, 1998, to hold for any reason one or both of his positions as Chairman of the Board and Chairman of the Executive Committee, Mr. Gillespie will immediately assume any such position, provided that he is then a director of New Key. Prior to Mr. Gillespie's becoming Chairman of the Board and Chairman of the Executive Committee, no individual (other than Mr. Gillespie or any other person designated by Mr. Gillespie) will be designated vice chairman or deputy chairman, or with any position or title of similar import, of either the Board of Directors or the Executive Committee of New Key. The position of Chairman of the Board of New Key will be an officer position through December 31, 1995, or any earlier date on which Mr. Riley ceases for any reason (including death, retirement, resignation, or removal) to be Chief Executive Officer of New Key, and thereafter will be solely a director position and not an officer position.

Chief Executive Officers of New Key Through December 31, 1998. The most senior officer of New Key will be the President, who also will be the Chief Executive Officer of New Key (and may use the term "Chief Executive Officer" as part of his title) except during periods when there is a separate office of Chief Executive Officer, in which case the officer holding the separate office of Chief Executive Officer will be the most senior officer of New Key and the President will be the second most senior officer. At the Effective Time, Mr. Riley will be the Chief Executive Officer of New Key for a term expiring on December 31, 1995, or upon his earlier death, retirement, resignation, or removal. There will be a separate office of Chief Executive Officer of New Key during the period from the Effective Time through December 31, 1995 or any earlier date on which Mr. Riley ceases for any reason (including death, retirement, resignation, or removal) to be Chief Executive Officer. There will be no separate office of Chief Executive Officer after December 31, 1995 or any earlier date on which Mr. Riley ceases for any reason (including death, retirement, resignation, or removal) to be Chief Executive Officer of New Key.

At the Effective Time, Mr. Gillespie will be the President of New Key for a term expiring on December 31, 1998, or upon his earlier death, retirement, resignation, or removal. Accordingly, at such time (which in no event will be later than December 31, 1995) as Mr. Riley ceases for any reason to hold the separate office of Chief Executive Officer, Mr. Gillespie will, by virtue of being President, also be the Chief Executive Officer through the expiration of his term on December 31, 1998, or until his earlier death, retirement, resignation, or removal. In addition, at the Effective Time, Mr. Gillespie will be the Chief Operating Officer of New Key for a term expiring on the date on which Mr. Riley ceases to be the Chief Executive Officer of New Key (which in no event will be later than December 31, 1995). On December 31, 1995, Mr. Riley will retire from all positions he then holds as an officer of New Key or an officer, employee, or director of any of its subsidiaries. The elections of Mr. Riley and Mr. Gillespie to, and the retirement of Mr. Riley from, the various offices and positions referred to under this caption "Board of Directors and Chief Executive Officers of New Key Through December 31, 1998" will be automatically self-executing without any further action required by the Board of Directors of New Key or otherwise.

Through December 31, 1998, neither Mr. Riley nor Mr. Gillespie may be removed by action of the Board of Directors of New Key from any officer position held by either of them except by the affirmative vote of three-quarters of the entire authorized Board, and in any case without prejudice to the contract rights of either. Notwithstanding anything to the contrary in the Merger Agreement, any of the provisions relating to the foregoing that are contained in the Merger Agreement and that, pursuant to the Merger Agreement, survive the Effective Time, shall be deemed to be automatically amended to the extent necessary to conform to the provisions of the New Key Articles of Incorporation or the New Key Regulations as either of them may be amended after the Effective Time in accordance with its respective terms or applicable law. See "AMENDED AND RESTATED ARTICLES OF INCORPORATION AND REGULATIONS OF NEW KEY."

See "TERMS OF THE MERGER" -- Interests of Certain Persons in the Merger -- "Interests of KeyCorp Directors and Executive Officers" and "-- Interests of Society Executive Officers" for information regarding Employment Agreements, each dated as of October 1, 1993, between Society and each of Mr. Riley

and Mr. Gillespie which are to become effective at the Effective Time between New Key and each of them, providing for the further terms and conditions of the employment of Mr. Riley and Mr. Gillespie by New Key. The New Key Regulations provide that any modification, amendment, or failure to honor the terms of either of such Employment Agreements at any time during their respective terms shall require the affirmative vote of three-quarters of the entire authorized Board of Directors of New Key.

INTERESTS OF CERTAIN PERSONS IN THE MERGER

GENERAL.

Management After the Merger. In addition to the senior officer positions of New Key to be held by Messrs. Riley and Gillespie as discussed above in "TERMS OF MERGER -- Board of Directors and Chief Executive Officers of New Key through December 31, 1998," at the Effective Time, the following persons will have the responsibilities set forth below at New Key:

<TABLE>
<CAPTION>

NAME	PRESENT COMPANY AFFILIATION	RESPONSIBILITY
<S>	<C>	<C>
Gary R. Allen+	KeyCorp	Chief Banking Officer*
Kevin M. Blakely	Society	Credit Policy and Asset Review
Michael A. Butler	KeyCorp	Loan Review
Ralph M. Carestio, Jr.+	KeyCorp	Financial Services Affiliates
Carter B. Chase+	KeyCorp	General Counsel
Allen J. Gula, Jr.	Society	Information Technology and Operations
Francis X. Hamilton	KeyCorp	Corporate Quality
Lee G. Irving	KeyCorp	Treasurer
Henry L. Meyer III+	Society	Chief Banking Officer*
A. Jay Meyerson	Society	Marketing
Roger Noall+	Society	Chief Administrative Officer
Bruce E. Tofte	KeyCorp	Internal Audit and Security
Martin J. Walker	Society	Investment Management
Stephen E. Wall	Society	Integration Management
F. Jay Ward	KeyCorp	Information Technology, Operations, and Systems
James W. Wert+	Society	Chief Financial Officer

</TABLE>

*Mr. Allen will be responsible for the Consumer Banking Center and for banking operations in Colorado, Florida, Idaho, Indiana, Maine, Michigan, New York, Utah, and Wyoming. Mr. Meyer will be responsible for the Commercial Market Center and the Trust Market Center and for banking operations in Alaska, Ohio, Oregon, and Washington.

+Members of New Key Management Committee, together with Messrs. Riley and Gillespie. The Management Committee is a group of senior executives who will guide the overall strategic direction of New Key following the Merger.

Additional information about each of such persons who is an executive officer, which is incorporated by reference in this Prospectus/Joint Proxy Statement, is contained in KeyCorp's and Society's Annual Reports on Form 10-K for the year ended December 31, 1992. See "TERMS OF THE MERGER -- Board of Directors and Chief Executive Officers of New Key through December 31, 1998"; "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE" and "AVAILABLE INFORMATION." Also see "INTEGRATION OF KEYCORP AND SOCIETY INTO NEW KEY." Which of the foregoing persons will be designated as executive officers of New Key will not be capable of determination until the exact nature and scope of their respective positions are further clarified.

Indemnification. For a period of six years from the Effective Time, New Key will maintain the indemnification rights currently provided by KeyCorp and Society with respect to matters occurring before the Effective Time in favor of their respective current and former employees, directors, and officers and, if applicable, in favor of the employees, directors, and officers of their respective subsidiaries, on terms no less

favorable than those provided in the charter or by-laws or regulations of KeyCorp or Society or as otherwise in effect on the date of the Merger Agreement.

Directors' and Officers' Liability Insurance. For a period of six years from the Effective Time, New Key will use its best efforts to maintain the directors' and officers' liability insurance policies maintained at the date of the Merger Agreement by KeyCorp and Society, provided that New Key may provide substantially similar insurance policies with the same coverage and amounts in substitution for such policies of KeyCorp and Society. Notwithstanding the foregoing, New Key will not be obligated, in connection with maintaining any such KeyCorp insurance policies, to expend any amount per year in excess of 200% of the amount of the annual premiums paid as of the date of the Merger Agreement by KeyCorp (the "KeyCorp Maximum Amount") and will not be obligated, in connection with maintaining any such Society insurance polices, to expend any amount in excess of 200% of the annual premiums paid as of the date of the Merger Agreement by Society (the "Society Maximum Amount"). In the alternative, New Key will provide and maintain the most advantageous directors' and officers' liability insurance coverage obtainable for an annual premium equal to the KeyCorp Maximum Amount or the Society Maximum Amount, as the case may be.

Incentive Compensation Plan Calculations. KeyCorp, Society, and New Key may pay incentive compensation under various short and long term incentive compensation plans based on performance over the various relevant periods determined before taking into account non-recurring charges, restructuring charges, or other effects of the Merger.

Acceleration of Certain Incentive Compensation. KeyCorp and Society will accelerate and pay in December of 1993 certain incentive compensation earned in 1993 otherwise to be paid early in 1994. In addition, KeyCorp will accelerate and pay to Mr. Riley in December of 1993 certain incentive compensation with respect to 1994 (in the amount of $1,133,000).

INTERESTS OF KEYCORP DIRECTORS AND EXECUTIVE OFFICERS.

General Effect of the Merger. Upon consummation of the Merger, a new employment agreement between New Key and Mr. Riley will become effective and certain officers of KeyCorp will become entitled to certain benefits as a result of "change of control" provisions under the other KeyCorp agreements and compensation plans discussed under this subheading; see "-- Retention Program for Executive Officers and Other Key Employees" below. KeyCorp has employment agreements and related severance agreements with Mr. Riley and with 22 other executive officers of KeyCorp (and a severance agreement without any related employment agreement for one other executive officer of KeyCorp) which contain provisions that are activated by a change of control of KeyCorp (as defined in those agreements). KeyCorp also has similar employment and/or severance agreements with 17 other key employees who are not executive officers. In addition, KeyCorp maintains certain compensation related plans, more fully described below, which contain provisions that will be activated by the Merger. The Merger will activate certain change of control rights under all of the agreements and plans discussed under this subheading other than the new employment agreement between New Key and Mr. Riley. The Merger will not constitute a change of control under the new employment agreement between New Key and Mr. Riley and, because that new employment agreement will supersede Mr. Riley's existing employment agreement with KeyCorp, no provision of Mr. Riley's existing employment agreement will be activated as a result of the Merger.

Employment and Severance Agreements With Mr. Riley. KeyCorp and Mr. Riley are parties to an existing employment agreement entered into as of January 1, 1986 (the "1986 Employment Agreement"), which provides for the employment of Mr. Riley as Chief Executive Officer of KeyCorp through December 31, 1994, and a related existing severance agreement entered into as of September 1, 1990. Under the 1986 Employment Agreement, Mr. Riley is entitled to base salary (currently at the rate of $720,000 per annum), an annual incentive bonus in accordance with KeyCorp's Executive Incentive Compensation Plan (pursuant to which Mr. Riley received an annual bonus of $690,000 for 1992), three-year incentive compensation in accordance with KeyCorp's Performance Compensation Plan (pursuant to which Mr. Riley received long-term incentive compensation of $1,967,400 in 1992), and certain supplemental executive retirement and death benefits. The severance agreement between KeyCorp and Mr. Riley entitles Mr. Riley to receive a lump sum payment equal to 299% of his base salary if, within 24 months after a change of control of KeyCorp, his employment is terminated by KeyCorp (other than for cause, disability, or retirement) or by Mr. Riley for

good reason (as defined in the severance agreement). The 1986 Employment

Agreement and Mr. Riley's severance agreement both provide, in effect, that, if any payments thereunder would otherwise be treated as excess parachute payments under Section 280G of the Internal Revenue Code (and would therefore be nondeductible by KeyCorp and subject to a 20% excise tax upon receipt by Mr. Riley), the aggregate amount of those payments is to be reduced to the extent necessary to avoid that treatment.

In anticipation of the Merger, Society and Mr. Riley have entered into a new employment agreement, to be effective at the Effective Time, pursuant to which Mr. Riley is to be employed by New Key through December 31, 1995 as Chairman of the Board, Chairman of the Executive Committee of the Board, and Chief Executive Officer and thereafter, through December 31, 1998, as Chairman of the Board and Chairman of the Executive Committee of the Board. Through December 31, 1995, Mr. Riley's compensation is to include annual base salary of not less than $775,000 for 1994 and $800,000 for 1995 plus an annual incentive bonus in accordance with KeyCorp's annual incentive bonus plan and three-year incentive compensation in accordance with KeyCorp's Performance Compensation Plan (with minimum three-year incentive compensation of $1,500,000 in respect of 1993 and $1,040,000 in respect of 1994). From January 1, 1996 through December 31, 1998, Mr. Riley's annual compensation is to be not less than $600,000. The new employment agreement continues provisions relating to Mr. Riley's supplemental retirement benefit and special supplemental death benefit substantially identical to the corresponding provisions in the 1986 Employment Agreement. If any amount of compensation otherwise payable to Mr. Riley under the new employment agreement as earned would not be deductible by New Key by reason of the disallowance rules of Section 162(m) of the Internal Revenue Code (which rules generally disallow deductions for certain compensation paid to any of five specified "covered employees" of a publicly held corporation in excess of $1,000,000 per year) but would be deductible if it were deferred until a later year, that amount of compensation will be so deferred until, and to the extent that, it is first payable without disallowance of the deduction, but in all events all unpaid deferred amounts will be paid in a lump sum to Mr. Riley on January 15 of the year immediately following the year in which he ceases to be an employee of New Key. Upon payment of any such deferred amounts of compensation, New Key will pay to Mr. Riley an additional amount equivalent to the interest that would have accrued on the deferred compensation if interest had accrued thereon at a rate equal to an interest rate provided with respect to deferrals made under incentive compensation plans applicable to executives as a group.

If, at any time before December 31, 1998, (a) New Key terminates Mr. Riley's employment other than for material breach or just cause (defined as conviction of a felony, habitual drunkenness, excessive absenteeism that is repeated following notice from the Board of Directors, or conflicts of interest that continue after notice from the Board of Directors), (b) Mr. Riley terminates his employment following a breach of the employment agreement by New Key, including any failure of New Key to cause Mr. Riley to hold the offices contemplated in the employment agreement during the periods contemplated in the employment agreement, (c) Mr. Riley dies or becomes disabled, or (d) a change in control of New Key occurs, then New Key is to pay to Mr. Riley or to his estate or designated beneficiary a lump sum equal to the sum of all base compensation that would have been payable to Mr. Riley had he continued to perform services through December 31, 1998 plus all bonuses he would have received for all periods through December 31, 1995 assuming all maximum performance targets would have been met during those periods. If this lump sum payment is payable, Mr. Riley will also be entitled to continuation through December 31, 1998 of coverage under all New Key employee benefit plans (including retirement plans and medical, disability, life, and accidental death or dismemberment insurance plans) and of the special supplemental death benefit; to an additional "gross up" payment if Mr. Riley is subject to the excise tax on receipt of "excess parachute payments," as defined in Section 280G of the Internal Revenue Code, sufficient to put Mr. Riley in the same position on an after-tax basis as if the excise tax did not apply; to continuing indemnification to the fullest extent permitted by Ohio law for actions against him by reason of his being or having been a director or officer of New Key or any related entity; and to payment of any legal fees incurred in enforcing his rights under the employment agreement.

Employment Agreements and Severance Agreements With Other Executive Officers. In addition to Mr. Riley, 22 executive officers of KeyCorp have both employment agreements and related severance agreements that contain provisions that will be activated by the Merger. One other executive officer has a severance

agreement with no related employment agreement and 17 other key employees who are not executive officers have either an employment agreement, a severance agreement, or both.

In general, each employment agreement provides for the employment of the employee through a specified term of employment, the respective expiration dates

of which vary, depending upon the employee, from December 31, 1993 to November 30, 1998. Upon any termination of the employee by KeyCorp without cause, the employee is entitled to receive all payments and benefits (including retirement benefits) to which the employee would have been entitled had he continued to perform services under the employment agreement through the end of the specified term. For these purposes, "cause" includes a material breach of the employment agreement, misconduct as an executive of KeyCorp, unreasonable neglect or refusal to perform assigned duties, conviction of a crime involving moral turpitude, adjudication as a bankrupt, failure to follow reasonable instructions of superior executive officers, or imposition by a bank regulatory agency of a final order of suspension or removal for improper conduct. If a change of control occurs and, within six months of the date of the change of control, the employee terminates his employment for "good reason," the employee is entitled to receive all payments and benefits (including retirement benefits) to which the employee would have been entitled had he continued to perform services under the employment agreement through the end of the specified term. For these purposes, "good reason" includes assignment of duties inconsistent with the employee's status or any material and adverse change in the employee's responsibilities and authority, relocation of the employee's principal office outside of the metropolitan area in which it had been located, and any other continuing material breach of the employment agreement by KeyCorp.

In general, each severance agreement entitles the employee to receive pro rated payments of base salary and incentive compensation through the date of termination plus a lump sum payment if the employee's employment is terminated by KeyCorp within 24 months after a change of control of KeyCorp (other than termination for cause, disability, or retirement) or by the employee for good reason. The amount of the lump sum payment varies from employee to employee and is equal to either 100%, 200%, or 299% of the employee's annual base salary (as in effect on the date of termination or, if higher, as in effect immediately before the change in control). The severance agreements provide that they are to be read in conjunction with any and all other agreements between the employee and KeyCorp in such a manner that the employee may select and apply the provisions in all such agreements so as to provide the employee with the greatest possible benefits available under the circumstances existing at the time the employee seeks to obtain those benefits.

The existing employment agreements and severance agreements both provide, in effect, that if any payments thereunder would otherwise be treated as excess parachute payments under Section 280G of the Internal Revenue Code (and would therefore be nondeductible by KeyCorp and subject to a 20% excise tax upon receipt by the employee), the aggregate amount of those payments is to be reduced to the extent necessary to avoid that treatment.

The maximum possible aggregate cost that could be incurred by New Key in connection with the existing employment agreements and severance agreements with the 23 executive officers, other than Mr. Riley, who have one or both of such agreements is approximately $15,700,000. Similarly, the maximum possible aggregate cost that could be incurred by New Key in connection with the existing employment agreements and severance agreements with the 17 other key employees who have one or both of such agreements is approximately $4,200,000. These maximum aggregate costs (which are estimated as of the Effective Time) would actually be incurred by New Key only if every one of these executive officers and key employees terminated employment immediately after the Merger under circumstances entitling all of them to the maximum benefits possible under the agreements, which KeyCorp and Society believe to be unlikely.

Retention Program for Certain Executive Officers and Other Key Employees. KeyCorp has developed a retention program in connection with the Merger that has been offered to ten employees who have employment and/or severance agreements and have been asked to move to Cleveland in connection with the Merger (nine of whom are executive officers). The retention program includes an amendment to the employee's existing employment and/or severance agreements and the execution of a new change of control agreement with the employee.

The amendment extends to three years after the date of the Merger the period during which the employee may become entitled to benefits following termination of employment and limits the circumstances under which the employee will become entitled to such benefits to termination by New Key (except for cause) or voluntary termination by the employee if either the employee's base salary is reduced or relocation is made a condition of the employee's employment (other than the move to Cleveland in connection with the Merger). Accordingly, under the amended agreement, the employee would no longer have the right (which generally is exercisable for shorter periods under the current agreements) to receive benefits if the employee terminates employment because of the move to Cleveland in connection with the Merger, any adverse change in the employee's status or position as an employee, any changes in benefit plans or executive perquisites, assignment of duties inconsistent with current duties, or any material adverse change in responsibility.

Under the amendment, if benefits become payable following a termination of employment, the employee will be entitled to elect to receive either (a) such amounts and benefits, if any, as are called for by the terms of the existing employment and/or severance agreements in the particular circumstances of the termination, or (b) a lump sum payment equal to 1/12 of the sum of the employee's base salary at the time of termination and the employee's average annual incentive compensation for the years 1991, 1992, and 1993 multiplied by the greater of (i) 18 (i.e., 18 months of compensation) or (ii) the number of full months between the date of the termination and the third anniversary of the Effective Time. If the employee elects the lump sum payment, New Key would also continue medical and life insurance coverage to the employee for up to 18 months after the termination (or, if longer, up to the third anniversary of the Effective Time), but not beyond the date the employee secures other employment.

The amendment also provides that any compensation payable to an employee in excess of $1 million in any calendar year will be deferred if New Key would be denied a tax deduction for the payment of that excess in that year, that the terms of the existing employment and severance agreements will not be extended, and that no event occurring after the Merger will be treated as a change of control for purposes of the existing employment and severance agreements. In addition, the amendment clarifies that no benefits are payable under the agreements if the employee retires under New Key's retirement plan.

Each employee who agrees to the amendment described above will also enter into a new change of control agreement which provides that if, at any time within three years after the occurrence of a change of control (as defined in the agreement), an employee is terminated by New Key (except for cause) or the employee terminates employment because the employee's base salary is reduced or relocation is made a condition of the employee's employment, New Key will pay to the employee a lump sum severance benefit equal to two and one half years' compensation (base salary and average annual incentive compensation) and will pay the cost of continuing health benefits until the earlier of the expiration of the continuation period required by federal law, or the date the employee secures other employment. The new change of control agreement also provides a three-month window period commencing fifteen months after the date of a change of control during which the employee may voluntarily resign and receive a lump sum severance benefit equal to one year's compensation (base salary and average annual incentive compensation).

New Stock Options to be Granted. As part of New Key's overall compensation program and to conform the compensation practices of KeyCorp and those of Society, KeyCorp's Compensation Committee has determined that it will grant three different types of stock options to members of senior management and to certain other employees having significant responsibility. The options will be granted pursuant to KeyCorp's 1988 Stock Option Plan to carry out the purposes of the plan as originally adopted, i.e.: to attract and/or retain key employees and to provide them with equity based compensation consistent with enhanced shareholder value. All such options will be granted for ten year terms at exercise prices equal to the fair market value of KeyCorp Common Stock on the date of the grant, which will be January 3, 1994. Options of the first two types would vest on the first and third anniversaries of the grant date, respectively, and those of the third type would vest upon the achievement of a specified increase in the fair market value of the shares subject to the option (adjusted for the Merger and any later changes in capital structure). In addition, all such options would vest upon the occurrence of a change of control, as defined in the option agreements. (The Merger would not constitute a change of control for these purposes.) The Compensation Committee will grant an overall aggregate of approximately 1,130,000 such options, of which 66,390 will be granted to Mr. Riley, approxi-

mately 448,000 will be granted to the other 23 KeyCorp executive officers as a group, and the balance will be granted to other key employees.

Executive Deferred Compensation Plan. Under the KeyCorp Executive Deferred Compensation Plan, executive officers may defer up to 50% of salary and up to 100% of bonus compensation in any year either for a fixed period of not less than seven years or through termination of employment. Amounts deferred are credited with interest at 1/2 percentage point over the Moody's Average Corporate Bond Yield Index as in effect from time to time. Upon the occurrence of any change of control of KeyCorp, each participant is entitled to receive, upon written request to the committee administering the plan, a lump sum distribution equal to 90% of the participant's vested account balance. Upon payment of the 90% amount to any participant following such a request, the remaining 10% of the participant's vested account balance will be forfeited.

Grantor Trusts. KeyCorp maintains grantor trusts to fund its commitments under the KeyCorp Survivor Benefit, Supplemental Retirement, Deferred Compensation, and Severance Plans for executive officers and its Death Benefit, Retirement, and Deferred Compensation Plan for Directors. The trust agreements provide that if KeyCorp fails to make payments under any of those benefit plans when those payments are due after a change in control of KeyCorp, the trustee is to make those payments from the assets of the trust. KeyCorp has partially funded the trusts with life insurance policies owned by KeyCorp or, in the case of the Survivor Benefit Plan, by the participants. As of December 31, 1992, the value of all assets in the grantor trust for executives was approximately $75,900,000 and the value of all assets in the grantor trust for directors was approximately $2,800,000. Under the terms of the grantor trusts, the Merger will constitute a change in control of KeyCorp. Accordingly, KeyCorp will be required by the terms of the trust agreements to fund fully both trusts by contributing, not later than the Effective Time, approximately $19,000,000 to the grantor trust for executives and approximately $900,000 to the grantor trust for Directors, subject to adjustment in connection with participation by KeyCorp executives in the retention program described above. KeyCorp anticipates that it will fund both trusts by transferring a portion of its securities portfolio to satisfy the obligation. The transfer will not have a material effect on KeyCorp's results of operations, liquidity, capital positions, or financial condition.

INTERESTS OF SOCIETY EXECUTIVE OFFICERS.

General Effect of Merger. If the Merger is consummated, a new employment agreement, dated as of October 1, 1993, between New Key and Mr. Gillespie will become effective and certain officers of Society will become entitled to certain benefits as a result of "change of control" provisions under the other Society agreements and compensation plans discussed under this subheading; see "--Retention Program for Executive Officers and Other Key Employees" below. Society has employment agreements with Mr. Gillespie and one other executive officer which contain provisions that are activated by a change of control of Society (as defined in those agreements), and change of control agreements with 13 other executive officers of Society. Society also has similar change of control agreements with 13 other key employees who are not executive officers. In addition, Society maintains certain compensation plans, more fully described below, which contain provisions that are activated by a change of control of Society. Either the Merger itself or the adoption of the Merger Agreement by the shareholders of Society (depending upon the definition of change of control used in the relevant document) will constitute a change of control under all the agreements and plans discussed under this subheading other than the new employment agreement between New Key and Mr. Gillespie. The Merger will not constitute a change of control under the new employment agreement between New Key and Mr. Gillespie and, because that new employment agreement will supersede Mr. Gillespie's existing employment agreement with Society, no provisions of his existing employment agreement will be activated as a result of the Merger.

Employment Agreement With Mr. Gillespie. Society and Mr. Gillespie are parties to an existing employment agreement entered into as of December 12, 1990 (the "1990 Employment Agreement") which provides for the employment of Mr. Gillespie as Chairman of the Board and Chief Executive Officer of Society until the date of the 1996 annual meeting of shareholders of Society (the "1996 Annual Meeting") at an annual base salary of not less than his 1990 annual base salary (Mr. Gillespie's current annual base salary rate is $610,000) and for an additional two years of continuing compensation and benefits if, in 1996, the 1990 Employment Agreement is not mutually extended or a new employment agreement is not entered into and Mr. Gillespie elects to terminate his employment and receive those benefits. The 1990 Employment

Agreement also provides that Mr. Gillespie is to participate in all annual bonus and long term incentive compensation plans maintained by Society for its senior executive officers and provides to Mr. Gillespie certain supplemental retirement and death benefits and for the continuation of compensation and benefits through the second anniversary of the 1996 Annual Meeting if Mr. Gillespie's employment is terminated under certain specified circumstances, including termination by him for good reason (as defined in the 1990 Employment Agreement) following any change of control of Society. The compensation and benefits to be so continued under those circumstances ("post-termination agreement benefits") include semi-monthly compensation continuation payments (based on base salary and average annual incentive compensation) and benefits, including continuing medical, long term disability, and group term life insurance benefits and continued coverage under Society's retirement and savings plans (or, if not permissible, an equivalent cash benefit). If any payment under the 1990 Employment Agreement would otherwise be treated as an excess parachute payment under Section 280G of the Internal Revenue Code (and would therefore be

nondeductible by Society and subject to a 20% excise tax upon receipt by Mr. Gillespie), the aggregate amount of payments under the 1990 Employment Agreement is to be reduced to the extent necessary to avoid that treatment.

In anticipation of the Merger, Society and Mr. Gillespie have entered into a new employment agreement, to be effective at the Effective Time, pursuant to which Mr. Gillespie is to be employed by New Key through December 31, 1998 at a base salary of not less than $700,000 per year. While so employed, Mr. Gillespie is to be President and Chief Operating Officer during a defined "Post-Merger Period" (to expire not later than December 31, 1995) and President and Chief Executive Officer thereafter. The new agreement is substantially similar to Mr. Gillespie's 1990 Employment Agreement with the modifications referred to below.

The term of the new agreement extends through December 31, 1998, rather than through the date of the 1996 Annual Meeting, and post-termination agreement benefits payable to Mr. Gillespie under certain circumstances following his termination would accordingly be payable through December 31, 2000, rather than through the second anniversary of the 1996 Annual Meeting. The new agreement refers to Mr. Gillespie's positions as President and Chief Operating Officer of New Key during the Post-Merger Period and as President and Chief Executive Officer of New Key thereafter rather than to his current position as Chairman of the Board and Chief Executive Officer of Society. Certain supermajority vote requirements (governing possible Board actions affecting Mr. Gillespie's employment) that are in Mr. Gillespie's 1990 Employment Agreement are modified in his new agreement to conform to the provisions of the New Key Regulations. See "TERMS OF THE MERGER -- Board of Directors and Chief Executive Officers of New Key Through December 31, 1998" and "AMENDED AND RESTATED ARTICLES OF INCORPORATION AND REGULATIONS OF NEW KEY -- Regulations of New Key." If any amount of compensation otherwise payable to Mr. Gillespie under the new employment agreement as earned would not be deductible by New Key by reason of the disallowance rules of Section 162(m) of the Internal Revenue Code (which rules generally disallow deductions for certain compensation paid to any of five specified "covered employees" of a publicly held corporation in excess of $1,000,000 per year) but would be deductible if it were deferred until a later year, that amount of compensation will be so deferred until, and to the extent that, it is first payable without disallowance of the deduction, but in all events all unpaid deferred amounts will be paid in a lump sum to Mr. Gillespie on January 15 of the year immediately following the year in which he ceases to be an employee of New Key. Upon payment of any such deferred amounts of compensation, New Key will pay to Mr. Gillespie an additional amount equivalent to the interest that would have accrued on the deferred compensation if interest had accrued thereon at a rate equal to an interest rate provided with respect to deferrals made under incentive compensation plans applicable to executives as a group.

Under the new agreement, Mr. Gillespie may terminate his employment for good reason (and receive post-termination agreement benefits) under certain circumstances whether or not a change of control of New Key occurs. Those circumstances that will constitute good reason under the new agreement whether or not a change of control occurs include any (a) demotion or removal of Mr. Gillespie from his executive positions (i.e., President and Chief Operating Officer during the Post-Merger Period and President and Chief Executive Officer thereafter), (b) reduction in Mr. Gillespie's base salary or participation in benefit plans, (c) good faith determination by Mr. Gillespie that his responsibilities, duties, and authority have been materially reduced from those contemplated by his new employment agreement, or (d) relocation of Mr. Gillespie's principal place of employment outside the Cleveland metropolitan area. Those circumstances that will constitute good

reason under the new agreement only after a change of control of New Key occurs include any reduction in Mr. Gillespie's incentive compensation or the good faith determination by Mr. Gillespie that his responsibilities or duties have been materially reduced from their level before the change of control or that he is unable to carry out the responsibilities of his positions as a result of the change of control.

Under the new agreement, if Mr. Gillespie's employment with New Key terminates before his 65th birthday for any reason other than (a) voluntary resignation by Mr. Gillespie before December 31, 1998 (and at a time when he does not have "good reason") or (b) termination by New Key for cause and Mr. Gillespie (or someone claiming through him) is entitled to receive retirement benefits under any New Key retirement plan after March 26, 1999 (Mr. Gillespie's 55th birthday), New Key will pay a supplemental retirement benefit in an amount sufficient to provide Mr. Gillespie the same aggregate benefit that he would have received if he had continued in the employ of New Key through his 65th birthday (by eliminating any reduction because he started receiving benefits before his 65th birthday and giving him credit for additional years of service for the period after his termination date and before his 65th birthday).

Employment and Change of Control Agreements With Other Executive Officers. In addition to Mr. Gillespie, Society has an employment agreement with one other executive officer and change of control agreements with 13 other executive officers. Society also has similar change of control agreements with 13 other key employees who are not executive officers.

If, during the two year period following the Merger, the other executive with whom Society has an employment agreement suffers a reduction in compensation or benefits, is required to relocate, or determines in good faith that he is unable to carry out his duties as a result of the Merger, he will be entitled to terminate his employment and receive continuing compensation and benefits through the second anniversary of the 1996 Annual Meeting of Shareholders of New Key, subject to the limitation that amounts otherwise payable will be reduced to the extent, if any, necessary to avoid having any of the payments treated as excess parachute payments under Section 280G of the Internal Revenue Code.

Under the change of control agreements between Society and each of 13 executive officers (and each of the 13 other key employees who are not executive officers), an employee will become entitled to receive payments and benefits if the employee's employment with Society is terminated (a) voluntarily by the employee during a three-month window period commencing fifteen months after the date of a change of control or (b) for any reason within two years after the date of a change of control, other than termination for cause, disability, or death and other than the employee voluntarily resigning (outside the three-month window period) unless the employee's base salary has been reduced or the principal place of the employee's employment has been relocated. Rights under change of control agreements with 19 of the employees were activated on March 16, 1992 as a result of the consummation of the Ameritrust acquisition on that date. The period during which these rights may be exercised under these change of control agreements will be extended, and rights under seven new change of control agreements that were entered into after the date of the Ameritrust acquisition with seven other employees will be activated, as a result of the Merger. Accordingly, a new three-month window period during which the employee may voluntarily terminate and receive payments and benefits under a change of control agreement will commence fifteen months after the Effective Time and the employee will be entitled to payments and benefits following termination for any reason within two years after the Effective Time other than termination for cause, disability, or death and other than the employee voluntarily resigning (outside the three-month window period) unless the employee's base salary has been reduced or the principal place of the employee's employment has been relocated.

If an employee becomes entitled to receive payments and benefits under a change of control agreement upon termination of the employee's employment within two years following the Effective Time, Society will provide monthly compensation continuation payments (based upon base salary and average annual incentive compensation) for 24 months plus a lump-sum severance payment equal to six months base salary and average incentive compensation. In addition, Society will continue to provide or arrange medical benefits, long-term disability benefits, and group term life insurance benefits for 24 months and will continue the employee in all retirement and savings plans for the 24-month period unless impermissible under the plan or applicable law, in which case Society will make an equivalent lump-sum cash payment. Certain of these payments may be reduced if the employee accepts other full-time employment with an unaffiliated employer

during the 24-month period following termination of employment. Such payments will be payable after the death of the employee to his surviving beneficiaries, to his estate, or to a trust.

Society has agreed to indemnify the employee, to the full extent permitted or authorized by Ohio law, if the employee is made or threatened to be made a party to any action, suit, or proceeding by reason of the employee's serving as an officer or director of Society and/or any of its subsidiaries or any other company at the request of Society or any of its subsidiaries, and Society has agreed, from and after a change of control, to advance expenses incurred by the employee in defending any such action, suit, or proceeding.

The maximum possible aggregate cost that could be incurred by New Key in connection with the existing employment agreement with the one executive officer other than Mr. Gillespie who has such an agreement and in connection with the existing change of control agreements with the 13 other executive officers who have such agreements is approximately $14,700,000. Similarly, the maximum possible aggregate cost that could be incurred by New Key in connection with the existing change of control agreements with the 13 other key employees who have such agreements is approximately $8,800,000. These maximum aggregate costs (which are estimated as of the Effective Time) would actually be incurred by New Key only if every one of these executive officers and key employees was terminated immediately after the Merger under circumstances entitling all of

them to the maximum benefits possible under the agreements, which KeyCorp and Society believe to be unlikely.

Retention Program for Executive Officers and Other Key Employees. Society has developed a retention program in connection with the Merger that has been offered to each of the 13 executive officers and 13 other key employees who have change of control agreements with Society. The retention program includes an amendment to the employee's existing change of control agreement and the execution of a new change of control agreement with the employee.

The amendment to the existing change of control agreement extends to three years after the date of the Merger the period during which the employee may become entitled to benefits following termination of employment. Under the amendment to the change of control agreement: if benefits become payable following termination of employment during the first 18 months after the Merger, those benefits ("Amended Original Benefits") would be as provided in the original change of control agreement except that, in determining the level of termination payments based upon base salary and incentive compensation, increases in the employee's base salary after the Effective Time and incentive compensation awards for the year of the Merger and later years would be disregarded. If benefits become payable following termination of employment at any time during the 25th through 36th months after the Merger, those benefits ("New Benefits") would include a lump sum severance payment equal to 150% of the sum of the employee's annual base salary (at the level in effect at the Effective Time) plus the employee's average annual incentive compensation for the years 1991, 1992, and 1993 and continued medical and life insurance coverage for up to 18 months after the termination (but not beyond the date the employee became employed with another firm). If benefits become payable following termination of employment at any time during the 19th through 24th months after the Effective Time, the employee would have the right to elect to receive either Modified Original Benefits or New Benefits.

The amendment to the existing change of control agreement also provides that any compensation payable to the employee in excess of $1 million in any calendar year will be deferred if New Key would be denied a tax deduction for the payment of that excess in that year, that the original change of control agreement will not apply to any termination occurring after the third anniversary of the Merger, and that no event occurring after the Merger will be treated as a change of control for purposes of the original change of control agreement.

Each employee who agrees to the amendment described above will also enter into a new change of control agreement which provides that if, at any time within three years after the occurrence of a change of control (as defined in the agreement), an employee is terminated by New Key (except for cause) or the employee terminates employment because the employee's base salary is reduced or relocation is made a condition of the employee's employment, New Key will pay to the employee a lump sum severance benefit equal to two and one half years' compensation (base salary and average annual incentive compensation) and will pay the cost of continuing health benefits until the earlier of the expiration of the continuation period required by Federal law or the date the employee secures other employment. The new change of control agreement also provides a three-month window period commencing fifteen months after the date of a change

of control during which the employee may voluntarily resign and receive a lump sum severance benefit equal to one year's compensation (base salary and average annual incentive compensation).

New Stock Options to be Granted. As part of New Key's overall compensation program and to conform the compensation practices of Society and those of KeyCorp, Society's Compensation and Organization Committee has determined that it will grant three different types of stock options to members of senior management and to certain other employees having significant responsibility. The options will be granted pursuant to Society's 1991 Equity Compensation Plan to carry out the purposes of that plan as originally adopted, i.e.: to attract and/or retain key employees and to provide them with equity based compensation consistent with enhanced shareholder value. All such options will be granted for ten year terms at exercise prices equal to the fair market value of Society Common Stock on the date of the grant, which will be January 3, 1994. Options of the first two types would vest on the first and third anniversaries of the grant date, respectively, and those of the third type would vest upon the achievement of a specified increase in the fair market value of the shares subject to the option (adjusted for any later changes in capital structure). In addition, all such options would vest upon the occurrence of a change of control, as defined in the option agreements. (The Merger would not constitute a change of control for these purposes.) The Compensation and Organization Committee will grant an overall aggregate of 1,245,000 such options, of which 120,000 will be granted to Mr. Gillespie, 440,000 will be granted to the other 14 Society executive

officers as a group, and the balance will be granted to other key employees.

Awards under the 1991 Equity Compensation Plan. Society maintains the 1991 Equity Compensation Plan pursuant to which it may grant awards of options, stock appreciation rights, limited stock appreciation rights, restricted stock, and performance shares. As of the date of this Prospectus/Joint Proxy Statement, the only awards outstanding under the 1991 Equity Compensation Plan are certain nonqualified options to acquire shares of Society Common Stock and the only such options that are not now exercisable in full are certain options granted on March 16, 1992 that are scheduled to first become exercisable on March 16, 1995 and certain options granted on April 5, 1993 that are scheduled to first become exercisable on April 5, 1994. The 1991 Equity Compensation Plan provides in part that, unless otherwise specified in an award instrument, upon the occurrence of a change of control of Society each outstanding option shall immediately become exercisable in full. The Merger will constitute a change of control for purposes of the 1991 Equity Compensation Plan. Therefore, if the Effective Time occurs before the date on which the options granted on March 16, 1992 and April 5, 1993 otherwise would have first become exercisable, those options will instead become exercisable in full at the Effective Time. As to Mr. Gillespie and all fifteen executive officers of Society as a group, the number of shares of Society Common Stock with respect to which these individuals hold options granted on March 16, 1992 (at an exercise price of $28.25 per share of Society Common Stock) are 40,000 and 218,000, respectively, and the number of shares of Society Common Stock with respect to which these individuals hold options granted on April 5, 1993 (at an exercise price of $33.9375 per share of Society Common Stock) are 40,000 and 222,000, respectively.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

KeyCorp has received an opinion of Sullivan & Cromwell to the effect that the federal income tax consequences of the Merger will be as follows:

(a) the Merger will constitute a tax-free reorganization under Section 368(a)(1)(A) of the Internal Revenue Code and KeyCorp and Society will each be a party to the reorganization;

(b) no income, gain, or loss will be recognized by either KeyCorp or Society as a result of the consummation of the Merger;

(c) no income, gain, or loss will be recognized by a shareholder of KeyCorp upon the exchange of shares of KeyCorp Common Stock for New Key Common Stock (including the New Key Rights) or shares of KeyCorp Preferred Stock for New Key Preferred Stock pursuant to the Merger, except as discussed below with respect to cash received in lieu of a fractional share interest in New Key Common Stock;

(d) the adjusted tax basis of the New Key Common Stock and New Key Preferred Stock received by a shareholder of KeyCorp pursuant to the Merger will be the same as the adjusted tax basis of the

shares of KeyCorp Common Stock (reduced only by amounts allocable to a fractional share interest for which cash is to be received) and New Key Preferred Stock, respectively, surrendered in exchange therefor;

(e) the holding period of the New Key Common Stock or New Key Preferred Stock received by a shareholder of KeyCorp in the Merger will include the period during which the shares of KeyCorp Common Stock or KeyCorp Preferred Stock, respectively, surrendered in exchange therefor were held, provided that such KeyCorp Common Stock or KeyCorp Preferred Stock, in each case, is held as a capital asset by the KeyCorp shareholder at the Effective Time.

Society has received an opinion of Thompson, Hine and Flory that the Merger will constitute a tax-free reorganization under Section 368(a)(1)(A) of the Internal Revenue Code, that KeyCorp and Society will each be a party to the reorganization, and that no gain or loss will be recognized by either Society or its shareholders as a result of the consummation of the Merger except in the case of dissenting shareholders as discussed below.

The above tax opinions are based upon certain customary representations and assumptions (including satisfaction of the continuity of interest requirement) referred to in the opinion letters. It is a condition to consummation of the Merger that KeyCorp and Society also receive the above tax opinions as of the Effective Time.

Cash Received in Lieu of Fractional Shares. A KeyCorp shareholder who receives cash in the Merger in lieu of a fractional share interest in New Key Common Stock will be treated for federal income tax purposes as having received

cash in redemption of such fractional share interest. The shareholder will recognize gain or loss as of the Effective Time equal to the difference between the amount of cash received and the portion of the shareholder's adjusted tax basis in the shares of KeyCorp Common Stock allocable to the fractional share interest. Any gain or loss will be capital gain or loss if the shareholder holds the KeyCorp Common Stock as a capital asset at the Effective Time and will be long-term capital gain or loss if the holding period (determined as described above) for the fractional share interest deemed to be received and then redeemed is more than one year.

Cash Received by Shareholders Who Exercise Dissenters' Rights. A holder of KeyCorp Common Stock or Society Common Stock who exercises dissenters' rights and who receives cash in exchange for such holder's shares will be treated as having received such payment in redemption of the shares. In general, if the shares are held as a capital asset at the Effective Time, the holder will recognize capital gain or loss measured by the difference between the amount of cash received and the holder's adjusted tax basis for the shares. If, however, the holder owns, either actually or constructively under the constructive ownership rules of Section 318 of the Internal Revenue Code, any KeyCorp Common Stock or Society Common Stock that is exchanged in the Merger for New Key Common Stock, the payment made to such holder could, in certain circumstances, be treated as dividend income. In general, under the constructive ownership rules of the Internal Revenue Code, a holder may be considered to own stock that is owned, and in some cases constructively owned, by certain related individuals or entities, as well as stock that the holder (or related individuals or entities) has the right to acquire by exercising an option or converting a convertible security. Each holder who contemplates exercising dissenters' rights should consult such holder's own tax advisor as to the possibility that any payment to such holder will be treated as dividend income.

Under Revenue Ruling 90-11 of the Internal Revenue Service, the New Key Rights accompanying the New Key Common Stock received by former holders of KeyCorp Common Stock in the Merger will be considered part of the New Key Common Stock prior to the occurrence of a Triggering Event (as defined in the New Key Rights Agreement). The current position of the Internal Revenue Service as set forth in several private letter rulings is that the receipt of such rights upon the exchange of shares in a merger that is a tax-free reorganization does not give rise to the realization of gross income. Accordingly, the tax opinion set forth in subparagraph (c) above, that a holder of KeyCorp Common Stock will not realize gross income on the receipt of New Key Rights in the Merger, is based upon the current ruling position of the Internal Revenue Service. No assurance can be given that the Internal Revenue Service will not change its position on the tax treatment of rights in a merger and assert that such receipt of rights results in the realization of gross income to the extent of the value of such rights, if any, when received. See "COMPARISON OF CERTAIN RIGHTS OF

HOLDERS OF CAPITAL STOCK OF KEYCORP, SOCIETY, AND NEW KEY -- Shareholders Rights Plans."

THE FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS BASED UPON CURRENT LAW. SUCH DISCUSSION MAY NOT BE APPLICABLE TO A KEYCORP SHAREHOLDER WHO ACQUIRED SHARES OF KEYCORP COMMON STOCK PURSUANT TO THE EXERCISE OF AN EMPLOYEE OR DIRECTOR STOCK OPTION OR OTHERWISE AS COMPENSATION. BECAUSE EACH SHAREHOLDER'S TAX CIRCUMSTANCES MAY DIFFER, EACH SHAREHOLDER IS URGED TO CONSULT HIS OWN TAX ADVISOR CONCERNING THE SPECIFIC TAX CONSEQUENCES OF THE MERGER TO SUCH SHAREHOLDER, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, AND OTHER TAX LAWS AND ANY PROPOSED CHANGES IN SUCH TAX LAWS.

ACCOUNTING TREATMENT OF MERGER

The Merger, if consummated as proposed, will qualify as a pooling of interests for accounting and financial reporting purposes. Accordingly, under generally accepted accounting principles, the assets and liabilities of KeyCorp will be combined with those of Society and carried forward at book values. In addition, the statements of operations of KeyCorp will be combined with the statements of operations of Society on a retroactive basis. The obligations of KeyCorp and Society to consummate the Merger are conditioned, among other matters, upon the receipt by each of them of a letter from Ernst & Young, independent auditors of both KeyCorp and Society, that the Merger will qualify for pooling of interests accounting treatment under generally accepted accounting principles. See "UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS."

NYSE LISTING

The Society Common Stock is listed on the NYSE. Society has agreed to use its best efforts to cause the listing on the NYSE of (a) the New Key Common Stock to be issued in the Merger, (b) the New Key Rights which will accompany the New Key Common Stock issued in the Merger, and (c) the New Key Depositary

Shares, each representing a one-fifth interest in one share of the New Key Preferred Stock to be issued in the Merger.

EXPENSES

The Merger Agreement provides, in general, that KeyCorp and Society will each pay its own expenses in connection with the Merger Agreement and the transactions contemplated thereby, including fees and expenses of its own financial and other consultants, investment bankers, accountants, and counsel except that KeyCorp and Society will divide equally the costs of printing this Prospectus/Joint Proxy Statement and all listing, filing, and registration fees paid by or incurred on behalf of New Key, including fees paid to the SEC and other regulatory agencies.

Notwithstanding the foregoing, in the event that either KeyCorp or Society terminates the Merger Agreement due to a material breach by the other party of any of such other party's representations, warranties, covenants, or agreements contained in the Merger Agreement, the costs and expenses incurred by KeyCorp or Society, as the case may be, in connection with the Merger Agreement and the transactions contemplated by the Merger Agreement shall be paid by such breaching party, including all fees of financial and other consultants, investment bankers, accountants, and counsel. In addition, all such costs and expenses incurred by KeyCorp will be paid by Society in the case of a "Repurchase Event" (defined in the Merger Agreement as a Subsequent Triggering Event as defined in the KeyCorp Option Agreement) with respect to the KeyCorp Option Agreement and all such costs and expenses incurred by Society will be paid by KeyCorp in the case of a "Repurchase Event" (defined in the Merger Agreement as a Subsequent Triggering Event as defined in the Society Option Agreement) with respect to the Society Option Agreement, provided that, in either case, the Merger has not been, or is not thereafter, consummated for any reason other than a termination because of a material breach by the party being reimbursed. See "TERMS OF THE MERGER -- Waiver of Conditions, Amendment, or Termination of the Merger Agreement" and "KEYCORP AND SOCIETY STOCK OPTION AGREEMENTS AND SHAREHOLDER RIGHTS AGREEMENTS; RESALES OF NEW KEY CAPITAL STOCK - -- The KeyCorp and Society Option Agreements."

RIGHTS OF DISSENTING SHAREHOLDERS

KEYCORP SHAREHOLDERS

Holders of shares of KeyCorp Common Stock who so desire are entitled to relief as dissenting shareholders under Section 910 of the New York Business Corporation Law. However, a holder of shares of KeyCorp Common Stock shall only be entitled to such rights if he complies with Section 623 of the New York Business Corporation Law. The following summary does not purport to be a complete statement of the method of compliance with Section 623 and is qualified in its entirety by reference to that Section which is attached hereto as Appendix VII. Holders of KeyCorp Preferred Stock, represented by the related KeyCorp Depositary Shares, are not, as such, entitled to dissenters' rights.

A KeyCorp shareholder who wishes to perfect his rights as a dissenting shareholder in the event the Merger Agreement is adopted must:

(a) neither vote for nor consent in writing to the adoption of the Merger Agreement; and

(b) file with KeyCorp, before the taking of the vote on the Merger Agreement at the KeyCorp Meeting, a written objection to the Merger. Such written objection must include a notice of his election to dissent, his name and residence address, the number and classes of shares as to which he dissents, and a demand for payment of the fair value of his shares if the Merger Agreement is approved.

Any written demand for payment pursuant to clause (b) of the immediately preceding paragraph should be mailed or delivered to KeyCorp, One KeyCorp Plaza, Albany, New York 12201-0088, Attention: Secretary. Because the written demand must be delivered before the shareholder vote on the Merger Agreement, it is recommended, although not required, that a shareholder using the mails should use certified or registered mail, return receipt requested, to confirm that he has made a timely delivery.

Within 10 days after the KeyCorp Meeting, KeyCorp or New Key, as the case may be, will notify by registered mail each of the shareholders who has delivered a written objection and who did not vote for the Merger. The notice will be sent by registered mail, return receipt requested, addressed to the shareholder at his address as it appears on the records of KeyCorp.

A KeyCorp shareholder may not dissent as to less than all of his shares as to which he has a right to dissent, held by him of record, that he owns

beneficially. Upon consummation of the Merger, dissenting shareholders will cease to have any of the rights of a shareholder of KeyCorp except the right to be paid the fair value for their shares.

A notice of election to dissent may be withdrawn by the shareholder at any time prior to his acceptance in writing of an offer made by New Key in accordance with the statute, but in no case later than 60 days from the date of the consummation of the Merger except that if New Key fails to make a timely offer, the time for withdrawing a notice of election will be extended until 60 days from the date an offer is made. Thereafter, withdrawal of a notice of election requires the written consent of New Key. If a notice of election is withdrawn, or if the Merger Agreement is rescinded, or if a court determines that the shareholder is not entitled to receive payment for his shares, or if the shareholder otherwise loses his dissenters' rights, the shareholder will not have the right to receive payment for his shares, but he will be reinstated to all his rights as a shareholder as of the consummation of the Merger.

At the time of filing the notice of election to dissent or within one month thereafter, the holder of shares represented by certificates must submit the certificates representing his shares to New Key, or to New Key's transfer agent, which shall note conspicuously thereon that a notice of election to dissent has been filed and shall return the certificates to the shareholder. Any holder of shares represented by certificates who fails to submit his certificates for such notation shall, at the option of New Key exercised by written notice to the shareholder within 45 days from the date of filing of such notice of election to dissent, lose his dissenters' rights unless a court, for good cause shown, otherwise directs.

Within 15 days after the expiration of the period within which shareholders may file their notices of election to dissent, or within 15 days after the Effective Time, whichever is later (but in no case later than 90 days from the date of the KeyCorp Meeting), New Key will make a written offer by registered mail to each

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shareholder who has filed such notice of election to pay for his shares at a specified price which New Key considers to be their fair value. Such offer shall be accompanied by a statement setting forth the aggregate number of shares with respect to which notices of election to dissent have been received and the aggregate number of holders of such shares. If the Merger has been consummated, such offer shall be accompanied by (a) advance payment to each such shareholder who has submitted the certificates representing his shares to the corporation of an amount equal to 80 percent of the amount of such offer or (b) as to each shareholder who has not yet submitted his certificates a statement that advance payment to him of an amount equal to 80 percent of the amount of such offer will be made by New Key promptly upon submission of his certificates.

If New Key fails to make such offer within the 15-day period, or if New Key makes the offer and any dissenting shareholder or shareholders fail to agree with New Key within the 30-day period thereafter upon the price to be paid for their shares:

(a) New Key shall, within 20 days after the expiration of whichever is applicable of the two periods last mentioned, institute a special proceeding in the supreme court in the judicial district in Albany to determine the rights of dissenting shareholders, and to fix the fair value of their shares.

(b) If New Key fails to institute such proceeding within such 20-day period, any dissenting shareholder may institute such proceeding for the same purpose not later than 30 days after the expiration of the 20-day period. If the proceeding is not instituted within such 30-day period, all dissenters' rights will be lost unless the supreme court, for good cause shown, otherwise decides.

(c) All dissenting shareholders, except those who have agreed with New Key for their shares, will be made parties to the proceeding.

(d) The court will determine whether each dissenting shareholder is entitled to receive payment for his shares. If the court finds that a dissenting shareholder is entitled to payment for his shares, the court will fix the fair value of the shares as of the day before the date of the KeyCorp Meeting. In fixing the fair value of the shares, the court shall consider the nature of the transaction giving rise to the shareholder's right to receive payment for his shares and its effects on the corporation and its shareholders, the concepts and methods then customary in the relevant securities and financial markets for determining fair value of shares of a corporation engaging in a similar transaction under comparable circumstances, and all other relevant factors. The final order of the court shall be entered against New Key in favor of each dissenting shareholder

who is a party to the proceeding and is entitled to the value of his shares. The final order includes interest payable from the Effective Time until payment at an interest rate to be determined by the court, unless the court finds that the refusal of any shareholder to accept the offer of payment was arbitrary, vexatious, or otherwise not in good faith.

(e) Each party to the proceeding shall bear its own costs and expenses, including the fees and expenses of its counsel and any experts employed. The court may, however, in its discretion, apportion and assess all or any part of the costs, expenses, and fees incurred by New Key against any or all of the dissenting shareholders who are parties to the proceeding, including those who withdraw their notices of election to dissent, if the court finds that the dissenting shareholders' refusal to accept New Key's offer is arbitrary, vexatious, or otherwise not in good faith. Likewise, the court may apportion and assess all or any of the costs, expenses, and fees incurred by any or all of the dissenting shareholders who are parties to the proceeding against New Key if the court finds any of the following: (i) that the fair value of the shares as determined materially exceeds the amount which New Key offered to pay; (ii) that no offer or required advance payment was made by New Key; (iii) that New Key failed to institute the special proceeding within the required time period; or (iv) that the action of New Key in complying with its obligations under the statute was arbitrary, vexatious, or otherwise not in good faith.

(f) Within 60 days after final determination of the proceeding, New Key will pay to each dissenting shareholder the amount found to be due him, upon surrender of the certificates for any such shares represented by certificates.

If more than ten percent or a lesser percentage, if applicable, of KeyCorp shareholders perfect their rights as dissenting shareholders, the ability of the Merger, if completed as proposed, to qualify as a pooling of

interests for accounting and financial reporting purposes may be adversely affected. The qualification of the Merger for pooling of interests accounting is a condition of the respective obligations of KeyCorp and Society to effect the Merger. See "TERMS OF THE MERGER -- Conditions to the Merger" and "-- Accounting Treatment of Merger." For a discussion of the tax consequences to a holder of KeyCorp Common Stock exercising dissenters' rights, see "TERMS OF THE MERGER -- Certain Federal Income Tax Consequences."

BECAUSE A PROXY CARD WHICH DOES NOT CONTAIN VOTING INSTRUCTIONS WILL, UNLESS REVOKED, BE VOTED FOR ADOPTION OF THE MERGER AGREEMENT, A KEYCORP SHAREHOLDER WHO WISHES TO EXERCISE HIS DISSENTERS' RIGHTS MUST EITHER NOT SIGN AND RETURN HIS PROXY CARD OR, IF HE SIGNS AND RETURNS HIS PROXY CARD, VOTE AGAINST OR ABSTAIN FROM VOTING ON THE ADOPTION OF THE MERGER AGREEMENT.

SOCIETY SHAREHOLDERS

Holders of shares of Society Common Stock who so desire are entitled to relief as dissenting shareholders under Section 1701.84 of the Ohio General Corporation Law. However, a shareholder of Society will be entitled to such relief only if he complies with Section 1701.85. The following summary does not purport to be a complete statement of the method of compliance with Section 1701.85 and is qualified in its entirety by reference to that Section, which is attached hereto as Appendix VIII.

A Society shareholder who wishes to perfect his rights as a dissenting shareholder in the event the Merger Agreement is adopted:

(a) must have been a record holder of the shares of Society Common Stock as to which he seeks relief as of the date fixed for the determination of shareholders entitled to notice of the Society Meeting;

(b) must not have voted his shares of Society Common Stock in favor of adoption of the Merger Agreement; and

(c) must deliver to Society, not later than 10 days after the Society Meeting, a written demand for payment to him of the fair cash value of the shares as to which he seeks relief. This written demand must state the name of the shareholder, his address, the number of shares as to which he seeks relief, and the amount claimed as the fair cash value thereof.

A vote against adoption of the Merger Agreement will not satisfy the requirements of a written demand for payment as described in clause (c) of the immediately preceding paragraph. Any written demand for payment should be mailed or delivered to Society Corporation, 127 Public Square, Cleveland, Ohio 44114-1306, Attention: Secretary. As the written demand must be delivered within the

10-day period following the Society Meeting, it is recommended, although not required, that a shareholder using the mails use certified or registered mail, return receipt requested, to confirm that he has made a timely delivery.

If Society sends to a dissenting shareholder, at the address specified in his demand, a request for the certificates representing the shares as to which he seeks relief, the dissenting shareholder, within fifteen days from the date of sending such request, shall deliver to Society the certificates requested. Society will then endorse the certificates with a legend to the effect that a demand for the fair cash value of such shares has been made, and return such endorsed certificates to the dissenting shareholder. Failure on the part of the dissenting shareholder to deliver such certificates terminates his rights as a dissenting shareholder at the option of Society, exercised by written notice to the dissenting shareholder within twenty days after the lapse of the fifteen-day period, unless a court for good cause shown otherwise directs.

Unless the dissenting shareholder and Society shall agree on the fair cash value per share of Society Common Stock as to which relief is sought, either may, within three months after the service of the written demand by the shareholder, file a petition in the Court of Common Pleas of Cuyahoga County, Ohio. If the court finds that the shareholder is entitled to be paid the fair cash value of any shares, the court may appoint one or more appraisers to receive evidence and to recommend a decision on the amount of the fair cash value.

Fair cash value will be determined as of the day prior to the Society Meeting, will be the amount a willing seller and willing buyer would accept or pay with neither being under compulsion to sell or buy, will not exceed

the amount specified in the shareholder's written demand, and will exclude any appreciation or depreciation in market value resulting from the Merger. The court will make a finding as to the fair cash value of a share and render judgment against Society for its payment with interest at such rate and from such date as the court considers equitable. The costs of proceedings shall be assessed or apportioned as the court considers equitable.

The rights of any dissenting shareholder will terminate if (a) he has not complied with Section 1701.85 of the Ohio General Corporation Law, unless Society by its Board of Directors waives such failure, (b) Society abandons or is finally enjoined or prevented from carrying out, or the shareholders of Society rescind their adoption of, the Merger, (c) the dissenting shareholder withdraws his written demand, with the consent of Society by its Board of Directors, or (d) Society and the dissenting shareholder shall not have agreed upon the fair cash value per share of Society Common Stock and neither shall have timely filed or joined in a petition in an appropriate court for a determination of the fair cash value of the shares. For a discussion of the tax consequences to a shareholder exercising dissenters' rights, see "TERMS OF THE MERGER -- Certain Federal Income Tax Consequences."

If more than ten percent or a lesser percentage, if applicable, of Society shareholders perfect their rights as dissenting shareholders, the ability of the Merger, if completed as proposed, to qualify as a pooling of interests for accounting and financial reporting purposes may be adversely affected. The qualification of the Merger for pooling of interests accounting is a condition of the respective obligations of KeyCorp and Society to effect the Merger. See "TERMS OF THE MERGER -- Conditions to the Merger" and "-- Accounting Treatment of Merger."

BECAUSE A PROXY CARD WHICH DOES NOT CONTAIN VOTING INSTRUCTIONS WILL, UNLESS REVOKED, BE VOTED FOR ADOPTION OF THE MERGER AGREEMENT, A SOCIETY SHAREHOLDER WHO WISHES TO EXERCISE HIS DISSENTERS' RIGHTS MUST EITHER NOT SIGN AND RETURN HIS PROXY CARD OR, IF HE SIGNS AND RETURNS HIS PROXY CARD, VOTE AGAINST OR ABSTAIN FROM VOTING ON THE ADOPTION OF THE MERGER AGREEMENT.

KEYCORP AND SOCIETY STOCK OPTION AGREEMENTS AND SHAREHOLDER RIGHTS AGREEMENTS; RESALES OF NEW KEY CAPITAL STOCK

THE KEYCORP AND SOCIETY OPTION AGREEMENTS

Following the execution of the Merger Agreement, KeyCorp executed and delivered the KeyCorp Option Agreement, pursuant to which KeyCorp granted to Society the KeyCorp Option. At the same time, Society executed and delivered the Society Option Agreement, pursuant to which Society granted KeyCorp the Society Option. KeyCorp and Society approved, and entered into, the KeyCorp and Society Option Agreements to induce each other to enter into the Merger Agreement. One effect of the KeyCorp Option Agreement and the Society Option Agreement is to increase the likelihood that the Merger will be consummated by making it more difficult and more expensive for another party to obtain control of or acquire either KeyCorp or Society. KeyCorp and Society believe that the exercise of an

Issuer Option would likely bar any acquiror of the Issuer (as defined herein) of the Issuer Option from accounting for an acquisition of, or merger with, the issuing party using the pooling of interests accounting method for a period of up to two years. The following description does not purport to be complete and is qualified in its entirety by reference to the KeyCorp Option Agreement and the Society Option Agreement, attached hereto as Appendices V and VI, respectively.

Except as otherwise noted below, the terms and conditions of the KeyCorp Option Agreement and the Society Option Agreement are identical in all material respects. For the purposes of this section, except as otherwise noted, (a) the KeyCorp Option Agreement and the Society Option Agreement are sometimes individually referred to as the "Option Agreement" and collectively as the "Option Agreements," (b) KeyCorp and Society, as issuer of the KeyCorp Common Stock and Society Common Stock issuable upon exercise of the KeyCorp Option and the Society Option, respectively, are sometimes individually referred to as the "Issuer," (c) KeyCorp and Society, as the holder of the Society Option and the KeyCorp Option, respectively, are sometimes individually referred to as the "Optionee," and (d) the KeyCorp Option or the Society Option, as the case may be, is sometimes referred to as the "Issuer Option."

The KeyCorp Option Agreement provides for the purchase by Society of up to 20,229,509 shares (the "KeyCorp Option Shares" or the "Issuer Option Shares," as the case may be) of KeyCorp Common Stock at an exercise price of $38.50 per share (the closing price of KeyCorp Common Stock on October 1, 1993), subject to adjustment as provided therein, payable in cash. The KeyCorp Option Shares, if issued pursuant to the KeyCorp Option Agreement, would represent approximately 19.9% of the KeyCorp Common Stock issued and outstanding on October 1, 1993, without giving any effect to the issuance of any KeyCorp Common Stock subject to the KeyCorp Option.

The Society Option Agreement provides for the purchase by KeyCorp of up to 23,299,888 shares (the "Society Option Shares" or the "Issuer Option Shares," as the case may be) of Society Common Stock at an exercise price of $32.50 per share (the closing price of Society Common Stock on October 1, 1993), subject to adjustment as provided therein, payable in cash. The Society Option Shares, if issued pursuant to the Society Option Agreement, would represent approximately 19.9% of the Society Common Stock issued and outstanding on October 1, 1993, without giving any effect to the issuance of any Society Common Stock subject to the Society Option.

The number of shares of Issuer Common Stock subject to the Issuer Option will be increased to the extent that additional shares of Issuer Common Stock are issued or otherwise become outstanding (otherwise than pursuant to an exercise of the Issuer Option) such that, after such issuance, the number of Issuer Option Shares continues to equal 19.9% of the Issuer Common Stock then issued and outstanding without giving any effect to the issuance of any Issuer Common Stock subject to the Issuer Option. The number of shares of Issuer Common Stock subject to the Issuer Option, and the applicable exercise price per Issuer Option Share, also will be appropriately adjusted in the event of any stock dividends, split-ups, mergers, recapitalizations, combinations, subdivisions, conversions, exchanges of shares, or the like, relating to Issuer.

Optionee or any other holder or holders of the Issuer Option (as used in this section, collectively, the "Holder") may exercise the Issuer Option, in whole or in part, subject to regulatory approval, at any time within 90 days after both an Initial Triggering Event and a Subsequent Triggering Event (each as defined herein) shall have occurred prior to termination of the Issuer Option; provided, that the Holder shall have sent written notice of such exercise to Issuer within 90 days following such Subsequent Triggering Event (subject to extension as provided in the Option Agreements). Any exercise of the Issuer Option will be deemed to occur on the date such notice is sent.

As used in this section, "Initial Triggering Event" means the occurrence of any of the following events or transactions:

(a) Issuer or any Issuer subsidiary, without having received Optionee's prior written consent, enters into an agreement with any person or group (other than as contemplated by the Merger Agreement), or the Board of Directors of Issuer recommends that shareholders of Issuer approve or accept a transaction (other than as contemplated by the Merger Agreement) with any person or group (other than as contemplated by the Merger Agreement), in either case to (i) merge or consolidate, or enter into any similar transaction with Issuer or any "Significant Subsidiary" (as defined in Rule 1.02 of Regulation S-X of the SEC) of Issuer, (ii) purchase, lease, or otherwise acquire all or substantially all of the assets of Issuer or any Significant Subsidiary of Issuer, (iii) purchase or otherwise acquire (including by way of merger, consolidation, share exchange, or otherwise) securities representing 10% or more of the voting power of Issuer or any

Significant Subsidiary of Issuer, or (iv) enter into any substantially similar transaction (each of the transactions described in the preceding clauses (i) through (iv) being herein referred to in this section as an "Acquisition Transaction"); or

(b) any person, alone or together with such person's affiliates and associates, or any group (other than Optionee, any Optionee subsidiary, any Issuer subsidiary in a fiduciary capacity in the ordinary course of business, any employee benefit plan, or employee stock ownership plan of Issuer or any Issuer subsidiary, or any person organized, appointed, or established by Issuer or any Issuer subsidiary pursuant to the terms of any such plan, or a group that includes any such party), in the case of any such person, acquires beneficial ownership or the right to acquire beneficial ownership of 10% or more of the then outstanding shares of Issuer Common Stock, or, in the case of any such group which shall have been

formed, acquires beneficial ownership or beneficially owns 10% or more of Issuer Common Stock then outstanding; or

(c) any person or group (other than Optionee or any Optionee subsidiary) shall have made a bona fide proposal to Issuer or its shareholders by public announcement or written communication that is or becomes the subject of public announcement to engage in an Acquisition Transaction; or

(d) after a proposal is made by a third party to Issuer or its shareholders to engage in an Acquisition Transaction, Issuer breaches any covenant or agreement in the Merger Agreement and such breach entitles Optionee to terminate the Merger Agreement under a specified provision thereof (without regard to the cure periods provided for therein, unless such cure is promptly effected without jeopardizing consummation of the Merger pursuant to the terms of the Merger Agreement) and such breach is not cured within 30 days; or

(e) any person (other than Optionee or any Optionee subsidiary), other than in connection with a transaction to which Optionee has given its prior written consent, files an application or notice with the Federal Reserve Board or other federal or state bank regulatory authority, which application or notice is accepted for processing, for approval to engage in an Acquisition Transaction.

As used in this section, "Subsequent Triggering Event" means the occurrence of either of the following events or transactions:

(a) the acquisition by any person, alone or together with such person's affiliates and associates, or any group (subject to the same exclusions as set forth in clause (b) of the preceding paragraph) of beneficial ownership of 25% or more of the then outstanding Issuer Common Stock, or

(b) the occurrence of the Initial Triggering Event described in clause (a) of the preceding paragraph, except that the percentage reference in subclause (iii) thereof shall be 25%. The occurrence of an Initial Triggering Event and a Subsequent Triggering Event is sometimes referred to in this section as a "Triggering Event."

The Issuer Option terminates (a) at the effective time of the Merger, (b) upon termination of the Merger Agreement in accordance with the terms thereof prior to the occurrence of an Initial Triggering Event, except when such termination is by Optionee due to a material, volitional breach by Issuer of the Merger Agreement, or (c) twelve months after termination of the Merger Agreement following the occurrence of an Initial Triggering Event or a termination by Optionee due to a material, volitional breach by Issuer of the Merger Agreement (provided that if an Initial Triggering Event continues or occurs beyond such termination of the Merger Agreement, the Issuer Option will terminate twelve months from the expiration of the last Initial Triggering Event to expire, but in no event more than 18 months after such termination of the Merger Agreement).

Within 90 days (subject to extension as provided in the Issuer Option Agreement) after occurrence of a Subsequent Triggering Event that occurs prior to the termination of the Issuer Option, Optionee (on its own behalf, or on behalf of any subsequent Holder) may demand that the Issuer Option (or part thereof) and the related Issuer Option Shares (or part thereof) be registered under the Securities Act. Upon receipt of such notice, Issuer must promptly effect such registration, subject to certain exceptions. Optionee will be entitled to a second such registration if requested within two years of the date of its first request, if the first request has been timely made.

Upon the occurrence of a Subsequent Triggering Event prior to termination of the Issuer Option, subject to applicable law and regulatory approval, Issuer is required (a) at the request of the Holder of the Issuer Option, delivered within 90 days of such occurrence (subject to extension as provided in the Issuer Option Agreement), to repurchase the Issuer Option from the Holder thereof at a price (the "Issuer Option Repurchase Price") equal to the amount by which (i) the market/offer price (as defined below) exceeds (ii) the then applicable Issuer Option exercise price, multiplied by the number of shares for which the Issuer Option may then be exercised; and (b) at the request of the owner of Issuer Option Shares from time to time (as used in this section, the "Owner"), delivered within 90 days of such occurrence (subject to extension as provided in the Option Agreements), to repurchase such number of the Issuer Option Shares from the Owner

as the Owner designates at a price per share (the "Issuer Option Shares Repurchase Price") equal to the market/offer price. Both the Issuer Option Repurchase Price or Issuer Option Share Repurchase Price also would include Optionee's reasonable out-of-pocket expenses incurred in connection with the transactions contemplated by the Merger Agreement, including legal, accounting, and investment banking fees (the "Optionee Expenses"). As used in the Issuer Option Agreement, the term "market/offer price" means the highest of (x) the price per share of Issuer Common Stock at which a tender offer or exchange offer therefor has been made, (y) the price per share of Issuer Common Stock to be paid by any third party pursuant to an agreement with Issuer, and (z) the highest closing price for shares of Issuer Common Stock within the six-month period immediately preceding the date the Holder gives notice of the required repurchase of the Issuer Option or the Owner gives notice of the required repurchase of Issuer Option Shares, as the case may be. Notwithstanding the foregoing, if the same person or group who has participated in a Triggering Event has entered, or after such Triggering Event enters, into any agreement or understanding with Optionee relating to Optionee's rights under the Issuer Option or with respect to the Issuer Option Shares or directly or indirectly relating to Issuer, Optionee is required, at any time notwithstanding such agreement or understanding, upon the occurrence of a Subsequent Triggering Event of the type described in clause (a) of the sixth full paragraph of this section, without Issuer's approval, recommendation, or consent, promptly to request that Issuer repurchase the Issuer Option and any Issuer Option Shares held by Optionee as provided in the Issuer Option Agreement and Issuer must do so. However, if Issuer at any time after delivery of a notice of repurchase as described in this paragraph is prohibited under applicable law or regulation, or as a consequence of administrative policy, from delivering to the Holder and/or the Owner, as appropriate, the Issuer Option Repurchase Price and the Issuer Option Share Repurchase Price, respectively, in full, the Holder or Owner may revoke its notice of repurchase of the Issuer Option or the Issuer Option Shares, whereupon Issuer shall promptly (a) deliver to the Holder a new Issuer Stock Option Agreement evidencing the right of the Holder to purchase that number of shares of the Issuer Common Stock obtained by multiplying the number of shares of the Issuer Common Stock for which the surrendered Issuer Option Agreement was exercisable at the time of delivery of the notice of repurchase by a fraction, the numerator of which is the Issuer Option Repurchase Price less the portion thereof theretofore delivered to the Holder and the denominator of which is the Issuer Option Repurchase Price, and (b) deliver to the Owner a certificate for the Issuer Option Shares it is then so prohibited from repurchasing, and Issuer shall have no further obligation to purchase such Issuer Option or Issuer Option Shares.

In the event that prior to termination of the Issuer Option, Issuer enters into an agreement (a) to consolidate with or merge into any entity other than Optionee or one of its subsidiaries and shall not be the continuing or surviving corporation of such consolidation or merger, (b) to permit any person other than Optionee or one of its subsidiaries to merge into Issuer with Issuer as the continuing or surviving corporation, but, in connection therewith, the then outstanding shares of Issuer Common Stock are changed into or exchanged for securities of any other person or cash or any other property or the then outstanding shares of Issuer Common Stock after such merger represent less than 50% of the outstanding shares and share equivalents of the merged company, or (c) to sell or otherwise transfer all or substantially all of its assets to any person other than Optionee or one of its subsidiaries, then, and in each such case, the Issuer Option will, upon consummation of any such transaction, be converted into, or exchanged for, an option (as used in this section, a "Substitute Option") to purchase shares of common stock of, at the Holder's option, (i) the continuing or surviving corporation of a merger or a consolidation, (ii) the transferee of all or substantially all of Issuer's assets, or the person controlling such continuing or surviving corporation or transferee, or (iii) in certain cases, Issuer. The number of shares subject to the Substitute Option, and the exercise price per share, will be determined in accordance with a formula set forth in the Option Agreements. The Substitute Option will contain such other terms and conditions having, to the extent possible, the same terms and conditions as the Issuer Option.

At the request of the holder of the Substitute Option, the issuer of a Substitute Option will, subject to regulatory approval, be required to repurchase such Substitute Option and will, subject to regulatory approval, be required to repurchase any shares of such issuer's common stock (as used in this section, the "Substitute Common Stock") issued upon exercise of a Substitute Option (as used in this section, the "Substitute Shares"), at the request of the owner thereof. The repurchase price for the Substitute Option (as used in this section, the "Substitute Option Repurchase Price") will equal the amount by which (a) the Highest Closing

Price (as defined herein) plus the Optionee Expenses exceeds (b) the exercise price of the Substitute Option, multiplied by the number of shares of Substitute Common Stock for which the Substitute Option may be exercised. The repurchase price per share for Substitute Shares (as used in this section, the "Substitute Share Repurchase Price") will equal the sum of the Highest Closing Price plus the Optionee Expenses. As used in the Issuer Option Agreements, "Highest Closing Price" means the highest closing price for shares of Substitute Common Stock within the six-month period immediately preceding the date the Substitute Option Holder gives notice of the required repurchase of the Substitute Option or the owner gives notice of the required repurchase of Substitute Shares, as the case may be. However, if issuer of the Substitute Option is at any time after delivery of a notice of repurchase as described in this paragraph prohibited under applicable law or regulation, or as a consequence of administrative policy, from delivering to the Substitute Option Holder and/or the Substitute Share Owner, as appropriate, the Substitute Option Repurchase Price and the Substitute Share Repurchase Price, respectively, in full, the Substitute Option Holder or Substitute Share Owner may revoke its notice of repurchase of the Substitute Option or the Substitute Shares, whereupon the issuer of the Substitute Option shall promptly (i) deliver to the Substitute Option Holder a new Substitute Option evidencing the right of the Substitute Option Holder to purchase that number of shares of the Substitute Common Stock obtained by multiplying the number of shares of the Substitute Common Stock for which the surrendered Substitute Option was exercisable at the time of delivery of the notice of repurchase by a fraction, the numerator of which is the Substitute Option Repurchase Price less the portion thereof theretofore delivered to the Substitute Option Holder and the denominator of which is the Substitute Option Repurchase Price, and (ii) deliver to the Substitute Share Owner a certificate for the Substitute Shares it is then so prohibited from repurchasing and the issuer of the Substitute Option shall have no further obligation to purchase such Substitute Option or Substitute Shares.

Neither Issuer nor Optionee may assign any of its respective rights and obligations under the Issuer Option Agreements or the Issuer Option to any other person without the express written consent of the other party, except that if a Subsequent Triggering Event occurs prior to termination of the Issuer Option, Optionee, subject to the terms of the Issuer Option Agreement, may assign in whole or in part its rights and obligations thereunder, within 90 days (subject to extension as provided in the Option Agreement) of such Subsequent Triggering Event. In addition, until the date 30 days after the date on which the Federal Reserve Board approves an application by Optionee to acquire the Issuer Option Shares, Optionee may not assign its rights under the Issuer Option except in (a) a widely dispersed public distribution, (b) a private placement in which no one party acquires the right to purchase in excess of 2% of the voting shares of Issuer, (c) an assignment to a single party for the purpose of conducting a widely dispersed public distribution on Optionee's behalf, or (d) any other manner approved by the Federal Reserve Board.

The rights and obligations of Issuer and Optionee under the Option Agreements are subject to receipt of any required regulatory approvals. Without the prior approval of the Federal Reserve Board, Optionee may not acquire more than 5% of the outstanding Issuer Common Stock. Each of KeyCorp and Society, as the respective Optionees, intends to file an application for such approval as soon as practicable. See "CERTAIN REGULATORY CONSIDERATIONS -- Control Acquisitions."

Notwithstanding anything in the Society Option Agreement, the sum of (i) the number of shares of Society Common Stock to be purchased from time to time upon exercise of the Society Option plus (ii) the number of shares of Society Common Stock in respect of which KeyCorp may, directly or indirectly, alone or with others, exercise or direct the exercise of voting power in the election of directors will not exceed 19.9% of the Society Common Stock issued and outstanding at the time the Society Option is exercised; provided that, KeyCorp will not be deemed for this purpose to have voting power with respect to Society Common Stock held by a subsidiary of KeyCorp that is a bank, broker, nominee, or trustee who acquires shares in the ordinary course of business for the benefit of others in good faith and not for the purpose of circumventing Section 1701.831 of the Ohio General Corporation Law unless such KeyCorp subsidiary is able, without further instructions from others, to exercise or direct the

exercise of the votes on a proposed control share acquisition at a meeting of shareholders called under Section 1701.831 of the Ohio General Corporation Law. In the event that the Society Option would otherwise be exercisable for more than 19.9% of the aggregate of the shares of the Society Common Stock but for this paragraph, Society will, at the time the Society Option is exercised, make a cash payment to KeyCorp equal to the excess of (i) the value of the Society Option without

giving effect to this limitation in the first sentence of this paragraph over (ii) the value of the Society Option after giving effect to this limitation in the first sentence of this paragraph. This difference in value will be determined by a nationally-recognized investment banking firm selected by KeyCorp.

THE KEYCORP RIGHTS AGREEMENT

Concurrently with the execution of the Merger Agreement, KeyCorp and the KeyCorp Rights Agent entered into the KeyCorp Rights Agreement, pursuant to which holders of KeyCorp Common Stock received a dividend of the KeyCorp Rights which shall be, upon the occurrence of certain events, exercisable for or convertible into other securities of KeyCorp or of other corporations or entities. The KeyCorp Rights Agreement also provides that Society and its affiliates or associates will not become "Acquiring Persons," and that no "Flip-in Date," "Flip-over Transaction or Event," "Separation Time," or "Stock Acquisition Date" (as those terms are defined in the KeyCorp Rights Agreement) will occur, by reason of the Merger Agreement or the KeyCorp Option Agreement so long as neither Society nor any of its subsidiaries becomes the beneficial owner of any shares of KeyCorp Common Stock other than (a) pursuant to the KeyCorp Option Agreement or the Merger Agreement, (b) shares of KeyCorp Common Stock (or securities convertible into, exchangeable into, or exercisable for KeyCorp Common Stock), beneficially owned by Society or its "affiliates" or "associates" (as such terms are defined in the KeyCorp Rights Agreement) on October 1, 1993, (c) shares of KeyCorp Common Stock (or securities convertible into, exchangeable into, or exercisable for KeyCorp Common Stock) acquired by affiliates or associates of Society after the time of such grant which, in the aggregate, amount to less than 1% of the outstanding shares of KeyCorp Common Stock, or (d) shares of KeyCorp Common Stock (or securities convertible into, exchangeable into, or exercisable for KeyCorp Common Stock) which are held by Society or any of its subsidiaries in trust accounts, managed accounts, and the like or otherwise held in a fiduciary capacity or in respect of a debt previously contracted, in all cases in the ordinary course of its banking or trust business. The KeyCorp Rights Agreement also provides for its termination when the Merger becomes effective. See "COMPARISON OF CERTAIN RIGHTS OF HOLDERS OF CAPITAL STOCK OF KEYCORP, SOCIETY, AND NEW KEY -- Shareholder Rights Plans."

THE THIRD AMENDMENT TO THE SOCIETY RIGHTS AGREEMENT

Concurrently with the execution of the Merger Agreement, Society and the Society Rights Agent entered into the Society Rights Agreement Amendment. The Society Rights Agreement Amendment amends the Society Rights Agreement to provide that, for purposes of the definition of "Acquiring Person" and of the "flip-in" provision of the Society Rights Agreement, neither KeyCorp nor any of its "affiliates" or "associates" (as such terms are defined in the Society Rights Agreement) will be deemed to be the beneficial owner of Society Common Stock by reason of the Merger Agreement or the Society Option Agreement so long as neither KeyCorp nor any of its subsidiaries becomes the beneficial owner of any Society Common Stock other than (a) pursuant to the Merger Agreement or the Society Option Agreement, (b) shares beneficially owned by KeyCorp or any of its subsidiaries on October 1, 1993, or shares acquired after October 1, 1993 by an affiliate or associate of KeyCorp (other than a subsidiary of KeyCorp), (c) Society Common Stock of which KeyCorp or any of its subsidiaries inadvertently becomes the beneficial owner after October 1, 1993, provided the number of such shares does not exceed 1/2% of the Society Common Stock then outstanding and that KeyCorp or its subsidiary divests such shares as soon as practicable after it learns about such beneficial ownership, or (d) Society Common Stock beneficially owned or otherwise held by KeyCorp or any of its subsidiaries in trust accounts or otherwise acquired in the ordinary course of their banking and trust business. The Society Rights Agreement Amendment also provides that no "Distribution Date," "Flip-in Event," "Flip-over Event," "Shares Acquisition Date," or "Triggering Event" (as those terms are defined in the Society Rights Agreement) will occur solely by reason of the Merger Agreement or the Society Option Agreement, provided KeyCorp and its subsidiaries do not become the beneficial owners of any Society Common Stock other than those permitted in the definition of "Acquiring Person." See "COMPARISON OF CERTAIN RIGHTS OF HOLDERS OF CAPITAL STOCK OF KEYCORP, SOCIETY, AND NEW KEY -- Shareholder Rights Plans."

RESALES OF NEW KEY CAPITAL STOCK RECEIVED IN THE MERGER

The New Key Common Stock and the New Key Depositary Shares each representing a one-fifth interest in one share of New Key Preferred Stock that will be issued if the Merger is consummated will have been registered under the Securities Act and will be freely transferable, except for shares received by persons, including directors and executive officers of KeyCorp and Society, who may be deemed to be "affiliates" of KeyCorp and Society, as that term is used in (i) paragraphs (c) and (d) of Rule 145 under the Securities Act, and/or (ii) Accounting Series Releases 130 and 135, as amended, of the SEC. Affiliates may not sell their shares of New Key Common Stock or their New Key Depositary Shares acquired pursuant to the Merger, except (a) pursuant to an effective registration statement under the Securities Act covering those shares, (b) in compliance with Rule 145, or (c) in the opinion of counsel reasonably satisfactory to New Key, pursuant to another applicable exemption from the registration requirements of the Securities Act. SEC guidelines further indicate that the pooling of interests method of accounting will generally not be challenged on the basis of sales by affiliates of the acquiring or acquired company if such affiliates do not dispose of any of the shares of the acquiring or acquired company they owned prior to the consummation of a merger or shares of the acquiring corporation they receive in connection with a merger during the period beginning 30 days before the merger and ending when financial results covering at least 30 days of post-merger operations of the combined entity have been published. Society and KeyCorp intend to obtain customary agreements with all directors, officers, and affiliates of KeyCorp and Society under which those persons would represent that they will not dispose of their shares of New Key capital stock received in the Merger or the shares of capital stock of KeyCorp or Society held by them prior to the Merger, except in compliance with the Securities Act and the rules and regulations promulgated thereunder, and in a manner that would not adversely affect the ability of New Key to treat the Merger as a pooling of interests for financial reporting purposes. This Prospectus/Joint Proxy Statement does not cover any resales of New Key Common Stock or New Key Depositary Shares each representing a one-fifth interest in one share of New Key Preferred Stock received by affiliates of KeyCorp or Society. Forms of the agreements of the affiliates of KeyCorp and Society are set forth as Exhibits V(A) and V(B), respectively, to the Supplemental Agreement, which is attached hereto as Appendix II.

BUSINESS OF KEYCORP

OVERVIEW

KeyCorp is a multi-regional financial services holding company headquartered in Albany, New York. Incorporated in 1970 under the laws of the State of New York as First Commercial Banks Inc., KeyCorp is registered under the BHCA. At September 30, 1993, based on data from the American Banker publication, KeyCorp was the 25th largest bank holding company in the United States in terms of total consolidated assets of approximately $32.4 billion at that date. KeyCorp is comprised of full-service commercial banks and related financial service companies. KeyCorp provides banking services to individual customers, small-to medium-sized businesses, and municipalities. The oldest bank subsidiary of KeyCorp was organized in 1825. In addition, through its specialized financial service subsidiaries, KeyCorp offers mortgage banking, insurance, brokerage, and trust services. At September 30, 1993, KeyCorp's banking subsidiaries operated over 800 banking offices in the States of Alaska, Colorado, Idaho, Maine, New York, Oregon, Utah, Washington, and Wyoming. In addition, at September 30, 1993, KeyCorp and its subsidiaries had approximately 17,800 full-time equivalent employees.

SUBSIDIARIES

KeyCorp's commercial banks, all operating under the Key Bank name, serve markets throughout the country's Northern tier.

In the East, banking operations are conducted through Key Bank of New York and Key Bank of Maine. Key Bank of New York had total assets of $14.0 billion at September 30, 1993, and operated 339 banking offices. Key Bank of Maine had total assets of $2.5 billion at September 30, 1993, and operated 96 banking offices.

In the Rocky Mountain states, banking operations are conducted through the Key Banks of Colorado, Idaho, Utah and Wyoming. Key Bank of Idaho had total assets of $1.2 billion at September 30, 1993, and

operated 44 banking offices. As of September 30, 1993, Key Bank of Colorado had total assets of $.2 billion and operated 4 banking offices. Key Bank of Utah had total assets of $1.2 billion at September 30, 1993, and operated 36 banking

offices. At September 30, 1993, Key Bank of Wyoming had total assets of $1.3 billion and operated 27 banking offices.

The Key Banks of Alaska, Oregon, and Washington conduct KeyCorp's banking operations in the Pacific Northwest. Key Bank of Alaska had total assets of $.9 billion at September 30, 1993, and operated 20 banking offices. At September 30, 1993, Key Bank of Oregon had total assets of $1.9 billion and operated 72 banking offices. Key Bank of Washington had total assets of $6.8 billion at September 30, 1993, and operated 191 banking offices. In addition, banking operations in Washington are also conducted through Key Savings Bank, a state chartered savings bank with its primary regulator being the Federal Deposit Insurance Corporation. At September 30, 1993, Key Savings Bank had total assets of $1.4 billion and operated 191 banking offices which are all under dual charter with Key Bank of Washington.

A unique banking subsidiary based in Albany, New York, Key Bank USA, N.A. ("Key Bank U.S.A."), is KeyCorp's national bank subsidiary. With total assets of $.6 billion at September 30, 1993, Key Bank U.S.A. provides banking services by mail to customers nationwide -- primarily gathering deposits from areas not served by any other Key Bank.

Through its bank and nonbank subsidiaries, KeyCorp offers a variety of traditional banking services as well as personal and commercial financial services. Such services include checking, savings, and money market deposit accounts; NOW accounts; fixed and variable rates certificates of deposit; demand, time, and installment loans; credit cards; equipment leasing; first and second mortgage loans, including home equity loans; cash management services, corporate, and personal fiduciary services; discount brokerage services; and credit life reinsurance.

KeyCorp Mortgage Inc., KeyCorp's primary mortgage banking subsidiary, serviced a $22.0 billion portfolio of mortgage loans as of September 30, 1993, making it one of the largest mortgage servicing companies in the country. KeyCorp's other specialized financial service companies provide such services as trust, credit life reinsurance, equipment leasing, securities brokerage, annuity sales, asset management, and data processing.

As with other New York domiciled bank holding companies, KeyCorp is subject to regulation by the New York State Banking Department and the Federal Reserve Board. Each of KeyCorp's subsidiary banks is a member of the Federal Deposit Insurance Corporation and is also subject to regulation by the banking authorities of the state in which it is located.

Investments in its operating subsidiaries are KeyCorp's principal asset and sources of income. Dividends from bank subsidiaries constitute KeyCorp's principal source of funds. Various Federal and state laws limit the extent to which KeyCorp's bank subsidiaries may pay dividends. Similarly, the Federal Reserve Act imposes limitations on a subsidiary bank's ability to extend credit to, invest in, and certain other transactions with KeyCorp and its other subsidiaries. See "CERTAIN REGULATORY CONSIDERATIONS."

PENDING ACQUISITIONS

None of the pending acquisitions of KeyCorp described below will, either individually or in the aggregate, have a material impact on the consolidated financial condition or results of operations of KeyCorp and its subsidiaries. The effects of the following acquisitions are not included in information presented in the tables under the heading "UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS" in this Prospectus/Joint Proxy Statement but certain information about Jackson Bank, Commercial Bancorporation and Greeley Bank (each as defined herein) is set forth in footnote (4) under the heading "NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS."

Jackson County Federal Bank, F.S.B. On June 22, 1993, KeyCorp entered into an agreement to acquire Jackson County Federal Bank, F.S.B., a federal stock savings bank headquartered in Medford, Oregon ("Jackson Bank"). Under the terms of the agreement, all shares of Jackson Bank common stock and preferred stock will be exchanged for up to approximately 1.6 million shares of KeyCorp Common Stock. At

September 30, 1993, Jackson Bank, which has eight branch offices in Oregon, had approximately $351 million in assets. Consummation of the Jackson Bank acquisition is subject to regulatory and Jackson Bank stockholder approval. The acquisition is expected to be completed on or before December 31, 1993.

Commercial Bancorporation of Colorado. On September 11, 1993, KeyCorp entered into an agreement to acquire Commercial Bancorporation of Colorado, headquartered in Denver, Colorado ("Commercial Bancorporation"). Under the terms of the agreement, all of the shares of Commercial Bancorporation stock will be

exchanged for approximately 2.4 million shares of KeyCorp Common Stock. At September 30, 1993, Commercial Bancorporation, through its five bank subsidiaries, operated 11 branches in the Denver, Colorado Springs, Sterling and Fort Collins areas of Colorado, and had approximately $374 million in assets. Consummation of the Commercial Bancorporation acquisition is subject to regulatory and Commercial Bancorporation shareholder approval. The acquisition is expected to be completed during the first six months of 1994.

The Bank of Greeley. On October 5, 1993, KeyCorp entered into an agreement to acquire the Bank of Greeley, a single-branch Colorado state-chartered bank, headquartered in Greeley, Colorado ("Greeley Bank"). Under the terms of the agreement, all shares of Greeley Bank common stock will be exchanged for approximately 200,000 shares of KeyCorp Common Stock. At September 30, 1993, Greeley Bank had approximately $60.9 million in assets. Consummation of the Greeley Bank acquisition is subject to regulatory and Greeley Bank shareholder approval. The acquisition is expected to be completed during the first six months of 1994.

BUSINESS OF SOCIETY

OVERVIEW

Society, a financial services holding company organized in 1958, is headquartered in Cleveland, Ohio, is incorporated in Ohio, and is registered under the BHCA and the Home Owners Loan Act of 1933, as amended ("HOLA"). It is principally a regional banking organization and provides a wide range of banking, fiduciary, and other financial services to corporate, institutional, and individual customers. At September 30, 1993, Society had total consolidated assets of approximately $25.8 billion, making it the 29th largest bank holding company in the United States, in terms of total consolidated assets and based on data from the American Banker publication. The first predecessor of a subsidiary of Society was organized in 1849. At September 30, 1993, Society's subsidiary banks operated 440 full-service banking offices in the States of Ohio, Indiana, Michigan, and Florida. At September 30, 1993, Society and its subsidiaries had approximately 12,700 full-time equivalent employees.

SUBSIDIARIES

Banking operations in Ohio are conducted through Society National Bank, a federally-chartered bank headquartered in Cleveland, Ohio, the largest bank in Ohio and one of the nation's major regional banks. At September 30, 1993, Society National Bank had total assets of $20.7 billion and operated 294 full-service banking offices.

Banking operations in Indiana are conducted through Society National Bank, Indiana, a federally-chartered bank headquartered in South Bend, Indiana. At September 30, 1993, Society National Bank, Indiana had total assets of $3.0 billion and operated 86 full-service banking offices.

Banking operations in Michigan are conducted through Society Bank, Michigan, a state-chartered bank headquartered in Ann Arbor, Michigan. At September 30, 1993, Society Bank, Michigan had assets of $1.0 billion and operated 36 full-service banking offices.

Banking operations in Florida are conducted through Society First Federal Savings Association of Fort Myers, a federal savings bank association headquartered in Fort Myers, Florida ("Society First Federal"). At September 30, 1993, Society First Federal had assets of $1.2 billion and operated 24 full-service banking offices.

In addition to the customary banking services of accepting funds for deposit and making loans, Society's subsidiary banks provide a wide range of specialized services tailored to specific markets, including investment management, personal and corporate trust services, personal financial services, cash management services, investment banking services, and international banking services. At September 30, 1993, Society had one of the nation's largest trust departments with approximately $25 billion in managed assets.

Society's nonbanking subsidiaries provide insurance sales services, reinsurance of credit life and accident and health insurance on loans made by subsidiary banks, securities brokerage services, investment management, corporate and personal trust services, venture capital and small business investment financing services, equipment lease financing, registered investment advisory services, mortgage banking services, community development services, and other financial services.

Society is a legal entity separate and distinct from its subsidiaries. The principal source of Society's income is the earnings of subsidiary banks, and the principal source of its cash flow is dividends from its subsidiary banks.

Applicable state and Federal laws impose limitations on the ability of Society's banking subsidiaries to pay dividends. In addition, the subsidiary banks are subject to the limitations contained in the Federal Reserve Act regarding extensions of credit to, investments in, and certain other transactions with Society and its other subsidiaries. See "CERTAIN REGULATORY CONSIDERATIONS."

INTEGRATION OF KEYCORP AND SOCIETY INTO NEW KEY

INTEGRATION MANAGEMENT TEAM

In connection with the Merger, KeyCorp and Society have formed a joint Integration Management Team under the chairmanship of Stephen E. Wall, an Executive Vice President of Society, and consisting of an equal number of senior management representatives from each company. One of the objectives of the Integration Management Team is to review and analyze the historical operations of KeyCorp and Society and, in light of this analysis, to begin to develop plans for the combined strategies and operations of New Key.

The Integration Management Team has assigned representatives of the senior level management of each of KeyCorp and Society to integration groups (general administration, credit policy, finance, investment management and services, information technology and operations, and banking) and has organized a series of task forces to assist each group. These task forces are in the process of reviewing the methods by which KeyCorp and Society currently perform certain business and operational functions, determining the strategy pursuant to which New Key will best perform those functions after the Merger, and identifying the appropriate individuals to manage those activities. Included among the business and operational functions being reviewed by the task forces are information services, customer support, asset management, commercial lending, consumer credit, retail banking, and credit policy.

CERTAIN BUSINESS STRATEGIES UNDER CONSIDERATION

The following information summarizes the considerations given to date to certain business strategies by the Integration Management Team; because, however, the Integration Management Team is at a relatively early stage of carrying out its assignment, no assurance can be given that any of the operating strategies as described below will not be significantly revised prior to or after the Effective Time by the Integration Management Team, the senior management, or the Board of Directors of KeyCorp and Society or (after the Effective Time) of New Key to reflect changing business, regulatory, or other conditions.

Product Development. KeyCorp and Society currently anticipate that financial services products presently offered by each company will be made more widely available to consumers throughout the New Key combined branch network and banking system. Though the specific KeyCorp and Society products which will be introduced into markets serviced by the combined distribution network have not yet been determined, KeyCorp and Society have undertaken a review of their respective product lines and have identified certain financial products and services for which each has significant market position or particular expertise. KeyCorp, for example, has a strong mortgage banking business and specializes in the delivery of services to small-and medium-sized businesses in local communities. Society has a strong trust and asset management services

business and specializes in developing and delivering products to the large corporate and various specialized industry markets. KeyCorp and Society currently anticipate that KeyCorp's large banking distribution network with over 800 banking offices throughout nine states and 459 communities and the Society distribution network of over 400 banking offices in four states will provide significant new distribution networks for these product lines and services.

Three Market Centers have been established for New Key's primary markets: commerical, trust, and consumer. These Market Centers will provide strategic direction, facilitate product development, and give specialized expertise and analytical support services to the lines of business.

Investment Strategy. Material changes in the major operating policies relating to the investment strategy of New Key, as compared to the policies of KeyCorp and Society in this area, are not presently anticipated. The management of financial market risk by New Key will continue the practice of both KeyCorp and Society to focus on interest rate risk, liquidity, and capital leverage. The management and analysis of these components of financial risk will be centrally controlled, as is the current practice with both companies, but each affiliate bank subsidiary of New Key will be responsible for its own loan and deposit pricing decisions. As a much larger and more geographically dispersed organization than either KeyCorp or Society, New Key may make changes in policies and procedures to take into account the size and scope of a combined entity that has subsidiary banks operating in several different geographic

regions.

Loan Portfolio Diversification. As a result of the Merger, New Key will have a more geographically diversified loan portfolio located in KeyCorp's lending markets including the Rocky Mountain region, the Pacific Northwest, and the Northeast, in addition to loans in Society's lending markets, including the Midwest and Florida. KeyCorp and Society anticipate that New Key will continue to market diversified credit products through the combined geographically diverse branch network and banking system, with efforts to introduce certain unique credit products of each institution into markets previously served by the other institution's banking distribution network.

As described under the heading "TERMS OF THE MERGER -- Interests of Certain Persons in the Merger -- General -- Management After the Merger," KeyCorp and Society have designated the individuals listed under that heading who will have the respective executive and senior management responsibilities at New Key, including the responsibility for executing such plans as are finally developed for integrating KeyCorp and Society into New Key and carrying out New Key's combined business strategies and operations.

CERTAIN REGULATORY CONSIDERATIONS

GENERAL

As bank holding companies, Society and KeyCorp are, and New Key will be, subject to supervision by the Federal Reserve Board. As a result of the 1993 acquisition by Society of Society First Federal, Society is, and New Key will be, subject to supervision by the Office of Thrift Supervision (the "OTS") as a savings and loan holding company registered under HOLA. The banking and savings association subsidiaries (collectively, "banking subsidiaries") of KeyCorp and Society are subject to extensive supervision, examination and regulation by applicable federal and state banking agencies, including the Office of the Comptroller of the Currency (the "OCC") in the case of national bank subsidiaries and the OTS in the case of Society First Federal. Each of the banking subsidiaries is insured by, and therefore also subject to the regulations of, the Federal Deposit Insurance Corporation (the "FDIC"). Depository institutions such as the banking subsidiaries are affected significantly by the actions of the Federal Reserve Board as it attempts to control the money supply and credit availability in order to influence the economy. The discussion in this section of regulatory considerations affecting New Key and its subsidiaries is also generally applicable, prior to the Effective Time of the Merger, to KeyCorp, Society, and, where appropriate, to their respective subsidiaries. The regulatory regime applicable to bank holding companies and their subsidiaries generally is not intended for the protection of investors and is directed toward protecting the interests of depositors, the FDIC deposit insurance funds, and the U.S. banking system as a whole.

New Key's nonbanking subsidiaries will be subject to supervision and examination by the Federal Reserve Board, as well as other applicable regulatory agencies. For example, discount brokerage subsidiaries are subject to supervision and regulation by the SEC, the National Association of Securities Dealers, Inc., and state securities regulators. New Key's insurance subsidiaries will be subject to regulation by the insurance regulatory authorities of their various states. Other nonbanking subsidiaries are subject to other laws and regulations of both the federal government and the various states in which they are authorized to do business.

The following references to certain statutes and regulations are brief summaries thereof. The references are not intended to be complete and are qualified in their entirety by reference to the statutes and regulations. In addition, there are other statutes and regulations that apply to and regulate the operation of banking institutions. A change in applicable law or regulation may have a material effect on the business of New Key.

DIVIDEND RESTRICTIONS

Various federal and state statutory provisions, which currently limit the amount of dividends paid to Society and KeyCorp by their respective banking subsidiaries, will also limit the amount of dividends the banking subsidiaries are permitted to pay to New Key without regulatory approval. The approval of the OCC is required for any dividend by a national bank if the total of all dividends declared by the bank in any calendar year would exceed the total of its net profits (as defined by the OCC) for that year combined with its retained net profits for the preceding two years less any required transfers to surplus or a fund for the retirement of any preferred stock. In addition, a national bank is not permitted to pay a dividend in an amount greater than its net profits then on hand (as defined by the OCC) after deducting its losses and bad debts. For this purpose, bad debts are defined to include, generally, loans which have matured as to which interest is overdue by six months or more, other

than such loans which are well secured and in the process of collection. Society's banking subsidiaries other than Society Bank, Michigan and Society First Federal, are national banks. Key Bank U.S.A., N.A. and Key Trust Company of Florida, N.A., both wholly-owned subsidiaries of KeyCorp, are also national banks.

OTS regulations impose limitations upon capital distributions by savings associations. Society First Federal is Society's, and will be New Key's, only savings association subsidiary. State banks that are not members of the Federal Reserve System ("nonmember banks") are subject to varying restrictions on the payment of dividends under state laws. All of KeyCorp's banking subsidiaries other than Key Bank USA, N.A. and Key Trust Company of Florida, N.A., are state nonmember banks and Society Bank, Michigan is a state nonmember bank.

Under these restrictions, as of September 30, 1993, Society's banking subsidiaries could have declared dividends of approximately $52.0 million in the aggregate, without obtaining prior regulatory approval, and KeyCorp's banking subsidiaries could have declared dividends of approximately $540 million in the aggregate, without obtaining prior regulatory approval. The payment of dividends by any banking subsidiary may also be affected by other factors, such as the requirement that each such subsidiary maintain adequate capital.

If, in the opinion of the applicable federal banking agency, a depositary institution under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice (which, depending on the financial condition of the institution, could include the payment of dividends), the agency may require, after notice and hearing, that such institution cease and desist from such practice. In addition, the Federal Reserve Board, the OCC, and the FDIC have issued policy statements which provide that insured banks and bank holding companies should generally only pay dividends out of current operating earnings.

HOLDING COMPANY STRUCTURE

Transactions Involving Banking Subsidiaries. Transactions involving New Key's banking subsidiaries will be subject to restrictions under federal law which limit the transfer of funds from such subsidiaries to New Key and (with certain exceptions) its nonbanking subsidiaries in "covered transactions" such as loans, extensions of credit, investments, or asset purchases. Each such transfer by a banking subsidiary to either New Key or any nonbanking subsidiary is limited in amount to 10% of that banking subsidiary's capital and surplus and, with respect to all such transfers to New Key and all New Key's nonbanking subsidiaries in the aggregate, to 20% of that banking subsidiary's capital and surplus. Furthermore, loans and extensions of credit are

required to be secured in specified amounts. "Covered transactions" also include the acceptance of securities issued by the banking subsidiary as collateral for a loan and the issuance of a guarantee, acceptance, or letter of credit for the benefit of New Key or its nonbanking subsidiaries. In addition, a bank holding company and its banking subsidiaries are prohibited from engaging in certain tie-in arrangements in connection with any extension of credit, lease or sale of property, or furnishing of services.

Bank Holding Company Support of Banking Subsidiaries. Under Federal Reserve Board policy, a bank holding company is expected to act as a source of financial and managerial strength to each of its subsidiary banks and to commit resources to support each such subsidiary bank. This support may be required by the Federal Reserve Board at times when New Key may not have the resources to provide it or, for other reasons, would not otherwise be inclined to provide it. Any capital loans by New Key to any of the subsidiary banks are subordinate in right of payment to deposits and to certain other indebtedness of a subsidiary bank. In addition, the Crime Control Act of 1990 provides that in the event of a bank holding company's bankruptcy, any commitment by the bank holding company to a federal bank regulatory agency to maintain the capital of a subsidiary bank will be assumed by the bankruptcy trustee and entitled to a priority of payment.

A depository institution the deposits of which are insured by the FDIC can be held liable for any loss incurred by, or reasonably expected to be incurred by, the FDIC in connection with (i) the default of a commonly controlled FDIC-insured depository institution or (ii) any assistance provided by the FDIC to a commonly controlled FDIC-insured depository institution in danger of default (the so-called "cross guaranty" provision). "Default" is defined under the FDIC's regulations generally as the appointment of a conservator or receiver and "in danger of default" is defined generally as the existence of certain conditions indicating that a "default" is likely to occur in the absence of regulatory assistance.

CAPITAL REQUIREMENTS

The minimum ratio of total capital to risk-adjusted assets (including

certain off-balance sheet items, such as stand-by letters of credit) required by the Federal Reserve Board for bank holding companies is 8%. At least one-half of the total capital must be comprised of common equity, retained earnings, qualifying noncumulative perpetual preferred stock, a limited amount of qualifying cumulative perpetual preferred stock, and minority interests in the equity accounts of consolidated subsidiaries, less goodwill and certain other intangible assets ("Tier 1 capital"). The remainder may consist of hybrid capital instruments, perpetual debt, mandatorily convertible debt securities, a limited amount of subordinated debt, other preferred stock, and a limited amount of loan and lease loss reserves ("Tier 2 capital"). The Federal Reserve Board has stated that banking organizations generally, and particularly those that actively make acquisitions, are expected to operate well above the minimum risk-based capital ratios. As of September 30, 1993, KeyCorp's Tier 1 and total capital to risk-adjusted assets ratios were 8.68% and 11.49%, Society's Tier 1 and total capital to risk-adjusted assets ratios were 8.71% and 12.99%, respectively, and, on a pro forma basis, New Key's Tier 1 and total capital to risk-adjusted assets ratios would have been 8.69% and 12.21%.

In addition, New Key will be subject to minimum leverage ratio (Tier 1 capital to average total assets for the relevant period) guidelines. These guidelines provide for a minimum leverage ratio of 3% for bank holding companies that meet certain specified criteria, including that they have the highest supervisory rating. All other bank holding companies are required to maintain a leverage ratio which is at least 100 to 200 basis points higher (i.e., a leverage ratio of at least 4% to 5%). None of KeyCorp, Society, nor any banking subsidiary of either of them has been advised by its appropriate federal regulatory agency of any specific leverage ratio applicable to it. At September 30, 1993, KeyCorp's Tier 1 leverage ratio was 6.32%, Society's Tier 1 leverage ratio was 7.34%, and, on a pro forma basis, New Key's Tier 1 leverage ratio would have been 6.79%. The guidelines also provide that banking organizations experiencing internal growth or making acquisitions will be expected to maintain strong capital positions substantially above the minimum supervisory levels, without significant reliance on intangible assets. Furthermore, the guidelines indicate that the Federal Reserve Board will continue to consider a "tangible Tier 1 leverage ratio" in evaluating proposals for expansion or new activities. The tangible Tier 1 leverage ratio is the ratio of a banking organization's Tier 1 capital less all intangibles, to total assets less all intangibles. Each of New Key's banking subsidiaries will also be subject to capital requirements adopted by applicable federal regulatory agencies which are substantially similar to those

imposed by the Federal Reserve Board on bank holding companies. As of September 30, 1993, each of KeyCorp's and Society's banking subsidiaries had capital in excess of all minimum regulatory requirements.

All the federal banking agencies have proposed regulations that would add an additional capital requirement based upon the amount of an institution's exposure to interest rate risk. The OTS recently adopted its final rule adding an interest rate component to its risk-based capital rule. Under the final OTS rule, savings associations with a greater than "normal" level of interest rate risk exposure will be subject to a deduction from total capital for purposes of calculating the risk-based capital ratio. The new OTS rule is effective January 1, 1994. The other federal banking agencies have yet to adopt their final rules on the interest rate risk component of risk-based capital.

RECENT LEGISLATION

In 1991, Congress enacted the Federal Deposit Insurance Corporation Improvement Act of 1991, which, among other things, amended the Federal Deposit Insurance Act (the "FDIA"), increased the FDIC's borrowing authority to resolve bank failures, mandated least-cost resolutions and prompt regulatory action with regard to undercapitalized institutions, expanded consumer protection, and mandated increased supervision of domestic depositary institutions and the U.S. operations of foreign depositary institutions. The FDIA requires federal banking agencies to promulgate regulations and specify standards in numerous areas of bank operations, including interest rate exposure, asset growth, internal controls, credit underwriting, executive officer and director compensation, real estate construction financing, additional review of capital standards, interbank liabilities, and other operational and managerial standards as the agencies determine appropriate. These regulations have increased and may continue to increase the cost of and the regulatory burden associated with the banking business.

Prompt Corrective Action. Effective in December 1992, the FDIC, the Federal Reserve Board, the OCC and the OTS adopted new regulations to implement the prompt corrective action provisions of the FDIA. The regulations group FDIC-insured depositary institutions into five broad categories based on their capital ratios. The five categories are "well capitalized," "adequately capitalized", "undercapitalized," "significantly undercapitalized," and

"critically undercapitalized." An institution is "well capitalized" if it has a total risk-based capital ratio of 10% or greater, a Tier 1 risk-based capital ratio of 6% or greater and a Tier 1 leverage capital ratio of 5% or greater, and is not subject to a regulatory order, agreement or directive to meet and maintain a specific capital level for any capital measure. An institution is "adequately capitalized" if it has a total risk-based capital ratio of 8% or greater, a Tier 1 risk-based capital ratio of 4% or greater and (generally) a Tier 1 leverage capital ratio of 4% or greater, and the institution does not meet the definition of a "well capitalized" institution. An institution is "undercapitalized" if the relevant capital ratios are less than those specified in the definition of an "adequately capitalized" institution. An institution is "significantly undercapitalized" if it has a total risk-based capital ratio of less than 6%, a Tier 1 risk-based capital ratio of less than 3%, or a Tier 1 leverage capital ratio of less than 3%. An institution is "critically undercapitalized" if it has a ratio of tangible equity (as defined in the regulations) to total assets of 2% or less. An institution may be downgraded to, or be deemed to be in a capital category that is lower than is indicated by its actual capital position if it is determined to be in an unsafe or unsound condition or if it receives an unsatisfactory examination rating with respect to certain matters.

The capital-based prompt corrective action provisions of the FDIA and their implementing regulations apply to FDIC insured depository institutions and are not applicable to holding companies which control such institutions. However, both the Federal Reserve Board and the OTS have indicated that, in regulating holding companies, they will take appropriate action at the holding company level based on their assessment of the effectiveness of supervisory actions imposed upon subsidiary depository institutions pursuant to such provisions and regulations. Although the capital categories defined under the prompt corrective action regulations are not directly applicable to Society, KeyCorp, or New Key under existing law and regulations, if either KeyCorp or Society were placed in a capital category it would qualify as well-capitalized as of September 30, 1993 and, on a pro forma basis, New Key would have been well-capitalized. As of September 30, 1993 no banking subsidiary of Society was subject to any regulatory order, agreement, or directive to meet and maintain a specific capital level for any capital measure. As of September 30, 1993, no banking subsidiary of KeyCorp

was subject to any regulatory order, agreement, or directive to meet and maintain a specific capital level for any capital measure, except for Key Bank of Maine, which is required pursuant to an agreement with the Superintendent of the Maine Bureau of Banking to maintain a 6% tangible equity ratio through December 1994. As of the date hereof, Key Bank of Maine is in compliance with such agreement.

The FDIA generally prohibits a depository institution from making any capital distribution (including payment of a dividend) or paying any management fee to its holding company if the institution would thereafter be undercapitalized. Undercapitalized depositary institutions also will be subject to restrictions on borrowing from the Federal Reserve System, effective December 19, 1993. Undercapitalized depository institutions are subject to increased monitoring by the appropriate federal banking agency, limitations on growth, and are required to submit a capital restoration plan. The federal banking agencies may not accept a capital plan without determining, among other things, that the plan is based on realistic assumptions and is likely to succeed in restoring the institution's capital. In addition, for a capital restoration plan to be acceptable, the depository institution's parent holding company must guarantee that the institution will comply with such capital restoration plan. The aggregate liability of the parent holding company with respect to such a guarantee is limited to the lesser of: (a) an amount equal to 5% of the depository institution's total assets at the time it became undercapitalized, or (b) the amount which is necessary (or would have been necessary) to bring the institution into compliance with all capital standards applicable with respect to such institution as of the time it fails to comply with the plan. If a depository institution fails to submit an acceptable plan, it is treated as if it were significantly undercapitalized. Significantly undercapitalized depository institutions may be subject to a number of requirements and restrictions, including orders to sell sufficient voting stock to become adequately capitalized and requirements to reduce total assets, and are prohibited from receiving deposits from correspondent banks. "Critically undercapitalized" institutions are subject to the appointment of a receiver or conservator.

Brokered Deposits. The FDIC has also adopted final regulations governing the receipt of brokered deposits. Under these regulations, an FDIC-insured bank or savings association cannot accept brokered deposits unless: (a) it is well capitalized or (b) it is adequately capitalized and receives a waiver from the FDIC.

A bank or savings association that cannot receive brokered deposits also cannot offer "pass-through" insurance on certain employee benefit accounts, unless it provides certain notice to affected depositors. In addition, a bank or savings association that is not well capitalized may not pay an interest rate on any deposits in excess of 75 basis points over certain prevailing market rates. At September 30, 1993, KeyCorp's banking subsidiaries had brokered deposits of $341 million. At September 30, 1993, Society's banking subsidiaries had brokered deposits of $205 million.

FDIC Insurance. On September 15, 1992, the FDIC adopted regulations implementing a transitional risk-related insurance assessment system. The transitional system was adopted to provide a transition between the previous flat-rate system and the risk-related system that is required by statute to be implemented by January 1, 1994. On June 17, 1993, the FDIC adopted certain amendments to the transitional system and thereby created the final risk-based assessment system which will be effective beginning with the January 1, 1994 assessment period. Under the risk-related insurance assessment system, a bank or savings association is required to pay an assessment ranging from $.23 to $.31 per $100 of deposits based on the institution's risk classification.

The risk classification is based on an assignment of the institution by the FDIC to one of three capital groups and to one of three supervisory subgroups. The capital groups are "well capitalized," "adequately capitalized" and "undercapitalized." The three supervisory subgroups are Group "A" (for financially sound institutions with only a few minor weaknesses), Group "B" (for those institutions with weaknesses which, if uncorrected, could cause substantial deterioration of the institution and increase risk to the deposit insurance fund), and Group "C" (for those institutions with a substantial probability of loss to the fund absent effective corrective action). For the period commencing on July 1, 1993 through December 31, 1993, insurance assessments on all deposits of Society's banking subsidiaries and KeyCorp's banking subsidiaries were paid at the $.23 per $100 of deposits rate.

DEPOSITOR PREFERENCE STATUTE

Federal legislation has been enacted providing that deposits and certain claims for administrative expenses and employee compensation against an insured depositary institution would be afforded a priority over other general unsecured claims against such an institution, including federal funds and letters of credit, in the "liquidation or other resolution" of such an institution by any receiver.

IMPLICATIONS OF BEING A SAVINGS AND LOAN HOLDING COMPANY

New Key will continue Society's registration as a savings and loan holding company within the meaning of HOLA. With certain exceptions, a savings and loan holding company must obtain prior written approval of the OTS (as well as the Federal Reserve Board, or other federal agencies whose approval may be required, depending upon the structure of the acquisition transaction) before acquiring control of a savings association or savings and loan holding company through the acquisition of stock or through a merger or some other business combination. HOLA prohibits the OTS from approving an acquisition by a savings and loan holding company which would result in the holding company's controlling savings associations in more than one state unless (a) the holding company is authorized to do so by the FDIC as an emergency acquisition, (b) the holding company controls a savings association which operated an office in the additional state or states on March 5, 1987, or (c) the statutes of the state in which the savings association to be acquired is located specifically permit a savings association chartered by such state to be acquired by an out-of-state savings association or savings and loan holding company.

CONTROL ACQUISITIONS

The Change in Bank Control Act of 1978, as amended, prohibits a person or group of persons from acquiring "control" of a bank holding company unless the Federal Reserve Board has been given 60 days' prior written notice of proposed acquisition and within that time period the Federal Reserve Board has not issued a notice disapproving the proposed acquisition or extending for up to another 30 days the period during which such a disapproval may be issued. An acquisition may be made prior to the expiration of the disapproval period if the Federal Reserve Board issues written notice of its intent not to disapprove the action. Under a rebuttable presumption established by the Federal Reserve Board, the acquisition of 10% or more of a class of voting stock of a bank holding company with a class of securities registered under Section 12 of the Exchange Act, such as New Key, would, under the circumstances set forth in the presumption, constitute the acquisition of control.

In addition, any "company" would be required to obtain the approval of the Federal Reserve Board under the BHCA before acquiring 25% (5% in the case of an

acquiror that is a bank holding company) or more of the outstanding shares of New Key Common Stock, or otherwise obtaining control over New Key. See "TERMS OF THE MERGER -- Regulatory Approvals" for a description of the standards applicable under the BHCA.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined balance sheet as of September 30, 1993, and the pro forma condensed combined statements of income for the nine-month periods ended September 30, 1993 and 1992, and for each of the three years in the period ended December 31, 1992, give effect to the Merger, accounted for as a pooling of interests. The effects of other pending or recently-completed KeyCorp or Society mergers and acquisitions are not expected to be material to the unaudited pro forma condensed combined financial statements and are not included therein. The pro forma information is based on the historical consolidated financial statements of KeyCorp and Society and their subsidiaries under the assumptions and adjustments set forth in the accompanying notes to the pro forma condensed combined financial statements.

The pro forma condensed combined financial statements have been prepared by the managements of KeyCorp and Society based upon their respective consolidated financial statements. Pro forma per share amounts are based on the conversion rate of 1.205 shares of New Key Common Stock for each share of KeyCorp Common Stock. The pro forma condensed combined financial statements, which include results of operations as if the Merger had been consummated on January 1, 1990, do not reflect the merger expenses and restructuring charges anticipated to be incurred by KeyCorp and Society or the cost savings anticipated to result from the Merger. As a result, the pro forma combined financial condition and results of operations prior to the Effective Time may not be indicative of the results that actually would have occurred if the Merger had been in effect during the periods presented or which may be attained in the future. The pro forma condensed combined financial statements should be read in conjunction with the historical consolidated financial statements and notes thereto of KeyCorp and Society incorporated by reference herein, and the unaudited consolidated condensed historical information, including the notes thereto, appearing elsewhere herein. See "SUMMARY -- Selected Financial Data."

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KEYCORP AND SUBSIDIARIES AND
SOCIETY CORPORATION AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

SEPTEMBER 30, 1993

(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

	KEYCORP	SOCIETY	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
<S>	<C>	<C>	<C>	<C>
ASSETS				
Cash and due from banks	$ 1,676,364	$ 979,703		$ 2,656,067
Short-term investments	88,051	791,579		879,630
Mortgage loans held for sale	840,817	280,878		1,121,695
Securities available for sale	1,068,723	737,053		1,805,776
Investment securities	5,150,950	4,906,794		10,057,744
Loans, net of unearned income	22,075,319	17,019,340		39,094,659
Less: Allowance for loan losses	314,402	484,992		799,394
Net loans	21,760,917	16,534,348		38,295,265
Premises and equipment	473,482	430,253		903,735
Other assets	1,373,297	1,100,025		2,473,322
Total assets	$32,432,601	$25,760,633	$ 0	$58,193,234
LIABILITIES AND STOCKHOLDERS' EQUITY				
Deposits:				
Noninterest-bearing	$ 4,969,892	$ 3,090,748		$ 8,060,640
Interest-bearing	21,604,991	14,674,240		36,279,231
Total deposits	26,574,883	17,764,988		44,339,871
Short-term borrowings	2,278,336	4,291,869		6,570,205

Other liabilities	431,079	617,948		1,049,027
Long-term debt	830,587	1,077,832		1,908,419
Total liabilities	30,114,885	23,752,637		53,867,522
Stockholders' equity:				
Preferred stock	160,000		(1)	160,000
Common stock	508,279	118,658	$(385,784) (1)	241,153
Capital surplus	390,764	634,087	385,784 (1)	1,410,635
Retained earnings	1,258,673	1,344,531		2,603,204
Loans to ESOP trustee	--	(63,909)		(63,909)
Common shares in treasury	--	(25,371)		(25,371)
Total stockholders' equity	2,317,716	2,007,996	0	4,325,712
Total liabilities and stockholders' equity	$32,432,601	$25,760,633	$ 0	$58,193,234

</TABLE>

See "NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS."

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KEYCORP AND SUBSIDIARIES AND
SOCIETY CORPORATION AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 1993

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	KEYCORP	SOCIETY	PRO FORMA COMBINED
<S>	<C>	<C>	<C>
Interest income	$ 1,752,179	$ 1,411,193	$ 3,163,372
Interest expense	652,920	509,798	1,162,718
Net interest income	1,099,259	901,395	2,000,654
Provision for loan losses	106,226	59,080	165,306
Net interest income after provision for loan losses	993,033	842,315	1,835,348
Noninterest income	368,415	396,147	764,562
Noninterest expense	905,166	790,505	1,695,671
Income before income taxes	456,282	447,957	904,239
Provision for income taxes	158,864	157,811	316,675
Net income	$ 297,418	$ 290,146	$ 587,564
Net income applicable to common shares	$ 284,359	$ 289,108	$ 573,467
Weighted average common shares	100,466,064	118,375,534	239,437,141
Net income per common share	$ 2.83	$ 2.44	$ 2.40

</TABLE>

See "NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS."

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KEYCORP AND SUBSIDIARIES AND
SOCIETY CORPORATION AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME

NINE MONTHS ENDED SEPTEMBER 30, 1992
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	KEYCORP	SOCIETY	PRO FORMA COMBINED
<S>	<C>	<C>	<C>
Interest income	$1,714,337	$1,439,693	$3,154,030
Interest expense	746,291	600,190	1,346,481
Net interest income	968,046	839,503	1,807,549
Provision for loan losses	144,841	116,257	261,098
Net interest income after provision for loan losses	823,205	723,246	1,546,451
Noninterest income	311,504	387,652	699,156
Noninterest expense	798,997	798,793	1,597,790
Income before income taxes and cumulative effect of accounting change	335,712	312,105	647,817
Provision for income taxes	108,684	97,401	206,085
Income before cumulative effect of accounting change	$ 227,028	$ 214,704	$ 441,732
Weighted average common shares	97,393,269	117,199,990	234,558,879
Income before cumulative effect of accounting change per common share	$ 2.19	$ 1.79	$ 1.81

</TABLE>

See "NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS."

KEYCORP AND SUBSIDIARIES AND
SOCIETY CORPORATION AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 1992
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	KEYCORP	SOCIETY	PRO FORMA COMBINED
<S>	<C>	<C>	<C>
Interest income	$2,295,357	$1,903,434	$4,198,791
Interest expense	977,071	773,047	1,750,118
Net interest income	1,318,286	1,130,387	2,448,673
Provision for loan losses	190,971	147,366	338,337
Net interest income after provision for loan losses	1,127,315	983,021	2,110,336
Noninterest income	423,659	501,534	925,193
Noninterest expense	1,124,461	1,045,951	2,170,412
Income before income taxes and cumulative effect of accounting change	426,513	438,604	865,117
Provision for income taxes	142,238	137,394	279,632
Income before cumulative effect of accounting change	$ 284,275	$ 301,210	$ 585,485
Weighted average common shares	97,639,971	117,348,656	235,004,821
Income before cumulative effect of accounting change per common share	$ 2.73	$ 2.51	$ 2.39

</TABLE>

See "NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS."

KEYCORP AND SUBSIDIARIES AND
SOCIETY CORPORATION AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 1991
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	KEYCORP	SOCIETY	PRO FORMA COMBINED
<S>	<C>	<C>	<C>
Interest income	$2,388,478	$2,263,873	$4,652,351
Interest expense	1,302,677	1,216,713	2,519,390
Net interest income	1,085,801	1,047,160	2,132,961
Provision for loan losses	186,116	280,047	466,16
Net interest income after provision for loan losses	899,685	767,113	1,666,798
Noninterest income	394,197	455,064	849,261
Noninterest expense	953,186	1,112,493	2,065,679
Income before income taxes	340,696	109,684	450,380
Provision for income taxes	103,478	33,206	136,684
Net income	$ 237,218	$ 76,478	$ 313,696
Net income applicable to common shares	$ 227,244	$ 70,229	$ 297,473
Weighted average common shares	92,821,073	115,266,844	227,116,237
Net income per common share	$ 2.45	$ .61	$ 1.31

</TABLE>

See "NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS."

KEYCORP AND SUBSIDIARIES AND
SOCIETY CORPORATION AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 1990
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	KEYCORP	SOCIETY	PRO FORMA COMBINED
<S>	<C>	<C>	<C>
Interest income	$2,007,446	$2,521,399	$4,528,845
Interest expense	1,168,804	1,498,953	2,667,757
Net interest income	838,642	1,022,446	1,861,088
Provision for loan losses	97,302	419,914	517,216
Net interest income after provision for loan losses	741,340	602,532	1,343,872
Noninterest income	283,574	460,608	744,182
Noninterest expense	754,410	1,065,087	1,819,497
Income (loss) before income taxes and cumulative effect of accounting change	270,504	(1,947)	268,557
Provision (credit) for income taxes	75,871	(60,698)	15,173
Income before cumulative effect of accounting change	$ 194,633	$ 58,751	$ 253,384
Weighted average common shares	86,816,123	115,465,132	220,078,560
Income before cumulative effect of accounting change per common share	$ 2.22	$ .47	$ 1.12

</TABLE>

See "NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS."

KEYCORP AND SUBSIDIARIES AND
SOCIETY CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA
CONDENSED COMBINED FINANCIAL STATEMENTS

(1) Pro forma adjustments to common shares and capital surplus, at September 30, 1993, reflect the combination of KeyCorp and Society, accounted for as a pooling of interests, through: (a) the exchange of 122,495,270 shares of New Key Common Stock for all outstanding shares of KeyCorp Common Stock at an Exchange Ratio of 1.205 shares of New Key Common Stock for each share of KeyCorp Common Stock, and (b) the exchange of 1,280,000 shares of New Key Preferred Stock for all outstanding shares of KeyCorp Preferred Stock on a share-for-share basis. Under generally accepted accounting principles ("GAAP"), the assets and liabilities of Society will be combined with those of KeyCorp at book values. In addition, the statements of income of Society will be combined with the statements of income of KeyCorp on a retroactive basis.

(2) Pro forma weighted average shares outstanding for the nine months ended September 30, 1993 and 1992, and for each of the three years in the period ended December 31, 1992, reflect the issuance of 1.205 shares of New Key Common Stock for each share of KeyCorp Common Stock.

(3) The pro forma condensed combined financial statements do not reflect one-time merger expenses and restructuring charges which currently are estimated to be in the range of $90 to $110 million. It is anticipated that these charges will be incurred and recognized by Society and KeyCorp in the fourth quarter of 1993 and substantially all paid in 1994. The following table provides details of the estimated charges by type of cost.

<TABLE>
<CAPTION>

TYPE OF COST	EXPECTED RANGE OF COST
<S>	<C> <C>
Merger expense.....	$21 to $ 21 million
Restructuring charges:	
Severance, relocation, and other employee costs.....	35 to 42 million
Systems and facilities costs.....	30 to 38 million
Other restructuring costs.....	4 to 9 million
Total merger expenses and restructuring charges.....	$90 to $110 million

</TABLE>

Although no assurance can be given, KeyCorp and Society also expect that cost savings will be achieved by New Key at an annual rate of $80 to $105 million by the end of the first quarter of 1995 as a result of steps to be taken to integrate their operations and to achieve efficiencies in certain combined lines of business. These anticipated merger cost savings were determined based upon preliminary estimates provided by major business groups at both Society and KeyCorp. Merger integration task forces, made up of representatives of both companies, are in the process of validating these preliminary estimates. However, it is presently expected that approximately 50% of the anticipated annualized savings will be achieved in 1994. The pro forma financial data do not give effect to these expected cost savings.

(4) The pro forma financial data do not give effect to the pending acquisitions by KeyCorp of Jackson Bank, Commercial Bancorporation, and Greeley Bank due to immateriality. At September 30, 1993, those entities had total assets of $351.3 million, $373.9 million, and $60.9 million, respectively, and total shareholders' equity of $24.1 million, $35.0 million, and $2.9 million, respectively.

The pro forma financial data also do not give effect to the recently-completed acquisition by Society of Schaenen Wood and Associates of New York, New York, due to immateriality. Schaenen Wood and Associates is an investment advisory firm and had approximately $.8 million in total assets and $.2 million in total shareholders' equity at September 30, 1993.

(5) SFAS No. 114, "Accounting by Creditors for Impairment of a Loan," and SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," were issued in May 1993, and are required to be adopted for fiscal years beginning after December 15, 1994 and 1993, respectively, with earlier application permitted. Neither KeyCorp nor Society has made a final determination of when to adopt either standard, or of the financial impact of the adoption of SFAS No. 114. Based on the pro forma combined securities

portfolio at September 30, 1993, the estimated impact of adoption of SFAS No. 115 would be an increase to shareholders' equity of approximately $58 million, with no impact on the results of operations.

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DESCRIPTION OF NEW KEY CAPITAL STOCK

GENERAL

The New Key Articles of Incorporation authorize 900,000,000 shares of New Key Common Stock, 25,000,000 shares of New Key Serial Preferred Stock, and 1,400,000 shares of New Key Preferred Stock to be issued in the Merger upon conversion of the outstanding KeyCorp Preferred Stock.

NEW KEY COMMON STOCK

The New Key Articles of Incorporation authorize 900,000,000 shares of New Key Common Stock. The shares of New Key Common Stock will be entitled (a) subject to any rights of the New Key Preferred Stock and of any additional preferred stock of New Key that may be issued on or after the Effective Time, to dividends when and as declared by the directors, (b) to one vote per share on each matter properly submitted to shareholders for their vote, and (c) to participate ratably in the net assets of New Key in the event of liquidation, subject to any prior rights of the New Key Preferred Stock and of any additional preferred stock of New Key that may hereafter be issued. The holders of shares of New Key Common Stock will have no preemptive rights to acquire any additional shares of New Key. For a further discussion of the rights of holders of New Key Common Stock, see "COMPARISON OF CERTAIN RIGHTS OF HOLDERS OF CAPITAL STOCK OF KEYCORP, SOCIETY AND NEW KEY."

NEW KEY PREFERRED STOCK AND NEW KEY DEPOSITARY SHARES

NEW KEY PREFERRED STOCK. The New Key Preferred Stock will be a class of capital stock of New Key into which shares of KeyCorp Preferred Stock will be converted pursuant to the Merger. 1,400,000 shares of New Key Preferred Stock will be authorized upon consummation of the Merger. There are no material differences between the rights of a holder of New Key Preferred Stock and the rights of a holder of KeyCorp Preferred Stock. The description of certain provisions of the New Key Preferred Stock set forth below does not purport to be complete and is subject to, and qualified in its entirety by reference to, the express terms of the New Key Preferred Stock set forth in the New Key Articles of Incorporation included as Exhibit I to the Plan of Merger, which is attached hereto as Appendix I.

Dividends. Dividends, which are cumulative, are payable on the New Key Preferred Stock quarterly on March 31, June 30, September 30, and December 31 of each year at the rate per annum equal to 10% of the liquidation preference, or $12.50 per share. The New Key Preferred Stock ranks prior to the New Key Common Stock as to payment of dividends.

Voting Rights. Except as expressly required by applicable law, the holders of shares of New Key Preferred Stock will not be entitled to vote on matters presented to shareholders except under certain circumstances, including (a) if New Key fails to pay full cumulative dividends on the New Key Preferred Stock or any other series of New Key Serial Preferred Stock for six quarterly dividend periods, whether or not consecutive, in which case the number of directors of New Key will be increased by two and the holders of shares of New Key Preferred Stock, together with the holders of all other series of New Key Serial Preferred Stock, will be entitled to vote separately as a class to elect such additional two Directors, and (b) the adoption of any amendment to the New Key Articles of Incorporation that would adversely affect the rights of the New Key Preferred Stock, subject to certain exceptions.

Preemptive Rights. The holders of shares of New Key Preferred Stock will have no preemptive rights to acquire any additional shares of New Key.

Redemption. The New Key Preferred Stock will not be redeemable prior to June 30, 1996. On and after such date, the New Key Preferred Stock will be redeemable in cash at the option of New Key, in whole or in part, from time to time upon not less than 30 nor more than 60 days' notice, with the prior approval of the Federal Reserve Board (if such approval is required), at $125 per share plus all accrued and unpaid dividends to the date fixed for redemption. Shares of the New Key Preferred Stock that are redeemed will be deemed retired.

Conversion. The New Key Preferred Stock will not be convertible into shares of any other class or series of capital stock of New Key.

Liquidation Rights. In the event of any voluntary or involuntary liquidation, dissolution, or winding up of New Key, the holders of shares of New Key Preferred Stock will be entitled to receive out of the assets of New Key available for distribution to shareholders, before any distribution of assets is made to the holders of New Key Common Stock or any other class of stock of New Key ranking junior to the New Key Preferred Stock upon liquidation. Liquidating distributions on the New Key Preferred Stock will be payable in the amount of $125 per share plus accrued and unpaid dividends.

NEW KEY DEPOSITARY SHARES. Each New Key Depositary Share represents a one-fifth interest in a share of New Key Preferred Stock. The New Key Preferred Stock issued in the Merger will be deposited under a Deposit Agreement, dated July 27, 1991 (the "Deposit Agreement"), between New Key (as successor to KeyCorp), Chase Manhattan Bank, or any successor, as depositary (the "Depositary"), and the holders from time to time of the New Key Depositary Receipts issued by the Depositary thereunder. The New Key Depositary Receipts so issued will evidence the New Key Depositary Shares. Subject to the terms of the Deposit Agreement, each owner of a New Key Depositary Share will be entitled through the Depositary, in proportion to the one-fifth interest in a share of New Key Preferred Stock underlying such New Key Depositary Share, to all rights and preferences of a share of New Key Preferred Stock (including dividend, voting, redemption and liquidation rights). Because each share of New Key Preferred Stock entitles the holder thereof to one vote on matters on which the New Key Preferred Stock is entitled to vote, each New Key Depositary Share will, in effect, entitle the holder thereof to one-fifth of a vote thereon, rather than one full vote. There are no material differences between the rights of a holder of New Key Depositary Shares and the rights of a holder of KeyCorp Depositary Shares.

Dividends. The Depositary will distribute all cash dividends or other cash distributions received in respect of New Key Preferred Stock deposited under the Deposit Agreement to the record holders of New Key Depositary Shares relating to such New Key Preferred Stock in proportion to the numbers of such New Key Depositary Shares owned by such holders on the relevant record date.

Voting Rights. Upon receipt of notice of any meeting at which the holders of New Key Preferred Stock deposited under the Deposit Agreement are entitled to vote, each record holder of such New Key Depositary Shares on the record date will be entitled to instruct the Depositary as to the exercise of the voting rights pertaining to the number of shares of New Key Preferred Stock underlying such holder's New Key Depositary Shares. The holders of New Key Depositary Shares are entitled to vote on only those matters on which holders of New Key Preferred Stock are entitled to vote. See "NEW KEY PREFERRED STOCK -- Voting Rights." The Depositary will vote the number of shares of New Key Preferred Stock underlying such New Key Depositary Shares in accordance with such instructions. New Key will endeavor to take all action which may be deemed necessary by the Depositary in order to enable the Depositary to do so.

Redemption. Any New Key Preferred Stock subject to redemption deposited under the Depositary Agreement will be redeemed from the proceeds received by the Depositary resulting from the redemption of such New Key Preferred Stock. The redemption price per Depositary Share will be equal to one-fifth (1/5) of the redemption price of $125 per share plus accrued and unpaid dividends to the date fixed for redemption payable with respect to such New Key Preferred Stock.

Taxation. Holders of New Key Depositary Shares will be treated for federal income tax purposes as if they were owners of the New Key Preferred Stock represented by such Depositary Shares and accordingly will be entitled to take into account for federal income tax purposes income and deductions to which they would be entitled if they were holders of New Key Preferred Stock.

Amendment and Termination of Deposit Agreement. The Depositary Receipts evidencing New Key Depositary Shares and any provision of the Deposit Agreement may at any time be amended by agreement between New Key and the Depositary. However, any amendment that materially alters the rights of the existing holders of Depositary Shares will not be effective unless such amendment has been approved by the record holders of at least a majority of the New Key Depositary Shares then outstanding. The Deposit Agreement may be terminated by New Key or the Depositary only if (a) all outstanding shares of New Key Depositary Shares relating thereto have been redeemed or (b) there has been a final distribution in respect of the New Key Preferred Stock in connection with any liquidation, dissolution, or winding up of New Key and such distribution has been distributed to the holders of the related New Key Depositary Shares.

ADDITIONAL CLASS OF AUTHORIZED BUT UNISSUED NEW KEY SERIAL PREFERRED STOCK

If the Merger is consummated, New Key will have 25,000,000 authorized

shares of preferred stock (the "New Key Serial Preferred Stock"), of which no shares will be issued or outstanding. New Key may issue New Key Serial Preferred Stock from time to time in one or more series. Except as expressly required by applicable law, the holders of New Key Serial Preferred Stock will not be entitled to vote on matters presented to shareholders, except under certain circumstances, including (a) if New Key fails to pay full cumulative dividends on the New Key Serial Preferred Stock or the New Key Preferred Stock for six quarterly dividend periods, whether or not consecutive, in which case the number of directors of New Key will be increased by two and the holders of shares of New Key Serial Preferred Stock, together with the holders of New Key Preferred Stock, will be entitled to vote separately as a class to elect such additional two directors, and (b) the adoption of any amendment to the New Key Articles of Incorporation or the New Key Regulations which would be substantially prejudicial to the rights of the holders of New Key Serial Preferred Stock. The holders of shares of New Key Serial Preferred Stock will have no preemptive rights to acquire any additional shares of New Key. Certain terms of the New Key Serial Preferred Stock may be fixed by New Key's Board of Directors, including dividend rate, whether dividends shall be cumulative, liquidation price, redemption price, sinking fund provisions, conversion rights, and restrictions on issuance of shares of the same series or any other class or series as may be determined by the directors.

AMENDED AND RESTATED ARTICLES OF INCORPORATION AND REGULATIONS OF NEW KEY

GENERAL

Under applicable law, adoption by the shareholders of Society and KeyCorp of the Merger Agreement containing the New Key Articles of Incorporation and the New Key Regulations as exhibits to the Plan of Merger constitutes the adoption of the New Key Articles of Incorporation and the New Key Regulations as the articles of incorporation and regulations of New Key as the surviving corporation in the Merger.

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF NEW KEY

The following summary is intended to highlight certain important provisions of the New Key Articles of Incorporation. This summary is not intended to be complete and is qualified in its entirety by reference to the more detailed information contained in the New Key Articles of Incorporation, a copy of which is included as Exhibit I to the Plan of Merger attached hereto as Appendix I.

Number of Shares of Authorized Stock. The New Key Articles of Incorporation authorize 900,000,000 shares of New Key Common Stock, 25,000,000 shares of New Key Serial Preferred Stock, and 1,400,000 shares of New Key Preferred Stock.

Of the 900,000,000 authorized shares of New Key Common Stock, approximately 118,658,008 shares are currently issued as Society Common Stock, approximately 122,495,270 shares will be issued in connection with the Merger in respect of the KeyCorp Common Stock, approximately 5,428,299 shares will be reserved for issuance for outstanding options under the KeyCorp Option Plans which will be assumed by New Key in the Merger, approximately 7,160,264 shares are reserved for issuance under option plans maintained by Society, approximately 661,370 will be reserved for issuance under KeyCorp's employee stock purchase and dividend reinvestment plans, and approximately 254,403,211 shares are reserved for issuance pursuant to the Society Rights Agreement (assuming the consummation of the Merger, the exercise of all outstanding Society and KeyCorp employee and director stock options, and issuance of all shares reserved for issuance under KeyCorp's employee stock purchase and dividend reinvestment plans). None of the 25,000,000 shares of New Key Serial Preferred Stock will be issued in connection with the Merger. Up to 1,280,000 shares of New Key Preferred Stock of the 1,400,000 shares of New Key Preferred Stock authorized will be issued in the Merger upon conversion of the outstanding Key Corp Preferred Stock; as of the Record Date, there were 1,280,000 shares of New Key Preferred Stock outstanding.

Therefore, upon consummation of the Merger, New Key will have not more than approximately 391,193,578 shares of Common Stock, 25,000,000 shares of New Key Serial Preferred Stock, and not more than 120,000 shares of New Key Preferred Stock available for issuance from time to time as may be necessary in connection with future financings, acquisitions of other companies, stock dividends, stock splits, other distributions, or other corporate purposes. The respective Boards of KeyCorp and Society believe that it is advisable to have authorization for such additional shares in order to enable New Key, as the need may arise, to take prompt advantage of market conditions and the availability of favorable business opportunities without the delay and expense incident to holding a special meeting of the New Key shareholders. See "BACKGROUND OF AND REASONS FOR THE MERGER -- Background of the Merger"; "BUSINESS OF KEYCORP -- Pending Acquisitions" and "BUSINESS OF SOCIETY."

The issuance in future acquisitions or other transactions of the additional shares that would be authorized under the New Key Articles of Incorporation may dilute the present equity ownership position of current holders of Society Common Stock and KeyCorp Common Stock, and could have a dilutive effect on the book value and earnings per share of New Key Common Stock, and could affect the relative voting rights of New Key shareholders. Further, additional shares could be issued by New Key in a private placement to a holder that would, among other things, vote against a business combination. The effect of issuing shares to a holder that would vote against a business combination could be to dilute the ownership of a person attempting to gain control of New Key. Accordingly, a possible effect of adoption of the New Key Articles of Incorporation may be to deter potential acquirors from attempts to take control of New Key.

Express Terms of New Key Common Stock, New Key Preferred Stock and New Key Serial Preferred Stock. The express terms of the New Key Common Stock, the New Key Preferred Stock, and the New Key Serial Preferred Stock are discussed under the heading "DESCRIPTION OF NEW KEY CAPITAL STOCK."

Voting. If a shareholder vote is required under applicable law, the New Key Articles of Incorporation reduce the shareholder vote required under applicable law from a two-thirds vote to a majority of the voting power of New Key to approve any merger, consolidation, dissolution, disposition of all or substantially all of the corporation's assets, and any "majority share acquisition" or "combination," except that the New Key Articles of Incorporation do not reduce the vote of shareholders required to approve a transaction which requires shareholder approval under the Ohio Interested Shareholder Transaction Law. See "COMPARISON OF CERTAIN RIGHTS OF HOLDERS OF CAPITAL STOCK OF KEYCORP, SOCIETY, AND NEW KEY -- Voting Rights -- Mergers, Consolidations, Dissolutions, Combinations, and Other Transactions" and "-- State Takeover Statutes and Takeover Provisions of Charter Documents." No holders of shares of any class of New Key capital stock will be entitled to cumulate their voting power.

Opt-Out of Control Share Acquisition Statute. The New Key Articles of Incorporation contain an election that New Key will not be covered by Section 1701.831 of the Ohio General Corporation Law, which would otherwise apply to control share acquisitions of shares of New Key. For a more detailed discussion, see "COMPARISON OF CERTAIN RIGHTS OF HOLDERS OF CAPITAL STOCK OF KEYCORP, SOCIETY, AND NEW KEY -- State Takeover Statutes and Takeover Provisions of Charter Documents."

REGULATIONS OF NEW KEY

The following summary is intended to highlight selected provisions of the New Key Regulations. This summary is not intended to be complete and is qualified in its entirety by reference to the New Key Regulations, a copy of which is included as Exhibit II to the Plan of Merger attached hereto as Appendix I. In particular, this summary does not describe certain provisions of the Regulations which are, or the effects of which are, described under the heading "TERMS OF THE MERGER -- Board of Directors and Chief Executive Officers of New Key Through December 31, 1998," and reference is made to that section of this Prospectus/Joint Proxy Statement for a description of such provisions. Under Ohio law, regulations are similar to by-laws under New York law.

Special Meetings of Shareholders. The New Key Regulations will provide that a special meeting of shareholders of New Key may be called only by (a) the Chairman of the Board, (b) the President, or in the

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President's absence, death, or disability, a Vice President, (c) the Board of Directors by action at a meeting, or by a majority of the Board of Directors acting without a meeting, or (d) by persons who hold 50% of all shares outstanding and entitled to vote at the special meeting.

Advance Notice of Shareholder Proposals and Nominations. The New Key Regulations will provide that at any meeting of shareholders, proposals by shareholders (including director nominations) will be considered if advance notice of such proposal has been timely given as described below. Written notice of any shareholder proposal must be received by the Secretary of New Key at New Key's principal executive offices not less than 60 nor more than 90 days prior to the shareholders' meeting, unless New Key gives less than 75 days' prior public disclosure of the date of the meeting or prior notice of the meeting to its shareholders, in which case written notice of such shareholder proposal must be given to New Key's Secretary within 15 days of the date on which New Key gives prior public disclosure of the date of the meeting or prior notice of the meeting to its shareholders. The written notice of any such proposal must set forth the text of the proposal to be presented and a brief written statement of the reasons why such shareholder favors the proposal, such shareholder's name and record address, the number and class of all shares of each class of stock of New Key beneficially owned by such shareholder, and any material interest of

such shareholder in the proposal (other than as a shareholder). In addition, if the shareholder proposal constitutes a nomination of an individual for director, the written notice of such proposal must also set forth: (a) as to each person who is not an incumbent director when the shareholder proposes to nominate such person for election as a director, (i) the name, age, business, and residence address of such person, (ii) the principal occupation or employment of such person for the last five years, (iii) the class and number of shares of capital stock of New Key that are beneficially owned by such person, (iv) all positions of such person as a director, officer, partner, employee, or controlling shareholder of any corporation or other business entity, (v) any prior position as a director, officer, or employee of a depository institution or any company controlling a depository institution, (vi) any other information regarding such person that would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC had such person been nominated by the Board of Directors of New Key, and (vii) the written consent of each nominee to serve as a director of New Key if so elected, and, (b) as to the shareholder giving the written notice, (i) a representation that the shareholder is a holder of record of shares of New Key entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, and (ii) a description of all arrangements or understandings between the shareholder and such nominee and any other person or persons (naming such person or persons) pursuant to which the nomination is to be made by the shareholder.

Classified Board of Directors. The New Key Regulations provide that the Board of Directors of New Key will be divided into three classes having as equal a number of directors as possible. The respective terms of the three classes are staggered so that at any time the term of one class will expire at the next annual meeting of shareholders thereafter occurring, the term of a second class will expire at the second annual meeting of shareholders thereafter occurring, and the term of a third class will expire at the third annual meeting of shareholders thereafter occurring. At each annual meeting of shareholders of New Key, the successors to the directors of the class whose term will expire in that year will be elected to hold office for a term expiring at the annual meeting of shareholders occurring in the third year after the date of their election.

The New Key Regulations provide that the Board of Directors or the shareholders of New Key may change the number of directors to a total number of no fewer than 20 directors and no more than 24 directors. The Board of Directors of New Key may change the total number of directors by the affirmative vote of two-thirds of the entire authorized Board. The shareholders of New Key may change the total number of directors at a meeting of the shareholders called for the purpose of electing directors (a) by the affirmative vote of the holders of shares entitling them to exercise three-quarters of the voting power of New Key represented at the meeting and entitled to elect directors or (b) if the proposed change in the number of directors is recommended by two-thirds of the entire authorized Board of Directors, by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of New Key represented at the meeting and entitled to elect directors. The ability of the Board of Directors or shareholders to change the total number of directors is subject to the limitation regarding the number of directors referred to above and to the limitations described in "TERMS OF THE MERGER -- Board of Directors and Chief Executive Officers of New Key

Through December 31, 1998" regarding the number of Insider Directors and the requirement that any increase or decrease in the number of directors be effected by a multiple of two.

The New Key Regulations provide that the number of authorized directors of New Key will be automatically increased by two and that the holders of any class or series of preferred stock of New Key will have the right to elect two directors of New Key during any time when dividends payable on such shares are in arrears, as set forth in the New Key Articles of Incorporation and/or the express terms of the preferred stock of New Key. See "DESCRIPTION OF NEW KEY CAPITAL STOCK -- New Key Preferred Stock and New Key Depositary Shares" and "-- Additional Class of Authorized but Unissued New Key Serial Preferred Stock."

Nominations for Director. For a discussion of the process of director nominations through December 31, 1998, see "TERMS OF THE MERGER -- Board of Directors and Chief Executive Officers of New Key through December 31, 1998." The New Key Regulations provide that after December 31, 1998, nominations for the election of directors may be made by the affirmative vote of two-thirds of the entire authorized Board of Directors.

Nominations for the election of directors may also be made, before and after December 31, 1998, by any shareholder of New Key entitled to vote for the election of directors at a meeting, but only if written notice of such shareholder's intent to make such nomination is received by the Secretary of New Key, at New Key's principal executive offices, not less than 60 nor more than 90

days prior to the meeting; provided, however, that in the event that less than 75 days' notice to the shareholders or prior public disclosure of the date of the meeting is given or made, the written notice of such shareholder's intent to make such nomination must be given to the Secretary of New Key not later than the close of business on the fifteenth day following the earlier of the day on which such notice of the date of the meeting was mailed or such public disclosure was made. Each such notice of a shareholder's intent to make a nomination must set forth specific information about the nominee and the shareholder giving the notice. See "AMENDED AND RESTATED ARTICLES OF INCORPORATION AND REGULATIONS OF NEW KEY -- Regulations of New Key -- Advance Notice of Shareholder Proposals and Nominations."

Vote Required for Director Action. The New Key Regulations provide, in the absence of a different or greater vote as specified for specific matters in the New Key Regulations, that a majority of the entire authorized Board of Directors constitutes a quorum for the transaction of any business at any meeting at the Board and that the affirmative vote of a majority of directors present at any meeting at which a quorum is present will be the act of the Board.

The New Key Regulations provide that the affirmative vote of at least two-thirds of the entire authorized Board of Directors is required for approval of any of the following transactions: (a) any merger or consolidation of New Key (i) with any interested shareholder, as such term is defined in Chapter 1704 of the Ohio General Corporation Law, or (ii) with any other corporation if the merger or consolidation is caused by any interested shareholder, (b) any recommendation or approval of any transaction as a result of which any person will become an interested shareholder, (c) any merger or consolidation involving New Key and any other corporation with assets having an aggregate book value equal to 50% or more of the aggregate book value of all the assets of New Key determined on a consolidated basis, (d) any liquidation or dissolution of New Key, (e) any sale, lease, exchange, mortgage, pledge, transfer, or other disposition (in one transaction or a series of transactions) to or with an interested shareholder of assets of New Key which assets have an aggregate book value equal to 10% or more of the aggregate book value of all the assets of New Key determined on a consolidated basis, (f) any sale, lease, exchange, mortgage, pledge, transfer, or other disposition (in one transaction or a series of transactions) to or with any person of assets of New Key which assets have an aggregate book value equal to 25% or more of the aggregate book value of all the assets of New Key determined on a consolidated basis, (g) any transaction which results in the issuance or transfer by New Key of more than 15% of the voting stock of New Key to any person, (h) any transaction involving New Key which has the effect, directly or indirectly, of increasing the proportionate share of the stock or securities of any class or series of New Key which is owned by an interested shareholder, (i) any transaction requiring the amendment of any provision of the New Key Articles of Incorporation if to amend such provision otherwise would require an affirmative vote of at least two-thirds of the entire authorized Board of Directors or any

transaction requiring the amendment of any provision of the New Key Regulations if to amend such provision otherwise would require an affirmative vote of at least two-thirds of the entire authorized Board of Directors of New Key (provided, however, if the amendment of any provision of the New Key Regulations requires an affirmative vote of more than two-thirds of the entire authorized Board of Directors, any transactions having the same effect may only be authorized by the vote required to amend such provision of the New Key Regulations), and (j) any receipt by an interested shareholder, other than proportionately as a shareholder of New Key, of the benefit, directly or indirectly, of any financial benefits provided through New Key.

Removal of Directors and Filling Vacancies. The New Key Regulations provide that the Board of Directors may remove any director and thereby create a vacancy on the Board: (a) if by order of court he has been found to be of unsound mind or if he is adjudicated a bankrupt or (b) if within 60 days from the date of his election he does not qualify by accepting in writing his election to such office or by acting at a meeting of directors.

All the directors, or all of the directors of a particular class, or any individual director, may be removed from office, without assigning any cause, by the affirmative vote of the holders of shares entitling them to exercise three-quarters of the voting power of New Key entitled to elect directors in place of those to be removed. In case of any such removal, a new director nominated in accordance with the New Key Regulations may be elected at the same meeting for the unexpired term of each director removed. Failure to elect a director to fill the unexpired term of any director removed is deemed to create a vacancy on the Board.

The New Key Regulations will provide that any vacancies on the Board of Directors resulting from death, resignation, removal, or other cause may only be filled by the affirmative vote of two-thirds of the remaining directors then in

office, even though less than a quorum of the Board of Directors, or by a sole remaining director. Newly created directorships resulting from any increase in the number of directors by action of the Board of Directors shall be filled by the affirmative vote of two-thirds of the directors then in office, or if not so filled, by the shareholders at the next annual meeting thereof or at a special meeting called for that purpose in accordance with the New Key Regulations. In the event that the shareholders increase the authorized number of directors in accordance with the New Key Regulations but fail at the meeting at which such increase is authorized, or an adjournment of that meeting, to elect the additional directors provided for, or if the shareholders fail at any meeting to elect the whole authorized number of directors, such vacancies may be filled by the affirmative vote of two-thirds of the directors then in office. Any director elected in accordance with the three preceding sentences shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. Notwithstanding the foregoing, through December 31, 1998, the Board of Directors of New Key may only fill vacancies (however caused) in accordance with the provisions of the New Key Regulations described under "TERMS OF THE MERGER -- Board of Directors and Chief Executive Officers of New Key through December 31, 1998" and "AMENDED AND RESTATED ARTICLES OF INCORPORATION OF NEW KEY -- Regulations of New Key -- Nominations for Director."

Membership of Board Committees. The New Key Regulations provide that the Board of Directors may, by resolution adopted by the affirmative vote of at least two-thirds of the entire authorized Board, designate annually (a) four or more of its members to constitute members of the Executive Committee and (b) one or more of its members to be alternate members of the Executive Committee to take the place of any absent member or members at any meeting of the Executive Committee. For a discussion regarding the membership of the Executive Committee through December 31, 1998, see "TERMS OF THE MERGER -- Board of Directors and Chief Executive Officers of New Key through December 31, 1998."

The New Key Regulations also provide for the designation of a Nominating Committee, to remain in effect until December 31, 1998. For a detailed discussion regarding the Nominating Committee, see "TERMS OF THE MERGER -- Board of Directors and Chief Executive Officers of New Key through December 31, 1998."

The New Key Regulations further provide that the Board of Directors may, by resolution adopted by the affirmative vote of at least two-thirds of the entire authorized Board, designate from among its members one or more other committees, each of which must (a) consist of not fewer than three directors, together with such alternates as the Board of Directors may appoint to take the place of any absent member or members at any

meeting of such committee, and (b) except as otherwise prescribed by law, have such authority of the Board as may be specified in the resolution of the Board designating such committee.

Indemnification. The New Key Regulations provide that New Key will indemnify to the fullest extent permitted by law any person made or threatened to be made a party to any action, suit, or proceeding by reason of the fact that he is or was a director, officer, or employee of New Key or is or was serving at the request of New Key as a director, trustee, officer, or employee of a bank, other corporation, partnership, joint venture, trust, or enterprise. New Key will indemnify any person who served as a director, officer, or employee of any constituent corporation that is merged into New Key, or who served at the request of such constituent corporation as a director, officer, trustee, or employee of a bank, other corporation, partnership, joint venture, trust, or other enterprise for acts, omissions, or other events or occurrences prior to the merger to the same extent as the constituent corporation, if its separate existence had continued, would have been required to indemnify such persons. The indemnification provided in the New Key Regulations is not exclusive of any other rights to indemnification which any persons may have.

Headquarters Location. The New Key Regulations provide that the headquarters and principal executive offices of New Key will be located in Cleveland, Ohio.

Amendment of New Key Regulations. The New Key Regulations provide that through December 31, 1998, the provisions of the New Key Regulations relating to (a) the number, classification, and term of office of directors, (b) Chairman of the Board, Chairman of the Executive Committee, and chairmen of other committees, (c) nominations and removal of directors and filling vacancies in the Board of Directors, (d) the Nominating Committee, (e) Chief Executive Officer and President through December 31, 1998, (f) removal of officers, (g) the headquarters of New Key, and (h) amendment of the New Key Regulations may only be amended, repealed, or altered (i) by the affirmative vote of the holders of shares entitling them to exercise three-quarters of the voting power of New

Key on such proposal, (ii) if such amendment, repeal, or alternation is recommended by three-quarters of the entire authorized Board of Directors of New Key, by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of New Key on such proposal, or (iii) without a meeting, by the written consent of the holders of shares entitling them to exercise 100% of the voting power of New Key on such proposal. The New Key Regulations also provide that until December 31, 1998, any New Key Regulations, other than those New Key Regulations specifically listed in the immediately preceding sentence, and, after December 31, 1998, any New Key Regulations, may be adopted, amended, repealed, or altered (a) by the affirmative vote of the holders of shares entitling them to exercise three-quarters of the voting power of New Key on such proposal, (b) if such adoption, amendment, repeal, or alteration is recommended by two-thirds of the entire authorized Board of Directors, by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of New Key on such proposal, or (c) without a meeting, by the written consent of the holders of shares entitling them to exercise 100% of the voting power of New Key on such proposal.

Certain of the provisions of the New Key Articles of Incorporation and the New Key Regulations may impede or prevent a change of control of New Key, even in circumstances where a majority of the shareholders may believe that such a change of control would be in the best interests of New Key.

COMPARISON OF CERTAIN RIGHTS OF HOLDERS OF CAPITAL STOCK OF KEYCORP, SOCIETY, AND NEW KEY

If the Merger is consummated, all shareholders of KeyCorp and Society (except shareholders of KeyCorp and Society who perfect their dissenters' rights) will become shareholders of New Key. KeyCorp is a corporation organized under, and governed by, New York law, the KeyCorp Certificate of Incorporation, and the KeyCorp By-laws, whereas Society is a corporation organized under, and governed by, Ohio law, the Society Articles of Incorporation, and the Society Regulations. If the Merger is consummated, New Key will be a corporation organized under, and governed by, Ohio law, the New Key Articles of Incorporation, and the New Key Regulations. The rights of a holder of KeyCorp Common Stock and Society Common Stock are each similar in some respects and different in other respects from the rights of a holder of New Key Common Stock. Certain of these similarities and differences are summarized below. THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE NEW YORK BUSINESS CORPORATION

LAW, THE OHIO GENERAL CORPORATION LAW, THE OHIO INTERESTED SHAREHOLDER TRANSACTION LAW, THE KEYCORP CERTIFICATE OF INCORPORATION AND THE KEYCORP BY-LAWS, THE SOCIETY ARTICLES OF INCORPORATION AND THE SOCIETY REGULATIONS, AND THE NEW KEY ARTICLES OF INCORPORATION AND THE NEW KEY REGULATIONS.

VOTING RIGHTS

Cumulative Voting and Pre-Emptive Rights. No holders of shares of any class of capital stock of KeyCorp, Society, or New Key is entitled to the right of cumulative voting or to pre-emptive rights.

Mergers, Consolidations, Dissolutions, Combinations, and Other Transactions. Under New York law, a merger, consolidation, dissolution, and disposition of all or substantially all of a corporation's assets must be adopted by the affirmative vote of the holders of two-thirds of all outstanding shares entitled to vote. Except for "Business Combinations" (see "State Takeover Statutes and Takeover Provisions of Charter Documents" below), New York law does not require shareholder approval in the case of "combinations" and "majority share acquisitions," as is required in Ohio. KeyCorp's Certificate of Incorporation does not raise or lower the percentage vote required by New York law.

Subject to the provisions discussed in "State Takeover Statutes and Takeover Provisions of Charter Documents" below, Ohio law requires adoption of a merger, consolidation, dissolution, disposition of all or substantially all of the corporation's assets, and a "majority share acquisition" or "combination" involving issuance or transfer of shares with one-sixth or more of the voting power of the corporation by the affirmative vote of the holders of shares entitled to exercise at least two-thirds of the voting power of the Corporation on such proposal, unless the articles of incorporation specify a different proportion (not less than a majority). Adoption by the affirmative vote of the holders of two-thirds of any class of shares, unless otherwise provided in the articles, may also be required if the rights of holders of that class are affected in certain respects by the merger or consolidation. Except for the "Fair Price and Supermajority Provisions" discussed below, in lieu of the two-thirds shareholder vote required by law, the Society Articles of Incorporation require, and the New Key Articles of Incorporation will require, adoption by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of Society and New Key, respectively, on

any such proposal, and by the affirmative vote of the majority of any class if a class vote is required.

Fair Price and Supermajority Vote Provisions. The KeyCorp Certificate of Incorporation does not include fair price or supermajority vote provisions.

The Society Articles of Incorporation contain "fair price" and "supermajority vote" provisions which apply to "Business Combinations" with a corporation or other person who directly or indirectly then beneficially owns, or within the preceding two years beneficially owned, 10% or more of the outstanding voting stock of Society (an "Interested Shareholder"). A "Business Combination" includes a merger or consolidation of Society or a subsidiary of Society with or into an Interested Shareholder, a sale of assets to or purchase of assets from an Interested Shareholder exceeding $10,000,000 (other than in the ordinary course of business between subsidiaries of Society and subsidiaries of the Interested Shareholder), the issuance by Society of securities to, or the purchase by Society of securities issued by, an Interested Shareholder, the adoption of a plan for the dissolution or liquidation of Society proposed by an Interested Shareholder, and any reclassification or recapitalization of securities of Society resulting in an increase in the relative voting power of an Interested Shareholder. The so-called "fair price" provision derives its name from the fact that it specifies a minimum consideration (determined pursuant to a formula based on the highest per share price paid by the Interested Shareholder in acquiring Society capital stock plus interest) which must be paid and certain procedural requirements which must be satisfied in order to effect a Business Combination with an Interested Shareholder unless the Business Combination is approved by two-thirds of the "Continuing Directors" or by holders of not less than two-thirds of the outstanding voting stock of Society not beneficially owned by the Interested Shareholder. "Continuing Directors" are directors who are unaffiliated with the Interested Shareholder and who were either members of Society's Board of Directors prior to the time an Interested Shareholder became such or any approved successor to a Continuing Director. The supermajority vote provision provides that a Business Combination with an Interested Shareholder cannot be effected unless

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approved by two-thirds of the Continuing Directors or by holders of at least 75% of the outstanding voting stock of Society. Any approval required under the fair price provision or supermajority vote provision is in addition to any approval required under applicable law or other provisions of the Society Articles of Incorporation.

The fair price and supermajority vote provisions may not be repealed, amended, or otherwise modified unless (a) the Continuing Directors (or, if there is no Interested Shareholder, the Board of Directors of Society) recommend such repeal, amendment, or modification and such repeal, amendment, or modification is approved by the shareholders of Society by the same vote as any other amendment to Society's articles would have to be approved, or (b) such repeal, amendment, or modification is approved by the affirmative vote of holders of (i) not less than 75% of the outstanding voting stock of Society voting together as a single class, and (ii) not less than 66 2/3% of the outstanding voting stock of Society held by all shareholders other than Interested Shareholders voting together as a single class.

The New Key Articles of Incorporation will not include fair price or supermajority vote provisions.

STATE TAKEOVER STATUTES AND TAKEOVER PROVISIONS OF CHARTER DOCUMENTS

Under New York law applicable to KeyCorp, a corporation cannot enter into certain business combinations involving persons beneficially owning 20% or more of its outstanding voting stock (an "interested shareholder") unless its Board has approved the business combination or the stock acquisition by which the person's interest reached 20% ("Stock Acquisition") prior to the date of the Stock Acquisition. This prohibition applies for five years after the date of the Stock Acquisition; thereafter, the corporation may enter into a business combination with the interested person, but only (1) if the combination is approved by a majority of its outstanding voting stock beneficially owned by disinterested shareholders or (2) if the disinterested shareholders receive a price for their shares equal to or greater than the price determined in accordance with certain statutory formulas. The business combinations subject to the foregoing restrictions include, among other things, a merger or consolidation involving the corporation and the interested shareholder, a sale, lease, exchange, mortgage, pledge, transfer, or other disposition of substantial assets of the corporation to or with the interested shareholder, certain issuances or sales of shares of the corporation to the interested shareholder, the adoption of a plan of liquidation or dissolution of the corporation that was proposed by the interested shareholder, a reclassification, recapitalization, or other transaction proposed on behalf of the interested shareholder that would result in an increase in the proportion of shares beneficially owned by the

interested shareholder, and the receipt by the interested shareholder of a loan, guarantee, other financial assistance, or tax benefit not received proportionately by all shareholders. New York law also prevents a New York corporation from purchasing more than 10% of its common shares from a shareholder for more than the market value thereof unless the purchase is approved by its Board and by a majority vote of all of its outstanding shares entitled to vote unless the offer to purchase is extended to all of its shareholders, or unless the offer is for shares of which the holder has been the beneficial owner for more than two years.

Under the Ohio Interested Shareholder Transaction Law, applicable to both Society and New Key, a corporation is prohibited from entering into a "Chapter 1704. transaction" (as defined herein) with the direct or indirect beneficial owner of 10% or more of the shares of the corporation (a "10% shareholder") for at least three years after the shareholder attains his 10% ownership unless the board of directors of the corporation approves, before the shareholder attains his 10% ownership, either the transaction or the purchase of shares resulting in his 10% ownership. A "Chapter 1704. transaction" is broadly defined to include, among other things, a merger or consolidation involving the corporation and the 10% shareholder, a sale or purchase of substantial assets between the corporation and the 10% shareholder, a reclassification, recapitalization, or other transaction proposed by the 10% shareholder that results in an increase in the proportion of shares beneficially owned by the 10% shareholder, and the receipt by the 10% shareholder of a loan, guarantee, other financial assistance, or tax benefit not received proportionately by all shareholders. Even after the three-year period, Ohio law restricts these transactions between the corporation and the 10% shareholder. At that time, such a transaction may proceed only if (a) the board of directors of the corporation had approved the purchase of shares that gave the shareholder his 10% ownership, (b) the transaction is approved by the holders of shares of the corporation with at least two-thirds of the voting power of the corporation (or a different proportion set forth in the articles of incorporation), including at least a majority of the outstanding shares after excluding

shares held or controlled by the 10% shareholder, or (c) the business combination results in shareholders, other than the 10% shareholder, receiving a prescribed fair price plus interest for their shares.

In addition, under Ohio law, the acquisition by any person (as used in this section, an "acquiring person") of shares of voting stock of Society giving the acquiring person voting power of Society within any of the following ranges would constitute a "control share acquisition": (a) one-fifth or more but less than one-third of such voting power; (b) one-third or more but less than a majority of such voting power; or (c) a majority or more of such voting power. An acquiring person may make a control share acquisition only if (1) the shareholders of Society who hold shares entitling them to vote in the election of directors authorize such acquisition at a special meeting held for that purpose at which a quorum is present by an affirmative vote of a majority of the voting power of Society in the election of directors represented at such meeting in person or by proxy, and of a majority of the portion of such voting power excluding the voting power of "interested shares" (as defined below). A quorum shall be deemed to be present at such special meeting if at least a majority of the voting power of Society in the election of directors, and a majority of the portion of such voting power excluding the voting power of interested shares, are represented at such meeting in person or by proxy; and (2) such acquisition is consummated, in accordance with the terms so authorized, no later than 360 days following shareholder authorization of the control share acquisition. "Interested shares" means the shares of Society in respect of which any of the following persons may exercise or direct the exercise of the voting power of Society in the election of directors: (a) the acquiring person; (b) any officer of Society elected or appointed by the directors of Society; or (c) any employee of Society who is also a director of Society. "Interested shares" also means any shares of Society acquired, directly or indirectly, by any person from the holder or holders thereof for a valuable consideration during the period beginning with the date of the first public disclosure of a proposed control share acquisition of Society or any proposed merger, consolidation, or other transaction that would result in a change in control of Society or all or substantially all of its assets and ending on the date of any special meeting of Society's shareholders held thereafter for the purpose of voting on a control share acquisition proposed by an acquiring person if either of the following applies: (a) the aggregate consideration paid or given by the person who acquired the shares, and any other persons acting in concert with him, for all such shares exceeds two hundred fifty thousand dollars; or (b) the number of shares acquired by the person who acquired the shares, and any other persons acting in concert with him, exceeds one-half of one percent of the outstanding shares entitled to vote in the election of directors. Society has not taken any corporate action to opt-out of the Ohio control share acquisition law. The New Key Articles of Incorporation contain an express opt-out provision with regard to the Ohio control share acquisition law. See "CERTAIN REGULATORY

CONSIDERATIONS -- Control Acquisitions."

Ohio law further requires that any offeror making a "control bid" for any securities of a "subject company" pursuant to a tender offer must file information specified in the Ohio Securities Act with the Ohio Division of Securities when the bid commences. The Ohio Division of Securities must then decide whether it will suspend the bid under the statute within three calendar days. If it does so, it must initiate hearings on the suspension within 10 calendar days of the suspension date, and make a determination of whether to maintain the suspension, within 16 calendar days of the suspension date. For this purpose, a "control bid" is the purchase of or an offer to purchase any equity security of a subject company from a resident of Ohio that would, in general, result in the offeror acquiring 10% or more of the outstanding shares of such company. A "subject company" includes any company with both (a) its principal place of business or principal executive office in Ohio or assets located in Ohio with a fair market value of at least $1,000,000 and (b) more than 10% of its record or beneficial equity security holders in Ohio, more than 10% of its equity securities owned of record or beneficially by Ohio residents, or more than 1,000 of its record or beneficial equity security holders in Ohio.

To avoid continued suspension of its bid in Ohio, an offeror must comply with three requirements: (a) the information required by the statute must be provided to the Ohio Division of Securities, (b) all material information regarding the control bid must be provided to the offerees, and (c) there may be no material violation of any provision of the Ohio Securities Act.

SHAREHOLDER RIGHTS PLANS

KeyCorp Rights. On October 1, 1993 the Board of Directors of KeyCorp declared a dividend payable November 1, 1993 of one KeyCorp Right for each outstanding share of KeyCorp Common Stock held of record at the close of business on October 15, 1993 (the "Record Time"), or issued thereafter and prior to the Separation Time (as defined herein) and thereafter pursuant to options and convertible securities outstanding at the Separation Time. The KeyCorp Rights are issued pursuant to the KeyCorp Rights Agreement, between KeyCorp and the KeyCorp Rights Agent. Each KeyCorp Right entitles its registered holder to purchase from KeyCorp, after the Separation Time, one-hundredth of a share of Participating Preferred Stock, par value $5.00 per share ("Participating Preferred Stock"), for $115 (the "Exercise Price") subject to adjustment.

The KeyCorp Rights will be evidenced by the KeyCorp Common Stock certificates until the close of business on the earlier of (either, the "Separation Time") (a) the tenth business day (or such later date as the Board of Directors of KeyCorp may from time to time fix by resolution adopted prior to the Separation Time that would otherwise have occurred) after the date on which any Person (as defined in the KeyCorp Rights Agreement) commences a tender or exchange offer which, if consummated, would result in such Person's becoming an Acquiring Person, as defined below, and (b) the tenth day after the first date (the "Flip-in Date") of public announcement by KeyCorp that such Person has become an Acquiring Person, other than as a result of a Flip-over Transaction or Event (as defined herein); provided that if the foregoing results in the Separation Time being prior to the Record Time, the Separation Time shall be the Record Time; and provided further that if a tender or exchange offer referred to in clause (a) is cancelled, terminated, or otherwise withdrawn prior to the Separation Time without the purchase of any shares of stock pursuant thereto, such offer shall be deemed never to have been made. An "Acquiring Person" is any Person having Beneficial Ownership (as defined in the Rights Agreement) of 20% or more of the outstanding shares of KeyCorp Common Stock, which term shall not include (i) KeyCorp, any wholly-owned subsidiary of KeyCorp or any employee stock ownership or other employee benefit plan of KeyCorp, (ii) any Person who shall become the Beneficial Owner (as defined in the Rights Agreement) of 20% or more of the outstanding KeyCorp Common Stock solely as a result of an acquisition of KeyCorp Common Stock by KeyCorp, until such time as such Person acquires additional KeyCorp Common Stock, other than through a dividend or stock split, (iii) any Person who becomes an Acquiring Person without any plan or intent to seek or affect control of KeyCorp if such Person, upon notice by KeyCorp, promptly divests sufficient securities such that such 20% or greater Beneficial Ownership ceases, or (iv) Society, provided that Society only Beneficially Owns shares of KeyCorp Common Stock consisting solely of one or more of (A) shares of KeyCorp Common Stock Beneficially Owned pursuant to the grant or exercise of the KeyCorp Stock Option pursuant to the KeyCorp Stock Option Agreement, (B) shares of KeyCorp Common Stock (or securities convertible into, exchangeable into, or exercisable for KeyCorp Common Stock), Beneficially Owned by Society or its Affiliates or Associates on October 1, 1993, (C) shares of KeyCorp Common Stock (or securities convertible into, exchangeable into, or exercisable for KeyCorp Common Stock) acquired by Affiliates or Associates of Society after the time of such grant which, in the aggregate, amount to less than 1% of the outstanding shares of KeyCorp Common Stock, or (D) shares of KeyCorp Common Stock (or securities convertible into, exchangeable into, or

exercisable for KeyCorp Common Stock) which are held by Society or any of its subsidiaries in trust accounts, managed accounts, and the like or otherwise held in a fiduciary capacity or in respect of a debt previously contracted, in all cases in the ordinary course of its banking or trust business. The KeyCorp Rights Agreement provides that, until the Separation Time, the KeyCorp Rights will be transferred with and only with the KeyCorp Common Stock. KeyCorp Common Stock certificates issued after the Record Time but prior to the Separation Time shall evidence one KeyCorp Right for each share of KeyCorp Common Stock represented thereby and shall contain a legend incorporating by reference the terms of the KeyCorp Rights Agreement (as such may be amended from time to time). Notwithstanding the absence of the aforementioned legend, certificates evidencing shares of KeyCorp Common Stock outstanding at the Record Time shall also evidence one KeyCorp Right for each share of KeyCorp Common Stock evidenced thereby. Promptly following the Separation Time, separate certificates evidencing the KeyCorp Rights ("Rights Certificates") will be mailed to holders of record of KeyCorp Common Stock at the Separation Time.

The KeyCorp Rights will not be exercisable until the Business Day (as defined in the KeyCorp Rights Agreement) following the Separation Time. The KeyCorp Rights will expire on the earliest of (a) the

Exchange Time (as defined herein), (b) the close of business on October 15, 2003, (c) the date on which the KeyCorp Rights are redeemed as described below, and (d) upon the merger of KeyCorp into Society Corporation (in any such case, the "Expiration Time").

The Exercise Price and the number of KeyCorp Rights outstanding, or in certain circumstances the securities purchasable upon exercise of the KeyCorp Rights, are subject to adjustment from time to time to prevent dilution in the event of a KeyCorp Common Stock dividend on, or a subdivision or a combination into a smaller number of shares of, KeyCorp Common Stock, or the issuance or distribution of any securities or assets in respect of, in lieu of, or in exchange for KeyCorp Common Stock.

In the event that prior to the Expiration Time a Flip-in Date occurs, KeyCorp shall take such action as shall be necessary to ensure and provide that each KeyCorp Right (other than KeyCorp Rights Beneficially Owned by the Acquiring Person or any affiliate or associate thereof, which KeyCorp Rights shall become void) shall constitute the right to purchase, upon the exercise thereof in accordance with the terms of the Rights Agreement, that number of shares of KeyCorp Common Stock or Participating Preferred Stock of KeyCorp having an aggregate Market Price (as defined in the KeyCorp Rights Agreement), on the date of the public announcement of an Acquiring Person's becoming such (the "Stock Acquisition Date") that gave rise to the Flip-in Date, equal to twice the Exercise Price for an amount in cash equal to the then current Exercise Price. In addition, the Board of Directors of KeyCorp may, at its option, at any time after a Flip-in Date and prior to the time that an Acquiring Person becomes the Beneficial Owner of more than 50% of the outstanding shares of KeyCorp Common Stock at an Exchange Ratio of one or more shares of KeyCorp Common Stock per KeyCorp Right, appropriately adjusted to reflect any stock split, stock dividend, or similar transaction occurring after the date of the Separation Time (the "Exchange Ratio"). Immediately upon such action by the Board of Directors (the "Exchange Time"), the right to exercise the KeyCorp Rights will terminate and each KeyCorp Right will thereafter represent only the right to receive a number of shares of KeyCorp Common Stock equal to the Exchange Ratio.

Whenever KeyCorp shall become obligated under the preceding paragraph to issue shares of KeyCorp Common Stock upon exercise of or in exchange for KeyCorp Rights, KeyCorp, at its option, may substitute therefor shares of Participating Preferred Stock, at a ratio of one-hundredth of a share of Participating Preferred Stock for each share of KeyCorp Common Stock so issuable.

In the event that prior to the Expiration Time KeyCorp enters into, consummates or permits to occur a transaction or series of transactions after the time an Acquiring Person has become such in which, directly or indirectly, (a) KeyCorp shall consolidate or merge or participate in a binding share exchange with any other Person if, at the time of the consolidation, merger, or share exchange or at the time KeyCorp enters into an agreement with respect to such consolidation, merger, or share exchange, the Acquiring Person controls the Board of Directors of KeyCorp and any term of or arrangement concerning the treatment of shares of capital stock in such merger, consolidation, or share exchange relating to the Acquiring Person is not identical to the terms and arrangements relating to other holders of KeyCorp Common Stock or (b) KeyCorp shall sell or otherwise transfer (or one or more of its subsidiaries shall sell or otherwise transfer) assets (i) aggregating more than 50% of the assets (measured by either book value or fair market value) or (ii) generating more than 50% of the operating income or cash flow, of KeyCorp and its subsidiaries (taken as a whole) to any other Person (other than KeyCorp or one or more of its

wholly owned subsidiaries) or two or more such Persons which are affiliated or otherwise acting in concert, if, at the time of such sale or transfer of assets or at the time KeyCorp (or any such subsidiary) enters into an agreement with respect to such sale or transfer, the Acquiring Person controls the Board of Directors of KeyCorp (a "Flip-over Transaction or Event"), KeyCorp shall take such action as shall be necessary to ensure that, and shall not enter into, consummate, or permit to occur such Flip-over Transaction or Event unless, the Acquiring Person or the parent corporation thereof (the "Flip-over Entity"), shall have entered into a supplemental agreement for the benefit of the holders of the KeyCorp Rights, providing that, upon consummation or occurrence of the Flip-over Transaction or Event (A) each Right shall thereafter constitute the right to purchase from the Flip-over Entity, upon exercise thereof in accordance with the terms of the KeyCorp Rights Agreement, that number of shares of common stock of the Flip-over Entity having an aggregate Market Price on the date of consummation or occurrence of such Flip-over Transaction or Event equal to twice the Exercise Price for an amount in cash equal to the then current Exercise Price and (B) the Flip-over Entity shall thereafter be liable for, and shall assume, by virtue of such

Flip-over Transaction or Event and such supplemental agreement, all the obligations and duties of KeyCorp pursuant to the KeyCorp Rights Agreement. For purposes of the foregoing description, the term "Acquiring Person" shall include any Acquiring Person and its Affiliates counted together as a single Person.

The Board of Directors of KeyCorp may, at its option, at any time prior to the close of business on the Flip-in Date, redeem all (but not less than all) the then outstanding KeyCorp Rights at price of $.01 per Right (the "Redemption Price") as provided in the KeyCorp Rights Agreement. Immediately upon the action of the Board of Directors of KeyCorp, electing to redeem the KeyCorp Rights, without any further action and without any notice, the right to exercise the KeyCorp Rights will terminate and each Right will thereafter represent only the right to receive the Redemption Price in cash of each Right so held.

The holders of KeyCorp Rights will not, solely by reason of their ownership of KeyCorp Rights, have any rights as shareholders of KeyCorp, including, without limitation, the right to vote or to receive dividends.

The KeyCorp Rights will not prevent a takeover of KeyCorp. However, the KeyCorp Rights may cause substantial dilution to a person or group that acquires 20% or more of the KeyCorp Common Stock unless the KeyCorp Rights are first redeemed by the Board of Directors of KeyCorp.

As of October 15, 1993 there were 101,696,499 shares of KeyCorp Common Stock issued and outstanding, 4,526,411 shares reserved for issuance pursuant to employee benefit plans, and 509,122 shares reserved for issuance under employee stock purchase and dividend reinvestment plans. As long as the KeyCorp Rights are attached to the KeyCorp Common Stock, KeyCorp will issue one KeyCorp Right with each new share of KeyCorp Common Stock so that all such shares will have KeyCorp Rights attached.

Society Rights. The following summarizes the principal terms of the Society Rights Agreement, as amended to date, including the Society Rights Agreement Amendment, which was entered into in connection with the Merger Agreement and the Society Option Agreement. If the Merger is consummated, the Society Rights Agreement will become the New Key Rights Agreement. As appropriate, all references in this section to Society Rights and Society Common Stock shall be deemed to refer to New Key Rights and New Key Common Stock as of and after the Effective Time.

Society Rights have been and will continue to be issued in respect of all shares of Society Common Stock that are (a) issued after the Record Date but before the earlier of the expiration or redemption of the Society Rights or the occurrence of a Triggering Event (as defined herein), (b) issued before the expiration or redemption of the Society Rights in exchange for KeyCorp Common Stock upon consummation of the Merger or issued pursuant to the Society Option Agreement, or (c) issued before the expiration or redemption of the Society Rights upon the exercise of any employee stock option granted prior to a Triggering Event.

Each of the Society Rights initially represents the right to purchase one Society Common Share for $65 (as used in this section, "Purchase Price"). The Society Rights will become exercisable 20 days after the earlier of (a) a public announcement that a person or group has become an Acquiring Person (as hereinafter defined) or (b) the commencement of a tender offer or exchange offer that would result in a person or group becoming an Acquiring Person. As used in this section, an "Acquiring Person" means a person or group that beneficially owns more than 15% of the Society Common Stock outstanding, except that (a) a person will not be deemed to be an Acquiring Person if the person becomes the beneficial owner of more than 15% of the Society Common Stock as a result of a

reduction in the number of Society Common Stock outstanding unless, after the reduction, the person acquires additional Society Common Stock, (b) a person will not be deemed to be an Acquiring Person if the person becomes the beneficial owner of more than 15% of the Society Common Stock inadvertently and, as soon as practicable after learning about such beneficial ownership, divests enough Society Common Stock so that the person ceases to be the beneficial owner of more than 15% of the Society Common Stock, and (c) neither KeyCorp nor any of its affiliates or associates will be deemed to be the beneficial owner of Society Common Stock by reason of the execution or performance of the Merger Agreement or the Society Option Agreement so long as neither KeyCorp nor any of its subsidiaries becomes the beneficial owner of any Society Common Stock other than (i) pursuant to the Merger Agreement or the Society Option Agreement, (ii) Society Common Stock beneficially owned by KeyCorp or any of its subsidiaries on October 1, 1993 or Society Common Stock acquired after October 1, 1993 by any affiliate or associate of KeyCorp (other than a subsidiary of KeyCorp), (iii) Society Common Stock of which KeyCorp

or any of its subsidiaries inadvertently becomes the beneficial owner after October 1, 1993, provided the number of such shares does not exceed 1/2 of 1% of the Society Common Stock then outstanding and that KeyCorp or its subsidiary divests such shares as soon as practicable after learning about such beneficial ownership, or (iv) Society Common Stock beneficially owned or otherwise held by KeyCorp or any of its subsidiaries in trust accounts or otherwise acquired in the ordinary course of their banking and trust business (collectively, "Permitted Society Stock").

Until the Society Rights become exercisable, they will be represented by the certificate which represents the associated Society Common Stock, and any transfer of Society Common Stock will also constitute a transfer of the associated Society Rights. When the Society Rights become exercisable, they will begin to trade separate and apart from the Society Common Stock. At that time, separate certificates representing the Society Rights will be mailed to holders.

Twenty days after certain events occur (as used in this section, "Flip-in Events"), each of the Society Rights will become the right to purchase one share of Society Common Stock for the then par value per share (now $1.00 per share), and the Society Rights beneficially owned by the Acquiring Person will become void. The Flip-in Events are (a) the beneficial ownership by a person or group of more than 15% of the outstanding Society Common Stock, unless the shares of Society Common Stock are acquired in a tender or exchange offer for all of the Society Common Stock at a price and on other terms approved in advance by Society's Board of Directors, (b) certain self-dealing transactions between Society and an Acquiring Person, and (c) a reclassification or recapitalization of Society that has the effect of increasing by more than 1% of the percentage of Society Common Stock owned by an Acquiring Person; provided that, neither KeyCorp nor any of its affiliates or associates will be deemed to be the beneficial owner of Society Common Stock by reason of the execution or performance of the Merger Agreement or the Society Option Agreement so long as neither KeyCorp nor any of its subsidiaries becomes the beneficial owner of any Society Common Stock, other than Permitted Society Stock.

If, after a person or group becomes an Acquiring Person, Society is acquired in a merger or other business combination or more than 50% of its assets or earning power is sold, each of the Society Rights will "flip-over" and become the right to purchase common shares of the acquiror (as used in this section, "Flip-over Event"). The holder of each Society Right would, upon the occurrence of a Flip-over Event, be entitled to purchase for the then par value of a share of Society Common Stock (now $1.00) the number of common shares of the acquiror having a market price equal to the market price of the Society Common Stock.

The Purchase Price and/or the number of shares of Society Common Stock (or common shares of an acquiror) to be purchased upon exercise of the Society Rights are subject to adjustment from time to time to prevent dilution in the event Society (a) declares a dividend on the Society Common Stock payable in Society Common Stock, (b) subdivides or combines the Society Common Stock in a reclassification of the Society Common Stock, or (c) makes a distribution to all holders of Society Common Stock of debt securities, subscription rights, warrants, or other assets (except regular cash dividends). With certain exceptions, no adjustment will be required until a cumulative adjustment of at least 1% is required. Society is not required to issue fractional shares and, instead, may make cash payment based on the market price of Society Common Stock.

Society's Board of Directors may redeem the Society Rights for 1/2c each (as used in this section, "Redemption Price") at any time before a "Triggering Event" (which is defined as the occurrence of a Flip-over Event or the 20th day

after a Flip-in Event). However, the rights may not be redeemed while there is an Acquiring Person unless (a) Continuing Directors (as defined herein) constitute a majority of the Board of Directors and (b) a majority of the Continuing Directors approves the redemption. "Continuing Directors" are defined as directors who were in office prior to a person or group becoming an Acquiring Person or whose election to office was recommended by a majority of the Continuing Directors and who are not affiliated with the Acquiring Person. The Society Rights will expire on September 12, 1999, unless they are redeemed before that date.

Until the Society Rights are exercised, the holders of the Society Rights, as such, will have no rights as shareholders of Society, including the right to vote or receive dividends.

The provisions of the Society Rights Agreement may be amended by Society's Board of Directors to cure any ambiguity or correct any defect or inconsistency or, prior to a Triggering Event, to make other changes that the Board of Directors deems to be desirable and not adverse to the interests of Society and its shareholders.

The Society Rights will not prevent a takeover of Society. However, the Society Rights may cause substantial dilution to a person or group that acquires 15% or more of the Society Common Stock unless the Society Rights are first redeemed by the Board of Directors of Society.

Copies of the Rights Agreement, dated as of August 25, 1989, between Society and First Chicago Trust Company of New York, as rights agent, the First Amendment to Rights Agreement, dated as of February 21, 1991, the Second Amendment to Rights Agreement, dated as of September 12, 1991, and the Society Rights Agreement Amendment, are included as exhibits to a Registration Statement on Form 8-A filed by Society with the SEC on July 31, 1992, and on amendment to Form 8-A on Form 8-A/A filed by Society with the SEC on October 13, 1993. The foregoing description of the Society Rights does not purport to be complete and is qualified in its entirety by reference to the Society Rights Agreement.

SPECIAL MEETINGS OF SHAREHOLDERS

A special meeting of KeyCorp's shareholders may be called by a majority of the KeyCorp Board or by the Chairman of the Board or the President, and must be called by the Secretary or an Assistant Secretary at the written request of the holders of record of at least 75% of the outstanding shares entitled to vote.

Ohio law provides that persons who hold 25% of all shares outstanding and entitled to vote at a special meeting may call a special meeting of shareholders unless the corporation's articles or regulations specify a smaller or larger proportion (but not in excess of 50%). The Society Regulations provide that a special meeting of Society's shareholders may be called by (a) the Chairman of the Board, (b) the President, or in the case of the President's absence, death, or disability, the Vice President authorized to exercise the authority of the President, (c) the Board of Directors by action at a meeting, or by a majority of the Board of Directors acting without a meeting, or, (d) by persons who hold 50% of all shares outstanding and entitled to vote at special meetings.

The New Key Regulations will provide that a special meeting of shareholders of New Key may be called in the same manner as provided in the Society Regulations.

AMENDMENT OF CHARTER DOCUMENTS

Certificate of Incorporation/Articles of Incorporation. Under New York law, the approval of a majority of the outstanding voting shares of a corporation is required to amend its certificate of incorporation (which amendment may only be voted on by the shareholders after approval by the Board of Directors), subject to a class vote in certain instances. The KeyCorp Certificate of Incorporation provides that the provisions therein concerning the number of directors that shall constitute the entire board and the classification and removal of directors may be amended only by the affirmative vote of the holders of 80% or more of the then outstanding capital stock of KeyCorp entitled to vote generally in the election of directors.

Ohio law provides that generally at least two-thirds of the voting power of a corporation, subject to a class vote in certain instances, is required to approve any amendment to the articles of incorporation, except as otherwise provided therein. The Society Articles of Incorporation require that a majority of the voting power of Society approve any such amendment, subject to a class vote in those instances required by law and subject to the fair price and supermajority vote provisions contained therein. Under Ohio law, the holders of

shares of a particular class, and in the circumstances outlined in sections (e), (f), and (g) below, the holders of shares of every class, are entitled to vote as a class on the adoption of an amendment to the articles of incorporation that does any of the following: (a) increases or decreases the par value of the issued shares of the particular class, (b) changes issued shares of the particular class, whether with or without par value, into a lesser number of shares of the same class or into the same or different number of shares of any other class, with or without par value, theretofore or then authorized, (c) changes the express terms of issued shares of any class senior to the particular class in any manner substantially prejudicial to the holders of the particular class, (d) authorizes

shares of another class that are convertible into, or authorizes the conversion of shares of another class into, shares of the particular class, or authorizes the directors to fix or alter conversion rights of shares of another class that are convertible into shares of the particular class, (e) provides, in the case of any amendment described in sections (a) or (b) above, that the stated capital of the corporation shall be reduced or eliminated as a result of the amendment, or provides, in the case of an amendment described in section (d) above, that the stated capital of the corporation shall be reduced or eliminated upon the exercise of such conversion rights, provided that any such reduction or elimination is consistent with certain provisions of Ohio General Corporation Law regarding stated capital, (f) changes substantially the purposes of the corporation, or provides that thereafter an amendment to the articles may be adopted that changes substantially the purposes of the corporation; or (g) changes the corporation into a nonprofit corporation. See "COMPARISON OF CERTAIN RIGHTS OF HOLDERS OF CAPITAL STOCK OF KEYCORP, SOCIETY, AND NEW KEY -- Voting Rights."

The New Key Articles of Incorporation will require the approval of the holders of shares entitling them to exercise a majority of the voting power of New Key to adopt any amendment to the articles of incorporation, subject to (i) a class vote in certain instances and (ii) any greater vote required to approve a Chapter 1704. Transaction.

By-laws/Regulations. The KeyCorp Bylaws provide that the KeyCorp Bylaws may be adopted, amended, or repealed at any meeting of shareholders, notice of which shall have referred to the proposed action, by a majority of the votes cast by the shareholders of KeyCorp at the time entitled to vote in the election of any directors, or at any meeting of the KeyCorp Board of Directors, ten days' notice of which shall have referred to the proposed action, by the vote of three-fourths of the entire KeyCorp Board of Directors; provided, however, that if any bylaw regulating an impending election of directors is adopted, amended, or repealed by the KeyCorp Board of Directors, there shall be set forth in the notice of the next meeting of shareholders for the election of directors the bylaw so adopted, amended, or repealed, together with a concise statement of the changes made.

Directors may not amend regulations of an Ohio corporation. The Society Regulations provide for amendment by shareholders holding a majority of the voting power at a meeting, but require that all amendments by written consent of the shareholders without a meeting must be approved unanimously by the shareholders entitled to vote thereon. In addition, any amendments regarding the calling of special meetings of shareholders, nomination of directors, classification of directors, removal of directors, or amendment to the Regulations, which are not recommended by at least two-thirds of the directors, must be approved by shareholders holding at least 75% of the voting power of Society at a meeting.

Because New Key will be an Ohio corporation, the directors of New Key will not be able to amend the New Key Regulations. The New Key Regulations will provide that through December 31, 1998, the provisions of the New Key Regulations relating to (a) the number, classification, and term of office of directors, (b) Chairman of the Board, Chairman of the Executive Committee, and chairmen of other committees, (c) nominations and removal of directors and filling vacancies in the Board of Directors, (d) the Nominating Committee, (e) Chief Executive Officer and President through December 31, 1998, (f) removal of officers, (g) the headquarters of New Key, and (h) amendments of the New Key Regulations may only be amended, repealed, or altered (i) by the affirmative vote of the holders of shares entitling them to exercise three-quarters of the voting power of New Key on such proposal, (ii) if such amendment, repeal, or alteration is recommended by three-quarters of the entire authorized Board of Directors of New Key, by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of New Key on such proposal, or (iii) without a meeting, by the written consent of the holders of shares entitling them to exercise 100% of the voting power of New Key on such proposal. The New Key Regulations will also provide that until December 31, 1998, any New Key Regulations, other than those New Key Regulations specifically listed in the immediately preceding sentence, and, after December 31, 1998, any New Key

Regulations, may be adopted, amended, repealed, or altered (x) by the affirmative vote of the holders of shares entitling them to exercise three-quarters of the voting power of New Key on such proposal, (y) if such adoption, amendment, repeal, or alteration is recommended by two-thirds of the entire authorized Board of Directors of New Key, by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of New

Key on such proposal, or (z) without a meeting, by the written consent of the holders of shares entitling them to exercise 100% of the voting power of New Key on such proposal.

DIRECTORS

Number; Classification. Both the KeyCorp Certificate of Incorporation and the KeyCorp By-laws provide that the number of directors of KeyCorp shall be between 12 and 24 directors, as fixed, from time to time, by majority vote of the entire board. The Board of Directors is divided into three classes, each serving three-year terms, so that approximately one-third of the directors of KeyCorp are elected at each annual meeting of the shareholders of KeyCorp.

The Society Regulations provide that the number of directors shall be between 25 and 31 directors, divided into three classes. The Board of Directors or shareholders of Society may from time to time change the size of the Board of Directors within the foregoing range. The respective terms of the three classes of directors are staggered so that at any time the term of a class will expire at the next annual meeting of shareholders. After the expiration date for each class, members of that class will be elected to three-year terms.

The New Key Regulations will provide that the number of directors shall be between 20 and 24, divided into three classes. The Board of Directors of New Key may change the size of the Board of Directors within the foregoing range, subject to certain limitations described under "TERMS OF THE MERGER -- Board of Directors and Chief Executive Officers of New Key through December 31, 1988," by the affirmative vote of two-thirds of the entire authorized Board. The shareholders of New Key may change the size of the Board of Directors of New Key within the foregoing range, subject to certain limitations described under "TERMS OF THE MERGER -- Board of Directors and Chief Executive Officers of New Key through December 31, 1998," at a meeting of the shareholders of New Key called for the purpose of electing directors (i) by the affirmative vote of the holders of shares entitling them to exercise three-quarters of the voting power of New Key represented at the meeting and entitled to elect directors or (ii) if the proposed change in the number of directors is recommended by two-thirds of the entire authorized Board of Directors of New Key, by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of New Key represented at the meeting and entitled to elect directors. In addition, the number of directors of New Key is subject to automatic increase by two during certain periods when dividends payable on any class or series of preferred stock of New Key are in arrears for six quarterly dividend payment periods, as set forth in the New Key Articles of Incorporation and/or the express terms of the preferred stock of New Key. For a discussion regarding the initial composition of the New Key Board of Directors, see "TERMS OF THE MERGER - -- Board of Directors and Chief Executive Officers of New Key through December 31, 1998."

The effect of New Key having a classified Board of Directors is that only approximately one-third of the members of the Board will be elected each year and, as a result, two annual meetings will be required for New Key's shareholders to change a majority of the members constituting the Board of Directors.

Nominations of Candidates for Election as Directors. Neither the KeyCorp Certificate of Incorporation nor the KeyCorp Bylaws provide a specific procedure for nominating candidates for election as directors.

The Society Regulations provide that nominations of persons for election as directors of Society may be made at a meeting of shareholders by or at the direction of the Board of Directors by any nominating committee or person appointed by the Board of Directors, or by any shareholder of Society entitled to vote for the election of directors at the meeting. Such nominations, other than those made by or at the direction of the Board of Directors, must comply with specific notice provisions in the Society Regulations, including that the notice be in writing and timely delivered to the Secretary of Society. To be timely, a Society shareholder's notice must be delivered to or mailed and received at the principal executive offices of Society not less than 60 days nor more than 90 days prior to the meeting. However, if less than 75 days' notice to the shareholders or prior public disclosure of the date of the meeting is given or made, notice by the shareholder to be timely must be so received not later than the close of business on the fifteenth day following the earlier of the day

on which such notice of the date of the meeting was mailed or such public disclosure was made. The Society Regulations also require shareholders to give specific information about the nominee and the shareholder giving the notice.

The New Key Regulations will establish a specific procedure for director nominations made by the Board of Directors of New Key. Through December 31, 1998, the Board of Directors of New Key may make director nominations in accordance with the procedure described in "TERMS OF THE MERGER -- Board of Directors and Chief Executive Officers of New Key through December 31, 1998." After December 31, 1998, nominations for the election of directors may be made by the affirmative vote of two-thirds of the entire authorized Board of Directors of New Key. The New Key Regulations treat shareholder nominations in the same manner as the Society Regulations, except that the specific information required to be given in the shareholders notice regarding the nominee and the shareholder giving the notice is somewhat more detailed than the specific information required in the Society Regulations. See "AMENDED AND RESTATED ARTICLES OF INCORPORATION AND REGULATIONS OF NEW KEY -- Regulations of New Key - -- Nominations for Director" and "-- Advance Notice of Shareholder Proposals and Nominations."

Removal of Directors. The KeyCorp Certificate of Incorporation provides that directors of KeyCorp may be removed from office, but only for cause and by the affirmative vote of a majority of the outstanding voting shares or 75% of the entire Board of Directors of KeyCorp. Society's Regulations provide that the Board of Directors may remove any director in cases of judicial declaration of mental unsoundness, adjudicated bankruptcy, or the failure to accept election as a director, either in writing, or by acting at a meeting of directors. Society's shareholders may remove any or all directors without cause by a vote of at least 75% of their voting power.

The New Key Regulations will provide for removal of directors in the same manner as the Society Regulations. For a complete discussion of the procedure for removing directors of New Key, see "AMENDED AND RESTATED ARTICLES OF INCORPORATION AND REGULATIONS OF NEW KEY -- Regulations of New Key -- Removal of Directors and Filling Vacancies." Through December 31, 1998, however, the Board of Directors of New Key may only fill vacancies (however caused) in accordance with the description in "TERMS OF THE MERGER -- Board of Directors and Chief Executive Officers of New Key through December 31, 1998 -- Committees of the Board of Directors of New Key," and "-- Interests of Certain Persons in the Merger -- Management after the Merger."

DIRECTOR LIABILITY AND INDEMNIFICATION

Under the New York Business Corporation Law, a corporation may indemnify officers and directors against judgments, fines, settlements, and reasonable expenses if the officer or director acted in good faith for a purpose he reasonably believed to be in the best interests of the corporation and if, in criminal actions, he had no reasonable cause to believe that his conduct was unlawful, except that with respect to actions by or in right of the corporation, no indemnification for settlements or matters as to which the officer or director has been adjudged liable may be made without court approval.

Indemnification is mandatory if the officer or director is successful, on the merits or otherwise, in the proceeding. The foregoing statutory rights are not exclusive, and indemnification may be provided under the certificate or by-laws or, if such documents so provide, under a board or shareholder resolution or an agreement, but no indemnification may be made if a final adjudication adverse to the officer or director establishes that his acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he personally gained in fact a financial profit or other advantage to which he was not legally entitled.

The KeyCorp By-laws provide that each director and officer of KeyCorp, whether or not then in office, and any person whose testator or intestate was such a director or officer, shall be indemnified by KeyCorp for the defense of, or in connection with, civil or criminal actions in accordance with and to the fullest extent permitted by applicable law.

The New York Business Corporation Law also permits the certificate of incorporation to eliminate or limit the personal liability of directors to the corporation or its shareholders for any breach of duty in such capacity, provided that no such provision shall eliminate or limit the liability of any director if a final adjudication adverse to him establishes that his actions were in bad faith or involved intentional misconduct or a knowing violation of law or that he personally gained in fact a financial profit or other advantage to which he was not legally entitled or that his acts violated the statutory provisions imposing liability on directors in certain instances for the declaration of dividends, repurchase of shares, distribution of assets to

shareholders or making of loans to directors.

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The KeyCorp Certificate of Incorporation provides that no director shall be liable to KeyCorp or any of its shareholders for any breach of duty in such capacity except to the extent the effect of such provision is limited by law.

Under Ohio law, Ohio corporations are authorized to indemnify directors, officers, employees, and agents within prescribed limits and must indemnify them under certain circumstances. Ohio law does not provide statutory authorization for a corporation to indemnify directors, officers, employees, and agents for settlements, fines, or judgments in the context of derivative suits. However, it provides that directors (but not officers, employees, and agents) are entitled to mandatory advancement of expenses, including attorneys' fees, incurred in defending any action, including derivative actions, brought against the director, provided the director agrees to cooperate with the corporation concerning the matter and to repay the amount advanced if it is proved by clear and convincing evidence that his act or failure to act was done with deliberate intent to cause injury to the corporation or with reckless disregard for the corporation's best interests.

Ohio law does not authorize payment of judgments to a director, officer, employee, or agent after a finding of negligence or misconduct in a derivative suit absent a court order. Indemnification is required, however, to the extent such person succeeds on the merits. In all other cases, if a director, officer, employee, or agent acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, indemnification is discretionary except as otherwise provided by a corporation's articles, code of regulations, or by contract except with respect to the advancement of expenses of directors.

Under Ohio law, a director is not liable for monetary damages unless it is proved by clear and convincing evidence that his action or failure to act was undertaken with deliberate intent to cause injury to the corporation or with reckless disregard for the best interests of the corporation. There is, however, no comparable provision limiting the liability of officers, employees, or agents of a corporation. The statutory right to indemnification is not exclusive in Ohio, and Ohio corporations may, among other things, procure insurance for such persons.

The Society Regulations provide that Society shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to any action, suit, or proceeding by reason of the fact that he is or was a director, officer, or employee of Society or of any other bank, corporation, partnership, trust, or other enterprise for which he was serving as a director, officer, or employee at the request of Society.

The New Key Regulations will contain identical indemnification provisions to those in the Society Regulations.

DIVIDENDS

An Ohio corporation may pay dividends out of surplus, however created, but must notify its shareholders if a dividend is paid out of capital surplus. A New York corporation may pay dividends out of surplus only, so that the net assets of the corporation remaining after such payment will be at least equal to the amount of the corporation's stated capital. Under New York law, if a dividend is paid from sources other than earned surplus, the corporation must give written notice to its shareholders.

The terms of certain of Society's long-term debt agreements provide for restrictions on the payment of cash dividends but have not affected Society's ability to declare and pay dividends on outstanding shares of Society Common Stock. Specifically, Society's 8.33% Series A ESOP Notes due 1996 and 8.48% Series B ESOP Notes, due 2001, prohibit Society from having a consolidated funded debt ratio greater than 50%, a consolidated senior funded debt ratio greater than 40%, or a priority debt ratio greater than 30%. Under the most restrictive term, $516 million were unrestricted as to the payment of cash dividends at September 30, 1993. These dividend restrictions will remain in effect after the Merger.

The Boards of Directors of each of KeyCorp and Society review the declaration and payment of dividends by KeyCorp and Society, respectively, on a quarterly basis in light of cash needs, general business conditions, availability of dividends from subsidiaries, and regulatory policies. There can, of course, be no assurance as to declaration or the amount of future dividends on Society Common Stock or the KeyCorp Common Stock.

The dividend policy of New Key will be established by its Board of Directors. While the New Key Board of Directors may consider the dividend policy of Society and KeyCorp prior to the Merger, no assurance can be given as to the declaration or amount of future dividends of New Key.

Regulations restricting the ability of KeyCorp's and Society's subsidiary banks and other subsidiaries to pay dividends to New Key after the Effective Time are set forth in "CERTAIN REGULATORY CONSIDERATIONS -- Dividend Restrictions."

REPURCHASES

Under New York law, a corporation may repurchase or redeem its shares except when the corporation is insolvent or would thereby be made insolvent.

Under Ohio law, a corporation may by action of its board of directors purchase or redeem its own shares if authorized to do so by its articles of incorporation or under certain other circumstances, but may not do so if immediately thereafter its assets would be less than its liabilities plus its stated capital, if any, or if the corporation is insolvent or would be rendered insolvent by such a purchase or redemption. Society's Amended Articles of Incorporation permit its board of directors, and the New Key Articles of Incorporation will permit the New Key Board of Directors, to authorize the repurchase or redemption of shares to the extent permitted by law.

NO MATERIAL DIFFERENCES IN RIGHTS OF HOLDERS OF NEW KEY PREFERRED STOCK AND KEYCORP PREFERRED STOCK

The terms, designations, preferences, limitations, privileges, and relative rights of New Key Preferred Stock and KeyCorp Preferred Stock are identical except for certain non-material technical or format changes to the provisions included in the terms of the New Key Preferred Stock. See "DESCRIPTION OF NEW KEY CAPITAL STOCK -- New Key Preferred Stock and New Key Depositary Shares."

INSPECTION RIGHTS

Both New York law and Ohio law grant certain shareholders the right to inspect certain records of the corporation. New York law limits the right of a shareholder to inspect certain books and records of the corporation to persons who (a) have been shareholders in the corporation for at least six months immediately preceding the demand to inspect the corporation's records or (b) hold at least 5% of the corporation's outstanding shares of any class. Under Ohio law, any shareholder is entitled to inspect the books and records of the corporation upon written demand provided such inspection is conducted at a reasonable time and made for any reasonable and proper purpose.

CERTAIN LEGAL MATTERS

The validity of the New Key Common Stock, and the New Key Preferred Stock to be issued by New Key under the Merger Agreement and certain tax matters relating to the Merger will be passed upon by Society's counsel, Thompson, Hine and Flory, 1100 National City Bank Building, Cleveland, Ohio 44114. Attorneys at Thompson, Hine and Flory owned approximately 62,000 shares of Society Common Stock on November 1, 1993. Certain tax matters relating to the Merger will be passed upon for KeyCorp by its counsel, Sullivan & Cromwell, 125 Broad Street, New York, New York 10004.

EXPERTS

The consolidated financial statements of KeyCorp included in KeyCorp's Report on Form 8-K dated March 18, 1993, as amended by Form 8, dated May 20, 1993, have been audited by Ernst & Young, independent auditors, as set forth in their report thereon included therein, and incorporated herein by reference. The consolidated financial statements of Society for the year ended December 31, 1992, appearing in Society's Annual Report (Form 10-K), have been audited by Ernst & Young, independent auditors, as set forth in their report thereon included therein, and incorporated herein by reference. Such consolidated financial statements of KeyCorp and Society are incorporated herein by reference in reliance upon the reports

of Ernst & Young, independent auditors, given upon the authority of such firm as experts in accounting and auditing.

Representatives of Ernst & Young, principal accountants for KeyCorp and Society for the current year and for the fiscal year ended December 31, 1992, are expected to be present at the KeyCorp Meeting and the Society Meeting. Such representatives will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

SHAREHOLDER PROPOSALS

If the Merger is consummated before the end of the first quarter of 1994, it is currently anticipated that New Key will hold its 1994 annual meeting of shareholders on or about May 19, 1994. New Key's Regulations require that notice of a nomination by shareholders of individuals for election to the Board of Directors of New Key, whether or not proposed to be included in New Key's proxy statement, be given to the Secretary of New Key by March 18, 1994, assuming that the 1994 annual meeting is held on May 19, 1994, and that the notice include certain information relating to the nominee and the nominating shareholder.

If the Merger is not consummated within the time period currently contemplated, the regular 1994 annual meetings of both KeyCorp and Society may be held at or about the regularly scheduled meeting dates or postponed, depending on the then anticipated schedule for consummating the Merger. If the Merger is delayed and the annual meetings of KeyCorp and Society are not postponed, shareholder proposals intended to be presented at the 1993 annual meeting of KeyCorp should have been submitted to KeyCorp by November 18, 1993, and shareholder proposals intended to be presented at the 1994 annual meeting of Society should have been submitted to Society by December 13, 1993, in order to have been considered for inclusion in the proxy materials for the respective meetings. If the Merger and the New Key annual meeting are delayed, shareholder proposals intended to be presented at that meeting must be submitted a reasonable time before the solicitation of proxies for that meeting is made for consideration by New Key for possible inclusion in the proxy materials for that meeting.

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APPENDIX I.

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APPENDIX I

AGREEMENT AND PLAN OF MERGER
OF
KEYCORP INTO AND WITH SOCIETY CORPORATION

This AGREEMENT AND PLAN OF MERGER AGREEMENT ("Merger Agreement") is made and entered into as of the 1st day of October, 1993, by and between KEYCORP, a corporation organized and existing under the laws of the State of New York ("KeyCorp"), and SOCIETY CORPORATION, a corporation organized and existing under the laws of the State of Ohio ("Society"). KeyCorp and Society are sometimes collectively referred to as the "Constituent Corporations".

This Merger Agreement is being entered into simultaneously with and pursuant to a Supplemental Agreement to Agreement and Plan of Merger ("Supplemental Agreement"), dated as of the 1st day of October, 1993, by and between KeyCorp and Society. The Supplemental Agreement also sets forth certain representations, warranties, and covenants in connection with the merger provided for herein.

In consideration of the above and the mutual covenants and agreements set forth herein, the parties agree as follows:

ARTICLE ONE

DEFINITIONS

Except as otherwise provided herein, the capitalized terms set forth below shall have the following meanings:

1.1 "EXCHANGE AGENT" shall mean the exchange agent selected by KeyCorp and Society.

1.2 "INTERNAL REVENUE CODE" shall mean the Internal Revenue Code of 1986, as amended.

1.3 "KEYCORP CAPITAL STOCK" shall mean, collectively, the KeyCorp Common Stock and the KeyCorp Series B Preferred Stock.

1.4 "KEYCORP COMMON STOCK" shall mean the Common Shares, par value $5.00 per share, of KeyCorp.

1.5 "KEYCORP COMPANIES" shall mean, collectively, KeyCorp and all KeyCorp Subsidiaries.

1.6 "KEYCORP EXCHANGE RATIO" shall mean the fraction of a share of Surviving Corporation Common Stock applied to convert shares of KeyCorp Common Stock into shares of Surviving Corporation Common Stock as specified in Section 4.1 of this Merger Agreement.

1.7 "KEYCORP SERIES B PREFERRED STOCK" shall mean the 10% Cumulative Preferred Stock, Series B, par value $5.00 per share, of KeyCorp.

1.8 "KEYCORP STOCK OPTION PLANS" shall mean the following employee and director stock option and stock appreciation rights plans of KeyCorp: (i) KeyCorp 1984 Stock Option Plan, (ii) KeyCorp 1987 Directors' Stock Option Plan, (iii) KeyCorp 1988 Stock Option Plan, and (iv) any additional employee stock option plans and stock appreciation rights plans assumed by KeyCorp in connection with any acquisition transaction involving KeyCorp and permitted under Section 7.1(d) of the Supplemental Agreement, in each case as amended.

1.9 "KEYCORP SUBSIDIARIES" shall mean the Subsidiaries of KeyCorp, which shall include the KeyCorp Subsidiaries described in Section 5.3 of the Supplemental Agreement and any other corporation, bank, savings bank, association, or other entity acquired as a Subsidiary of KeyCorp in the future.

1.10 "MERGER" shall mean the merger of KeyCorp into and with Society, as provided in the Supplemental Agreement and Section 2.1 of this Merger Agreement.

1.11 "NYBCL" shall mean the New York Business Corporation Law.

1.12 "NEW YORK CERTIFICATE OF MERGER" shall mean the certificate of merger providing for the Merger which is to be filed by the Surviving Corporation with the New York Department of State, signed and verified on behalf of each Constituent Corporation and containing the information and statements prescribed by Section 907(e) of the NYBCL.

1.13 "OGCL" shall mean the Ohio General Corporation Law.

1.14 "OHIO CERTIFICATE OF MERGER" shall mean the certificate of merger providing for the Merger which is to be filed with the Ohio Secretary of State, signed on behalf of each Constituent Corporation and containing the information and attachments prescribed by Section 1701.81 of the OGCL.

1.15 "SOCIETY COMMON STOCK" shall mean the Common Shares, with a par value of $1 each, of Society.

1.16 "SOCIETY COMPANIES" shall mean, collectively, Society and all Society Subsidiaries.

1.17 "SOCIETY STOCK OPTION PLANS" shall mean the following employee stock option and stock appreciation rights plans of Society: (i) Society Corporation 1977 Stock Option Plan, (ii) Society Corporation 1984 Stock Option Plan, (iii) Society Corporation 1977 Stock Appreciation Rights Plan, (iv) Society Corporation 1984 Stock Appreciation Rights Plan, (v) Centran Corporation 1984 Stock Option Plan, (vi) Society Corporation 1988 Stock Option Plan, (vii) Society Corporation 1988 Stock Appreciation Rights Plan, (viii) 1987 Stock Option Plan of Trustcorp, Inc., (ix) 1981 Incentive Stock Option Plan of Toledo Trustcorp, Inc., (x) Society Corporation 1991 Equity Compensation Plan, (xi) 1985 St. Joseph Bancorporation, Inc. Master Stock Compensation Plan, (xii) Ameritrust Stock Option Plan (formerly Ameritrust Long-Term Incentive Plan), and (xiii) any additional employee stock option plans and stock appreciation rights plans assumed by Society in connection with any acquisition transaction involving Society and permitted under Section 7.1(d) of the Supplemental Agreement, in each case as amended.

1.18 "SOCIETY SUBSIDIARIES" shall mean the Subsidiaries of Society, which shall include the Society Subsidiaries described in Section 6.3 of the Supplemental Agreement and any other corporation, bank, savings bank, association, or other entity acquired as a Subsidiary of Society in the future.

1.19 "STOCK OPTION AGREEMENTS" shall mean the Society Stock Option Agreement to be dated October 2, 1993 between Society and KeyCorp and the KeyCorp Stock Option Agreement to be dated October 2, 1993 between KeyCorp and Society.

1.20 "SUBSIDIARIES" shall mean all those corporations, banks, savings banks, associations, and other entities of which the entity in question owns or controls 5% or more of the outstanding equity securities either directly or through an unbroken chain of entities as to each of which 5% or more of the outstanding equity securities is owned directly or indirectly by its parent;

provided, however, there shall not be included any such entity acquired in good faith through foreclosure, or any such entity the equity securities of which are owned or controlled in a bona fide fiduciary capacity, through a small business investment corporation or otherwise as an investment by any entity that invests in unaffiliated companies in the ordinary course of business.

1.21 "SUPPLEMENTAL AGREEMENT" shall mean the Supplemental Agreement to Agreement and Plan of Merger, dated as of October 1, 1993, by and between KeyCorp and Society, including as from time to time amended pursuant to its terms.

1.22 "SURVIVING CORPORATION CAPITAL STOCK" shall mean, collectively, the Surviving Corporation Common Stock and the Surviving Corporation Class A Preferred Stock.

1.23 "SURVIVING CORPORATION COMMON STOCK" shall mean the Common Stock, with a par value of $1 each, of the Surviving Corporation.

1.24 "SURVIVING CORPORATION RIGHTS PLAN" shall mean the Rights Agreement, dated August 25, 1989, between Society and First Chicago Trust Company of New York, as rights agent ("FCTCNY"), as modified and amended by a First Amendment to Rights Agreement, dated February 21, 1991, between Society and FCTCNY, by a Second Amendment to Rights Agreement, dated as of September 12, 1991, between Society and FCTCNY, by letter of resignation of FCTCNY dated June 26, 1992, and letter of Society, dated June 26, 1992, to Ameritrust Company National Association (now Society National Bank by

merger) appointing Ameritrust Company National Association as rights agent, and a Third Amendment to Rights Plan, dated October 1, 1993 between Society and Society National Bank as rights agent.

1.25 "SURVIVING CORPORATION CLASS A PREFERRED STOCK" shall mean the 10% Cumulative Preferred Stock, Class A, par value $5.00 per share, of the Surviving Corporation.

ARTICLE TWO

TERMS OF MERGER

2.1 MERGER. Subject to the terms and conditions of the Supplemental Agreement and this Merger Agreement, at the Effective Time (as hereinafter defined), KeyCorp will be merged into and with Society in accordance with the provisions of Section 907 of the NYBCL and Section 1701.78 of the OGCL (the "Merger"). Society shall be the surviving corporation of the Merger ("Surviving Corporation") and shall continue to be governed by the laws of the State of Ohio. The name of the Surviving Corporation shall be Key Bancshares Inc.

2.2 EFFECTIVE TIME. The Merger shall become effective at the time and date which is the later of the time at which (i) the New York Certificate of Merger is accepted for filing with the New York Department of State (or such other time as is specified therein) and (ii) the Ohio Certificate of Merger is filed with the Secretary of State of the State of Ohio (or such other time as if specified therein) (the "Effective Time"). The Surviving Corporation shall thereafter file, or cause to be filed, the New York Certificate of Merger certified by the New York Department of State in the office of the Clerk of Albany County and in the office of the official who is the recording officer of each other county in the State of New York in which real property of KeyCorp is situated.

2.3 SURVIVING CORPORATION ARTICLES OF INCORPORATION. The Amended and Restated Articles of Incorporation of Society as in effect immediately prior to the Effective Time shall be amended and restated in their entirety as of the Effective Time so as to be and read as set forth in Exhibit I to this Merger Agreement (which is incorporated herein), and such Articles of Incorporation, as so amended and restated, shall constitute the articles of the Surviving Corporation within the meaning of Division (D) of Section 1701.01 of the OGCL and may be certified separately and apart from this Merger Agreement as the articles of the Surviving Corporation from and after the Effective Time until further amended thereafter as provided therein.

2.4 REGULATIONS. The Regulations of Society as in effect immediately prior to the Effective Time shall be amended and restated in their entirety as of the Effective Time so as to be and read as set forth in Exhibit II to this Merger Agreement (which is incorporated herein), and such Regulations, as so amended and restated, shall constitute the regulations of the Surviving Corporation within the meaning of Division (A) of Section 1701.11 of the OGCL and may be certified separate and apart from this Merger Agreement as the regulations of the Surviving Corporation from and after the Effective Time until further amended thereafter as provided therein.

2.5 DIRECTORS. In accordance with the Regulations of the Surviving Corporation, the number of members of the Board of Directors of the Surviving Corporation at the Effective Time shall be 22 and shall be divided into three classes of which one class will consist of eight members and two classes will consist of seven members. From and after the Effective Time, the Directors of the Surviving Corporation shall be as listed in Exhibit III to this Merger Agreement, and each such Director shall serve until the expiration of the term indicated in Exhibit III for such Director or until prior resignation, removal or death, subject in all cases to the regulations of the Surviving Corporation.

2.6 OFFICERS. Victor J. Riley, Jr. shall be Chairman of the Board and Chief Executive Officer of the Surviving Corporation for a term commencing at the Effective Time and continuing until December 31, 1995 or until his earlier death, retirement, resignation, or removal in accordance with the Regulations of the Surviving Corporation. Robert W. Gillespie shall be President of the Surviving Corporation for a term commencing at the Effective Time and continuing until December 31, 1998 or until his earlier death, retirement, resignation, or removal in accordance with the Regulations of the Surviving Corporation.

ARTICLE THREE

OUTSTANDING SHARES OF CONSTITUENT CORPORATIONS

3.1 OUTSTANDING SHARES. The designation and number, as of October 1, 1993, of outstanding shares of capital stock of each class of the Constituent Corporations is as follows:

<TABLE>
<CAPTION>

KEYCORP DESIGNATION	NUMBER	VOTING
<S>	<C>	<C>
Common Shares par value $5.00 per share.....	101,655,826	Yes
10% Cumulative Preferred Stock, Series B.....	1,280,000	No

</TABLE>

<TABLE>
<CAPTION>

SOCIETY DESIGNATION	NUMBER	VOTING
<S>	<C>	<C>
Common Shares, with a par value of $1 each.....	117,084,868	Yes

</TABLE>

The numbers of outstanding shares of the respective classes of KeyCorp Capital Stock and Society Common Stock as set forth above are subject to change prior to the Effective Time but only in one or more transactions contemplated by, or permitted under, the terms of the Supplemental Agreement or the terms of the Stock Option Agreements.

ARTICLE FOUR

MANNER AND BASIS OF CONVERTING SHARES

4.1 CONVERSION. Subject to the provisions of this Article Four, at the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof, the shares of the Constituent Corporations shall be converted as follows:

(i) Each of the shares (other than treasury shares held by KeyCorp or KeyCorp Capital Stock owned by Society for its own account) of:

(a) KeyCorp Common Stock issued and outstanding at the Effective Time shall cease to be outstanding and shall be converted, by virtue of the application of the KeyCorp Exchange Ratio, into 1.205 shares of Surviving Corporation Common Stock. Pursuant to the Surviving Corporation Rights Plan, each share of Surviving Corporation Common Stock shall be accompanied by a right (a "Surviving Corporation Right") under the Surviving Corporation Rights Plan; and

(b) KeyCorp Series B Preferred Stock issued and outstanding at the Effective Time shall cease to be outstanding and shall be converted into one share of Surviving Corporation Class A Preferred Stock.

(ii) Each then outstanding share of Society Common Stock shall continue to be an issued and outstanding Common Share, with a par value of $1 each, of the Surviving Corporation and any shares of Society Common Stock held in Society's treasury immediately prior to the Effective Time shall continue to be held in the treasury of the Surviving Corporation at

the Effective Time.

4.2 SHARES HELD BY KEYCORP OR SOCIETY. All treasury shares held by KeyCorp and all KeyCorp Capital Stock owned by Society for its own account shall be canceled and retired at the Effective Time and no consideration shall be issued in exchange therefor. Shares held in a fiduciary capacity or as a result of debts previously contracted shall in no event be treated as being held by KeyCorp or Society for its own account.

4.3 FRACTIONAL SHARES. Notwithstanding any other provision of this Merger Agreement, each holder of shares of KeyCorp Common Stock who would otherwise have been entitled to receive a fraction of a share of Surviving Corporation Common Stock (after taking into account all certificates delivered by such holder pursuant to Section 5.1 hereof) shall receive, in lieu thereof, cash (without interest) in an amount equal to such fractional part of a share of Surviving Corporation Common Stock multiplied by the market value of such common stock. The market value of one share of Surviving Corporation Common Stock shall be the closing price of such common stock in the New York Stock Exchange-Composite Transactions List (as reported by The Wall Street Journal or other authoritative source) on the last business day preceding the

Effective Time. No such holder shall be entitled to dividends, voting rights, or any other stockholder right in respect of any fractional share.

4.4 CONVERSION OF STOCK OPTIONS. (a) At the Effective Time, all rights with respect to KeyCorp Common Stock pursuant to stock options or stock appreciation rights granted or assumed by KeyCorp under the KeyCorp Stock Option Plans, including options granted under such Plans pursuant to employment or acquisition agreements ("KeyCorp Options"), which are outstanding at the Effective Time, whether or not then exercisable, shall be converted into and become rights with respect to Surviving Corporation Common Stock and the Surviving Corporation shall assume each of such KeyCorp Options, in accordance with the terms of the Stock Option Plan under which it was issued and the stock option or stock appreciation rights agreement by which it is evidenced. From and after the Effective Time, (i) each such KeyCorp Option may be exercised solely for shares of Surviving Corporation Common Stock (or cash in an amount measured by reference to values of shares of Surviving Corporation Common Stock, to the extent the KeyCorp Options may be exercisable for cash), notwithstanding any contrary provisions of the K. Corp. Stock Option Plans, (ii) the number of shares of Surviving Corporation Common Stock subject to such KeyCorp Options shall be equal to the number of shares of KeyCorp Common Stock subject to such KeyCorp Option immediately prior to the Effective Time multiplied by the Exchange Ratio (with the product rounded down to the next whole share), (iii) the per share exercise price (or, in the case of stock appreciation rights, the initial fair market value, related option exercise price or other base amount provided for in the KeyCorp Options against which appreciation in stock value may be measured ("Grant Price") under each such KeyCorp Option shall be adjusted by dividing the per share exercise price or Grant Price under each such KeyCorp Option by the Exchange Ratio, (with the quotient rounded up to the next whole cent), and (iv) the Surviving Corporation and its Compensation and Organization Committee shall be substituted for KeyCorp and the Committee of the KeyCorp Board of Directors administering the KeyCorp Stock Option Plans. No additional KeyCorp Options shall be hereafter granted by KeyCorp under the KeyCorp Stock Option Plans, except in connection with any acquisition transactions permitted under Section 7.1(d) of the Supplemental Agreement. It is intended that the foregoing assumption shall be undertaken in a manner that will not constitute a "modification" as defined in Section 424(h) of the Internal Revenue Code as to any stock option which is an "incentive stock option." The Surviving Corporation Board of Directors shall take such action as may be required under the KeyCorp Stock Option Plans to effectuate the foregoing.

(b) At the Effective Time, the KeyCorp Stock Option Plans shall be automatically and without further action assumed by the Surviving Corporation (and thereupon become stock option and stock appreciation rights plans of the Surviving Corporation) as follows: (i) each option or right granted under a KeyCorp Stock Option Plan from and after the Effective Time shall be solely for or in respect of shares of Surviving Corporation Common Stock, notwithstanding any contrary provisions of the applicable KeyCorp Stock Option Plan, (ii) the Surviving Corporation and its Compensation and Organization Committee shall be substituted for KeyCorp and the Committee of the KeyCorp Board of Directors administering the applicable KeyCorp Stock Option Plan, and (iii) references to KeyCorp shall be deemed to be references to the Surviving Corporation, references to KeyCorp's By-Laws shall be deemed to be references to the Regulations of the Surviving Corporation, and any similar references shall be appropriately conformed.

4.5 TRANSFERS. At the close of business on the last business day prior to the date of the Effective Time, the stock transfer books of KeyCorp shall be closed as to holders of KeyCorp Capital Stock and no transfer of KeyCorp Capital

Stock by such holder shall thereafter be made or recognized. At and after the Effective Time there shall be no transfers on the stock transfer books of KeyCorp, of the shares of KeyCorp Capital Stock issued and outstanding immediately prior to the Effective Time. If, after the Effective Time, certificates are properly presented to the Exchange Agent in accordance with all the applicable provisions of Article Five of this Merger Agreement, such certificates shall be canceled and exchanged for certificates representing the number of whole shares of Surviving Corporation Capital Stock (including the related Surviving Corporation Rights) and a check representing the amount of cash for fractional shares, if any, into which the KeyCorp Capital Stock represented thereby was converted in the Merger. Any other provision of this Merger Agreement notwithstanding, neither the Exchange Agent, nor either party to the Merger shall be liable to a holder of KeyCorp Capital Stock for any amount paid or property delivered in good faith to a public official pursuant to any applicable abandoned property, escheat, or similar law.

4.6 DISSENTING SHAREHOLDERS. (a) No conversion under Section 4.1 of this Merger Agreement shall be made with respect to any share of KeyCorp Common Stock as to which a KeyCorp shareholder has properly elected to exercise any right available to such holder to dissent and obtain payment of the fair value of his shares under Section 910 of the NYBCL ("Dissenters' Rights") until such time as such shareholder shall have effectively withdrawn, abandoned or otherwise lost his Dissenters' Rights.

(b) To the extent provided by the OGCL, any holder of record of Society Common Stock as of the date fixed for the determination of shareholders of Society entitled to notice of the special meeting of the shareholders of Society convened for the purpose of considering and taking action upon the Merger shall be entitled to relief as a dissenting shareholder in accordance, and subject to compliance, with the OGCL.

4.7 ASSUMPTION OF DEPOSIT AGREEMENT. At the Effective Time, the Deposit Agreement, dated as of June 27, 1991, among KeyCorp, The Chase Manhattan Bank N.A., and the holders of the Receipts described therein, relating to the KeyCorp Series B Preferred Stock shall automatically, and without further action on the part of the Surviving Corporation, be assumed by the Surviving Corporation with respect to the Surviving Corporation Class A Preferred Stock.

ARTICLE FIVE

DELIVERY OF CONSIDERATION

5.1 EXCHANGE PROCEDURES. After the Effective Time, each holder of shares of KeyCorp Capital Stock issued and outstanding at the Effective Time (other than shares held by dissenting shareholders of KeyCorp) shall surrender the certificate or certificates theretofore representing such shares to the Exchange Agent and promptly upon surrender shall receive in exchange therefor the consideration provided in Section 4.1 of this Merger Agreement. The certificate or certificates for KeyCorp Capital Stock so surrendered shall be duly endorsed as the Exchange Agent may require. To the extent provided in Section 4.4 of this Merger Agreement, each holder of shares of KeyCorp Common Stock issued and outstanding at the Effective Time also shall receive, upon surrender of the certificate or certificates representing such shares, cash in lieu of any fractional shares of Surviving Corporation Common Stock to which such holder may be entitled. The Exchange Agent shall provide appropriate transmittal materials to the shareholders of KeyCorp promptly after the Effective Time. The Surviving Corporation shall not be obligated to deliver the consideration to which any former holder of KeyCorp Capital Stock is entitled as a result of the Merger until such holder surrenders his certificate or certificates representing shares of KeyCorp Capital Stock for exchange as provided in this Article Five, together with properly completed and signed transmittal materials. In addition, certificates surrendered for exchange by any person constituting an "affiliate" of either KeyCorp or Society for purposes of Rule 145(c) under the Securities Act of 1933, as amended, shall not be exchanged for certificates representing whole shares of Surviving Corporation Capital Stock until the Surviving Corporation has received a written agreement from such person in form and substance satisfactory to the Surviving Corporation providing that such person will not dispose of Surviving Corporation Capital Stock received in the Merger except in compliance with the Securities Act of 1933, as amended, and the rules and regulations thereunder and the rules of the Securities and Exchange Commission relating to pooling of interests accounting treatment, and the Surviving Corporation shall cause its transfer agent to place legends on the certificates for shares of Surviving Corporation Capital Stock, and enter stop transfer orders with respect to such shares, to the effect of the foregoing provision of this Section 5.1. If any certificate for shares of Surviving Corporation Capital Stock or check representing cash is to be issued in a name other than that in which a certificate surrendered for exchange is issued, the certificate so surrendered shall be properly endorsed and otherwise in proper form for transfer and the person requesting such exchange shall affix any

requisite stock transfer tax stamps to the certificate surrendered or provide funds for their purchase or establish to the satisfaction of the Exchange Agent that such taxes are not payable.

5.2 VOTING AND DIVIDENDS. (a) Former shareholders of record of KeyCorp shall be entitled to vote after the Effective Time at any meeting of the Surviving Corporation shareholders the number of whole shares of Surviving Corporation Capital Stock into which their respective shares of KeyCorp Capital Stock are converted, to the full extent of the voting rights of such Surviving Corporation Capital Stock provided for under the Surviving Corporation Articles of Incorporation, regardless of whether such holders have exchanged

their certificates representing KeyCorp Capital Stock for certificates representing Surviving Corporation Capital Stock, provided, however, that beginning nine months after the Effective Time, the Surviving Corporation shall have the right to suspend the voting rights of any such holder until such time as the holder physically surrenders such certificate for exchange as provided in Section 5.1 of this Merger Agreement.

(b) Whenever a dividend is declared by the Surviving Corporation on the Surviving Corporation Capital Stock the record date for which is at or after the Effective Time, the declaration shall include dividends on all shares issuable pursuant to this Merger Agreement, provided, however, that no dividend or other distribution payable to holders of record on any date that is nine months (or such longer period as the Surviving Corporation shall determine) after the Effective Time shall be paid to any holder of any certificate representing shares of KeyCorp Capital Stock issued and outstanding at the Effective Time until such holder physically surrenders such certificate for exchange as provided in Section 5.1 of this Merger Agreement. However, upon surrender of a KeyCorp Capital Stock certificate, both the Surviving Corporation Capital Stock certificate to be issued pursuant to Section 5.1 of this Merger Agreement (together with all such dividends or other distributions withheld in accordance with this subsection, without interest) and any withheld cash payments for fractional share interests (without interest) shall be delivered and paid with respect to each share represented by such certificate.

ARTICLE SIX

TERMINATION AND AMENDMENT

6.1 TERMINATION OF PLAN. This Merger Agreement may be terminated, and the Merger abandoned, any time prior to the Effective Time by the parties hereto, notwithstanding approval of this Merger Agreement by the shareholders of the Constituent Corporations, as provided in Article Ten of the Supplemental Agreement.

6.2 AMENDMENT. To the extent permitted by law, this Merger Agreement may be amended by a subsequent writing signed by each of Society and KeyCorp upon the approval of the Boards of Directors of each of Society and KeyCorp; provided, however, that the provisions of this Merger Agreement relating to the manner or basis in which shares of KeyCorp Capital Stock will be exchanged for the Surviving Corporation Capital Stock shall not be amended after the special meetings of KeyCorp and Society shareholders convened to consider and act upon this Merger Agreement, the Supplemental Agreement, and the transactions contemplated hereby and thereby, without any requisite approval of the holders of the issued and outstanding shares of KeyCorp Capital Stock and Society Common Stock entitled to vote thereon. Each of Society and KeyCorp may, without approval of their respective Boards of Directors, make such technical changes to this Merger Agreement, not inconsistent with the purposes hereof, as may be required to effect or facilitate any governmental approval or acceptance of the Merger or of the Supplemental Agreement or this Merger Agreement or to effect or facilitate any filing or recording required for the consummation of any of the transactions contemplated hereby or thereby.

ARTICLE SEVEN

MISCELLANEOUS

7.1 OHIO STATUTORY AGENT. CT Corporation System whose address is 815 Superior Avenue, N.E., Cleveland, Cuyahoga County, Ohio 44114, is the statutory agent upon whom any process, notice or demand against either of KeyCorp or Society or the Surviving Corporation may be served.

7.2 FURTHER ASSURANCES. If at any time the Surviving Corporation shall consider or be advised that any further assignments, conveyances, or assurances are necessary or desirable to vest, perfect, or confirm in the Surviving Corporation the title to any property or rights of KeyCorp, or otherwise carry out the provisions hereof, the proper officers and directors of KeyCorp as of and immediately prior to the Effective Time, and thereafter the officers of the

Surviving Corporation acting on behalf of KeyCorp, shall execute and deliver any and all proper assignments, conveyances, and assurances, and do all things necessary or desirable to

vest, perfect, or confirm title to such property or rights in the Surviving Corporation and otherwise carry out the provisions hereof.

IN WITNESS WHEREOF, each of the parties has caused this Merger Agreement to be executed on its behalf by its officers thereunto duly authorized as of the day and year first above written.

<TABLE>
<S>
ATTEST:
By:/s/ Robert W. Bouchard
Robert W. Bouchard
Secretary

<C>
KEYCORP
By: /s/ Victor J. Riley, Jr.
Victor J. Riley, Jr.
Chairman of the Board
[CORPORATE SEAL]
SOCIETY CORPORATION
By: /s/ Robert W. Gillespie
Robert W. Gillespie
Chairman of the Board
And:/s/ Lawrence J. Carlini
Lawrence J. Carlini
Secretary
[CORPORATE SEAL]
</TABLE>

EXHIBIT I

AMENDED AND RESTATED

ARTICLES OF INCORPORATION

OF

KEY BANCSHARES INC.

ARTICLE I

NAME

The name of the corporation (hereinafter called the "Corporation") is "Key Bancshares Inc."

ARTICLE II

PRINCIPAL OFFICE

The principal office and headquarters of the Corporation shall be located in the City of Cleveland, County of Cuyahoga, State of Ohio.

ARTICLE III

PURPOSES

The purposes of the Corporation are:

(a) to organize, acquire, invest in, own, or control shares and other securities of banks, other depository institutions, and other companies which a bank holding company is permitted to own or control by the provisions of the Bank Holding Company Act of 1956, as now in effect or hereafter amended, and to carry on the business of a bank holding company in conformity with the Bank Holding Company Act of 1956, as now in effect or hereafter amended,

(b) to do whatever is deemed necessary, incidental, or conducive to carrying out any of the purposes of the Corporation; and

(c) to engage in any lawful act or activity for which corporations may be formed under the Ohio General Corporation Law.

ARTICLE IV

AUTHORIZED SHARES OF CAPITAL STOCK

SECTION 1. The authorized number of shares of the Corporation is 926,400,000, of which 1,400,000 shall be shares of 10% Cumulative Preferred Stock, Class A, of the par value of $5.00 per share, as described in Part A of this Article IV (hereinafter called "10% Cumulative Preferred Stock"), 25,000,000 shall be shares of preferred stock, with a par value of $1 each, as described in Part B of this Article IV (hereinafter called "Preferred Stock"), and 900,000,000 shall be Common Shares, with a par value of $1 each, as described in Part C of this Article IV (hereinafter called "Common Shares").

The express terms of each class are as follows:

PART A

EXPRESS TERMS OF 10% CUMULATIVE PREFERRED STOCK, CLASS A

SECTION 1. Number of Shares; Designation. The distinctive designation of this preferred stock is "10% Cumulative Preferred Stock, Class A", and the aggregate number of shares that shall constitute such class of preferred stock is 1,400,000.

SECTION 2. Dividend Rights.

(a) Dividends shall be payable on the shares of the 10% Cumulative Preferred Stock when, as and if declared by the Board of Directors or a duly authorized committee thereof, out of funds legally available therefor: (A) for the period (the "Initial Dividend Period") from the date of their original issue (which shall be the date of the Effective Time) to and including the day next preceding the first day of the first full quarterly dividend period beginning after the date of the Effective Time, and (B) for each quarterly dividend period thereafter (the Initial Dividend Period and each quarterly dividend period being hereinafter individually referred to as a "Dividend Period" and collectively referred to as "Dividend Periods"), which quarterly Dividend Periods shall commence on March 31, June 30, September 30, and December 31 in each year, commencing with the first such March 31, June 30, September 30, or December 31 after the date of the Effective Time, and shall end on and include the day next preceding the first day of the next Dividend Period, at a rate per annum of the liquidation preference thereof equal to 10% (the "Dividend Rate"). Dividends shall be cumulative from the date of original issue of such shares (which shall be the date of the Effective Time) and shall be payable, when, as and if declared by the Board of Directors, on March 31, June 30, September 30, and December 31 of each year, commencing with the first such March 31, June 30, September 30, or December 31 after the date of the Effective Time; provided, however, that in lieu of any dividend payment by KeyCorp to holders of shares of 10% Cumulative Preferred Stock, Series B, of KeyCorp (the "KeyCorp Series B Preferred") in respect of the KeyCorp Series B Preferred Stock for the portion of the then current "Dividend Period" (as defined in the terms of the KeyCorp Series B Preferred Stock contained in the Restated Certificate of Incorporation of KeyCorp, as amended) that shall have elapsed prior to the date of the Effective Time (the "Series B Transition Period"), the Corporation shall pay, on the first dividend payment date for 10% Cumulative Preferred Stock to holders of record of 10% Cumulative Preferred Stock on the record date for such dividend payment, the dividend that shall have accrued on the KeyCorp Series B Preferred Stock for the Series B Transition Period (the "Series B Transition Period Dividend Payment"). However, notwithstanding any provision of this Section 2 to the contrary, in the event that the date of the Effective Time is after the regularly scheduled record date for dividends on the KeyCorp Series B Preferred Stock for the then current "Dividend Period" of the KeyCorp Series B Preferred Stock and on or before the regularly scheduled payment date for such quarterly dividend, (W) KeyCorp shall pay the full dividend for such then current "Dividend Period" on or before the date of the Effective Time to holders of record of shares of KeyCorp Series B Preferred Stock on such record date, (X) the Corporation shall not make and shall have no obligation to make the Series B Transition Period Dividend Payment or any other payment to the holders of shares of KeyCorp Series B Preferred Stock with respect to such then current "Dividend Period", (Y) dividends on the 10% Cumulative Preferred Stock of the Corporation will accrue only from and after the day immediately following the last day of such then current "Dividend Period"

of the KeyCorp Series B Preferred Stock, and (Z) no dividend will accrue or be paid on the 10% Cumulative Preferred Stock of the Corporation with respect to any period prior to such date. Each such dividend on the 10% Cumulative Preferred Stock shall be paid to the holders of record of shares of the 10% Cumulative Preferred Stock as they appear on the stock register of the Corporation on such record date, not more than 45 days or less than 14 days preceding the payment date thereof, as shall be fixed by the Board of Directors. Dividends on account of arrears for any past Dividend Periods may be declared and paid at any time, without reference to any regular dividend payment date, to holders of record on such date, not more than 45 days or less than 14 days preceding the payment date thereof, as may be fixed by the Board of Directors.

(b) Dividends payable on shares of the 10% Cumulative Preferred Stock for any period greater or less than a full Dividend Period, including the Initial Dividend Period, shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends payable on shares of the 10% Cumulative Preferred Stock for each full Dividend Period shall be computed by annualizing the Dividend Rate and dividing by four.

(c) The Corporation shall not declare or pay or set apart for payment any dividends on any class of preferred stock ranking, as to dividends, on a parity with or junior to the 10% Cumulative Preferred Stock unless full cumulative dividends have been or contemporaneously are declared and paid, or declared and a sum sufficient for payment thereof is set apart for payment, for all Dividend Periods terminating on or prior to the date of payment of any such dividends on such other classes of preferred stock. When dividends are not paid in full upon the 10% Cumulative preferred stock and any other class of preferred stock ranking on a parity therewith as to dividends, all dividends declared upon shares of the 10% Cumulative Preferred Stock and any other class of preferred stock ranking on a parity therewith as to dividends shall be declared pro rata so that the amount of dividends declared per share on the shares of the 10% Cumulative Preferred Stock and such other class of preferred stock shall in all cases bear to each other the same ratio that the accrued dividends per share on the shares of the 10% Cumulative Preferred Stock and such other class of preferred stock bear to each other. Except as provided in the preceding sentence, unless full cumulative dividends on the 10% Cumulative Preferred Stock have been paid for all past Dividend Periods, no dividends (other than in Common Shares or another stock ranking junior to the 10% Cumulative Preferred Stock as to dividends and upon liquidation) shall be declared or paid or set aside for payment nor shall any other distribution be made upon the Common Shares or on any other stock of the Corporation ranking junior to or on a parity with the 10% Cumulative Preferred Stock as to dividends or upon liquidation. Unless full cumulative dividends on the 10% Cumulative Preferred Stock have been paid for all past dividend payment periods, no Common Shares or any other stock of the Corporation ranking junior to or on a parity with the 10% Cumulative Preferred Stock as to dividends or upon liquidation shall be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Corporation or any subsidiary, except by conversion into or exchange for stock of the Corporation ranking junior to the 10% Cumulative Preferred Stock as to dividends and upon liquidation.

SECTION 3. Liquidation. In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the Corporation, the holders of shares of the 10% Cumulative Preferred Stock are entitled to receive out of the assets of the Corporation available for distribution to shareholders, before any distribution of assets is made to holders of Common Shares or any other class of stock ranking junior to the 10% Cumulative Preferred Stock upon liquidation, liquidating distributions in the amount of $125 per share plus accrued and unpaid dividends. If, upon any voluntary or involuntary liquidation, dissolution, or winding up of the Corporation the amounts payable with respect to the 10% Cumulative Preferred Stock and any other shares of stock of the Corporation ranking as to any such distribution on a parity with the 10% Cumulative Preferred Stock are not paid in full, the holders of shares of the 10% Cumulative Preferred Stock and of such other shares will share ratably in any such distribution of assets of the Corporation in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of shares of the 10% Cumulative Preferred Stock will not be entitled to any further participation in any distribution of assets by the Corporation.

SECTION 4. Redemption.

The shares of the 10% Cumulative Preferred Stock are not redeemable prior to June 30, 1996. On and after such date, the 10% Cumulative Preferred Stock is redeemable in cash at the option of the Corporation, in whole or in part, from

time to time upon not less than 30 nor more than 60 days' notice, with the prior approval of the Federal Reserve Board (if such approval is required), at $125 per share plus all accrued and unpaid dividends to the date fixed for redemption.

If fewer than all the outstanding shares of the 10% Cumulative Preferred Stock are to be redeemed, the number of shares to be redeemed will be determined by the Board of Directors and such shares shall be redeemed pro rata from the holders of record of such shares in proportion to the number of such shares held by such holders (with adjustments to avoid redemption of fractional shares) or by lot in a manner determined by the Board of Directors.

Notwithstanding the foregoing, if any dividends, including any accumulation, on the shares of the 10% Cumulative Preferred Stock are in arrears, no shares of the 10% Cumulative Preferred Stock shall be

redeemed unless all outstanding shares of the 10% Cumulative Preferred Stock are simultaneously redeemed, and the Corporation shall not purchase or otherwise acquire any shares of the 10% Cumulative Preferred Stock; provided, however, that the foregoing shall not prevent the purchase or acquisition of shares of the 10% Cumulative Preferred Stock pursuant to a purchase or exchange offer provided such offer is made on the same terms to all holders of shares of the 10% Cumulative Preferred Stock.

Notice of redemption shall be given by mailing the same to each record holder of shares of the 10% Cumulative Preferred Stock to be redeemed, not less than 30 nor more than 60 days prior to the date fixed for redemption thereof, to the respective addresses of such holders as the same shall appear on the stock books of the Corporation. Each notice shall state: (i) the redemption date; (ii) the number of shares and series of the 10% Cumulative Preferred Stock to be redeemed; (iii) the redemption price; (iv) the place or places where certificates for such shares of 10% Cumulative Preferred Stock are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on such redemption date. If fewer than all the shares of the 10% Cumulative Preferred Stock held by any holder are to be redeemed, the notice mailed to such holder shall also specify the number of shares of the 10% Cumulative Preferred Stock to be redeemed from such holder.

After the date fixed for the redemption of shares of the 10% Cumulative Preferred Stock by the Corporation, the holders of shares selected for redemption shall cease to be shareholders with respect to such shares and shall have no interest in or claim against the Corporation by virtue thereof and shall have no voting or other rights with respect to such shares, except the right to receive the moneys payable upon such redemption from the Corporation, without interest thereon, upon surrender (and endorsement, if required by the Corporation) of their certificates, and the shares represented thereby shall no longer be deemed to be outstanding. The Corporation may, at its option, at any time after a notice of redemption has been given, deposit the redemption price for the shares of the 10% Cumulative Preferred Stock designated for redemption and not yet redeemed, plus any accrued and unpaid dividends thereon to the date fixed for redemption, with the transfer agent or agents for the 10% Cumulative Preferred Stock, as a trust fund for the benefit of the holders of the shares of the 10% Cumulative Preferred Stock designated for redemption. From and after the making of such deposit, the holders of the shares designated for redemption shall cease to be shareholders with respect to such shares and shall have no interest in or claim against the Corporation by virtue thereof and shall have no voting or other rights with respect to such shares, except the right to receive from such trust fund the moneys payable upon such redemption, without interest thereon, upon surrender (and endorsement, if required by the Corporation) of their certificates, and the shares represented thereby shall no longer be deemed to be outstanding. Any balance of such moneys remained unclaimed at the end of the five-year period commencing on the date fixed for redemption shall be repaid to the Corporation upon its request expressed in a resolution of its Board of Directors.

Any shares of the 10% Cumulative Preferred Stock that shall at any time have been redeemed shall, after such redemption, be deemed retired.

SECTION 5. Voting Rights. Except as indicated below, or except as required by applicable law, the holders of the 10% Cumulative Preferred Stock shall not have any voting powers, either general or special, except that:

(a) if the Corporation shall fail to pay full cumulative dividends on the shares of the 10% Cumulative Preferred Stock or any other class of Preferred Stock for six quarterly dividend payment periods, whether or not consecutive, the number of directors will be increased by two, and the holders of all outstanding shares of 10% Cumulative Preferred Stock and all other outstanding classes of Preferred Stock, voting as a single class without regard to series, will be entitled to elect such additional two

directors until full cumulative dividends for all past dividend payment periods on all outstanding shares of 10% Cumulative Preferred Stock and all other classes of Preferred Stock have been paid or declared and set apart for payment. Such right to vote separately as a class to elect directors shall, when vested, be subject, always, to the same provisions for the vesting of such right to elect directors separately as a class in the case of future dividend defaults. At any time when such right to elect directors separately as a class shall have so vested, the Corporation may, and upon the written request of the holders of record of not less than twenty percent of the total number of shares of 10% Cumulative Preferred Stock and all other

classes of Preferred Stock of the Corporation then outstanding shall, call a special meeting of shareholders for the election of such directors. In the case of such a written request, such special meeting shall be held within 90 days after the delivery of such request and, in either case, at the place and upon the notice provided by law and in the Regulations of the Corporation, provided that the Corporation shall not be required to call such a special meeting if such request is received less than 120 days before the date fixed for the next ensuing annual meeting of shareholders of the Corporation. Directors elected as aforesaid shall serve until the next annual meeting of shareholders of the Corporation or until their respective successors shall be elected and qualify. If, prior to the end of the term of any director elected as aforesaid, a vacancy in the office of such director shall occur during the continuance of a default in dividends on the 10% Cumulative Preferred Stock by reason of death, resignation, or disability, such vacancy shall be filled for the unexpired term by the appointment by the remaining director or directors elected as aforesaid of a new director for the unexpired term of such former director,

(b) affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of the 10% Cumulative Preferred Stock, voting as a class, will be required for any amendment to the articles of incorporation that will adversely affect the powers, preferences, privileges, or rights of the shares of the 10% Cumulative Preferred Stock, except as set forth below. The affirmative vote or consent of the holders of at least a majority of the outstanding shares of the 10% Cumulative Preferred Stock and any other class of Preferred Stock ranking on a parity with the 10% Cumulative Preferred Stock as to dividends or upon liquidation, voting as a single class, will be required to issue, authorize, or increase the authorized amount of any class of shares ranking prior to the 10% Cumulative Preferred Stock as to dividends or upon liquidation or to issue or authorize any obligation or security convertible into or evidencing a right to purchase any such security, but the articles of incorporation may be amended to increase the number of authorized shares of Preferred Stock ranking on a parity with or junior to the 10% Cumulative Preferred Stock or to create another class of preferred stock ranking on a parity with or junior to the 10% Cumulative Preferred Stock without the vote of the holders of outstanding shares of the 10% Cumulative Preferred Stock, and

(c) subject to such affirmative vote or consent of the holders of the outstanding shares of the 10% Cumulative Preferred Stock, the Corporation may, by resolution of its Board of Directors or as otherwise permitted by law, from time to time alter or change the preferences, rights, or powers of the shares of the 10% Cumulative Preferred Stock. The holders of shares of the 10% Cumulative Preferred Stock shall not be entitled to participate in any such vote if, at or prior to the time when any such alteration or change is to take effect, provision is made for the redemption of all the shares of 10% Cumulative Preferred Stock at the time outstanding. Nothing in this section shall be taken to require a class vote or consent in connection with the authorization, designation, increase, or issuance of any shares of any class or series that rank junior to or on a parity with the 10% Cumulative Preferred Stock as to dividends and liquidation rights or in connection with the authorization, designation, increase or issuance of any bonds, mortgages, debentures, or other obligations of the Corporation.

SECTION 6. Conversion. The shares of the 10% Cumulative Preferred Stock are not convertible into shares of any other class or series of the capital stock of the Corporation.

SECTION 7. Preemptive Rights. No holder of 10% Cumulative Preferred Stock shall be entitled as such as a matter of right to subscribe for or purchase any part of any issue of shares of the Corporation, of any class whatsoever, or any part of any issue of securities convertible into shares of the Corporation, of any class whatsoever, and whether issued for cash, property, services, or otherwise.

PART B

EXPRESS TERMS OF THE PREFERRED STOCK

SECTION 1. Series.

The Preferred Stock may be issued from time to time in series. All shares of Preferred Stock shall be of equal rank and the express terms thereof shall be identical, except in respect of the terms that may be fixed by

the Board of Directors as hereinafter provided, and each share of each series shall be identical with all other shares of such series, except that in the case of series on which dividends are cumulative the dates from which dividends are cumulative may vary to reflect differences in the dates of issue. Subject to the provisions of Sections 2 through 7, inclusive, of this Part B, which shall apply to all Preferred Stock, the Board of Directors is hereby authorized to cause shares of Preferred Stock to be issued in one or more series and with respect to each such series to fix:

(a) The designation of the series, which may be by distinguishing number, letter, or title.

(b) The authorized number of shares of the series, which number the Board of Directors may, except to the extent otherwise provided in the creation of the series, from time to time, increase or decrease, but not below the number of shares thereof then outstanding.

(c) The dividend rate or rates (which may be fixed or adjustable) of the shares of the series.

(d) The dates on which dividends, if declared, shall be payable and, in the case of series on which dividends are cumulative, the dates from which dividends shall be cumulative.

(e) The redemption rights and price or prices, if any, for shares of the series.

(f) The amount, terms, conditions, and manner of operation of any retirement or sinking fund to be provided for the purchase or redemption of shares of the series.

(g) The amounts payable on shares of the series in the event of any liquidation, dissolution, or winding up of the affairs of the Corporation.

(h) Whether the shares of the series shall be convertible into Common Shares or shares of any other series or class, and, if so, the specification of such other class or series, the conversion price or prices or rate or rates, any adjustment thereof, and all other terms and conditions upon which such conversion may be made.

(i) The restrictions, if any, upon the issue of any additional shares of the same series or of any other class or series.

The Board of Directors is authorized to adopt from time to time amendments to these articles of incorporation fixing, with respect to each series, the matters described in Clauses (a) through (i), inclusive, of this Section 1.

SECTION 2. Voting Rights.

(a) The holders of Preferred Stock shall not be entitled to vote upon matters presented to the shareholders, except as provided in this Section 2 or as required by law.

(b) If the Corporation shall fail to pay full cumulative dividends on any series of Preferred Stock or the 10% Cumulative Preferred Stock (if then outstanding) for six quarterly dividend payment periods, whether or not consecutive, the number of directors will be increased by two, and the holders of all outstanding series of Preferred Stock and the 10% Cumulative Preferred Stock, voting as a single class without regard to series, will be entitled to elect such additional two directors until full cumulative dividends for all past dividend payment periods on all series of Preferred Stock and the 10% Cumulative Preferred Stock have been paid or declared and set apart for payment or until non-cumulative dividends have been paid regularly for at least one full year. Such right to vote separately as a class to elect directors shall, when vested, be subject, always, to the same provisions for the vesting of such right to elect directors separately as a class in the case of future dividend defaults. At any time when such right to elect directors separately as a class shall have so vested, the Corporation may, and upon the written request of the holders of record of

not less than twenty percent of the total number of shares of the Preferred Stock and 10% Cumulative Preferred Stock of the Corporation then outstanding shall, call a special meeting of shareholders for the election of such directors. In the case of such a written request, such special meeting shall be held within ninety days after the delivery of such request and, in either case, at the place and upon the notice provided by law and in the Regulations of the Corporation, provided that the Corporation shall not be required to call such a special meeting if such request is received less than 120 days before the date fixed for the next ensuing annual meeting of shareholders of the Corporation. Directors elected as aforesaid shall serve until the next annual meeting of shareholders of the Corporation or until their

respective successors shall be elected and qualify. If, prior to the end of the term of any director elected as aforesaid, a vacancy in the office of such director shall occur during the continuance of a default in dividends on any series of Preferred Stock by reason of death, resignation or disability, such vacancy shall be filled for the unexpired term by the appointment by the remaining director or directors elected as aforesaid of a new director for the unexpired term of such former director.

(c) The affirmative vote or consent of the holders of at least two-thirds of the then outstanding shares of Preferred Stock, given in person or by proxy, either in writing or at a meeting called for the purpose at which the holders of Preferred Stock shall vote separately as a class, shall be necessary to effect any amendment, alteration, or repeal of any of the provisions of these articles of incorporation or the regulations of the Corporation which would be substantially prejudicial to the voting powers, rights, or preferences of the holders of Preferred Stock (but so far as the holders of Preferred Stock are concerned, such action may be effected with such vote or consent); provided, however, that neither the amendment of these articles of incorporation to authorize or to increase the authorized or outstanding number of shares of any class ranking junior to or on a parity with the Preferred Stock, nor the amendment of the regulations so as to change the number of directors of the Corporation, shall be deemed to be substantially prejudicial to the voting powers, rights, or preferences of the holders of Preferred Stock (and any such amendment referred to in this proviso may be made without the vote or consent of the holders of the Preferred Stock); and provided further that if such amendment, alteration, or repeal would be substantially prejudicial to the rights or preferences of one or more but not all then outstanding series of Preferred Stock, the affirmative vote or consent of the holders of at least two-thirds of the then outstanding shares of the series so affected shall also be required.

(d) The affirmative vote or consent of the holders of at least two-thirds of the then outstanding shares of Preferred Stock and, if the holders of 10% Cumulative Preferred Stock are entitled to vote on such matter pursuant to Section 5 of Part A of this Article IV, the 10% Cumulative Preferred Stock, given in person or by proxy, either in writing or at a meeting called for the purpose at which the holders of Preferred Stock and, if applicable, 10% Cumulative Preferred Stock shall vote as a single class shall be necessary to effect any one or more of the following:

(i) The authorization of, or the increase in the authorized number of, any shares of any class ranking prior to the Preferred Stock; or

(ii) The purchase or redemption for sinking fund purposes or otherwise of less than all of the then outstanding Preferred Stock except in accordance with a purchase offer made to all holders of record of Preferred Stock, unless all dividends on all Preferred Stock then outstanding for all previous dividend periods shall have been declared and paid or funds therefor set apart and all accrued sinking fund obligations applicable thereto shall have been complied with.

SECTION 3. Preemptive Rights.

No holder of Preferred Stock shall be entitled as such as a matter of right to subscribe for or purchase any part of any issue of shares of the Corporation, of any class whatsoever, or any part of any issue of securities convertible into shares of the Corporation, of any class whatsoever, and whether issued for cash, property, services or otherwise.

SECTION 4. Definitions.

For the purposes of this Part B:

(a) Whenever reference is made to shares "ranking prior to the Preferred Stock," such reference shall mean and include all shares of the

Corporation in respect of which the rights of the holders thereof either as to the payment of dividends or as to distribution in the event of a liquidation, dissolution or winding up of the Corporation are given preference over the rights of the holders of Preferred Stock.

(b) Whenever reference is made to shares "on a parity with the Preferred Stock," such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders thereof

as to the payment of dividends or as to distributions in the event of a liquidation, dissolution, or winding up of the Corporation rank on an equality or parity with the rights of the holders of Preferred Stock.

(c) Whenever reference is made to shares "ranking junior to the Preferred Stock," such reference shall mean and include all shares of the Corporation in respect of which the rights of the holders thereof as to the payment of dividends and as to distributions in the event of a liquidation, dissolution or winding up of the Corporation are junior or subordinate to the rights of the holders of Preferred Stock.

PART C

EXPRESS TERMS OF COMMON SHARES

SECTION 1. General.

The holders of Common Shares shall be entitled to one vote for each Common Share held by them, respectively, on each matter properly submitted to shareholders for their vote, consent, waiver, release or other action.

SECTION 2. Preemptive Rights.

No holder of Common Shares shall be entitled as such as a matter of right to subscribe for or purchase any part of any issue of shares of the Corporation of any class whatsoever, or any part of any issue of securities convertible into shares of the Corporation, of any class whatsoever, and whether issued for cash, property, services, or otherwise.

PART D

CUMULATIVE VOTING

No holder of shares of any class of the Corporation may cumulate his voting power.

ARTICLE V

PURCHASE OF SHARES

Subject to the provisions of Article IV hereof, the Corporation, by action of its directors, and without action by its shareholders, may, from time to time, purchase its own shares of any class in accordance with the provisions of the Ohio General Corporation Law; and such purchase may be made either in the open market, or at public or private sales, in such manner and amounts, from such holder or holders of outstanding shares of the Corporation and at such price as the directors shall, from time to time, determine.

ARTICLE VI

VOTING

Any proposal which, under applicable law, requires the approval of holders of shares of the Corporation:

(1) to adopt an amendment to these articles of incorporation (which term includes amended articles of incorporation),

(2) to sell, exchange, transfer, or otherwise dispose of all, or substantially all, the assets of the Corporation,

(3) to effect a merger or consolidation involving the Corporation,

(4) to effect a combination or majority share acquisition (as such terms are defined by the laws of the State of Ohio), or

(5) to dissolve, liquidate, or wind up the affairs of the Corporation,

may be authorized and approved by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of the Corporation on such proposal and, if a proposal upon which holders of shares of a particular class or classes are required to vote separately as a class by other provisions of these articles of incorporation or law, by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of such class or classes, except as otherwise provided in Section 5 of Part A and Section 2 of Part B of Article IV with respect to the 10% Cumulative Preferred Stock and the Preferred Stock of the Corporation. Notwithstanding the foregoing, the provisions of this Article VI shall not reduce the vote of shareholders required to approve a transaction which requires shareholder approval under Chapter 1704 of the Ohio Revised Code.

ARTICLE VII

OPT-OUT OF CONTROL SHARE ACQUISITIONS STATUTE

Section 1701.831 of the Ohio Revised Code shall not apply to control share acquisitions of shares of the Corporation.

ARTICLE VIII

AMENDED AND RESTATED ARTICLES

These Amended and Restated Articles of Incorporation of Key Bancshares Inc. supersede the Amended and Restated Articles of Incorporation of Society Corporation filed with the Secretary of State of Ohio on September 24, 1993.

EXHIBIT II

REGULATIONS

OF

KEY BANCSHARES INC.

(Effective , 1994)

ARTICLE I

SHAREHOLDERS

Section 1. Place of Meeting. All meetings of the shareholders of the Corporation shall be held at the office of the Corporation or at such other places, within or without the State of Ohio, as may from time to time be determined by the Board of Directors, the Chairman of the Board, or the President and specified in the notice of such meeting.

Section 2. Annual Meetings. The annual meeting of the shareholders of the Corporation for the election of directors, the consideration of reports to be laid before such meeting, and the transaction of such other business as may properly come before the meeting shall be held on the third Wednesday in May in each year, if not a legal holiday under the laws of the place where the meeting is to be held, and, if a legal holiday, then on the next succeeding day not a legal holiday under the laws of such place, or on such other date and at such hour as may from time to time be determined by the Board of Directors, the Chairman of the Board, or the President.

Section 3. Special Meetings. Except as otherwise required by law and subject to the rights of the holders of any class or series of preferred stock of the Corporation, special meetings of the shareholders for any purpose or purposes may be called only by (i) the Chairman of the Board, (ii) the President, or, in the case of the President's absence, death, or disability, the vice president authorized to exercise the authority of the President, (iii) the Board of Directors by action at a meeting, or a majority of the entire authorized Board of Directors acting without a meeting, or (iv) the persons who hold 50% of all shares outstanding and entitled to vote at the special meeting.

Upon request in writing delivered either in person or by registered mail to the Chairman of the Board, the President, or the Secretary by any persons entitled to call a meeting of shareholders, such officer shall forthwith cause to be given to the shareholders entitled thereto notice of a meeting to be held on a date not less than ten nor more than 60 days after the receipt of such request, as such officer may fix. If such notice is not given within 30 days after the delivery or mailing of such request, the persons calling the meeting may fix the time of the meeting and give notice thereof in the manner provided by law or as provided in these Regulations, or cause such notice to be given by

any designated representative.

Section 4. Notice of Meetings. Except as otherwise provided by law, written notice of each meeting of the shareholders, whether annual or special, shall be given, either by personal delivery or by mail, not less than seven nor more than 60 days before the date of the meeting to each shareholder of record entitled to notice of the meeting, by or at the direction of the Chairman of the Board, President or Secretary or any other person or persons required or permitted by these Regulations to give such notice. If mailed, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to the shareholder at such shareholder's address as it appears on the records of the Corporation. Each such notice shall state the place, date, and hour of the meeting, and the purpose or purposes for which the meeting is called. Notice of adjournment of a meeting of shareholders need not be given if the time and place to which it is adjourned are fixed and announced at such meeting.

Section 5. Quorum. Except as otherwise provided by law or by the Articles of Incorporation of the Corporation, the holders of shares entitled to exercise a majority of the voting power of the Corporation at the meeting shall constitute a quorum for the transaction of business at any meeting of the shareholders; provided,

however, that no action required by law, by the Articles of Incorporation of the Corporation, or by these Regulations to be authorized or taken by the holders of a designated proportion of the shares of any particular class or of each class of the Corporation may be authorized or taken by a lesser proportion.

Section 6. Adjournments. The holders of a majority of the voting shares represented at a meeting, whether or not a quorum is present, may adjourn such meeting from time to time.

Section 7. Advance Notice of Shareholder Proposals. At any annual or special meeting of shareholders, proposals by shareholders and persons nominated for election as directors by shareholders shall be considered if advance notice thereof has been timely given as provided in this Section 7, in the case of proposals by shareholders, and as provided in Section 4(c) of Article II, in the case of persons nominated for election as directors by shareholders, and such proposals or nominations are otherwise proper for consideration under applicable law and the Articles of Incorporation of the Corporation. Notice of any proposal to be presented by any shareholder shall be given in writing to the Secretary of the Corporation, delivered to or mailed and received at the Corporation's principal executive offices, not less than 60 nor more than 90 days prior to the shareholders' meeting; provided, however, that in the event that less than 75 days' notice to the shareholders or prior public disclosure of the date of the meeting is given or made, the written notice of such shareholder's intent to make such proposal must be given to the Secretary not later than the close of business on the fifteenth day following the earlier of the day on which such notice of the date of the meeting was mailed or such public disclosure was made. Any shareholder who gives notice of any such proposal shall deliver therewith the text of the proposal to be presented and a brief written statement of the reasons why such shareholder favors the proposal and setting forth such shareholder's name and record address, the number and class of all shares of each class of stock of the Corporation beneficially owned (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934) by such shareholder and any material interest of such shareholder in the proposal (other than as a shareholder). The person presiding at the meeting, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall determine whether such notice under this Section 7 or under Section 4(c) of Article II, as applicable, has been duly given and shall direct that proposals and nominees not be considered if such notice (together with all required information to be submitted by such shareholder under this Section 7 or under Section 4(c) of Article II, as applicable) has not been given.

ARTICLE II

Board of Directors

Section 1. Number, Classification, and Term of Office. The Board of Directors shall be divided into three classes. The respective terms of the three classes of directors are staggered so that at any time the term of one class will expire at the next annual meeting of shareholders thereafter occurring, the term of a second class will expire at the second annual meeting of shareholders thereafter occurring, and the term of a third class will expire at the third annual meeting of shareholders thereafter occurring. At each annual meeting of shareholders of the Corporation, the successors to the directors of the class whose term will expire in that year shall be elected to hold office for a term expiring at the annual meeting of shareholders occurring in the third year after the date of their election. In each instance directors shall hold office until their successors are chosen and qualified, or until the earlier death,

retirement, resignation, or removal of any such director as provided in Section 13 of this Article II.

At the Effective Time (as defined in Section 2 of Article IV of these Regulations), the number of directors of the Corporation shall be 22, divided into three classes as follows: one class of seven directors whose term will expire at the next annual meeting of shareholders occurring after the Effective Time, one class of seven directors whose term will expire at the second annual meeting of shareholders occurring after the Effective Time, and one class of eight directors whose term will expire at the third annual meeting of shareholders occurring after the Effective Time. Through December 31, 1998, not more than two directors shall be Insider Directors. "Insider Director" shall mean any person who, as of immediately prior to the Effective Time, was a current or former officer of the Corporation or any of its subsidiaries or any predecessor or constituent (by merger, consolidation, or otherwise) of the Corporation or any of its subsidiaries, but shall not include H. Douglas Barclay or Henry S. Hemingway.

The Board of Directors or the shareholders may from time to time fix or change the size of the Board of Directors to a total number of no fewer than 20 directors and no more than 24 directors; provided that, through December 31, 1998, no such action shall have the effect of increasing to more than two the number of Insider Directors; provided, further, that through December 31, 1996, each increase or decrease in the size of the Board shall be by two or a multiple of two. The Board of Directors may, subject to the limitations contained in the immediately preceding sentence regarding the number of directors, the number of Insider Directors, and the requirement that any increase or decrease in the number of directors be effected by a multiple of two, fix or change the number of directors by the affirmative vote of two-thirds of the entire authorized Board. The shareholders may, subject to the limitations contained in the first sentence of this paragraph regarding the number of directors, the number of Insider Directors, and the requirement that any increase or decrease in the number of directors be effected by a multiple of two, fix or change the number of directors at a meeting of the shareholders called for the purpose of electing directors (i) by the affirmative vote of the holders of shares entitling them to exercise three-quarters of the voting power of the Corporation represented at the meeting and entitled to elect directors or (ii) if the proposed change in the number of directors is recommended by two-thirds of the entire authorized Board of Directors, by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of the Corporation represented at the meeting and entitled to elect directors. If the Board of Directors or the shareholders change the number of directors, the three classes of the Board of Directors shall be divided into as equal a number of directors as possible, with the Board of Directors or the shareholders, as the case may be, fixing or determining the adjustment to be made in each class. No reduction in the number of directors shall of itself have the effect of shortening the term of any incumbent director. In the event that the Board of Directors increases the number of directors, it may fill the vacancy or vacancies created by the increase in the number of directors for the respective unexpired terms in accordance with the provisions of Sections 4 and 14 of this Article II. In the event the shareholders increase the number of directors and fail to fill the vacancy or vacancies created thereby, the Board of Directors may fill such vacancy or vacancies for the respective unexpired terms in accordance with the provisions of Sections 4 and 14 of this Article II.

The number of directors and the number of directors of any class may not be fixed or changed by the shareholders or directors, except (i) by amending these Regulations in accordance with the provisions of Article X of these Regulations, (ii) pursuant to an agreement of merger or consolidation recommended by two-thirds of the members of the entire authorized Board of Directors and adopted by the shareholders at a meeting held for such purpose by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of the Corporation on such proposal, or (iii) as provided in the immediately preceding paragraph of this Section 1 or in the next following paragraph.

The foregoing provisions of this Section 1 are subject to the automatic increase by two in the authorized number of directors and the right of the holders of any class or series of preferred stock of the Corporation to elect two directors of the Corporation during any time when dividends payable on such shares are in arrears, all as set forth in the Articles of Incorporation of the Corporation and/or the express terms of the preferred stock of the Corporation.

Section 2. Chairman of the Board, Chairman of the Executive Committee, and Chairmen of Other Committees. Except as provided in this Section 2 below, the Board of Directors may from time to time select from its members one or more individuals to serve as Chairman of the Board, Chairman of the Executive Committee, and Chairman of any of the other committees of the Board of Directors. Except to the extent otherwise provided in Section 2 of Article IV of

these Regulations with respect to the position of Chairman of the Board, these positions as Chairman of the Board, Chairman of the Executive Committee, and Chairman of any other committees of the Board of Directors are not officer positions (and the Corporation shall have no officer position known as Chairman of the Board), but are strictly director positions, the sole authority and responsibility of which is to preside at meetings of the shareholders, the Board, or the applicable committee, as the case may be. Subject to Section 3 of this Article II and notwithstanding anything to the contrary in this Section 2, the officer of the Corporation who is the Chief Executive Officer of the Corporation shall, if he is a director, serve as Chairman of the Board and Chairman of the Executive Committee. The Chairman of the Board shall, if present, preside at meetings of the Board of Directors and at meetings of the shareholders. In the absence of the Chairman of the Board, the President shall preside at such meetings.

Section 3. Chairman of the Board and Chairman of the Executive Committee Through December 31, 1998. In accordance with the Merger Agreement (as defined in Section 2 of Article IV of these Regulations), it is intended that Victor J. Riley, Jr. shall be Chairman of the Board and Chairman of the Executive Committee of the Board of Directors of the Corporation through December 31, 1998 or his earlier failure to continue to be a director of the Corporation, whether as a result of his death, resignation, removal as provided in Section 13 of this Article II, or failure to be re-elected at the expiration of his term as director. In accordance with the Merger Agreement, on December 31, 1998, Victor J. Riley, Jr. shall cease to be Chairman of the Board and Chairman of the Executive Committee, unless he shall have earlier ceased to hold those positions. In accordance with the Merger Agreement, it is intended that Robert W. Gillespie shall become Chairman of the Board and Chairman of the Executive Committee of the Corporation on the date (which in no event shall be later than December 31, 1998) on which Victor J. Riley, Jr. ceases to be Chairman of the Board and Chairman of the Executive Committee, subject, in all cases, to Robert W. Gillespie's earlier failure to continue to be a director of the Corporation, whether as a result of his death, resignation, removal as provided in Section 13 of this Article II, or failure to be re-elected at the expiration of his term as director. If Victor J. Riley, Jr. shall at any time prior to December 31, 1998 cease to hold for any reason one or both of his positions as Chairman of the Board and Chairman of the Executive Committee, in accordance with the Merger Agreement, it is intended that Robert W. Gillespie shall immediately assume any such position, provided that he is then a director. Prior to Robert W. Gillespie becoming Chairman of the Board and Chairman of the Executive Committee, no individual (other than Robert W. Gillespie or any other person designated by Robert W. Gillespie) shall be designated vice chairman or deputy chairman, or with any position or title of similar import, of either the Board of Directors or the Executive Committee. In the event that the Board of Directors of the Corporation establishes an Executive Committee in accordance with Section 1 of Article III of these Regulations, in accordance with the Merger Agreement, it is intended that Victor J. Riley, Jr. and Robert W. Gillespie shall each be members of the Executive Committee as long as they are members of the Board of Directors. The provisions of this Section 3 shall apply through December 31, 1998.

Section 4. Nominations. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Subject to the rights of the holders of any class or series of preferred stock of the Corporation, nominations for the election of directors may be made only:

(a) through December 31, 1998, by the affirmative vote of three-quarters of the entire authorized Board of Directors and three-quarters of the members of the Nominating Committee, if any, then in office; provided, however, that if the Nominating Committee is unable, for any reason, to approve by the requisite vote a nomination for election of a particular director or directors, such nomination shall be made instead by the affirmative vote of two-thirds of the entire authorized Board of Directors and three-quarters of the members of a committee to be comprised of (i) in the case of a nomination for election to fill a director position which was originally held at the Effective Time by an individual who had been a director of KeyCorp or any of its subsidiaries, all of the directors then in office who immediately prior to the Effective Time had been directors of KeyCorp or any of its subsidiaries or who have been elected to fill a director position originally held by an individual who at the Effective Time had been a director of KeyCorp or any of its subsidiaries, and (ii) in the case of a nomination for election to fill a director position which was originally held at the Effective Time by an individual who had been a director of Society Corporation or any of its subsidiaries, all of the directors then in office who immediately prior to the Effective Time had been directors of Society Corporation or any of its subsidiaries or who have been elected to fill a director position originally held by an individual who at the Effective Time had been a director of Society Corporation or any of its subsidiaries; provided, further, that, in the

case of a nomination for election to fill a director position which resulted from an increase in the size of the Board after the Effective Time in accordance with Section 1 of Article II of these Regulations, such nomination shall be made by the affirmative vote of three-quarters of the entire authorized Board of Directors acting alone if the Nominating Committee is unable, for any reason, to approve by the requisite vote a nomination to fill such director position,

(b) after December 31, 1998, by the affirmative vote of two-thirds of the entire authorized Board of Directors, and

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(c) by any shareholder of the Corporation entitled to vote for the election of directors at a meeting, but only if written notice of such shareholder's intent to make such nomination is given to the Secretary of the Corporation, delivered to or mailed and received at the Corporation's principal executive offices, not less than 60 nor more than 90 days prior to the meeting; provided, however, that in the event that less than 75 days' notice to the shareholders or prior public disclosure of the date of the meeting is given or made, the written notice of such shareholder's intent to make such nomination must be given to the Secretary not later than the close of business on the fifteenth day following the earlier of the day on which such notice of the date of the meeting was mailed or such public disclosure was made. Each such notice of a shareholder's intent to make a nomination shall set forth: (A) as to each person who is not an incumbent director when the shareholder proposes to nominate such person for election as a director, (1) the name, age, business, and residence address of such person, (2) the principal occupation or employment of such person for the last five years, (3) the class and number of shares of capital stock of the Corporation which are beneficially owned by such person, (4) all positions of such person as a director, officer, partner, employee, or controlling shareholder of any corporation or other business entity, (5) any prior position as a director, officer, or employee of a depository institution or any company controlling a depository institution, (6) any other information regarding such person that would be required pursuant to paragraphs (a), (e) and (f) of Item 401 of Regulation S-K adopted by the Securities and Exchange Commission (or the corresponding provisions of any regulations subsequently adopted by the Securities and Exchange Commission applicable to the Corporation) to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had such person been nominated, or intended to be nominated, by the Board of Directors, and (7) the written consent of each nominee to serve as a director of the Corporation if so elected, and (B) as to the shareholder giving the notice, (1) the name and record address of such shareholder, (2) a representation that the shareholder is a holder of record of shares of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, (3) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder, and (4) the class and number of shares of capital stock of the Corporation which are beneficially owned (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) by such shareholder.

No person shall be eligible for election as a director unless nominated in compliance with the foregoing procedure.

Section 5. Quorum, Adjournments, and Manner of Acting. Except as otherwise provided by law, the Articles of Incorporation of the Corporation, or these Regulations, a majority of the entire authorized Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. Except as otherwise provided by law, the Articles of Incorporation of the Corporation, or these Regulations, the affirmative vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board. In the absence of a quorum, a majority of the directors present at a meeting duly held may adjourn the meeting to another time and place. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the originally called meeting.

Notwithstanding the foregoing provisions of this Section 5, the affirmative vote of at least two-thirds of the entire authorized Board of Directors shall be required for the approval of any of the following transactions: (a) any merger or consolidation of the Corporation (i) with any interested shareholder, as such term is defined in Chapter 1704 of the Ohio General Corporation Law, or (ii) with any other corporation if the merger or consolidation is caused by any interested shareholder, (b) any recommendation or approval of any transaction as a result of which any person will become an interested shareholder, (c) any merger or consolidation involving the Corporation and any other corporation with assets having an aggregate book value equal to 50% or more of the aggregate book

value of all the assets of the Corporation determined on a consolidated basis, (d) any liquidation or dissolution of the Corporation, (e) any sale, lease, exchange, mortgage, pledge, transfer, or other disposition (in one transaction or a series of transactions) to or with an interested shareholder of assets of the Corporation which assets have an aggregate book value equal to 10% or more of the aggregate book value of all the assets of the Corporation determined on a consolidated basis, (f)

any sale, lease, exchange, mortgage, pledge, transfer, or other disposition (in one transaction or a series of transactions) to or with any person of assets of the Corporation which assets have an aggregate book value equal to 25% or more of the aggregate book value of all the assets of the Corporation determined on a consolidated basis, (g) any transaction which results in the issuance or transfer by the Corporation of more than 15% of the voting stock of the Corporation to any person, (h) any transaction involving the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock or securities of any class or series of the Corporation which is owned by an interested shareholder, (i) any transaction requiring the amendment of any provision of the Articles of Incorporation of the Corporation if to amend such provision otherwise would require an affirmative vote of at least two-thirds of the entire authorized Board of Directors or any transaction requiring the amendment of any provision of these Regulations if to amend such provision otherwise would require an affirmative vote of at least two-thirds of the entire authorized Board of Directors of the Corporation (provided, however, if the amendment of any provision of these Regulations requires an affirmative vote of more than two-thirds of the entire authorized Board of Directors, any transactions having the same effect may only be authorized by the vote required to amend such provision of these Regulations), and (j) any receipt by an interested shareholder, other than proportionately as a shareholder of the Corporation, of the benefit, directly or indirectly, of any loans, advances, guarantees, pledges, or other financial benefits provided through the Corporation.

Section 6. Place of Meeting. The Board of Directors may hold its meetings at such place or places within or without the State of Ohio as the Board may from time to time determine or as shall be specified or fixed in the respective notices or waivers of notice thereof.

Section 7. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as the Board shall from time to time determine. If any day fixed for a regular meeting shall be a legal holiday under the laws of the place where the meeting is to be held, the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day or at such other time and place as the Board shall determine.

Section 8. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board or the President or by a majority of the directors then in office.

Section 9. Notice of Meetings. Notice of regular meetings of the Board of Directors or of any adjourned meeting thereof need not be given. Notice of each special meeting of the Board shall be mailed to each director, addressed to such director at such director's residence or usual place of business, at least two days before the day on which the meeting is to be held or shall be sent to such director at such place by telegraph, telex, or telecopier (or similar facsimile transmission), or be given personally or by telephone, not later than the day before the meeting is to be held, but notice need not be given to any director who shall, either before or after the meeting, submit a signed waiver of such notice or who shall attend such meeting without protesting prior to or at its commencement, the lack of notice to such director. Every such notice shall state the time and place but need not state the purpose of the meeting.

Section 10. Participation in Meeting by Means of Communications Equipment. Any one or more members of the Board of Directors or any committee thereof may participate in any meeting of the Board or of any such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

Section 11. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be authorized or taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by, all the directors or all the committee members and if the writing or writings are filed with or entered upon the records of the Corporation.

Section 12. Resignations. Any director of the Corporation may resign at any time by oral statement to that effect made at a meeting of the Board of

Directors or any committee thereof or by giving written notice to the Board of Directors, the Chairman of the Board, the President, or the Secretary of the Corporation. Such resignation shall take effect at the date of receipt of such notice or at any later date specified therein and,

unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 13. Removal of Directors. The Board of Directors may remove any director and thereby create a vacancy on the Board: (a) if by order of court he has been found to be of unsound mind or if he is adjudicated a bankrupt or (b) if within 60 days from the date of his election he does not qualify by accepting in writing his election to such office or by acting at a meeting of directors.

All the directors, or all of the directors of a particular class, or any individual director, may be removed from office, without assigning any cause, by the affirmative vote of the holders of shares entitling them to exercise three-quarters of the voting power of the Corporation entitled to elect directors in place of those to be removed. In case of any such removal, a new director nominated in accordance with Section 4 of this Article II may be elected at the same meeting for the unexpired term of each director removed. Failure to elect a director to fill the unexpired term of any director removed shall be deemed to create a vacancy on the Board.

Section 14. Vacancies. Any vacancies on the Board of Directors resulting from death, resignation, removal, or other cause shall only be filled by the affirmative vote of two-thirds of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director. Newly created directorships resulting from any increase in the number of directors by action of the Board of Directors shall be filled by the affirmative vote of two-thirds of the directors then in office, or if not so filled, by the shareholders at the next annual meeting thereof or at a special meeting called for that purpose in accordance with Section 3 of Article I of these Regulations. In the event the shareholders increase the authorized number of directors in accordance with these Regulations but fail at the meeting at which such increase is authorized, or an adjournment of that meeting, to elect the additional directors provided for, or if the shareholders fail at any meeting to elect the whole authorized number of directors, such vacancies may be filled by the affirmative vote of two-thirds of the directors then in office. Any director elected in accordance with the three preceding sentences of this Section 14 shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. Notwithstanding the foregoing provisions of this Section 14, through December 31, 1998, the Board of Directors shall only fill vacancies (however caused) with persons or candidates who have been nominated or approved by the affirmative vote of three-quarters of the entire authorized Board of Directors and three-quarters of the members of the Nominating Committee, if any, or, if the Nominating Committee is unable, for any reason, to approve by the requisite vote a nomination to fill a vacancy of a particular director or directors, such vacancy shall be filled instead by the affirmative vote of two-thirds of the entire authorized Board of Directors and the applicable committee, if any, contemplated by the provisos in Section 4(a) of this Article II. The provisions of this Section 14 shall not restrict the rights of holders of any class or series of preferred stock of the Corporation to fill vacancies in directors elected by such holders as provided by the express terms of the preferred stock.

ARTICLE III

EXECUTIVE AND OTHER COMMITTEES

Section 1. Executive Committee. The Board of Directors may, by resolution adopted by the affirmative vote of at least two-thirds of the entire authorized Board, designate annually (i) four or more of its members to constitute members of an Executive Committee of the Board of Directors of the Corporation (the "Executive Committee") and (ii) one or more of its members to be alternate members of the Executive Committee to take the place of any absent member or members at any meeting of the Executive Committee. In accordance with the Merger Agreement, it is intended that through December 31, 1998, two of the members of the Executive Committee shall be Victor J. Riley, Jr. and Robert W. Gillespie, as long as they are directors of the Corporation. The Executive Committee shall have and may exercise, between meetings of the Board, all the powers and authority of the Board in the management of the business and affairs of the Corporation, including, without limitation, the power and authority to declare a dividend and to authorize the issuance of stock, and may authorize the seal of the Corporation to be affixed to all papers which may require it, except that the Executive Committee shall not have such power or authority in reference to filling vacancies on the Board or on any committee of the Board, including the Executive Committee.

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The Board shall have power at any time by the affirmative vote of at least two-thirds of the entire authorized Board to change the membership of the Executive Committee, to fill all vacancies in it, and to discharge it, either with or without cause.

Section 2. Nominating Committee. The provisions of this Section 2 shall apply through December 31, 1998. In accordance with the Merger Agreement, it is intended that the Board of Directors will, by resolution adopted by the affirmative vote of at least two-thirds of the entire authorized Board, designate annually four of its members to constitute members of a Nominating Committee of the Board of Directors of the Corporation (the "Nominating Committee") and that the Nominating Committee will consist of two individuals who were serving as directors of KeyCorp at the Effective Time (one of whom shall be Victor J. Riley, Jr., as long as he shall be a director of the Corporation), and two individuals who were serving as directors of Society Corporation at the Effective Time (one of whom shall be Robert W. Gillespie, as long as he shall be a director of the Corporation). Vacancies on the Nominating Committee will be promptly filled by the Board of Directors. The Board of Directors shall have the power at any time, by the affirmative vote of at least two-thirds of the entire authorized Board, to change the membership of, to fill all vacancies in, and to discharge the Nominating Committee, either with or without cause.

Section 3. Other Committees. The Board of Directors may, by resolution adopted by the affirmative vote of at least two-thirds of the entire authorized Board, designate from among its members one or more other committees, each of which shall (i) consist of not less than three directors, together with such alternates as the Board of Directors may appoint to take the place of any absent member or members at any meeting of such committee, and (ii) except as otherwise prescribed by law, have such authority of the Board as may be specified in the resolution of the Board designating such committee. The Board shall have power at any time, by the affirmative vote of at least two-thirds of the entire authorized Board, to change the membership of, to fill all vacancies in, and to discharge any such committee, either with or without cause.

Section 4. Procedure, Meetings, and Quorum. Regular meetings of the Executive Committee or any other committee of the Board of Directors, of which no notice shall be necessary, may be held at such times and places as may be fixed by a majority of the members thereof. Special meetings of the Executive Committee or any other committee of the Board shall be called at the request of the Chairman of the Board or the President or the Chairman of any committee. Notice of each special meeting of the Executive Committee or any other committee of the Board shall be sent by mail to each member thereof at such member's residence or usual place of business, at least two days before the day on which the meeting is to be held, or shall be sent to such member at such place by telegraph, telex, or telecopier (or similar facsimile transmission), or be given personally or by telephone to each member thereof not later than the day before the day on which the meeting is to be held, but notice need not be given to any member who shall, either before or after the meeting, submit a signed waiver of such notice or who shall attend such meeting without protesting, prior to or at its commencement, the lack of such notice to such member. Any special meeting of the Executive Committee or any other committee of the Board shall be a legal meeting without any notice thereof having been given, if all the members thereof shall be present thereat. Notice of any adjourned meeting of any committee of the Board need not be given. The Executive Committee or any other committee of the Board may adopt such rules and regulations not inconsistent with the provisions of law, the Articles of Incorporation of the Corporation, or these Regulations for the conduct of its meetings as the Executive Committee or any other committee of the Board may deem proper. A majority of the members of the Executive Committee or any other committee of the Board shall constitute a quorum for the transaction of business at any meeting, and the vote of a majority of the members thereof present at any meeting at which a quorum is present shall be the act of such committee. The Executive Committee or any other committee of the Board of Directors shall keep written minutes of its proceedings and shall report on such proceedings to the Board.

Section 5. Chairman of the Executive Committee. The Chairman of the Executive Committee shall, if present, preside at the meetings of the Executive Committee. In the absence of the Chairman of the Executive Committee, the President shall preside at such meetings.

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ARTICLE IV

OFFICERS

Section 1. Number and Term of Office. The Corporation shall have a Chief Executive Officer and a President and may have a Chief Operating Officer, one or more Vice Presidents, one or more of whom may be designated as Executive or Senior Vice Presidents or by similar titles, a Treasurer, a Secretary, and such other officers or agents, subordinate to the Chief Executive Officer and the President, with such titles as the Board of Directors may from time to time determine, each to have such authority, functions, or duties as in these Regulations provided or as the Board may from time to time determine, and, except as provided in Section 2 of this Article IV, each to hold office for such term as may be prescribed by the Board and until such person's successor shall have been chosen and shall qualify or until such person's death, retirement, resignation, or removal as provided in Section 4 of this Article IV. Subject to the provisions of Section 2 of this Article IV, one person may hold and perform the duties of any two or more of said offices; provided, however, that no officer shall execute, acknowledge, or verify any instrument in more than one capacity if such instrument is required by law, the Articles of Incorporation of the Corporation, or these Regulations to be executed, acknowledged, or verified by two or more officers.

Section 2. Chief Executive Officer and President Through December 31, 1998. The most senior officer of the Corporation shall be the President, who also shall be the Chief Executive Officer of the Corporation (and may use the term "Chief Executive Officer" as part of his title) except during periods when there is a separate office of Chief Executive Officer, in which case the officer holding the separate office of Chief Executive Officer shall be the most senior officer of the Corporation and the President shall be the second most senior officer. Pursuant to the Merger Agreement, at the Effective Time Victor J. Riley, Jr. is the Chief Executive Officer of the Corporation for a term expiring on December 31, 1995, or upon his earlier death, retirement, resignation, or removal as provided in the last sentence of Section 4 of this Article IV. There shall be a separate office of Chief Executive Officer of the Corporation during the period from the Effective Time until December 31, 1995 or any earlier date on which Victor J. Riley, Jr. ceases for any reason (including death, retirement, resignation, or removal as provided in the last sentence of Section 4 of this Article IV) to be Chief Executive Officer, and as long as Victor J. Riley, Jr. is the Chief Executive Officer, he shall also hold the office of Chairman of the Board (which for such period shall be an office of the Corporation), but there shall be no separate office of Chief Executive Officer after December 31, 1995 or any earlier date on which Victor J. Riley, Jr. ceases for any reason (including death, retirement, resignation, or removal as provided in the last sentence of Section 4 of this Article IV) to be Chief Executive Officer of the Corporation and after such date the title "Chairman of the Board" shall only be a director position and not an officer position. Pursuant to the Merger Agreement, at the Effective Time, Robert W. Gillespie is the President of the Corporation for a term expiring on December 31, 1998, or upon his earlier death, retirement, resignation, or removal as provided in the last sentence of Section 4 of this Article IV. Accordingly, at such time (which in no event shall be later than December 31, 1995) as Victor J. Riley, Jr. ceases for any reason to hold the separate office of Chief Executive Officer, Robert W. Gillespie shall, by virtue of being President, also be the Chief Executive Officer through the expiration of his term on December 31, 1998, or until his earlier death, retirement, resignation, or removal as provided in the last sentence of Section 4 of this Article IV. In addition, pursuant to the Merger Agreement, at the Effective Time, Robert W. Gillespie is the Chief Operating Officer of the Corporation for a term expiring on the date on which Victor J. Riley, Jr. ceases to be the Chief Executive Officer (which in no event shall be later than December 31, 1995). On December 31, 1995, Victor J. Riley, Jr. shall retire from all positions he then holds as an officer of the Corporation and as an officer or employee of any or all of its subsidiaries and shall no longer be an officer of the Corporation or an officer, employee, or director of any of its subsidiaries. During the terms of their respective Employment Agreements, Victor J. Riley, Jr. and Robert W. Gillespie shall have the respective powers, and perform the respective duties, set forth in each of their respective Employment Agreements (and applicable exhibits, if any, thereto), dated October 1, 1993, with Society Corporation. Any modification, amendment, or failure to honor the terms of either of such Employment Agreements at any time during their respective terms shall require the affirmative vote of three-quarters of the entire authorized Board of Directors. As used in these Regulations, (i) "Effective Time" shall have the meaning assigned to it in the Supplemental Agreement to Agreement and Plan of Merger, dated as of October 1, 1993, by and between Society Corporation and KeyCorp and (ii) "Merger Agreement" shall mean

the Agreement and Plan of Merger and the related Supplemental Agreement to Agreement and Plan of Merger, both dated as of October 1, 1993, by and between Society Corporation and KeyCorp. The provisions of this Section 2 shall apply through December 31, 1998.

Section 3. Authority and Duties of Officers. The officers of the

Corporation shall have such authority and shall perform such duties as are customarily incident to their respective offices, or as may be determined by the Board of Directors, regardless of whether such authority and duties are customarily incident to such offices.

Section 4. Removal. Except as provided in the last sentence of this Section 4, any officer may at any time be removed, either with or without cause, by the Board of Directors or any authorized committee thereof, or, except in the case of any officer elected by the Board or an authorized committee thereof, by any superior officer upon whom such power may be conferred by the Board or any authorized committee thereof, in any case without prejudice to the contract rights, if any, of such officer. Notwithstanding the foregoing, through December 31, 1998, neither Victor J. Riley, Jr. nor Robert W. Gillespie shall be removed by action of the Board of Directors from any office held by either of them except by the affirmative vote of three-quarters of the entire authorized Board of Directors, and in any case without prejudice to the contract rights of either of them.

Section 5. Resignation. Any officer may resign at any time by giving notice to the Board of Directors, the Chief Executive Officer, the President, or the Secretary of the Corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. Except as provided in Section 2 of this Article IV with respect to a vacancy in the office of Chief Executive Officer, a vacancy in any office because of death, retirement, resignation, removal, or any other cause may be filled in the manner prescribed in these Regulations for election to such office.

ARTICLE V

INDEMNIFICATION

The Corporation shall indemnify, to the full extent permitted or authorized by the Ohio General Corporation Law as it may from time to time be amended, any person made or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, or employee of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, or employee of a bank, other corporation, partnership, joint venture, trust, or other enterprise. In the case of a merger into this Corporation of a constituent corporation which, if its separate existence had continued, would have been required to indemnify directors, officers, or employees in specified situations prior to the merger, any person who served as a director, officer, or employee of the constituent corporation, or served at the request of the constituent corporation as a director, trustee, officer, or employee of a bank, other corporation, partnership, joint venture, trust, or other enterprise, shall be entitled to indemnification by this Corporation (as the surviving corporation) for acts, omissions, or other events or occurrences prior to the merger to the same extent he would have been entitled to indemnification by the constituent corporation if its separate existence had continued. The indemnification provided by this Article V shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under the Articles of Incorporation of the Corporation or these Regulations, or any agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, trustee, officer, or employee and shall inure to the benefit of the heirs, executors, and administrators of such a person.

ARTICLE VI

CAPITAL STOCK

Section 1. Certificates for Shares. Certificates representing shares of stock of each class of the Corporation, whenever authorized by the Board of Directors, shall be in such form as shall be approved by the Board or by the Chairman of the Board or President or a Vice President and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer. The certificates representing shares of stock of each class shall be signed by, or in the name of, the Corporation by the Chairman of the Board or the President or a Vice President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer of the Corporation. Any or all such signatures may be facsimiles, engraved, stamped, or printed if countersigned by an incorporated transfer agent or registrar. Although any officer, transfer agent or registrar whose manual or facsimile signature is affixed to such a certificate ceases to

be such officer, transfer agent, or registrar before such certificate has been delivered, such certificate nevertheless shall be effective in all respects when delivered. The Corporation may issue shares of any class of its capital stock without issuing certificates therefor.

Section 2. Transfer of Shares. Transfers of shares of stock of each class of the Corporation shall be made only on the books of the Corporation by the holder thereof, or by such holder's attorney thereunto authorized by a power of attorney duly executed and filed with the Secretary of the Corporation or a transfer agent for such stock, if any, and on surrender of the certificate or certificates for such shares properly endorsed or accompanied by a duly executed stock transfer power and the payment of all taxes thereon. The person in whose name shares stand on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation. No transfer of shares shall be valid as against the Corporation and its shareholders and creditors for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

Section 3. Lost, Destroyed, and Mutilated Certificates. The holder of any share of stock of the Corporation shall immediately notify the Corporation of any loss, theft, destruction, or mutilation of the certificate therefor; the Corporation may issue to such holder a new certificate or certificates for shares, upon the surrender of the mutilated certificate or, in the case of loss, theft, or destruction of the certificate, upon satisfactory proof of such loss, theft, or destruction; the Corporation, or the transfer agents and registrars for the stock, may, in their discretion, require the owner of the lost, stolen, or destroyed certificate, or such person's legal representative, to provide the Corporation a bond in such sum and with such surety or sureties as they may direct to indemnify the Corporation and such transfer agents and registrars against any claim that may be made on account of the alleged loss, theft, or destruction of any such certificate or the issuance of such new certificate.

Section 4. Regulations. The Board of Directors may make such additional rules and regulations as it may deem expedient concerning the issue and transfer of certificates representing shares of stock of each class of the Corporation and may make such rules and take such action as it may deem expedient concerning the issue of certificates in lieu of certificates claimed to have been lost, destroyed, stolen, or mutilated.

ARTICLE VII

RECORD DATES

For any lawful purpose, including the determination of the shareholders who are entitled to receive notice of or to vote at a meeting of the shareholders, the Board of Directors may fix a record date in accordance with the provisions of the Ohio General Corporation Law. The record date for the purpose of the determination of the shareholders who are entitled to receive notice of or to vote at a meeting of the shareholders shall continue to be the record date for all adjournments of the meeting unless the Board of Directors or the persons who shall have fixed the original record date shall, subject to the limitations set forth in the Ohio General Corporation Law, fix another date and shall cause notice thereof and of the date to which the meeting shall have been adjourned to be given to shareholders of record as of the newly fixed date in accordance with the same requirements as those applying to a meeting newly called. The Board of Directors may close the share transfer books against transfers of shares during the whole or any part of the period provided for in this Article

VII, including the date of the meeting of the shareholders and the period ending with the date, if any, to which adjourned. If no record date is fixed therefor, the record date for determining the shareholders who are entitled to receive notice of a meeting of the shareholders shall be the date next preceding the day on which notice is given, and the record date for determining the shareholders who are entitled to vote at a meeting of shareholders shall be the date next preceding the day on which the meeting is held.

ARTICLE VIII

CORPORATE SEAL

The corporate seal of this Corporation shall be circular in form and shall contain the name of the Corporation. Failure to affix the seal to any instrument or document executed on behalf of the Corporation shall not affect the validity of such instrument or document unless otherwise expressly provided by law.

ARTICLE IX

OFFICES

The headquarters and principal executive offices of the Corporation shall be located in the City of Cleveland, County of Cuyahoga, State of Ohio. The Corporation may also have such other office or offices, and keep the books and records of the Corporation, except as may otherwise be required by law, at such other place or places, either within or without the State of Ohio, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE X

AMENDMENTS

Until December 31, 1998, the provisions of this Article X, Sections 1, 2, 3, 4, 13, and 14 of Article II, Section 2 of Article III, Sections 2 and 4 of Article IV, and Article IX may only be amended, repealed, or altered (i) by the affirmative vote of the holders of shares entitling them to exercise three-quarters of the voting power of the Corporation on such proposal, (ii) if such amendment, repeal, or alteration is recommended by three-quarters of the entire authorized Board of Directors, by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of the Corporation on such proposal, or (iii) without a meeting, by the written consent of the holders of shares entitling them to exercise 100% of the voting power of the Corporation on such proposal. Until December 31, 1998, any Regulations other than those Regulations specifically listed in the immediately preceding sentence, and after December 31, 1998, any Regulations, may be adopted, amended, repealed, or altered (i) by the affirmative vote of the holders of shares entitling them to exercise three-quarters of the voting power of the Corporation on such proposal, (ii) if such adoption, amendment, repeal, or alteration, is recommended by two-thirds of the entire authorized Board of Directors, by the affirmative vote of the holders of shares entitling them to exercise a majority of the voting power of the Corporation on such proposal, or (iii) without a meeting, by the written consent of the holders of shares entitling them to exercise 100% of the voting power of the Corporation on such proposal.

It is the intent that these Regulations be enforced to the maximum extent permitted by law. If in any judicial proceeding, a court shall refuse to enforce any provision of these Regulations for the reason that such provision is deemed to be unenforceable or invalid under applicable law, then it is the intent that such otherwise unenforceable or invalid provision be enforced and valid to the maximum extent permitted by applicable law. The invalidity or unenforceability of any provision of these Regulations shall not invalidate or render unenforceable any other provision of these Regulations, as each provision is intended to be severable.

EXHIBIT III

Directors Whose Term Expires at the Annual Meeting of Shareholders of the Surviving Corporation to Occur During 1994:

1. William G. Bares
2. Lucie J. Fjeldstad
3. Robert W. Gillespie
4. Henry S. Hemingway
5. Steven A. Minter
6. Victor J. Riley, Jr.
7. Ronald B. Stafford

Directors Whose Term Expires at the Annual Meeting of Shareholders of the Surviving Corporation to Occur During 1995:

1. H. Douglas Barclay
2. Thomas A. Commes
3. Stephen R. Hardis
4. Lawrence A. Leser
5. John C. Morley
6. Peter G. Ten Eyck, II
7. Nancy B. Veeder

Directors Whose Term Expires at the Annual Meeting of Shareholders of the Surviving Corporation to Occur During 1996:

1. Robert A. Schumacher
2. Albert C. Bersticker
3. Kenneth M. Curtis
4. John C. Dimmer
5. Charles R. Hogan
6. M. Thomas Moore
7. Richard W. Pogue
8. Dennis W. Sullivan

APPENDIX II.

APPENDIX II

SUPPLEMENTAL AGREEMENT TO AGREEMENT

AND PLAN OF MERGER

BY AND BETWEEN

KEYCORP

AND

SOCIETY CORPORATION

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II Form of Agreement and Plan of Merger for the merger of KeyCorp into and with Society (Section 1.24).
III Form of Third Amendment to Rights Plan (Section 1.39).
IV Form of Society Corporation Stock Option Agreement (Section 1.40).
V (A) Form of Agreement of Affiliates of Keycorp (Section 7.8).
(B) Form of Agreement of Affiliates of Society (Section 7.8).

LIST OF EXHIBITS TO AGREEMENT AND PLAN OF MERGER

I Articles of Incorporation of the Surviving Corporation (Section 2.3 of the Merger Agreement).
II Regulations of the Surviving Corporation (Section 2.4 of the Merger Agreement).

III List of Directors of the Surviving Corporation (Section 2.5 of the Merger Agreement).
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SUPPLEMENTAL AGREEMENT TO AGREEMENT
AND PLAN OF MERGER

THIS SUPPLEMENTAL AGREEMENT TO AGREEMENT AND PLAN OF MERGER (the "Supplemental Agreement") is made and entered into as of the 1st day of October, 1993, by and between KeyCorp, a corporation organized and existing under the laws of the State of New York, with its principal office located in Albany, New York ("KeyCorp"), and Society Corporation, a corporation organized and existing under the laws of the State of Ohio, with its principal office located in Cleveland, Ohio ("Society"). Except as otherwise provided herein, the capitalized terms used in this Supplemental Agreement shall have the meanings set forth herein.

PREAMBLE

KeyCorp and Society are registered bank holding companies under the Bank Holding Company Act of 1956, as amended, and Society is registered as a savings and loan holding company under the Home Owners Loan Act of 1933, as amended. The Boards of Directors of KeyCorp and Society are of the opinion that the transactions described herein are in the best long-term and short-term interests of the Parties and their respective shareholders, employees, customers, and creditors, and the communities in which they do business, among others. At the Effective Time, (i) KeyCorp shall be merged into and with Society so that Society will be the surviving corporation under the name Key Bancshares Inc. (the "Surviving Corporation"), and (ii) except as provided in the Merger Agreement, the outstanding shares of the capital stock of KeyCorp shall be converted into shares of the capital stock of the Surviving Corporation. The Merger is subject to the approvals of the shareholders of KeyCorp, the shareholders of Society, the Board of Governors of the Federal Reserve System, the State Regulatory Commissioners, and various other regulatory authorities, and the satisfaction of certain other conditions described in this Supplemental Agreement.

As an inducement to and condition of Society's execution of this Supplemental Agreement, KeyCorp has approved the grant of an option to Society pursuant to the KeyCorp Stock Option Agreement and as an inducement to and condition of KeyCorp's execution of this Supplemental Agreement, Society has approved the grant to KeyCorp of an option pursuant to the Society Stock Option Agreement, each in the form attached hereto, simultaneously with the execution of this Supplemental Agreement. It is intended by the Parties that the Merger shall be accounted for as a "pooling of interests" and that it shall, for federal income tax purposes, qualify as a tax-free reorganization under Section 368(a)(1)(A) of the Internal Revenue Code.

In consideration of the above and the mutual warranties, representations, covenants, and agreements set forth herein, the parties agree as follows:

ARTICLE ONE

DEFINITIONS

Except as otherwise provided herein, the capitalized terms set forth below (in their singular and plural forms as applicable) shall have the following meanings:

1.1 "ACQUISITION TRANSACTION" shall, with respect to either Party, mean any of the following: (i) a merger or consolidation, or any similar transaction (other than the Merger and the acquisition transactions permitted under Section 7.1(d) of this Supplemental Agreement), of any company with such Party or any significant subsidiary (as defined in Rule 1.02 of Regulation S-X of the SEC) (a "Significant Subsidiary") of such Party, (ii) a purchase, lease, or other acquisition of all or substantially all the assets of such Party or any Significant Subsidiary of such Party, (iii) a purchase or other acquisition of beneficial ownership by any person or "group" (as such term is defined in Section 13(d)(3) of the 1934 Act) (including by way of merger, consolidation, share exchange, or otherwise) of securities representing 10% or more of the voting power of such Party or any Significant Subsidiary of such Party, but excluding the acquisition of beneficial ownership by any employee benefit plan maintained or sponsored by such Party, (iv) a tender or exchange offer to acquire securities representing 10% or more of the voting power of such Party, (v) a public proxy or consent solicitation made to shareholders of such Party seeking proxies in opposition to any proposal

that has been recommended by the Board of Directors of such Party, (vi) the filing of an application or notice with the Federal Reserve, or other federal or state bank regulatory authority (which application has been accepted for processing) seeking approval to engage in one or more of the transactions referenced in clauses (i) through (iv) above, or (vii) the making of a bona fide proposal to such Party or its shareholders by public announcement or written communication that is or becomes the subject of public disclosure to engage in one or more of the transactions referenced in clauses (i) through (v) above.

1.2 "BHC ACT" shall mean the federal Bank Holding Company Act of 1956, as amended.

1.3 "CLOSING" shall mean the closing of the transactions contemplated hereunder which, unless the Parties otherwise agree, will take place at the Effective Time, as described in Section 3.1 of this Supplemental Agreement.

1.4 "EFFECTIVE TIME" shall mean the date and time at which the Merger contemplated by this Supplemental Agreement becomes effective as described in Section 3.2 of this Supplemental Agreement.

1.5 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.6 "EXCHANGE RATIO" shall mean the multiple of a share of the Surviving Corporation Common Stock applied to convert shares of KeyCorp Common Stock into shares of the Surviving Corporation Common Stock as specified in the Merger Agreement.

1.7 "EXHIBITS" I, II, III, IV, and V(A) and (B) shall mean the Exhibits so marked, copies of which are attached to this Supplemental Agreement. Such Exhibits are hereby incorporated by reference herein and made a part hereof, and may be referred to in this Supplemental Agreement and any other related instrument or document without being attached thereto.

1.8 "FEDERAL RESERVE" shall mean the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, and the Federal Reserve Bank of Cleveland.

1.9 "GAAP" shall mean generally accepted accounting principles consistently applied.

1.10 "HOME OWNERS LOAN ACT" shall mean the Home Owners Loan Act, as amended.

1.11 "INSIDER DIRECTOR" shall mean, with respect to Society, any person who, as of immediately prior to the Effective Time, was a current or former officer of Society or any of its Subsidiaries or any predecessor or constituent (by merger, consolidation, or otherwise) of Society or any of its Subsidiaries, and, with respect to KeyCorp, any person who, as of immediately prior to the Effective Time, was a current or former officer of KeyCorp or any of its Subsidiaries or any predecessor or constituent (by merger, consolidation, or otherwise) of KeyCorp or any of its Subsidiaries, but shall not include H. Douglas Barclay or Henry S. Hemingway.

1.12 "INTERNAL REVENUE CODE" shall mean the Internal Revenue Code of 1986, as amended.

1.13 "JOINT PROXY STATEMENT" shall mean the proxy statement used by KeyCorp and Society to solicit the approval of their shareholders of the transactions contemplated by this Supplemental Agreement and the Merger Agreement.

1.14 "KEYCORP CAPITAL STOCK" shall mean, collectively, the KeyCorp Common Stock and the KeyCorp Series B Preferred Stock.

1.15 "KEYCORP COMMON STOCK" shall mean the Common Shares, par value $5.00 per share, of KeyCorp.

1.16 "KEYCORP COMPANIES" shall mean, collectively, KeyCorp and all KeyCorp Subsidiaries.

1.17 "KEYCORP FINANCIAL STATEMENTS" shall mean (i) the consolidated balance sheets (including related notes and schedules, if any) of KeyCorp as of June 30, 1993, and as of December 31, 1992, 1991 and 1990, and the related consolidated statements of income, of changes in shareholders' equity, and of cash flows (including related notes and schedules, if any) for the six months ended June 30, 1993, and for each of the three years ended December 31, 1992, 1991, and 1990, as filed by KeyCorp in SEC Documents and (ii) the consolidated balance sheets of KeyCorp (including related notes and schedules, if any) and

related consolidated statements of income, of changes in shareholders' equity, and of cash flows (including related notes and schedules, if any) included in SEC Documents filed with respect to periods ended subsequent to June 30, 1993.

1.18 "KEYCORP RIGHTS PLAN" shall mean the Shareholder Protection Rights Agreement, dated October 1, 1993, between KeyCorp and Key Trust Company, as rights agent.

1.19 "KEYCORP SERIES B PREFERRED STOCK" shall mean the 10% Cumulative Preferred Stock, Series B, par value $5.00 per share, of KeyCorp.

1.20 "KEYCORP STOCK OPTION AGREEMENT" shall mean the KeyCorp Stock Option Agreement, in the form attached hereto as Exhibit I, dated October 2, 1993, between KeyCorp and Society.

1.21 "KEYCORP STOCK OPTION PLANS" shall mean the following employee and director stock option and stock appreciation rights plans of KeyCorp: (i) KeyCorp 1984 Stock Option Plan, (ii) KeyCorp 1987 Directors' Stock Option Plan, (iii) KeyCorp 1988 Stock Option Plan, and (iv) any additional employee stock option plans and stock appreciation rights plans assumed by KeyCorp in connection with any acquisition transaction involving KeyCorp and permitted under Section 7.1(d) of this Supplemental Agreement, in each case as amended.

1.22 "KEYCORP SUBSIDIARIES" shall mean the Subsidiaries of KeyCorp, which shall include the KeyCorp Subsidiaries described in Section 5.3 of this Supplemental Agreement and any corporation, bank, savings bank, association, or other entity acquired as a Subsidiary of KeyCorp in the future.

1.23 "MERGER" shall mean the merger of KeyCorp into and with Society as provided in this Supplemental Agreement and the Merger Agreement.

1.24 "MERGER AGREEMENT" shall mean the Agreement and Plan of Merger providing for the Merger substantially in the form of Exhibit II.

1.25 "NEW YORK CERTIFICATE OF MERGER" shall mean the certificate of merger providing for the Merger which is to be filed by the Surviving Corporation with the New York Department of State, signed and verified on behalf of KeyCorp and Society, and containing the information and attachments prescribed by Section 907(e) of the New York Business Corporation Law.

1.26 "NYSE" shall mean the New York Stock Exchange, Inc.

1.27 "1933 ACT" shall mean the Securities Act of 1933, as amended.

1.28 "1934 ACT" shall mean the Securities Exchange Act of 1934, as amended.

1.29 "OHIO CERTIFICATE OF MERGER" shall mean the certificate of merger providing for the Merger which is to be filed with the Ohio Secretary of State, signed on behalf of KeyCorp and Society, and containing the information and attachments prescribed by Section 1701.81 of the Ohio General Corporation Law.

1.30 "OTS" shall mean the Office of Thrift Supervision.

1.31 "PARTY" shall mean either KeyCorp or Society, and "Parties" shall mean both KeyCorp and Society.

1.32 "PREVIOUSLY DISCLOSED" shall mean information set forth in a disclosure letter by either Party to the other delivered to such other Party prior to or contemporaneously with the execution and delivery of this Supplemental Agreement and accepted by such other Party (such acceptance to be evidenced by such other Party executing an acknowledgement of acceptance on such disclosure letter).

1.33 "REGISTRATION STATEMENT" shall mean the Registration Statement on Form S-4 and all amendments and supplements thereto (including amendments thereto on Form S-8 with respect to KeyCorp Stock Option Plans and Society Stock Option Plans), or other appropriate form, filed with the SEC by Society under the 1933 Act in connection with the transactions contemplated by this Supplemental Agreement.

1.34 "REGULATORY AUTHORITIES" shall mean, collectively, the Federal Reserve, the State Regulatory Commissioners, and any other federal or state banking, insurance, securities, or other regulatory authority whose approval is necessary to consummate the transactions contemplated by this Supplemental Agreement.

1.35 "REPURCHASE EVENT" shall, with respect to KeyCorp, have the meaning

given to the term "Subsequent Triggering Event" in the KeyCorp Stock Option Agreement and, with respect to Society, have the meaning given to the term "Subsequent Triggering Event" in the Society Stock Option Agreement.

1.36 "SOCIETY COMMON STOCK" shall mean the Common Shares, with a par value of $1 each, of Society.

1.37 "SOCIETY COMPANIES" shall mean, collectively, Society and all Society Subsidiaries.

1.38 "SOCIETY FINANCIAL STATEMENTS" shall mean (i) the consolidated balance sheets (including related notes and schedules, if any) of Society as of June 30, 1993, and as of December 31, 1992, 1991 and 1990, and the related consolidated statements of income, of changes in shareholders' equity, and of cash flows (including related notes and schedules, if any) for the six months ended June 30, 1993, and for each of the three years ended December 31, 1992, 1991, and 1990, as filed by Society in SEC Documents and (ii) the consolidated balance sheets of Society (including related notes and schedules, if any) and related consolidated statements of income, of changes in shareholders' equity, and of cash flows (including related notes and schedules, if any) included in SEC Documents filed with respect to periods ended subsequent to June 30, 1993.

1.39 "SOCIETY RIGHTS PLAN" shall mean the Rights Agreement, dated August 25, 1989, between Society and First Chicago Trust Company of New York, as rights agent ("FCTCNY"), as modified and amended by a First Amendment to Rights Agreement, dated February 21, 1991, between Society and FCTCNY, by a Second Amendment to Rights Agreement, dated as of September 12, 1991, between Society and FCTCNY, by letter of resignation of FCTCNY dated June 26, 1992, and letter of Society, dated June 26, 1992, to Ameritrust Company National Association (now Society National Bank by merger) appointing Ameritrust Company National Association as rights agent, and a Third Amendment to Rights Plan, in the form attached hereto as Exhibit III, dated the date hereof, between Society and Society National Bank as rights agent.

1.40 "SOCIETY STOCK OPTION AGREEMENT" shall mean the Society Stock Option Agreement, in the form attached hereto as Exhibit IV, dated October 2, 1993, between Society and KeyCorp.

1.41 "SOCIETY STOCK OPTION PLANS" shall mean the following employee stock option and stock appreciation rights plans of Society: (i) Society Corporation 1977 Stock Option Plan, (ii) Society Corporation 1984 Stock Option Plan, (iii) Society Corporation 1977 Stock Appreciation Rights Plan, (iv) Society Corporation 1984 Stock Appreciation Rights Plan, (v) Centran Corporation 1984 Stock Option Plan, (vi) Society Corporation 1988 Stock Option Plan, (vii) Society Corporation 1988 Stock Appreciation Rights Plan, (viii) 1987 Stock Option Plan of Trustcorp, Inc., (ix) 1981 Incentive Stock Option Plan of Toledo Trustcorp, Inc., (x) Society Corporation 1991 Equity Compensation Plan, (xi) 1985 St. Joseph Bancorporation, Inc. Master Stock Compensation Plan, (xii) Ameritrust Stock Option Plan (formerly Ameritrust Long-Term Incentive Plan), and (xiii) any additional employee stock option plans and stock appreciation rights plans assumed by Society in connection with any acquisition transaction involving Society and permitted under Section 7.1(d) of this Supplemental Agreement, in each case as amended.

1.42 "SOCIETY SUBSIDIARIES" shall mean the Subsidiaries of Society, which shall include the Society Subsidiaries described in Section 6.3 of this Supplemental Agreement and any corporation, bank, savings bank, association, or other entity acquired as a Subsidiary of Society in the future.

1.43 "SEC" shall mean the Securities and Exchange Commission.

1.44 "SEC DOCUMENTS" shall mean all reports and registration statements filed by a Party or one of its Subsidiaries pursuant to the Securities Laws.

1.45 "SECURITIES LAWS" shall mean the 1933 Act, the 1934 Act, the Investment Company Act of 1940, as amended, the Investment Advisors Act of 1940, as amended, the Trust Indenture Act of 1939, as amended, and the rules and regulations of the SEC promulgated thereunder.

1.46 "STATE REGULATORY COMMISSIONERS" shall mean any state banking, insurance, securities, or other regulatory authority whose approval is necessary to consummate the transactions contemplated by this Supplemental Agreement, the Merger Agreement, the KeyCorp Stock Option Agreement, and the Society Stock Option Agreement.

1.47 "SHAREHOLDERS' MEETINGS" shall mean the meetings of the shareholders of KeyCorp and Society to be held pursuant to Section 8.1 of this Supplemental Agreement, including any adjournments thereof.

1.48 "SUBSIDIARIES" shall mean all those corporations, banks, savings banks, associations, and other entities of which the Party in question owns or controls 5% or more of the outstanding equity securities either directly or through an unbroken chain of entities as to each of which 5% or more of the outstanding equity securities is owned directly or indirectly by its parent; provided, however, there shall not be included any such entity acquired in good faith through foreclosure, or any such entity to the extent that the equity securities of such entity are owned or controlled in a bona fide fiduciary capacity, through a small business investment corporation, or otherwise as an investment by an entity that invests in unaffiliated companies in the ordinary course of business.

1.49 "SUPPLEMENTAL AGREEMENT" shall mean this Supplemental Agreement to Agreement and Plan of Merger.

1.50 "SURVIVING CORPORATION ARTICLES OF INCORPORATION" shall mean the Articles of Incorporation of the Surviving Corporation.

1.51 "SURVIVING CORPORATION CAPITAL STOCK" shall mean, collectively, the Surviving Corporation Common Stock and the Surviving Corporation Class A Preferred Stock.

1.52 "SURVIVING CORPORATION COMMON STOCK" shall mean the Common Shares, with a par value of $1 each, of the Surviving Corporation.

1.53 "SURVIVING CORPORATION REGULATIONS" shall mean the Regulations of the Surviving Corporation.

1.54 "SURVIVING CORPORATION CLASS A PREFERRED STOCK" shall mean the 10% Cumulative Preferred Stock, Class A, par value $5.00 per share, of the Surviving Corporation.

ARTICLE TWO

TRANSACTIONS AND TERMS OF MERGER

2.1 EXECUTION OF STOCK OPTION AGREEMENTS. Simultaneously with the execution of this Supplemental Agreement by the Parties and as a condition thereto, KeyCorp and Society have approved the execution and delivery of the KeyCorp Stock Option Agreement and the Society Stock Option Agreement and, on October 2, 1993, the Parties will execute and deliver the KeyCorp Stock Option Agreement and the Society Stock Option Agreement. Simultaneously with the execution of this Supplemental Agreement, KeyCorp is executing and delivering the KeyCorp Rights Plan.

2.2 MERGER. Subject to the terms and conditions of this Supplemental Agreement and the Merger Agreement, at the Effective Time, KeyCorp will be merged into and with Society in accordance with the provisions of Section 907 of the New York Business Corporation Law and Section 1701.78 of the Ohio General Corporation Law. Society shall be the Surviving Corporation resulting from the Merger and shall continue to be governed by the laws of the State of Ohio. The Articles of Incorporation and Regulations of the Surviving Corporation in the Merger shall be in the forms attached as Exhibits I and II, respectively, to the Merger Agreement. The Merger shall be consummated pursuant to the terms of this Supplemental Agreement and the Merger Agreement, each of which has been authorized by the respective Boards of

Directors of KeyCorp and Society. The Merger Agreement provides for the terms and conditions of the Merger, which terms are incorporated herein and made a part of this Supplemental Agreement by reference.

ARTICLE THREE

CLOSING AND EFFECTIVE TIME

3.1 TIME AND PLACE OF CLOSING. The Closing will take place at 10:00 A.M. on the date that the Effective Time occurs, or at such other time as the Parties, acting through their chief executive officers or chief financial officers, may mutually agree. The place of Closing shall be at such place as may be mutually agreed upon by the Parties.

3.2 EFFECTIVE TIME. The Merger shall become effective at the time and date which is the later of the time at which (i) the New York Certificate of Merger is accepted for filing by the New York Department of State (or such other time as is specified therein) and (ii) the Ohio Certificate of Merger is filed with the Secretary of State of the State of Ohio (or such other time as is specified therein). The Parties shall cause the Effective Time to occur on the first business day following the last to occur of (i) the date that is 30 days after the date of the order of the Federal Reserve approving the Merger pursuant to

the BHC Act, (ii) the effective date (including expiration of any applicable waiting period) of the order of the final federal or state regulatory agency approving the Merger or the expiration of all required waiting periods after the filing of all required notices to all federal or state regulatory agencies required to consummate the Merger, and (iii) the date on which the shareholders of KeyCorp and Society approve this Supplemental Agreement and the Merger Agreement, to the extent such approval is required by applicable law. Notwithstanding anything to the contrary in this Section 3.2, the Parties may cause the Effective Time to occur on such later date as may be agreed to in writing by the Parties.

ARTICLE FOUR

STRUCTURE OF THE SURVIVING CORPORATION AND RELATED MATTERS

4.1 ASSUMPTION OF OBLIGATIONS BY SURVIVING CORPORATION. At and after the Effective Time, the Surviving Corporation shall assume or cause to be satisfied all liabilities and obligations arising under all KeyCorp Benefit Plans and all other employment agreements, severance agreements, or similar agreements entered into or maintained by KeyCorp for its employees and that are in existence on the date of this Supplemental Agreement or entered into after the date of this Supplemental Agreement in accordance with the terms of either this Supplemental Agreement or the written consent of the Parties.

4.2 BOARD OF DIRECTORS.

(a) The Board of Directors of the Surviving Corporation at the Effective Time shall consist of 22 persons named pursuant to Sections 4.2(b) and (c) of this Supplemental Agreement and shall be divided into three classes, two of seven directors each and one of eight directors, with the initial terms of office of the first, second, and third classes expiring at the first, second, and third annual meetings of the shareholders of the Surviving Corporation, respectively.

(b) Victor J. Riley, Jr. and Robert W. Gillespie shall be directors of the Surviving Corporation. Messrs. Riley and Gillespie will consult with each other as to the determination of the remaining 20 directors of the Surviving Corporation. After such consultation and prior to the Effective Time, Messrs. Riley and Gillespie shall each designate ten persons to be members of the Board of Directors of the Surviving Corporation (subject to the approval of the Boards of Directors of KeyCorp and Society, respectively), with Mr. Riley designating four of the seven directors in the first class of directors and three of the seven directors in the second class of directors, and Mr. Gillespie designating three of the first class of directors and four of the second class of directors, and each designating four of the third class of directors (except that the number of directors to be designated for the class in which Messrs. Riley and Gillespie are members pursuant to Section 4.2(c) shall be reduced by one designation each). None of the persons designated by Messrs. Riley and Gillespie as members of the Board of Directors shall be an Insider Director. Messrs. Riley and Gillespie shall each be members of the Executive Committee and the Nominating Committee of the Board of Directors of

the Surviving Corporation. Prior to the Effective Time, Messrs. Riley and Gillespie shall mutually agree as to the number of members of the Executive Committee, the Compensation and Organization Committee, the Audit Committee, and the Community Responsibility Committee, and will consult with each other as to the formation of any other committees of the Board of Directors and as to the appointment of members to the Executive Committee, the Compensation and Organization Committee, the Audit Committee, the Nominating Committee, the Community Responsibility Committee, and any other committee of the Board of Directors. After such consultation and prior to the Effective Time, Messrs. Riley and Gillespie shall each appoint an equal number of members to the Executive Committee, the Compensation and Organization Committee, the Audit Committee, the Nominating Committee, the Community Responsibility Committee, and any other committee of the Board of Directors, subject, prior to the Effective Time, to the approval of the Boards of Directors of KeyCorp and Society, respectively, and, after the Effective Time, to the approval of the Board of Directors of the Surviving Corporation. After the Effective Time, and for as long as Mr. Riley shall serve as Chairman of the Board of the Surviving Corporation, Mr. Riley and Mr. Gillespie shall further consult with each other with respect to any vacancies on the Board of Directors, or on the Executive Committee, the Compensation and Organization Committee, the Audit Committee, the Nominating Committee, the Community Responsibility Committee, or any other committee of the Board of Directors, as to the formation of any other committee of the Board of Directors, and as to any adjustment to the number of members of any committee of the Board of Directors other than the Nominating Committee.

(c) It is anticipated that the Effective Time will occur prior to the 1994 Annual Meeting of Shareholders of Society, in which event Messrs. Riley and

Gillespie shall be in the class of directors of the Surviving Corporation whose term will expire at the 1994 Annual Meeting of Shareholders of the Surviving Corporation, all the directors of the Surviving Corporation whose term expires at the 1994 Annual Meeting of Shareholders of the Surviving Corporation shall be nominated for re-election as directors of the Surviving Corporation for terms expiring at the 1997 Annual Meeting of Shareholders of the Surviving Corporation, and the Surviving Corporation shall solicit proxies for, and use its best efforts to cause, the election of all such persons as directors. In the event the 1994 Annual Meeting of Shareholders of Society occurs prior to the Effective Time, the first Annual Meeting of Shareholders of the Surviving Corporation will occur in 1995 and Messrs. Riley and Gillespie shall be in the class of directors of the Surviving Corporation whose term will expire at the 1997 Annual Meeting of Shareholders of the Surviving Corporation.

(d) Mr. Riley shall be Chairman of the Board and Chairman of the Executive Committee of the Board of Directors of the Surviving Corporation through December 31, 1998 or his earlier failure to continue to be a director of the Surviving Corporation, whether as a result of his death, resignation, removal as provided in the Surviving Corporation Regulations, or failure to be re-elected at the expiration of his term as director. On December 31, 1998, Mr. Riley shall cease to be Chairman of the Board and Chairman of the Executive Committee, unless he shall have earlier ceased to hold those positions. Mr. Gillespie shall become Chairman of the Board and Chairman of the Executive Committee of the Surviving Corporation on the date (which in no event shall be later than December 31, 1998) on which Mr. Riley ceases to be Chairman of the Board and Chairman of the Executive Committee, subject, in all cases, to Mr. Gillespie's earlier failure to continue to be a director of the Surviving Corporation, whether as a result of his death, resignation, removal as provided in the Surviving Corporation Regulations, or failure to be re-elected at the expiration of his term as director. If Mr. Riley shall at any time prior to December 31, 1998 cease to hold for any reason one or both of his positions as Chairman of the Board and Chairman of the Executive Committee, Mr. Gillespie shall immediately assume any such position, provided that he is then a director. Prior to Mr. Gillespie's becoming Chairman of the Board and Chairman of the Executive Committee, no individual (other than Mr. Gillespie or any other person designated by Mr. Gillespie) shall be designated vice chairman or deputy chairman, or with any position or title of similar import, of either the Board of Directors or the Executive Committee.

(e) The persons designated by Messrs. Riley and Gillespie, and approved by the respective Boards of Directors of KeyCorp and Society, as members of the Board of Directors of the Surviving Corporation shall be listed on, and their respective terms indicated in, Exhibit III to the Merger Agreement and shall be named in the Joint Proxy Statement and the Registration Statement, subject to receipt of the consent of such individuals to serve as directors.

(f) The provisions of this Section 4.2 shall remain in effect through December 31, 1998.

4.3 MANAGEMENT. The most senior officer of the Surviving Corporation shall be the President, who also shall be the Chief Executive Officer of the Surviving Corporation (and may use the term "Chief Executive Officer" as part of his title) except during periods when there is a separate office of Chief Executive Officer, in which case the officer holding the separate office of Chief Executive Officer shall be the most senior officer of the Surviving Corporation and the President shall be the second most senior officer. At the Effective Time, Mr. Riley shall be the Chief Executive Officer of the Surviving Corporation for a term expiring on December 31, 1995, or upon his earlier death, retirement, resignation, or removal as provided in the Surviving Corporation Regulations. There shall be a separate office of Chief Executive Officer of the Surviving Corporation during the period from the Effective Time through December 31, 1995 or any earlier date on which Mr. Riley ceases for any reason (including death, retirement, resignation, or removal as provided in the Surviving Corporation Regulations) to be Chief Executive Officer, and as long as Mr. Riley is the Chief Executive Officer, he shall also hold the office of Chairman of the Board (which for such period shall be an office of the Corporation), but there shall be no separate office of Chief Executive Officer after December 31, 1995 or any earlier date on which Mr. Riley ceases for any reason (including death, retirement, resignation, or removal as provided in the Surviving Corporation Regulations) to be Chief Executive Officer of the Surviving Corporation and after such date the title "Chairman of the Board" shall only be a director position and not an officer position. At the Effective Time, Mr. Gillespie shall be the President of the Surviving Corporation for a term expiring on December 31, 1998, or upon his earlier death, retirement, resignation, or removal as provided in the Surviving Corporation Regulations. Accordingly, at such time (which in no event shall be later than December 31, 1995) as Mr. Riley ceases for any reason to hold the separate office of Chief Executive Officer, Mr. Gillespie shall, by virtue of being President, also be the Chief Executive Officer through the expiration of his term on December 31, 1998, or until his

earlier death, retirement, resignation, or removal as provided in the Surviving Corporation Regulations. In addition, at the Effective Time, Mr. Gillespie shall be the Chief Operating Officer of the Surviving Corporation for a term expiring on the date on which Mr. Riley ceases to be the Chief Executive Officer (which in no event shall be later than December 31, 1995). On December 31, 1995, Mr. Riley shall retire from all positions he then holds as an officer of the Surviving Corporation and as an officer or employee of any or all of its subsidiaries and shall no longer be an officer of the Surviving Corporation or an officer, employee, or director of any of its subsidiaries. During the terms of their respective Employment Agreements, Mr. Riley and Mr. Gillespie shall have the respective powers, and perform the respective duties, set forth in each of their respective Employment Agreements (and applicable exhibits, if any, thereto), dated October 1, 1993, with Society Corporation. Any modification, amendment, or failure to honor the terms of either of such Employment Agreements at any time during their respective terms shall require the affirmative vote of three-quarters of the entire authorized Board of Directors of the Surviving Corporation. The elections of Mr. Riley and Mr. Gillespie to, and the retirement of Mr. Riley from, the various offices and positions specified in this Section 4.3 from time to time, as applicable, shall be automatically self-executing without any further action required by the Board of Directors of the Surviving Corporation or otherwise. The provisions of this Section 4.3 shall remain in effect through December 31, 1998. Simultaneously with the execution and delivery of this Supplemental Agreement, Society has executed and delivered the Employment Agreements between it and Messrs. Riley and Gillespie, respectively, and each of Messrs. Riley and Gillespie has executed and delivered his respective Employment Agreement.

4.4 HEADQUARTERS OF THE SURVIVING CORPORATION. At the Effective Time, the headquarters and principal executive offices of the Surviving Corporation shall be located in Cleveland, Ohio.

4.5 INDEMNIFICATION. Except as may be limited by applicable law, the Surviving Corporation hereby agrees to maintain all rights of indemnification currently provided by KeyCorp and Society in favor of their respective current and former employees, directors, and officers and, if applicable, in favor of the employees, directors, and officers of their respective Subsidiaries, on terms no less favorable than those provided in the charter or regulations of each such Party or otherwise in effect on the date of this Supplemental Agreement for a period of not less than six years from the Effective Time with respect to matters occurring prior to the Effective Time. In the event the Surviving Corporation or any of its successors or assigns (i) reorganizes or consolidates with or merges into or enters into another business combination transaction with any other person or entity and is not the resulting, continuing, or surviving corporation or entity of such reorganization, consolidation, merger, or transaction, or (ii) liquidates, dissolves, or transfers all or substantially all of its properties and assets to any person or entity, then, and in each such case, proper

provision will be made so that such surviving corporation or transferee and its successors and assigns assume the obligations set forth in this Section 4.5.

4.6 DIRECTOR AND OFFICER LIABILITY INSURANCE. (a) For a period of six years after the Effective Time, the Surviving Corporation shall use its best efforts to cause to be maintained in effect the current policies of directors and officers' liability insurance maintained by KeyCorp (provided that the Surviving Corporation may substitute therefor policies of at least the same coverage and amounts containing terms and conditions which are substantially no less advantageous) with respect to claims arising from facts or events which occurred prior to the Effective Time; provided, however, that in no event shall the Surviving Corporation be obligated to expend, in order to maintain or provide insurance coverage pursuant to this Section 4.6(a), any amount per annum in excess of 200% of the amount of the annual premiums paid as of the date hereof by KeyCorp for such insurance (the "KeyCorp Maximum Amount"). If the amount of the annual premiums necessary to maintain or procure such insurance coverage exceeds the KeyCorp Maximum Amount, the Surviving Corporation shall use all reasonable efforts to maintain the most advantageous policies of directors' and officers' liability insurance obtainable for an annual premium equal to the KeyCorp Maximum Amount.

(b) For a period of six years after the Effective Time, the Surviving Corporation shall use its best efforts to cause to be maintained in effect the current policies of directors' and officers' liability insurance maintained by Society (provided that the Surviving Corporation may substitute therefor policies of at least the same coverage and amounts containing terms and conditions which are substantially no less advantageous) with respect to claims arising from facts or events which occurred prior to the Effective Time; provided, however, that in no event shall the Surviving Corporation be obligated to expend, in order to maintain or provide insurance coverage pursuant to this Section 4.6(b), any amount per annum in excess of 200% of the amount of the

annual premiums paid as of the date hereof by Society for such insurance (the "Society Maximum Amount"). If the amount of the annual premiums necessary to maintain or procure such insurance coverage exceeds the Society Maximum Amount, the Surviving Corporation shall use all reasonable efforts to maintain the most advantageous policies of directors' and officers' liability insurance obtainable for an annual premium equal to the Society Maximum Amount.

ARTICLE FIVE

REPRESENTATIONS AND WARRANTIES OF KEYCORP

KeyCorp hereby represents and warrants to Society as follows:

5.1 ORGANIZATION, STANDING, AND AUTHORITY. KeyCorp is a corporation duly organized, validly existing, and in good standing under the laws of the State of New York, and is duly qualified to do business and in good standing in the States of the United States and foreign jurisdictions where its ownership or leasing of property or the conduct of its business requires it to be so qualified and in which the failure to be duly qualified would, either individually or in the aggregate, have a material adverse effect on the financial condition, results of operations, or prospects of the KeyCorp Companies on a consolidated basis or its ability to consummate the transaction contemplated by this Supplemental Agreement, the KeyCorp Stock Option Agreement, and the Merger Agreement on the terms herein and therein provided (a "KeyCorp Material Adverse Effect"). KeyCorp has corporate power and authority to carry on its business as now conducted, to own, lease, and operate its assets, properties, and business, and to execute and deliver, and to perform its obligations under, this Supplemental Agreement and the Merger Agreement. KeyCorp is duly registered as a bank holding company under the BHC Act. KeyCorp has in effect all federal, state, local, and foreign governmental authorizations necessary for it to own or lease its properties and assets and to carry on its business as it is now conducted, the absence of which would, either individually or in the aggregate, have a KeyCorp Material Adverse Effect.

5.2 CAPITAL STOCK.

(a) As of the date hereof, the authorized capital stock of KeyCorp consists of (i) 350,000,000 shares of KeyCorp Common Stock, of which no more than 101,655,826 shares are issued and outstanding, and (ii) 10,000,000 shares of Preferred Stock of the par value of $5.00 per share, of which 1,280,000 shares of

KeyCorp Series B Preferred Stock, and no other shares of serial preferred stock are issued and outstanding. All of the issued and outstanding shares of KeyCorp Capital Stock are duly and validly authorized and issued and are fully paid and non-assessable. None of the outstanding shares of KeyCorp Capital Stock has been issued in violation of any preemptive rights of the current or past shareholders of KeyCorp. As of September 29, 1993, KeyCorp had reserved 4,501,276 shares of KeyCorp Common Stock for issuance under the KeyCorp Stock Option Plans pursuant to which options covering not more than 3,427,980 shares of KeyCorp Common Stock were outstanding as of September 29, 1993.

(b) Except as Previously Disclosed or set forth in Section 5.2(a) of this Supplemental Agreement and except as provided under the (i) KeyCorp Stock Option Agreement and (ii) the KeyCorp Rights Plan, there are no shares of capital stock or other equity securities of KeyCorp outstanding and no outstanding options, warrants, scrip, rights to subscribe to, calls, or commitments of any character whatsoever relating to, or securities or rights convertible into or exchangeable for, shares of the capital stock of KeyCorp or contracts, commitments, understandings, or arrangements by which KeyCorp is or may be bound to issue additional shares of its capital stock or options, warrants, or rights to purchase or acquire any additional shares of its capital stock.

5.3 KEYCORP SUBSIDIARIES. Exhibit 22 to KeyCorp's Annual Report on Form 10-K for the fiscal year ended December 31, 1992, as supplemented or updated by information Previously Disclosed, lists all of the KeyCorp Subsidiaries as of the date of this Supplemental Agreement. Each of the Subsidiaries that is a bank is an "insured depository institution" as defined in the Federal Deposit Insurance Act and applicable regulations thereunder. No equity securities of any of the KeyCorp Subsidiaries are or may become required to be issued (other than to KeyCorp) by reason of any options, warrants, scrip, rights to subscribe to, calls, or commitments of any character whatsoever relating to, or securities or rights convertible into or exchangeable for, shares of the capital stock of any KeyCorp Subsidiary, and there are no contracts, commitments, understandings, or arrangements by which any KeyCorp Subsidiary is bound to issue (other than to KeyCorp) additional shares of its capital stock or options, warrants, or rights to purchase or acquire any additional shares of its capital stock. There are no contracts, commitments, understandings, or arrangements by which any of the KeyCorp Companies is or may be bound to sell or otherwise transfer any shares of

the capital stock of any KeyCorp Subsidiary, except for a transfer to any of the KeyCorp Companies, and there are no contracts, commitments, understandings, or arrangements relating to the rights of KeyCorp to vote or to dispose of such shares. Except as provided in 12 U.S.C. Section 55 in the case of KeyCorp Subsidiaries that are national banks or comparable state laws pertaining to state banks organized under the laws of such states, all of the shares of capital stock of each KeyCorp Subsidiary held by KeyCorp or a KeyCorp Subsidiary are fully paid and non-assessable and are owned by KeyCorp or a KeyCorp Subsidiary free and clear of any claim, lien, or encumbrance. Except as Previously Disclosed, each KeyCorp Subsidiary is either a national banking association, a state bank, a state savings bank, or a corporation, and is duly organized and, to the extent applicable, validly existing, and in good standing under the laws of the jurisdiction in which it is incorporated or organized, and is duly qualified to do business and in good standing in the jurisdictions where its ownership or leasing of property or the conduct of its business requires it to be so qualified and in which the failure to be duly qualified could, either individually or in the aggregate, have a KeyCorp Material Adverse Effect. Each KeyCorp Subsidiary has the corporate power and authority necessary for it to own or lease its properties and assets and to carry on its business as it is now being conducted, and has all federal, state, local, and foreign governmental authorizations necessary for it to own or lease its properties and assets and to carry on its business as it is now being conducted, the absence of which governmental authorizations would, either individually or in the aggregate, have a material adverse effect on the financial condition, results of operations, or prospects of the KeyCorp Companies on a consolidated basis.

5.4 AUTHORITY.

(a) The execution and delivery of this Supplemental Agreement, the Merger Agreement, and the KeyCorp Stock Option Agreement and the consummation of the transactions contemplated herein or therein, including the Merger, have been duly and validly authorized by all necessary corporate action on the part of KeyCorp, subject, with respect to this Supplemental Agreement and the Merger Agreement, to the approval of the shareholders of KeyCorp to the extent required by applicable law. This Supplemental Agreement and the Merger Agreement, subject to any requisite shareholder approval hereof and thereof, and the KeyCorp

Stock Option Agreement represent valid and legally binding obligations of KeyCorp, enforceable against KeyCorp in accordance with their respective terms.

(b) Neither the execution and delivery of this Supplemental Agreement, the Merger Agreement, or the KeyCorp Stock Option Agreement by KeyCorp, nor the consummation by KeyCorp of the transactions contemplated herein or therein, nor compliance by any KeyCorp Company with any of the provisions hereof or thereof, will (i) conflict with or result in a breach of any provision of any KeyCorp Company's certificate of incorporation or by-laws, or (ii) except as Previously Disclosed, constitute or result in the breach of any term, condition, or provision of, or constitute a default under, or give rise to any right of termination, cancellation, or acceleration with respect to, or result in the creation of any lien, charge, or encumbrance upon, any property or assets of any of the KeyCorp Companies pursuant to, any note, bond, mortgage, indenture, license, agreement, lease, or other instrument or obligation to which any of them is a party or by which any of them or any of their properties or assets may be subject, and that would, either individually or in the aggregate, have a KeyCorp Material Adverse Effect, or (iii) subject to receipt of the requisite approvals, authorizations, filings, registrations, and notifications referred to in Section 9.5 of this Supplemental Agreement, violate any order, writ, injunction, decree, statute, rule, or regulation applicable to any of the KeyCorp Companies or any of their properties or assets.

(c) Other than in connection or compliance with the provisions of applicable state corporate and securities laws, the Securities Laws, and the rules and regulations thereunder, and the rules of the NYSE, and other than consents, authorizations, approvals, or exemptions required from the Federal Reserve, the OTS (if applicable), and the State Regulatory Commissioners or by virtue of KeyCorp's interests in small business investment corporations, no notice to, filing with, authorization of, exemption by, or consent or approval of any public body or authority is necessary for the consummation by KeyCorp of the Merger and the other transactions contemplated by this Supplemental Agreement, the Merger Agreement, and the KeyCorp Stock Option Agreement.

(d) The Board of Directors of KeyCorp (at a meeting duly called and held) has by requisite vote (i) determined that the Merger is in the best long-term and short-term interests of KeyCorp and its shareholders, employees, customers, and creditors, and the communities in which it does business, among others (ii) authorized and approved this Supplemental Agreement, the Merger Agreement, the KeyCorp Stock Option Agreement, and the transactions contemplated hereby and thereby, including the Merger, (iii) directed that the Merger be submitted for consideration to KeyCorp's shareholders at the KeyCorp Shareholders' Meeting,

and (iv) approved execution of the KeyCorp Stock Option Agreement and authorized and approved the Merger in accordance with Section 912 of the New York Business Corporation Law with the result that Section 912 will not apply to the execution and delivery by KeyCorp of the KeyCorp Stock Option Agreement or the issuance of shares of KeyCorp Common Stock to Society pursuant to the KeyCorp Stock Option Agreement, the consummation of the Merger, the acquisition of the Surviving Corporation Common Stock by the holders of KeyCorp Common Stock, or any other transaction to be carried out pursuant to this Supplemental Agreement, the Merger Agreement, or the KeyCorp Option Agreement.

5.5 FINANCIAL STATEMENTS. KeyCorp has delivered to Society, prior to the execution of this Supplemental Agreement, KeyCorp Financial Statements in respect of periods ending on or prior to June 30, 1993, and will promptly deliver when available copies of the KeyCorp Financial Statements in respect of periods ending after June 30, 1993. The KeyCorp Financial Statements (as of the dates thereof and for the periods covered thereby): (i) are (and, in the case of KeyCorp Financial Statements in respect of periods ending after June 30, 1993, will be) in accordance with the books and records of the KeyCorp Companies, and have been and will continue to be maintained in accordance with GAAP and good business practices, and (ii) present (and, in the case of KeyCorp Financial Statements in respect of periods ending after June 30, 1993, will present) fairly the consolidated financial position and the consolidated results of operations, changes in shareholders' equity, and cash flows of the KeyCorp Companies as of the dates and for the periods indicated, in accordance with GAAP applicable to banks or bank holding companies applied on a basis consistent with prior periods (subject in the case of interim financial statements to normal recurring year-end adjustments normal in nature and amount). To the best knowledge of KeyCorp's management, with respect to each acquisition completed by KeyCorp since December 31, 1989, and accounted for on a pooling of interests basis,

there is no reasonable basis upon which such accounting treatment for any such acquisition would be denied or reversed.

5.6 ABSENCE OF UNDISCLOSED LIABILITIES. Except as Previously Disclosed, none of the KeyCorp Companies has any obligation or liability (contingent or otherwise) that is material, either individually or in the aggregate, to the financial condition, results of operations, or prospects of the KeyCorp Companies on a consolidated basis, or that when combined with all similar obligations or liabilities would, either individually or in the aggregate, be material to the financial condition, results of operations, or prospects of the KeyCorp Companies on a consolidated basis, except (i) as reflected in the KeyCorp Financial Statements prior to the date of this Supplemental Agreement or by this Supplemental Agreement and (ii) for commitments and obligations made, or liabilities incurred, in the ordinary course of its business consistent with past practices. Since December 31, 1992, none of the KeyCorp Companies has incurred or paid any obligation or liability (including any obligation or liability incurred in connection with any acquisitions in which any form of direct financial assistance of the federal government or any agency thereof has been provided to any KeyCorp Company) which would, either individually or in the aggregate, be material to the financial condition, results of operations, or prospects of the KeyCorp Companies on a consolidated basis, except as Previously Disclosed or for obligations paid or incurred by it in connection with transactions in the ordinary course of its business consistent with past practices.

5.7 TAX MATTERS.

(a) All federal, state, local, and foreign tax returns required to be filed by or on behalf of any of KeyCorp and all other corporations, banks, savings banks, associations, and other entities of which KeyCorp owns or controls 50% or more of the outstanding equity securities have been timely filed or requests for extensions have been timely filed, granted, and have not expired. All taxes shown on filed returns have been paid. There is no audit examination, deficiency, refund litigation, or matter in controversy with respect to any taxes that might result in a determination that could, either individually or in the aggregate, have a KeyCorp Material Adverse Effect, except as reserved against in the KeyCorp Financial Statements or as Previously Disclosed. All taxes, interest, additions, and penalties which are material in amount and which are due with respect to completed and settled examinations or concluded litigation have been paid or adequately reserved for.

(b) Except as Previously Disclosed, none of the KeyCorp Companies has executed an extension or waiver of any statute of limitations on the assessment or collection of any tax due that is currently in effect.

(c) Adequate provision for any federal, state, local, or foreign taxes due or to become due for any of the KeyCorp Companies for any period or periods through and including June 30, 1993, has been made and is reflected in the June

30, 1993 financial statements included in the KeyCorp Financial Statements.

(d) Deferred taxes of the KeyCorp Companies have been provided for in accordance with GAAP.

5.8 ALLOWANCE FOR POSSIBLE LOAN LOSSES. The allowance for possible loan losses shown on the consolidated balance sheets of KeyCorp included in the KeyCorp Financial Statements at December 31, 1992 and June 30, 1993 were adequate to provide for possible losses, net of recoveries relating to loans previously charged off, on loans outstanding (including accrued interest receivable) as of the dates thereof.

5.9 PROPERTIES. Except as disclosed or reserved against in the KeyCorp Financial Statements, the KeyCorp Companies have good and marketable title, free and clear of all liens, encumbrances, charges, defaults, or equities of any character, to all of the material properties and assets, tangible or intangible, reflected in the KeyCorp Financial Statements as being owned by the KeyCorp Companies as of the dates thereof other than those that would not, individually or in the aggregate, have a KeyCorp Material Adverse Effect. To the knowledge of KeyCorp's management, all buildings and all fixtures, equipment, and other property and assets which are material to its business on a consolidated basis and are held under leases or subleases by any of the KeyCorp Companies are held under valid leases or subleases enforceable in accordance with their respective terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceedings may be brought, other than any such exceptions to validity or enforceability that would not, individually or in the aggregate, have a KeyCorp Material Adverse

Effect). The policies of fire, theft, liability, fidelity, and other insurance maintained with respect to the assets or businesses of the KeyCorp Companies provide adequate coverage against loss.

5.10 COMPLIANCE WITH LAWS. Except as Previously Disclosed, each of the KeyCorp Companies:

(a) Is in compliance with all laws, regulations, reporting and licensing requirements, and orders applicable to its business or to the employees conducting its business, the breach or violation of which would, either individually or in the aggregate, have a KeyCorp Material Adverse Effect; and

(b) Has received no notification or communication from any agency or department of federal, state, or local government (including the Federal Reserve, the OTS, and other bank, insurance, and securities regulatory authorities) or the staff thereof (i) asserting that any of the KeyCorp Companies is not in compliance with any of the statutes, regulations, or ordinances which such governmental authority enforces, which, as a result of such noncompliance in any such instance, could, either individually or in the aggregate, have a KeyCorp Material Adverse Effect, (ii) threatening to revoke any license, franchise, permit, or governmental authorization which is material, either individually or in the aggregate, to the financial condition, results of operations, or prospects of the KeyCorp Companies on a consolidated basis or the ability of KeyCorp to consummate the transactions contemplated under this Supplemental Agreement, the Merger Agreement, or the KeyCorp Stock Option Agreement, under the terms hereof and thereof, or (iii) requiring any of the KeyCorp Companies (or any of their officers, directors, or controlling persons) to enter into a cease and desist order, agreement, or memorandum of understanding (or requiring the board of directors thereof to adopt any resolution or policy).

5.11 EMPLOYEE BENEFIT PLANS.

(a) KeyCorp has delivered or made available to Society, prior to the execution of this Supplemental Agreement, copies of (i) each pension, retirement, stock option, stock purchase, savings, employee stock ownership, restricted stock, phantom stock, stock ownership or other similar plan as in effect on the date of this Supplemental Agreement, including, without limitation, any "employee benefit plan", as that term is defined in Section 3(3) of ERISA, in respect of any of the present or former directors, officers, employees, or independent contractors of, or dependents, spouses, or other beneficiaries of any of such directors, officers, employees, or independent contractors of, any of the KeyCorp Companies, (ii) each employment or consulting agreement, severance (including, without limitation, change of control or golden parachute agreements or arrangements), bonus, profit-sharing, incentive, deferred compensation, supplemental or excess retirement, life insurance, health, or other plan, policy, contract, or arrangement as in effect on the date of this Supplemental Agreement which provides any benefit or perquisites to or

in respect of any of the present or former directors or officers, or dependents, spouses, or other beneficiaries of any of such directors or officers of, any of the KeyCorp Companies, and (iii) each material severance, bonus, profit-sharing, incentive, deferred compensation, supplemental or excess retirement, life insurance, health, or other plan, policy, contract, or arrangement as in effect on the date of this Supplemental Agreement which provides benefits or perquisites to or in respect of present or former employees or independent contractors of, or dependents, spouses, or other beneficiaries of, any of such employees or independent contractors of, any of the KeyCorp Companies (all the foregoing being collectively the "KeyCorp Benefit Plans"). Any of the KeyCorp Benefit Plans which is an "employee pension benefit plan," as that term is defined in Section 3(2) of ERISA, is referred to herein as an "ERISA Plan." No KeyCorp Company has participated in or been a member of, and no KeyCorp Benefit Plan is or has been, a multiemployer plan within the meaning of Section 3(37) of ERISA.

(b) All KeyCorp Benefit Plans comply in all material respects with the applicable provisions of ERISA and the Internal Revenue Code, and any other applicable laws, rules, and regulations the breach or violation of which could result in a liability, either individually or in the aggregate, material to the financial condition, results of operations, or prospects of the KeyCorp Companies on a consolidated basis. With respect to the KeyCorp Benefit Plans, no event has occurred and, to the best knowledge of KeyCorp's management, there exists no condition or set of circumstances, in connection with which any of the KeyCorp Companies could be subject to any liability that is reasonably likely to have, either individually or in the aggregate, a KeyCorp Material Adverse Effect (except liability for benefit claims and funding obligations payable in the ordinary course). No notice of a "reportable event," as that term is defined in Section 4043 of ERISA, for which the 30-day reporting requirement has not been waived has been required to be filed for any KeyCorp ERISA Plan

which is subject to Title IV of ERISA within the 12-month period ending on the date of this Agreement. None of the KeyCorp Companies has provided, or is required to provide, security to any KeyCorp ERISA Plan which is subject to Title IV of ERISA pursuant to Section 401(a)(29) of the Code.

(c) No KeyCorp ERISA Plan which is subject to Title IV of ERISA has any "unfunded current liability," as that term is defined in Section 302(d)(8)(A) of ERISA, and the present fair market value of the assets of each such plan exceeds the plan's "benefit liabilities," as that term is defined in Section 4001(a)(16) of ERISA, when determined under actuarial factors that would apply if the plan terminated as of the date of this Supplemental Agreement in accordance with all applicable legal requirements.

5.12 MATERIAL CONTRACTS. Except as Previously Disclosed, none of the KeyCorp Companies, nor any of their respective assets, businesses, or operations, as of the date of this Supplemental Agreement, is a party to, or is bound or affected by, or receives benefits under, any contract or agreement or amendment thereto that in each case would be required to be filed as an exhibit to a Form 10-K filed by KeyCorp as of the date of this Supplemental Agreement that has not been filed as an exhibit to KeyCorp's Form 10-K filed for the fiscal year ended December 31, 1992.

5.13 MATERIAL CONTRACT DEFAULTS. None of the KeyCorp Companies is in default under any contract, agreement, commitment, arrangement, lease, insurance policy, or other instrument to which it is a party, by which its respective assets, business, or operations may be bound or affected, or under which it or its respective assets, business, or operations receives benefits, and which default is reasonably likely to have, either individually or in the aggregate, a KeyCorp Material Adverse Effect, and there has not occurred any event that, with the lapse of time or the giving of notice or both, would constitute such a default.

5.14 LEGAL PROCEEDINGS. Except as Previously Disclosed, there are no actions, suits, or proceedings instituted or pending or, to the best knowledge of KeyCorp's management, threatened (or unasserted but considered probable of assertion and which if asserted would have at least a more than remote possibility of an unfavorable outcome) against any of the KeyCorp Companies, or affecting any property, asset, interest, or right of any of them, that are reasonably expected to have, either individually or in the aggregate, a KeyCorp Material Adverse Effect.

5.15 ABSENCE OF CERTAIN CHANGES OR EVENTS. Since December 31, 1992, the KeyCorp Companies on a consolidated basis have not suffered, either individually or in the aggregate, any material adverse change in their business, operations, assets, condition (financial or otherwise), prospects, or results of operations, or failed to operate their business consistent with their past practices.

5.16 REPORTS. Since January 1, 1988, or the date of acquisition by KeyCorp

if later, each of the KeyCorp Companies has filed all reports and statements, together with any amendments required to be made with respect thereto, that it was required to file with (i) the SEC, including, but not limited to Forms 10-K, Forms 10-Q, Forms 8-K, and proxy statements, (ii) the Federal Reserve, (iii) the OTS, (iv) the Office of the Comptroller of the Currency, (v) the Federal Deposit Insurance Corporation, (vi) any applicable state banking, insurance, securities, or other regulatory authorities (except, in the case of state securities authorities, filings which are not material), and (vii) the NYSE. As of their respective dates (and without giving effect to any amendments or modifications filed after the date of this Supplemental Agreement with respect to reports and documents filed before the date of this Supplemental Agreement), each of such reports and documents, including the financial statements, exhibits, and schedules thereto, complied in all material respects with all of the statutes, rules, and regulations enforced or promulgated by the authority with which they were filed and did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein in light of the circumstances under which they were made not misleading.

5.17 STATEMENTS TRUE AND CORRECT. None of the information supplied or to be supplied by KeyCorp for inclusion in the Registration Statement to be filed by Society with the SEC in connection with the Surviving Corporation Capital Stock to be issued in the Merger, the Joint Proxy Statement to be mailed to each Party's shareholders in connection with the Shareholders' Meetings, and any other documents to be filed with the SEC or any other Regulatory Authority in connection with the transactions contemplated hereby, will, at the respective times such documents are filed, and, in the case of the Registration Statement, when it becomes effective and, with respect to the Joint Proxy Statement, when first mailed to the shareholders of KeyCorp and Society, be false or misleading with respect to any material fact, or omit to state any material fact necessary in order to make the statements therein not misleading, or, in the case of the Joint Proxy

Statement or any amendment thereof or supplement thereto, at the time of the Shareholders' Meetings, be false or misleading with respect to any material fact, or omit to state any material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading. All documents that KeyCorp is responsible for filing with the SEC or any other Regulatory Authority in connection with the transactions contemplated hereby, by the Merger Agreement, or by the KeyCorp Stock Option Agreement will comply in all material respects with the provisions of applicable law including applicable provisions of the Securities Laws.

5.18 ENVIRONMENTAL MATTERS. (a) To the best knowledge of KeyCorp's management, KeyCorp and each KeyCorp Subsidiary (for purposes of this Section 5.18, the term "KeyCorp Subsidiary" shall include small business investment corporations and entities that invest in unaffiliated companies in the ordinary course of business in which KeyCorp owns or controls 5% or more of the outstanding equity securities either directly or through an unbroken chain of entities as to each of which 5% or more of the outstanding equity securities is owned directly or indirectly by KeyCorp), the Participation Facilities, and the Loan Properties (each as defined below) are, and have been, in compliance with all applicable laws, rules, regulations, and standards, and all requirements of the United States Environmental Protection Agency ("EPA") and of state and local agencies with jurisdiction over pollution or protection of health or the environment, except for violations which, individually or in the aggregate, do not or would not result in a KeyCorp Material Adverse Effect.

(b) To the best knowledge of KeyCorp's management, there is no suit, claim, action, or proceeding, pending or threatened, before any court, governmental agency, board, or other forum pursuant to which KeyCorp or any of the KeyCorp Subsidiaries or any Loan Property, Participation Facility, or Trust Property (or in respect of such Loan Property, Participation Facility, or Trust Property) has been or, with respect to threatened proceedings, may be named as a defendant (i) for alleged noncompliance (including by any predecessor) with any environmental law, rule, or regulation or (ii) relating to the release into the environment of any Hazardous Material (as defined below) or oil, whether or not occurring at or on any site owned (including as trustee), leased, or operated by it or any of its subsidiaries or any Loan Property, Participation Facility, or Trust Property, except where such noncompliance or release does not or would not, individually or in the aggregate, result in a KeyCorp Material Adverse Effect.

(c) To the best knowledge of KeyCorp's management, there is no reasonable basis for any suit, claim, action, or proceeding of a type described in Section 5.18, except as would not, individually or in the aggregate, have a KeyCorp Material Adverse Effect.

(d) During the period of (i) KeyCorp or any of the KeyCorp Subsidiaries' ownership (including as trustee) or operation of any of their respective current properties, (ii) KeyCorp or any of the KeyCorp Subsidiaries' participation in

the management of any Participation Facility, (iii) KeyCorp or any of the KeyCorp Subsidiaries' holding of a security interest in a Loan Property, or (iv) KeyCorp or any of the KeyCorp Subsidiaries acting as a trustee or fiduciary with respect to a Trust Property, to the best knowledge of KeyCorp's management, there has been no release of Hazardous Material or oil in, on, under, or affecting such property, Participation Facility, Loan Property or Trust Property, except where such release does not or would not result, individually or in the aggregate, in a KeyCorp Material Adverse Effect. Prior to the period of (w) KeyCorp or any of the KeyCorp Subsidiaries' ownership (including as trustee) or operation of any of their respective current properties, (x) KeyCorp or any of the KeyCorp Subsidiaries' participation in the management of any Participation Facility, (y) KeyCorp or any of the KeyCorp Subsidiaries acting as trustee or other fiduciary with respect to Trust Property, or (z) KeyCorp or any of the KeyCorp Subsidiaries' holding of a security interest in a Loan Property, to the best knowledge of KeyCorp's management, there was no release of Hazardous Material or oil in, on, under, or affecting any such property, Participation Facility, or Loan Property, except where such release does not or would not result, individually or in the aggregate, in a KeyCorp Material Adverse Effect.

(e) The following definitions apply for purposes of this Section 5.18: (i) "Loan Property" means any property in which KeyCorp (or a KeyCorp Subsidiary) holds a security interest for an amount greater than $2,500,000, and, where required by the context, includes the owner or operator of such property, but only with respect to such property; (ii) "Participation Facility" means any property in which KeyCorp (or a KeyCorp Subsidiary) participates in the management of such property and, where required by the context, includes the

owner or operator of such property, but only with respect to such property; (iii) "Trust Property" means any property with respect to which KeyCorp (or a KeyCorp Subsidiary) acts or has acted as a trustee or other fiduciary, directly or indirectly, and includes any trust or similar legal vehicle that owns or controls (or that owned or controlled) such property and, where required by the context, includes the trustee or other fiduciary, but only with respect to such property; and (iv) "Hazardous Material" means any pollutant, contaminant, or hazardous substance within the meaning of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq., or any similar federal, state, or local law.

5.19 KNOWLEDGE AS TO CONDITIONS. KeyCorp knows of no reason why the approvals, authorizations, filings, registrations, and notices contemplated by Section 9.5 should not be obtained without the imposition of any material and adverse condition or restriction or why the accountants' letters referred to in Section 9.7 or the Tax Opinions referred to in Section 8.3 cannot be obtained.

5.20 ANTITAKEOVER PROVISIONS INAPPLICABLE. No "business combination", "moratorium", "control share", or other state antitakeover statute or regulation (x) prohibits or restricts KeyCorp's ability to perform its obligations under this Supplemental Agreement, the Merger Agreement, and the KeyCorp Stock Option Agreement, or its ability to consummate the transactions contemplated hereby and thereby, (y) would have the effect of invalidating or voiding this Supplemental Agreement, the Merger Agreement, or the KeyCorp Stock Option Agreement, or any provision hereof or thereof, or (z) would subject Society to any material impediment or condition in connection with the exercise of any of its rights under this Supplemental Agreement, the Merger Agreement, or the KeyCorp Stock Option Agreement.

5.21 LABOR MATTERS. Neither KeyCorp nor any of the KeyCorp Companies is a party to, or is bound by, any collective bargaining agreement, contract, or other agreement or understanding with a labor union or labor organization, nor is KeyCorp or any of the KeyCorp Companies the subject of any proceeding asserting that KeyCorp or any KeyCorp Company has committed an unfair labor practice or seeking to compel KeyCorp or any KeyCorp Company to bargain with any labor union or labor organization as to wages and conditions of employment, nor is there any strike or other labor dispute involving KeyCorp or any of the KeyCorp Companies pending or threatened.

ARTICLE SIX

REPRESENTATIONS AND WARRANTIES OF SOCIETY

Society hereby represents and warrants to KeyCorp as follows:

6.1 ORGANIZATION, STANDING, AND AUTHORITY. Society is a corporation duly organized, validly existing, and in good standing under the laws of the State of Ohio, and is duly qualified to do business and in good standing in the States of the United States and foreign jurisdictions where its ownership or leasing of property or the conduct of its business requires it to be so qualified and in which the failure to be duly qualified would, either individually or in the aggregate, have a material adverse effect on the financial condition, results of

operations, or prospects of the Society Companies on a consolidated basis or its ability to consummate the transaction contemplated by this Supplemental Agreement, the Society Stock Option Agreement, and the Merger Agreement on the terms herein and therein provided (a "Society Material Adverse Effect"). Society has corporate power and authority to carry on its business as now conducted, to own, lease, and operate its assets, properties, and business, and to execute and deliver, and to perform its obligations under, this Supplemental Agreement and the Merger Agreement. Society is duly registered as a bank holding company under the BHC Act and as a savings and loan holding company under the Home Owners Loan Act. Society has in effect all federal, state, local, and foreign governmental authorizations necessary for it to own or lease its properties and assets and to carry on its business as it is now conducted, the absence of which would, either individually or in the aggregate, have a Society Material Adverse Effect.

6.2 CAPITAL STOCK.

(a) As of the date hereof, the authorized capital stock of Society consists of (i) 400,000,000 shares of Society Common Stock, of which no more than 117,084,868 shares are issued and outstanding, and (ii)

25,000,000 shares of serial preferred stock, without par value, of which none are issued and outstanding. All of the issued and outstanding shares of Society Common Stock are, and all of the shares of the Surviving Corporation Capital Stock to be issued in the Merger will, at the Effective Time, have been duly and validly authorized and issued, and are or will be, as the case may be, fully paid and non-assessable. None of the outstanding shares of Society Common Stock has been issued in violation of any preemptive rights of the current or past shareholders of Society and none of the outstanding shares of Society Capital Stock is or will be entitled to any preemptive rights in respect of the Merger or any of the other transactions contemplated by this Supplemental Agreement. As of September 28, 1993, Society had reserved 7,221,064 shares of Society Common Stock for issuance under the Society Stock Option Plans, pursuant to which options covering 6,005,464 shares of Society Common Stock were outstanding as of September 28, 1993.

(b) Except as Previously Disclosed or set forth in Section 6.2(a) of this Supplemental Agreement and except as provided under (i) the Society Stock Option Agreement and (ii) the Society Rights Plan, there are no shares of capital stock or other equity securities of Society outstanding and no outstanding options, warrants, scrip, rights to subscribe to, calls, or commitments of any character whatsoever relating to, or securities or rights convertible into or exchangeable for, shares of the capital stock of Society, or contracts, commitments, understandings, or arrangements by which Society is or may be bound to issue additional shares of its capital stock or options, warrants, or rights to purchase or acquire any additional shares of its capital stock. Society has cancelled and terminated all the "Limited Stock Appreciation Rights" previously granted by Society under the Society Stock Option Plans.

6.3 SOCIETY SUBSIDIARIES. Exhibit 22 to Society's Annual Report on Form 10-K for the fiscal year ended December 31, 1992, as supplemented or updated by information Previously Disclosed, lists all of the active Society Subsidiaries as of the date of this Supplemental Agreement. Each of the Subsidiaries that is a bank or a savings bank is an "insured depository institution" as defined in the Federal Deposit Insurance Act and applicable regulations thereunder. No equity securities of any of the Society Subsidiaries are or may become required to be issued (other than to Society) by reason of any options, warrants, scrip, rights to subscribe to, calls, or commitments of any character whatsoever relating to, or securities or rights convertible into or exchangeable for, shares of the capital stock of any Society Subsidiary, and there are no contracts, commitments, understandings, or arrangements by which any Society Subsidiary is bound to issue (other than to Society) additional shares of its capital stock or options, warrants, or rights to purchase or acquire any additional shares of its capital stock. There are no contracts, commitments, understandings, or arrangements by which any of the Society Companies is or may be bound to sell or otherwise transfer any shares of the capital stock of any Society Subsidiary, except for a transfer to any of the Society Companies, and there are no contracts, commitments, understandings, or arrangements relating to the right of Society to vote or to dispose of such shares. Except as provided in 12 U.S.C. Section 55 in the case of Society Subsidiaries that are national banks or comparable state laws pertaining to state banks organized under the laws of such states, all of the shares of capital stock of each Society Subsidiary held by Society or a Society Subsidiary are fully paid and non-assessable and are owned by Society or any Society Subsidiary free and clear of any claim, lien, or encumbrance. Except as Previously Disclosed, each Society Subsidiary is either a national banking association, a federal savings bank, a state bank, a state savings bank, or a corporation, and is duly organized and, to the extent applicable, validly existing, and in good standing under the laws of the jurisdiction in which it is incorporated or organized, and is duly qualified to do business and in good standing in the jurisdictions where its ownership or

leasing of property or the conduct of its business requires it to be so qualified and in which the failure to be duly qualified could, either individually or in the aggregate, have a Society Material Adverse Effect. Each Society Subsidiary has the corporate power and authority necessary for it to own or lease its properties and assets and to carry on its business as it is now being conducted, and has all federal, state, local, and foreign governmental authorizations necessary for it to own or lease its properties and assets and to carry on its business as it is now being conducted, the absence of which governmental authorizations would, either individually or in the aggregate, have a material adverse effect on the financial condition, results of operations, or prospects of the Society Companies on a consolidated basis.

6.4 AUTHORITY.

(a) The execution and delivery of this Supplemental Agreement, the Merger Agreement, and the Society Stock Option Agreement and the consummation of the transactions contemplated herein or therein,

including the Merger, have been duly and validly authorized by all necessary corporate action on the part of Society, subject, with respect to this Supplemental Agreement and the Merger Agreement, to the approval of the shareholders of Society to the extent required by applicable law. This Supplemental Agreement and the Merger Agreement, subject to any requisite shareholder approval hereof and thereof, and the Society Stock Option Agreement represent valid and legally binding obligations of Society, enforceable against Society in accordance with their respective terms.

(b) Neither the execution and delivery of this Supplemental Agreement, the Merger Agreement, or the Society Stock Option Agreement by Society, nor the consummation by Society of the transactions contemplated herein or therein, nor compliance by any Society Company with any of the provisions hereof or thereof, will (i) conflict with or result in a breach of any provision of any Society Company's articles of incorporation or by-laws or regulations or (ii) except as Previously Disclosed, constitute or result in the breach of any term, condition, or provision of, or constitute a default under, or give rise to any right of termination, cancellation, or acceleration with respect to, or result in the creation of any lien, charge, or encumbrance upon, any property or assets of any of the Society Companies pursuant to, any note, bond, mortgage, indenture, license, agreement, lease, or other instrument or obligation to which any of them is a party or by which any of them or any of their properties or assets may be subject, and that would, either individually or in the aggregate, have a Society Material Adverse Effect, or (iii) subject to receipt of the requisite approvals, authorizations, filings, registrations, and notifications referred to in Section 9.5 of this Supplemental Agreement, violate any order, writ, injunction, decree, statute, rule, or regulation applicable to any of the Society Companies or any of their properties or assets.

(c) Other than in connection or compliance with the provisions of applicable state corporate and securities laws, the Securities Laws, and the rules and regulations thereunder, and the rules of the NYSE, and other than consents, authorizations, approvals, or exemptions required from the Federal Reserve, the OTS (if applicable), and the State Regulatory Commissioners or by virtue of Society's interests in small business investment corporations, no notice to, filing with, authorization of, exemption by, or consent or approval of any public body or authority is necessary for the consummation by Society of the Merger and the other transactions contemplated by this Supplemental Agreement, the Merger Agreement, and the Society Stock Option Agreement.

(d) The Board of Directors of Society (at a meeting duly called and held) has by requisite vote determined that the Merger is in the best long-term and short-term interests of Society and its shareholders, employees, customers, and creditors, and the communities in which it does business, among others (ii) authorized and approved this Supplemental Agreement, the Merger Agreement, the Society Stock Option Agreement, and the transactions contemplated hereby and thereby, including the Merger, (iii) directed that the Merger be submitted for consideration to Society's shareholders at the Society Shareholders' Meeting, and (iv) approved execution of the Society Stock Option Agreement and authorized and approved the Merger in accordance with Chapter 1704 of the Ohio Revised Code with the result that Chapter 1704 will not apply to the execution and delivery by Society of the Society Stock Option Agreement or the issuance or transfer of shares of Society Common Stock to KeyCorp pursuant to the KeyCorp Stock Option Agreement, the consummation of the Merger, or any other transaction to be carried out pursuant to the Agreement, the Merger Agreement, or the Society Option Agreement.

6.5 FINANCIAL STATEMENTS. Society has delivered to KeyCorp prior to the execution of this Supplemental Agreement Society Financial Statements in respect of periods ending on or prior to June 30, 1993, and will promptly deliver when available copies of the Society Financial Statements in respect of periods

ending after June 30, 1993. The Society Financial Statements (as of the dates thereof and for the periods covered thereby): (i) are (and, in the case of the Society Financial Statements in respect of periods ending after June 30, 1993, will be) in accordance with the books and records of the Society Companies, and have been and will continue to be maintained in accordance with GAAP and good business practices, and (ii) present (and, in the case of Society Financial Statements in respect of periods ending after June 30, 1993, will present) fairly the consolidated financial position and the consolidated results of operations, changes in shareholders' equity, and cash flows of the Society Companies as of the dates and for the periods indicated, in

accordance with GAAP applicable to banks or savings banks, as the case may be, or bank holding companies applied on a basis consistent with prior periods (subject in the case of interim financial statements to normal recurring year-end adjustments normal in nature and amount). To the best knowledge of Society's management, with respect to each acquisition transaction completed by Society since December 31, 1989 and accounted for on a pooling of interests basis, there is no reasonable basis upon which such accounting treatment for any such acquisition would be denied or reversed.

6.6 ABSENCE OF UNDISCLOSED LIABILITIES. Except as Previously Disclosed, none of the Society Companies has any obligation or liability (contingent or otherwise) that is material, either individually or in the aggregate, to the financial condition, results of operations, or prospects of the Society Companies on a consolidated basis, or that when combined with all similar obligations or liabilities would, either individually or in the aggregate, be material to the financial condition, results of operations, or prospects of the Society Companies on a consolidated basis except (i) as reflected in the Society Financial Statements prior to the date of this Supplemental Agreement or by this Supplemental Agreement and (ii) for commitments and obligations made, or liabilities incurred, in the ordinary course of its business consistent with past practices. Since December 31, 1992, none of the Society Companies has incurred or paid any obligation or liability (including any obligation or liability incurred in connection with any acquisitions in which any form of direct financial assistance of the federal government or any agency thereof has been provided to any Society Company) which would, either individually or in the aggregate, be material to the financial condition, results of operations, or prospects of the Society Companies on a consolidated basis, except as Previously Disclosed or for obligations paid or incurred by it in connection with transactions in the ordinary course of its business consistent with past practices.

6.7 TAX MATTERS.

(a) All federal, state, local, and foreign tax returns required to be filed by or on behalf of any of Society and all other corporations, banks, savings banks, associations, and other entities of which Society owns or controls 50% or more of the outstanding equity securities have been timely filed or requests for extensions have been timely filed, granted, and have not expired. All taxes shown on filed returns have been paid. There is no audit examination, deficiency, refund litigation, or matter in controversy with respect to any taxes that might result in a determination that could, either individually or in the aggregate, have a Society Material Adverse Effect, except as reserved against in the Society Financial Statements or as Previously Disclosed. All taxes, interest, additions, and penalties which are material in amount and which are due with respect to completed and settled examinations or concluded litigation have been paid or reserved for.

(b) Except as Previously Disclosed, none of the Society Companies has executed an extension or waiver of any statute of limitations on the assessment or collection of any tax due that is currently in effect.

(c) Adequate provision for any federal, state, local, or foreign taxes due or to become due for any of the Society Companies for any period or periods through and including June 30, 1993, has been made and is reflected in the June 30, 1993 financial statements included in the Society Financial Statements.

(d) Deferred taxes of the Society Companies have been provided for in accordance with GAAP.

6.8 ALLOWANCE FOR POSSIBLE LOAN LOSSES. The allowance for possible loan losses shown on the consolidated balance sheets of Society included in the Society Financial Statements at December 31, 1992 and June 30, 1993 were adequate to provide for possible losses, net of recoveries relating to loans previously charged off, on loans outstanding (including accrued interest receivable) as of the dates thereof.

6.9 PROPERTIES. Except as disclosed or reserved against in the Society Financial Statements, the Society Companies have good and marketable title, free

and clear of all liens, encumbrances, charges, defaults, or equities of any character, to all of the material properties and assets, tangible or intangible, reflected in the Society Financial Statements as being owned by the Society Companies as of the dates thereof other than those that would not, individually or in the aggregate, have a Society Material Adverse Effect. To the knowledge of Society's management, all buildings and all fixtures, equipment, and other property and assets which are material to its business on a consolidated basis and are held under leases or subleases by any of the Society Companies are held under valid leases or subleases enforceable in accordance with their respective terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganiza-

tion, moratorium, or other laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceedings may be brought, other than any such exceptions to validity or enforceability that would not, individually or in the aggregate, have a Society Material Adverse Effect). The policies of fire, theft, liability, fidelity, and other insurance maintained with respect to the assets or businesses of the Society Companies provide adequate coverage against loss.

6.10 COMPLIANCE WITH LAWS. Except as Previously Disclosed, each of the Society Companies:

(a) Is in compliance with all laws, regulations, reporting and licensing requirements, and orders applicable to its business or to the employees conducting its business, the breach or violation of which would, either individually or in the aggregate, have a Society Material Adverse Effect; and

(b) Has received no notification or communication from any agency or department of federal, state, or local government (including the Federal Reserve, the OTS, and other bank, insurance, and securities regulatory authorities) or the staff thereof (i) asserting that any of the Society Companies is not in compliance with any of the statutes, regulations, or ordinances which such governmental authority enforces, which, as a result of such noncompliance in any such instance, could, either individually or in the aggregate, have a Society Material Adverse Effect, (ii) threatening to revoke any license, franchise, permit, or governmental authorization which is material, either individually or in the aggregate, to the financial condition, results of operations, or prospects of the Society Companies on a consolidated basis or the ability of Society to consummate the transactions contemplated under this Supplemental Agreement, the Merger Agreement, or the Society Stock Option Agreement under the terms hereof and thereof, or (iii) requiring any of the Society Companies (or any of their officers, directors, or controlling persons) to enter into a cease and desist order, agreement, or memorandum of understanding (or requiring the board of directors thereof to adopt any resolution or policy).

6.11 EMPLOYEE BENEFIT PLANS.

(a) Society has delivered or made available to KeyCorp, prior to the execution of this Supplemental Agreement, copies of (i) each pension, retirement, stock option, stock purchase, savings, employee stock ownership, restricted stock, phantom stock, stock ownership or other similar plan as in effect on the date of this Supplemental Agreement, including, without limitation, any "employee benefit plan", as that term is defined in Section 3(3) of ERISA, in respect of any of the present or former directors, officers, employees, or independent contractors of, or dependents, spouses, or other beneficiaries of any of such directors, officers, employees, or independent contractors of, any of the Society Companies, (ii) each employment or consulting agreement, severance (including, without limitation, change of control or golden parachute agreements or arrangements), bonus, profit-sharing, incentive, deferred compensation, supplemental or excess retirement, life insurance, health, or other plan, policy, contract, or arrangement as in effect on the date of this Supplemental Agreement which provides any benefit or perquisites to or in respect of any of the present or former directors or officers, or dependents, spouses, or other beneficiaries of, any of such directors or officers of, any of the Society Companies, and (iii) each material severance, bonus, profit-sharing, incentive, deferred compensation, supplemental or excess retirement, life insurance, health, or other plan, policy, contract, or arrangement as in effect on the date of this Supplemental Agreement which provides benefits or perquisites to or in respect of present or former employees or independent contractors of, or dependents, spouses, or other beneficiaries of, any of such employees or independent contractors of, any of the Society Companies (all the foregoing being collectively the "Society Benefit Plans"). Any of the Society Benefit Plans which is an "employee pension benefit plan," as that term is defined in Section 3(2) of ERISA, is referred to herein as an "ERISA Plan." No Society Company has participated in or been a member of, and no Society Benefit Plan is or has been, a multiemployer plan within the meaning of Section 3(37) of

ERISA.

(b) All Society Benefit Plans comply in all material respects with the applicable provisions of ERISA and the Internal Revenue Code, and any other applicable laws, rules, and regulations the breach or violation of which could result in a liability, either individually or in the aggregate, material to the financial condition, results of operations, or prospects of the Society Companies on a consolidated basis. With respect to the Society Benefit Plans, no event has occurred and, to the best knowledge of Society's management, there exists no condition or set of circumstances in connection with which any of the Society Companies could be subject

to any liability that is reasonably likely to have, either individually or in the aggregate, a Society Material Adverse Effect (except liability for benefit claims and funding obligations payable in the ordinary course). No notice of a "reportable event," as that term is defined in Section 4043 of ERISA, for which the 30-day reporting requirement has not been waived has been required to be filed for any Society ERISA Plan which is subject to Title IV of ERISA within the 12-month period ending on the date of this Agreement. None of the Society Companies has provided, or is required to provide, security to any Society ERISA Plan which is subject to Title IV of ERISA pursuant to Section 401(a)(29) of the Code.

(c) No Society ERISA Plan which is subject to Title IV of ERISA has any "unfunded current liability," as that term is defined in Section 302(d)(8)(A) of ERISA, and the present fair market value of the assets of each such plan exceeds the plan's "benefit liabilities," as that term is defined in Section 4001(a)(16) of ERISA, when determined under actuarial factors that would apply if the plan terminated as of the date of this Supplemental Agreement in accordance with all applicable legal requirements.

6.12 MATERIAL CONTRACTS. Except as Previously Disclosed, none of the Society Companies, nor any of their respective assets, businesses, or operations, as of the date of this Supplemental Agreement, is a party to, or is bound or affected by, or receives benefits under, any contract or agreement or amendment thereto that in each case would be required to be filed as an exhibit to a Form 10-K filed by Society as of the date of this Supplemental Agreement that has not been filed as an exhibit to Society's Form 10-K filed for the fiscal year ended December 31, 1992.

6.13 MATERIAL CONTRACT DEFAULTS. None of the Society Companies is in default under any contract, agreement, commitment, arrangement, lease, insurance policy, or other instrument to which it is a party, or by which its respective assets, business, or operations may be bound or affected, or under which it or its respective assets, business, or operations receives benefits, and which default is reasonably likely to have, either individually or in the aggregate, a Society Material Adverse Effect, and there has not occurred any event that, with the lapse of time or the giving of notice or both, would constitute such a default.

6.14 LEGAL PROCEEDINGS. Except as Previously Disclosed, there are no actions, suits, or proceedings instituted or pending or, to the best knowledge of Society's management, threatened (or unasserted but considered probable of assertion and which if asserted would have at least a more than remote possibility of an unfavorable outcome) against any of the Society Companies, or affecting any property, asset, interest, or right of any of them, that are reasonably expected to have, either individually or in the aggregate, a Society Material Adverse Effect.

6.15 ABSENCE OF CERTAIN CHANGES OR EVENTS. Since December 31, 1992, the Society Companies on a consolidated basis have not suffered, either individually or in the aggregate, any material adverse change in their business, operations, assets, condition (financial or otherwise), prospects, or results of operations, or failed to operate their business consistent with their past practices.

6.16 REPORTS. Since January 1, 1988, or the date of acquisition by Society if later, each of the Society Companies has filed all reports and statements, together with any amendments required to be made with respect thereto, that it was required to file with (i) the SEC, including, but not limited to Forms 10-K, Forms 10-Q, Forms 8-K, and proxy statements, (ii) the Federal Reserve, (iii) the OTS, (iv) the Office of the Comptroller of the Currency, (v) the Federal Deposit Insurance Corporation, (vi) any applicable state banking, insurance, securities, or other regulatory authorities (except, in the case of state securities authorities, filings which are not material), and (vii) the NYSE. As of their respective dates (and without giving effect to any amendments or modifications filed after the date of this Supplemental Agreement with respect to reports and documents filed before the date of this Supplemental Agreement), each of such reports and documents, including the financial statements, exhibits, and schedules thereto, complied in all material respects with all of the statutes,

rules, and regulations enforced or promulgated by the authority with which they were filed and did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein in light of the circumstances under which they were made not misleading.

6.17 STATEMENTS TRUE AND CORRECT. None of the information supplied or to be supplied by Society for inclusion in the Registration Statement to be filed by Society with the SEC in connection with the Surviving Corporation Capital Stock to be issued in the Merger, the Joint Proxy Statement to be mailed to

each Party's shareholders in connection with the Shareholders' Meetings, and any other documents to be filed with the SEC or any other Regulatory Authority in connection with the transactions contemplated hereby, will, at the respective time such documents are filed, and, in the case of the Registration Statement, when it becomes effective and, with respect to the Joint Proxy Statement, when first mailed to the shareholders of KeyCorp and Society, be false or misleading with respect to any material fact, or omit to state any material fact necessary in order to make the statements therein not misleading, or, in the case of the Joint Proxy Statement or any amendment thereof or supplement thereto, at the time of the Shareholders' Meetings, be false or misleading with respect to any material fact, or omit to state any material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading. All documents that Society is responsible for filing with the SEC or any other Regulatory Authority in connection with the transactions contemplated hereby, by the Merger Agreement, or by the Society Stock Option Agreement will comply in all material respects with the provisions of applicable law including applicable provisions of the Securities Laws.

6.18 ENVIRONMENTAL MATTERS. (a) To the best knowledge of Society's management, Society and each Society Subsidiary (for purposes of this Section 6.18, the term "Society Subsidiary" shall include small business investment corporations and entities that invest in unaffiliated companies in the ordinary course of business in which Society owns or controls 5% or more of the outstanding equity securities either directly or through an unbroken chain of entities as to each of which 5% or more of the outstanding equity securities is owned directly or indirectly by Society), the Participation Facilities, and the Loan Properties (each as defined below) are, and have been, in compliance with all applicable laws, rules, regulations, and standards, and all requirements of the EPA and of state and local agencies with jurisdiction over pollution or protection of health or the environment, except for violations which, individually or in the aggregate, do not or would not result in a Society Material Adverse Effect.

(b) To the best knowledge of Society's management, there is no suit, claim, action, or proceeding, pending or threatened, before any court, governmental agency, board, or other forum pursuant to which Society or any of the Society Subsidiaries or any Loan Property, Participation Facility, or Trust Property (or in respect of such Loan Property, Participation Facility, or Trust Property) has been or, with respect to threatened proceedings, may be named as a defendant (i) for alleged noncompliance (including by any predecessor) with any environmental law, rule, or regulation or (ii) relating to the release into the environment of any Hazardous Material (as defined below) or oil, whether or not occurring at or on any site owned (including as trustee), leased, or operated by it or any of its Subsidiaries or any Loan Property, Participation Facility, or Trust Property, except where such noncompliance or release does not or would not, individually or in the aggregate, result in a Society Material Adverse Effect.

(c) To the best knowledge of Society's management, there is no reasonable basis for any suit, claim, action, or proceeding of a type described in Section 5.18, except as would not, individually or in the aggregate, have a Society Material Adverse Effect.

(d) During the period of (i) Society or any of the Society Subsidiaries' ownership (including as trustee) or operation of any of their respective current properties, (ii) Society or any of the Society Subsidiaries' participation in the management of any Participation Facility, (iii) Society or any of the Society Subsidiaries' holding of a security interest in a Loan Property or Trust Property, or (iv) Society or any of the Society Subsidiaries acting as a trustee or fiduciary with respect to a Trust Property, to the best knowledge of Society's management, there has been no release of Hazardous Material or oil in, on, under, or affecting such property, Participation Facility, Loan Property or Trust Property, except where such release does not or would not result, individually or in the aggregate, in a Society Material Adverse Effect. Prior to the period of (w) Society or any of the Society Subsidiaries' ownership (including as trustee) or operation of any of their respective current properties, (x) Society or any of the Society Subsidiaries' participation in the management of any Participation Facility, (y) Society or any of the Society Subsidiaries acting as trustee or other fiduciary with respect to Trust Property, or (z) Society or any of the Society Subsidiaries' holding of a

security interest in a Loan Property, to the best knowledge of Society's management, there was no release of Hazardous Material or oil in, on, under, or affecting any such property, Participation Facility, or Loan Property, except where such release does not or would not result, individually or in the aggregate, in a Society Material Adverse Effect.

(e) The following definitions apply for purposes of this Section 6.18: (i) "Loan Property" means any property in which Society (or a Society Subsidiary) holds a security interest for an amount greater than $2,500,000, and, where required by the context, includes the owner or operator of such property, but only with respect to such property; (ii) "Participation Facility" means any property in which Society (or a Society Subsidiary) participates in the management of such property and, where required by the context, includes the owner or operator of such property, but only with respect to such property; (iii) "Trust Property" means any property with respect to which Society (or a Society Subsidiary) acts or has acted as a trustee or other fiduciary, directly or indirectly, and includes any trust or similar legal vehicle that owns or controls (or that owned or controlled) such property and, where required by the context, includes the trustee or other fiduciary, but only with respect to such property; and (iv) "Hazardous Material" means any pollutant, contaminant, or hazardous substance within the meaning of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq., or any similar federal, state, or local law.

6.19 KNOWLEDGE AS TO CONDITIONS. Society knows of no reason why the approvals, authorizations, filings, registrations, and notices contemplated by Section 9.5 should not be obtained without the imposition of any material and adverse condition or restriction or why the accountants' letters referred to in Section 9.7 or the Tax Opinions referred to in Section 8.3 cannot be obtained.

6.20 ANTITAKEOVER PROVISIONS INAPPLICABLE. No "business combination", "moratorium", "control share", or other state antitakeover statute or regulation (x) prohibits or restricts Society's ability to perform its obligations under this Supplemental Agreement, the Merger Agreement, and the Society Stock Option Agreement, or its ability to consummate the transactions contemplated hereby and thereby, (y) would have the effect of invalidating or voiding this Supplemental Agreement, the Merger Agreement, or the Society Stock Option Agreement, or any provision hereof or thereof, or (z) would subject KeyCorp to any material impediment or condition in connection with the exercise of any of its rights under this Supplemental Agreement, the Merger Agreement, or the Society Stock Option Agreement.

6.21 LABOR MATTERS. Neither Society nor any of the Society Companies is a party to, or is bound by, any collective bargaining agreement, contract, or other agreement or understanding with a labor union or labor organization, nor is Society or any of the Society Companies the subject of any proceeding asserting that Society or any Society Company has committed an unfair labor practice or seeking to compel Society or any Society Company to bargain with any labor union or labor organization as to wages and conditions of employment, nor is there any strike or other labor dispute involving Society or any of the Society Companies pending or threatened.

ARTICLE SEVEN

COVENANTS AND AGREEMENTS

Each Party hereby covenants and agrees with the other Party as follows:

7.1 CONDUCT OF BUSINESS -- NEGATIVE COVENANTS. From the date of this Supplemental Agreement until the earlier of the Effective Time or until the termination of this Supplemental Agreement, each Party will not do, or agree or commit to do, and will cause each of its Subsidiaries not to do or agree or commit to do, any of the following without the prior written consent of the chief executive officer or chief financial officer of the other Party, which consent shall not be unreasonably withheld:

(a) Except as Previously Disclosed or as expressly contemplated by this Supplemental Agreement, amend its charter, by-laws or regulations, or the KeyCorp Rights Plan or the Society Rights Plan, respectively, or

(b) Impose, or suffer the imposition, on any share of stock held by it or by one of its Subsidiaries of any material lien, charge, or encumbrance, or permit any such lien, charge, or encumbrance to exist, or

(c) Except as expressly permitted in this Supplemental Agreement or as to (i) KeyCorp, in connection with (1) the use of KeyCorp Common Stock by optionees to pay an option exercise price or to satisfy tax liabilities under the various KeyCorp Stock Option Plans and (2) the repurchase of KeyCorp Common Stock in accordance with the KeyCorp Stock Option Agreement, and (ii) Society, in

connection with (1) the use of

the Society Common Stock by optionees to pay an option exercise price or to satisfy tax liabilities under the various Society Stock Option Plans and (2) the repurchase of the Society Common Stock in accordance with the Society Stock Option Agreement, repurchase, redeem, or otherwise acquire or exchange, directly or indirectly, any shares of its capital stock or any securities convertible into any shares of its capital stock, or

(d) Except as expressly contemplated by this Supplemental Agreement or as Previously Disclosed, acquire direct or indirect control over any corporation, association, firm, or organization, other than in connection with (i) mergers, acquisitions, or other transactions approved in advance in writing by the other Party, any such approval by the other Party to constitute its agreement to cooperate reasonably with the first Party on disclosure and other matters arising in connection with the issuance of any securities as consideration, or other aspects of, any such transactions, (ii) mergers, acquisitions, or other transactions involving cash consideration (and not debt or equity securities issued by such Party) after consulting with (but with no requirement to obtain the approval of) the other Party; provided, however, the aggregate amount of total assets acquired or total deposits assumed in all such transactions shall not exceed $1,000,000,000, and the total cash consideration paid shall not exceed $50,000,000 in the aggregate, (iii) internal reorganizations or consolidations involving existing Subsidiaries, (iv) good faith foreclosures in the ordinary course of business, (v) acquisitions of control by a banking Subsidiary in a bona fide fiduciary capacity, (vi) investments made by small business investment corporations or by Subsidiaries that invest in unaffiliated companies in the ordinary course of business, or (vii) the creation of new Subsidiaries organized to conduct or continue activities otherwise permitted by this Supplemental Agreement, or

(e) Except as Previously Disclosed, sell or otherwise dispose of, or permit any of the KeyCorp Subsidiaries or the Society Subsidiaries, as the case may be, to sell or otherwise dispose of: (i) any shares of capital stock of such Party or any Subsidiary of such Party (unless any such shares of stock are sold or otherwise transferred to such Party or any of its Subsidiaries), (ii) any substantial part of the assets or earning power of such Party or any Subsidiary of such Party, or (iii) any asset other than in the ordinary course of business for reasonable and adequate consideration; provided, however, such covenant in this subparagraph (e) shall not prohibit the sale of shares or assets sold after the date of this Supplemental Agreement in transactions not otherwise prohibited by this Supplemental Agreement involving an aggregate consideration (including the assumption of any liabilities) not in excess of $50,000,000, or

(f) Except as Previously Disclosed and other than issuing commercial paper exempt from registration under the 1933 Act, incur, or permit any of the KeyCorp Subsidiaries or Society Subsidiaries, as the case may be, to incur, any additional debt obligation or other obligation for borrowed money (other than (i) in replacement of existing short-term debt with other short-term debt, (ii) financing of banking related subsidiary activities consistent with past practices, (iii) indebtedness of any KeyCorp Company to another KeyCorp Company or of any Society Company to another Society Company (iv) indebtedness of any KeyCorp Company or Society Company to any of its respective affiliates, (v) indebtedness of KeyCorp arising out of the issuance of Senior or Subordinated Medium Term Notes pursuant to its Registration Statement on Form S-3 (Registration Statement No. 33-49292) filed by KeyCorp with the SEC, or (vi) indebtedness of Society arising out of the issuance of Medium Term Notes pursuant to its Registration Statement on Form S-3 (Registration Statement No. 33-51652) filed by Society with the SEC) in excess of an aggregate of $50,000,000 (for such Party and its Subsidiaries on a consolidated basis), except in the ordinary course of the business of such Party and its Subsidiaries consistent with past practices (and such ordinary course of business shall include, but shall not be limited to, the creation of deposit liabilities, purchases of federal funds, sales of certificates of deposit, and entry into repurchase agreements), or

(g) Except as contemplated by this Supplemental Agreement, the Merger Agreement, or any of the agreements, documents, or instruments contemplated hereby or thereby, grant any general increase in compensation or benefits to its employees or to its officers, except in accordance with past practice or as required by law; pay any bonus except in accordance with past practice or the provisions of any applicable program or plan adopted by the Board of Directors of such Party prior to the date of this Supplemental Agreement and which has been Previously Disclosed (including without limitation as Previously Disclosed by the disclosure letters dated October 1, 1993); enter into any severance agreements with any of its directors or officers or the directors or officers of any Subsidiary except as Previously Disclosed; grant any increase in fees or other increases in compensation or other benefits to any of its present or former directors; or effect any

change in retirement benefits for any class of its employees or officers (unless such change is required by applicable law or, in the opinion of counsel, is necessary or advisable to maintain the tax qualification of any plan under which the retirement benefits are provided) that would materially increase the retirement benefit liabilities of such Party and its Subsidiaries on a consolidated basis, or

(h) Except as contemplated by this Supplemental Agreement, the Merger Agreement, or any of the agreements, documents, or instruments contemplated hereby or thereby, and except as Previously Disclosed, amend any existing employment contract between such Party or any Subsidiary thereof and any person having a salary thereunder in excess of $100,000 per year (unless such amendment is required by law) to increase the compensation or benefits payable thereunder or extend the term thereof or enter into any new employment contract with any person having a salary thereunder in excess of $100,000 that such Party or its applicable Subsidiary does not have the unconditional right to terminate without liability (other than liability for services already rendered), at any time on or after the Effective Time, or

(i) Adopt any new employee benefit plan of such Party or any Subsidiary thereof or make any material change in or to any existing employee benefit plan of such Party or any Subsidiary thereof other than (i) as Previously Disclosed to the other Party or (ii) any such change that is required by law or that, in the opinion of counsel, is necessary or advisable to maintain the tax qualified status of any such plan.

7.2 CONDUCT OF BUSINESS -- AFFIRMATIVE COVENANTS. Unless the prior written consent of KeyCorp or Society, as applicable, shall have been obtained by the other Party, and except as otherwise contemplated or permitted hereby or Previously Disclosed, each Party shall and shall cause its Subsidiaries: to operate its business only in the ordinary course of business of such Party and its Subsidiaries consistent with past practices, to preserve intact its business organizations and assets and maintain its rights and franchises, and to take no action which would (i) adversely affect the ability of any of them to obtain any necessary approvals of governmental authorities required for the transactions contemplated hereby without imposition of a condition or restriction of the type referred to in the second sentence of Section 9.5 of this Supplemental Agreement or (ii) adversely affect the ability of such Party to perform its obligations under this Supplemental Agreement, the Merger Agreement, the KeyCorp Stock Option Agreement, or the Society Stock Option Agreement.

7.3 ADVERSE CHANGES IN CONDITION. KeyCorp and Society shall give written notice promptly to the other Party concerning (i) any material adverse change in the condition (financial or otherwise), results of operations, or prospects of such Party and of its Subsidiaries, on a consolidated basis, from the date of this Supplemental Agreement until the Effective Time or (ii) the occurrence or impending occurrence of any event or circumstance known to such Party which would cause or constitute a material breach of any of the representations, warranties, or covenants of such Party contained herein or that would reasonably be expected to materially and adversely affect the timely consummation of the transactions contemplated hereby under the Merger Agreement or under either the KeyCorp Stock Option Agreement or the Society Stock Option Agreement. Each Party shall use its best efforts to prevent or to promptly remedy the same.

7.4 INVESTIGATION AND CONFIDENTIALITY. Prior to the Effective Time, KeyCorp and Society each will keep the other Party promptly advised of all material developments relevant to its business and to the consummation of the Merger and may make or cause to be made such investigation, if any, of the business, properties, operations, and financial and legal condition of the other Party and its Subsidiaries as KeyCorp or Society reasonably deems necessary or advisable to familiarize itself and its advisors with such business, properties, operations, and condition, provided that such investigation shall be reasonably related to the transactions contemplated hereby and shall not interfere unnecessarily with normal operations. KeyCorp and Society each agrees to furnish the other Party and the other Party's advisors with such financial and operating data and other information with respect to its business, properties, and employees as KeyCorp and Society shall from time to time reasonably request. No investigation by one Party shall affect the representations and warranties of the other Party and, subject to Section 10.3 of this Supplemental Agreement, each such representation and warranty shall survive any such investigation. Each Party shall maintain the confidentiality of all confidential information furnished to it by the other Party in accordance with the terms of the confidentiality letters dated September 24, 1993, between the Parties (the "Confidentiality Letters").

7.5 REPORTS. KeyCorp and Society shall file all reports required to be filed with the SEC and the Federal Reserve by KeyCorp or Society between the date of this Supplemental Agreement and the Effective Time and shall deliver to the other Party copies of all such reports promptly after the same are filed. Each Subsidiary of KeyCorp or Society that is a depository institution shall also file all reports required to be filed with the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Federal Reserve, the OTS, and any applicable State Regulatory Commissioner. Any financial statements contained in any other reports to another Regulatory Authority shall be presented in accordance with all laws, rules, regulations, or standards applicable to such reports.

7.6 DIVIDENDS.

(a) From the date of this Supplemental Agreement to the earlier of the Effective Time or the termination of this Supplemental Agreement, KeyCorp and Society may (to the extent legally and contractually permitted to do so), but shall not be obligated to, declare and pay regular quarterly cash dividends (i) on the shares of KeyCorp Common Stock or Society Common Stock, as the case may be, at a rate not in excess of the regular quarterly cash dividend most recently declared by such Party prior to the date of this Supplemental Agreement and (ii) on the KeyCorp Series B Preferred Stock as required by the express terms of the KeyCorp Series B Preferred Stock as in effect on the date hereof. Unless the Parties otherwise agree in writing, or except as required to comply with paragraph (c) below or as otherwise contemplated by Section 2.1 of this Supplemental Agreement in connection with the KeyCorp Rights Plan, neither KeyCorp nor Society will declare or pay any dividend other than those dividends expressly permitted by the immediately preceding sentence.

(b) From the date of this Supplemental Agreement to the earlier of the Effective Time or the termination of this Supplemental Agreement, neither KeyCorp nor Society shall, without the prior written consent of the other Party, make any changes in its dividend record or dividend payment dates, except as required to comply with paragraph (c) below.

(c) The Parties shall coordinate with one another as to the declaration and payment of cash dividends on the shares of KeyCorp Common Stock and Society Common Stock to be declared in 1994 so as to ensure that KeyCorp and Society have declared, with the record dates prior to the Effective Time, the same number of quarterly dividends in 1994.

7.7 CAPITAL STOCK.

(a) Except for or as otherwise permitted in or contemplated by this Supplemental Agreement, the KeyCorp Stock Option Agreement, the Society Stock Option Agreement, or as Previously Disclosed, without the prior written consent of Society, from the date of this Supplemental Agreement to the earlier of the Effective Time or the termination of this Supplemental Agreement, KeyCorp shall not, and shall not enter into any agreement to, issue, sell, or otherwise permit to become outstanding any additional shares of KeyCorp Common Stock, preferred stock, or any other capital stock of KeyCorp, or any stock appreciation rights, or any option, warrant, conversion, or other right to acquire any such stock, or any security convertible into any such stock, other than pursuant to existing employee stock option, stock appreciation rights, or similar stock based employee compensation rights heretofore granted, the aggregate number of shares of KeyCorp Common Stock covered by all existing grants being no more than 3,427,980 shares in the aggregate. No additional shares of KeyCorp Common Stock shall become subject to new grants of employee stock options, stock appreciation rights, or similar stock based employee compensation rights, other than in accordance with the terms of the Career Equity Program.

(b) Except for or as otherwise permitted in or contemplated by this Supplemental Agreement, the KeyCorp Stock Option Agreement, the Society Stock Option Agreement, or as Previously Disclosed, without the prior written consent of KeyCorp, from the date of this Supplemental Agreement to the earlier of the Effective Time or the termination of this Supplemental Agreement, Society shall not, and shall not enter into any agreement to, issue, sell, or otherwise permit to become outstanding any additional shares of Society Common Stock, preferred stock, or any other capital stock of Society, or any stock appreciation rights, or any option, warrant, conversion, or other right to acquire any such stock, or any security convertible into any such stock, other than pursuant to existing employee stock option, stock appreciation rights, or similar stock based

employee compensation rights heretofore granted, the aggregate number of shares of Society Common Stock covered by all existing grants being no more than 6,005,464 shares in the aggregate. No additional shares of Society Common Stock shall become subject to new grants of employee stock options, stock appreciation

rights, or similar stock based employee compensation rights.

7.8 AGREEMENT OF AFFILIATES. Each of KeyCorp and Society shall deliver to the other Party, no later than 30 days after the date of this Supplemental Agreement, a letter identifying each person whom it reasonably believes is an "affiliate" of such Party for purposes of Rule 145 under the 1933 Act. Thereafter and until the date on which the Merger is approved by the Federal Reserve Board, each of Society and KeyCorp shall identify to the other Party each additional person whom it reasonably believes to have thereafter become an "affiliate." Each of KeyCorp and Society shall use its best efforts to cause each person who is identified as an "affiliate" pursuant to the two immediately preceding sentences to deliver to KeyCorp and Society (for itself and as the Surviving Corporation), not later than the date on which the Merger is approved by the Federal Reserve, a written agreement, substantially in the form of Exhibit V(A) or V(B), as applicable.

7.9 CERTAIN ACTIONS. Neither KeyCorp nor Society (nor any of their respective Subsidiaries) (i) shall solicit, initiate, participate in discussions of, or encourage or take any other action to facilitate (including by way of the disclosing or furnishing of any information that it is not legally obligated to disclose or furnish) any inquiry or the making of any proposal relating to an Acquisition Transaction or a potential Acquisition Transaction involving such Party or any of its Subsidiaries or (ii) shall (A) solicit, initiate, participate in discussions of, or encourage or take any other action to facilitate any inquiry or proposal, or (B) enter into any agreement, arrangement, or understanding (whether written or oral), regarding any proposal or transaction (x) relating to an Acquisition Transaction or a potential Acquisition Transaction involving the other Party or any of its Subsidiaries or (y) providing for or requiring it to abandon, terminate, or fail to consummate the Merger or any of the other transactions contemplated under this Supplemental Agreement or the Merger Agreement or to forebear from exercising, or permit to lapse, its rights under the option granted to it by such other Party pursuant to the KeyCorp Stock Option Agreement or Society Stock Option Agreement, as the case may be, or compensating it or any of its Subsidiaries under any of the instances described in this clause (y). Each of KeyCorp and Society shall immediately instruct and otherwise use its best efforts to cause its respective directors, officers, employees, agents, advisors (including, without limitation, any investment banker, attorney, or accountant retained by it or any of its Subsidiaries), consultants, and other representatives to comply with such prohibitions. KeyCorp and Society will each immediately cease and cause to be terminated any existing activities, discussions, or negotiations with any parties conducted heretofore with respect to any such activities. Neither KeyCorp nor Society shall negotiate with respect to any such proposal, nor shall it reach any agreement or understanding (formal or informal, written or otherwise) with respect to any such proposal. Each of KeyCorp and Society shall promptly notify the other Party orally and in writing in the event it receives any such inquiry or proposal. This Section 7.9 shall not prohibit accurate disclosure by a Party in any SEC Document (including the Joint Proxy Statement and the Registration Statement) or other disclosure to the extent required by the Securities Laws or other applicable law if in the opinion of the Board of Directors of such Party (as of the date of such SEC Document or other disclosure) disclosure is required under applicable law as to transactions contemplated hereby.

7.10 AGREEMENT AS TO EFFORTS TO CONSUMMATE. Subject to the terms and conditions of this Supplemental Agreement, each of KeyCorp and Society agrees to use its best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things, necessary, proper, or advisable under applicable laws and regulations to consummate and make effective, as soon as practicable after the date of this Supplemental Agreement, the transactions contemplated by this Supplemental Agreement, including, without limitation, using its best efforts to lift or rescind any injunction or restraining order or other order adversely affecting the ability of the Parties to consummate the transactions contemplated hereby. Each of KeyCorp and Society shall use, and shall cause each of the KeyCorp Subsidiaries or Society Subsidiaries, as the case may be, to use, its best efforts to obtain consents of all third parties and governmental bodies necessary or desirable for the consummation of the transactions contemplated by this Supplemental Agreement.

ARTICLE EIGHT

ADDITIONAL AGREEMENTS

8.1 REGISTRATION STATEMENT; SHAREHOLDER APPROVAL. Society shall file the Registration Statement with the SEC, and KeyCorp and Society shall use their best efforts to cause the Registration Statement to become effective under the 1933 Act. Society will take any action required to be taken under the applicable state Blue Sky or securities laws in connection with the issuance of the shares of the Surviving Corporation Capital Stock upon consummation of the Merger. Each

Party shall furnish all information concerning it and the holders of its capital stock as the other Party may reasonably request in connection with such action. KeyCorp and Society shall each call a Shareholders' Meeting to be held as soon as reasonably practicable after the date of this Supplemental Agreement for the purpose of voting upon the Merger. In connection with the Shareholders' Meetings, (i) KeyCorp and Society shall prepare and file a Joint Proxy Statement with the SEC and mail it to their shareholders, (ii) the Parties shall furnish to each other all information concerning them that the Parties may reasonably request in connection with such Joint Proxy Statement, (iii) the Board of Directors of KeyCorp and Society shall recommend to their respective shareholders the approval of this Supplemental Agreement and the Merger Agreement, provided, however, that such recommendation may be withdrawn, modified, or amended after the receipt by either Party of an offer to effect an Acquisition Transaction with such Party to the extent the Board of Directors of such Party reasonably determines that, in the exercise of its fiduciary obligations, it is required to do so; provided, further that such determination must be based on a signed written opinion of, in the case of KeyCorp, Sullivan & Cromwell, and, in the case of Society, Thompson, Hine and Flory, and (iv) KeyCorp and Society shall otherwise use their best efforts to obtain such shareholders' approval. This Section 8.1 shall not prohibit accurate disclosure by a Party in any SEC Document (including the Joint Proxy Statement and the Registration Statement) or other disclosure to the extent required by the Securities Laws or other applicable law if in the opinion of the Board of Directors of such Party (as of the date of such SEC Document or other disclosure) disclosure is required as to transactions contemplated hereby or as to any takeover proposal. The Parties shall use all reasonable efforts to hold the Shareholders' Meetings on the same date.

8.2 FILINGS WITH THE STATE OFFICES. In connection with the Closing of the Merger, KeyCorp and Society shall execute and file (i) the New York Certificate of Merger with the Department of State of the State of New York, and (ii) the Ohio Certificate of Merger with the Secretary of State of the State of Ohio.

8.3 TAX OPINION. KeyCorp and Society agree to use their reasonable efforts to obtain (i) a written opinion of Thompson, Hine and Flory addressed to Society Corporation and (ii) a written opinion of Sullivan and Cromwell addressed to KeyCorp, each dated the Closing Date, subject to the customary representations and assumptions referred to therein, and substantially to the effect that (a) the Merger will constitute a tax-free reorganization within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code and that KeyCorp and Society will each be a party to the reorganization, (b) the exchange in the Merger of the Surviving Corporation Capital Stock for KeyCorp Capital Stock will not give rise to income, gain, or loss to KeyCorp, Society, or the shareholders of KeyCorp with respect to such exchange (except, with respect to the shareholders of KeyCorp, to the extent of any cash paid in lieu of fractional shares), (c) the adjusted tax basis of the Surviving Corporation Capital Stock received by KeyCorp shareholders who exchange all of their KeyCorp Capital Stock in the Merger will be the same as the adjusted tax basis of the shares of the KeyCorp Capital Stock surrendered in exchange therefor (reduced by any amount allocable to a fractional share interest for which cash is received), and (d) the holding period of the shares of the Surviving Corporation Capital Stock received in the Merger will include the period during which the shares of KeyCorp Capital Stock surrendered in exchange therefor were held, provided such shares of KeyCorp Capital Stock were held as capital assets at the Effective Time (each, a "Tax Opinion").

8.4 ACCOUNTING TREATMENT. Neither Party will take, cause, or to the best of its ability permit to be taken, any action that would adversely affect the qualification of the Merger for pooling of interests accounting treatment; provided that nothing herein shall preclude either Party from exercising its respective rights under the KeyCorp Stock Option Agreement or the Society Stock Option Agreement, as the case may be.

8.5 PRESS RELEASES. Prior to the Effective Time, KeyCorp and Society shall consult with each other as to the form and substance of any press release or other public disclosure materially related to this Supplemental Agreement or any other transaction contemplated hereby; provided, however, that nothing in this Section 8.5 shall be deemed to prohibit any Party from making any disclosure which its counsel deems necessary in order to satisfy such Party's disclosure obligations imposed by law.

8.6 APPLICATIONS. The Parties shall prepare and file applications with the Federal Reserve, the OTS (if applicable), the State Regulatory Commissioners, and any other appropriate governmental authorities seeking the approvals necessary to consummate the transactions contemplated by this Supplemental Agreement.

8.7 NYSE LISTING. Society shall use its best efforts to obtain the approval of the NYSE to the listing on the NYSE, upon official notice of issuance, of (i)

the Surviving Corporation Common Stock to be issued in connection with the Merger (ii) the associated rights of the Surviving Corporation under the Society Rights Plan that will accompany the Surviving Corporation Common Stock issued in the Merger, and (iii) the Receipts described in the Deposit Agreement, dated as of June 27, 1991, among KeyCorp, The Chase Manhattan Bank N.A., and the holders of such Receipts (such Receipts relating to the Surviving Corporation Class A Preferred Stock to be issued in the Merger).

ARTICLE NINE

CONDITIONS PRECEDENT TO OBLIGATIONS TO CONSUMMATE

The obligations of KeyCorp, on the one hand, and Society, on the other hand, to consummate the Merger are subject to the satisfaction of the following conditions, unless waived by KeyCorp or Society, as the case may be, pursuant to Section 11.5 of this Supplemental Agreement:

9.1 REPRESENTATIONS AND WARRANTIES. The representations and warranties of the other Party set forth or referred to in this Supplemental Agreement shall be true and correct in all material respects as of the date of this Supplemental Agreement and as of the Effective Time with the same effect as though all such representations and warranties had been made on and as of the Effective Time, except (i) for any such representations and warranties made as of a specified date, which shall be true and correct in all material respects as of such date, or (ii) as expressly contemplated or permitted by this Supplemental Agreement.

9.2 PERFORMANCE OF AGREEMENTS AND COVENANTS. Each and all of the agreements and covenants of the other Party to be performed and complied with pursuant to this Supplemental Agreement and the other agreements contemplated hereby prior to the Effective Time shall have been duly performed and complied with by it in all material respects.

9.3 CERTIFICATES. Each of the Parties shall have delivered to the other a certificate, dated as of the Effective Time and signed on its behalf by its chief executive officer and its chief financial officer, to the effect that (i) the conditions of its obligations set forth in Section 9.1 and Section 9.2 of this Supplemental Agreement with respect to it have been satisfied and (ii) that there has been no material adverse change in the consolidated financial condition, results of operations, or prospects of such Party and all of its Subsidiaries on a consolidated basis from that reflected on the December 31, 1992 and June 30, 1993, financial statements included in the KeyCorp Financial Statements as to KeyCorp and the Society Financial Statements as to Society, all in such reasonable detail as the other Party shall request.

9.4 SHAREHOLDER APPROVALS. The shareholders of KeyCorp and Society shall have approved this Supplemental Agreement, the Merger Agreement, the Merger, and the consummation of the transactions contemplated hereby and thereby, as and to the extent required by law and by the provisions of any governing instruments, and each Party shall have furnished to the other certified copies of resolutions duly adopted by such Party's shareholders evidencing the same. In addition, the holders of the requisite percentage of shares of KeyCorp Common Stock and Society Common Stock sufficient, either alone or in combination with other factors, to preclude accounting for the Merger as a pooling of interests shall not have perfected dissenters' rights under applicable law with respect to the adoption of this Supplemental Agreement and the Merger Agreement.

9.5 CONSENTS AND APPROVALS. All material approvals and authorizations of, filings and registrations with, and notifications to, all Regulatory Authorities required for consummation of the Merger and for the prevention of any termination of any material right, privilege, license, or agreement of either Party or any of its respective Subsidiaries shall have been obtained or made and shall be in full force and effect and all waiting periods required by law shall have expired. Any approval obtained from any Regulatory Authority which is necessary to consummate the transactions contemplated hereby shall not be conditioned or restricted in a manner which in the reasonable judgment of the Board of Directors of both KeyCorp and Society so materially and adversely affects the economic or business assumptions of the transactions contemplated by this Supplemental Agreement so as to render inadvisable the consummation of the Merger. To the extent that any lease, license, loan, or financing agreement or other contract or agreement to which any Party or any of its Subsidiaries, as the case may be, is a party requires the consent of or waiver from the other party thereto as a result of the transactions contemplated by this Supplemental Agreement, such consent or waiver shall have been obtained, unless the failure to obtain such consent or waiver would not have a material adverse effect on the consolidated financial condition, results of operations, or prospects of such Party and all of its Subsidiaries on a consolidated basis from that reflected on the December 31, 1992 and June 30, 1993 financial statements included in the KeyCorp Financial Statements as to KeyCorp and the Society Financial Statements as to Society, following the Merger.

9.6 LEGAL PROCEEDINGS. Neither KeyCorp, nor Society shall be subject to any order, decree, or injunction of a court or agency of competent jurisdiction which enjoins or prohibits consummation of the transactions contemplated by this Supplemental Agreement and the Merger Agreement.

9.7 ACCOUNTANTS' LETTERS. Each of the Parties shall have received letters, dated as of the Effective Time, from Ernst & Young to the effect that the Merger will qualify for pooling of interests accounting treatment under Accounting Principles Board Opinion No. 16 if closed and consummated in accordance with this Supplemental Agreement and the Merger Agreement.

9.8 TAX MATTERS. Each Party shall have received the Tax Opinion addressed to it referred to in Section 8.3 of this Supplemental Agreement.

9.9 REGISTRATION STATEMENT. The Registration Statement shall be effective under the 1933 Act and no stop orders suspending the effectiveness of the Registration Statement shall be in effect and no proceedings for such purpose shall be pending before or threatened by the SEC.

9.10 RIGHTS PLANS. No "Shares Acquisition Date" or "Triggering Event" shall have occurred under the Society Rights Plan. Society is not an "Acquiring Person" under the terms of the KeyCorp Rights Plan and no "Flip-in Date", "Flip-over Transaction or Event", "Separation Time", or "Stock Acquisition Date" shall have occurred under the KeyCorp Rights Plan. At or prior to the Effective Time, the KeyCorp Rights Plan shall have terminated in accordance with its terms.

ARTICLE TEN

TERMINATION

10.1 TERMINATION. Notwithstanding any other provision of this Supplemental Agreement or the Merger Agreement and notwithstanding the approval of this Supplemental Agreement and the Merger Agreement by the shareholders of KeyCorp and Society or both, this Supplemental Agreement and the Merger Agreement may be terminated and the Merger abandoned at any time prior to the Effective Time:

(a) By a vote of a majority of the Boards of Directors of both of KeyCorp and Society; or

(b) By a vote of a majority of the Board of Directors of either KeyCorp or Society in the event of a material breach by the other Party of any representation, warranty, covenant, or agreement contained herein which would result in the failure to satisfy the closing condition set forth in Section 9.1 or 9.2 of this Supplemental Agreement which breach cannot be or has not been cured within 30 days after the giving of a written notice to the breaching Party of such material breach; or

(c) By a vote of a majority of the Board of Directors of either KeyCorp or Society in the event that the Merger shall not have been consummated by December 31, 1994; or

(d) By a vote of a majority of the Board of Directors of either KeyCorp or Society in the event (i) any approval of any governmental or other Regulatory Authority required for consummation of the Merger and the other transactions contemplated hereby shall have been denied by final non-appealable action of such authority or if any action taken by such authority is not appealed within the time limit for appeal or (ii) if the shareholders of KeyCorp or Society fail to have approved the Supplemental Agreement, the Merger Agreement, the Merger, and the consummation of the transactions contemplated hereby and thereby at the Shareholders' Meetings to the extent required by law and by the provisions of any governing instruments; or

(e) By a vote of a majority of the Board of Directors of either KeyCorp or Society in the event that any of the conditions precedent to the obligations of such Party to consummate the Merger cannot be satisfied or fulfilled on or before December 31, 1994 (other than by reason of a breach by the party seeking to terminate); or

(f) By a vote of a majority of the Board of Directors of either KeyCorp or Society in the event of the acquisition, by any person or group of persons, of beneficial ownership of 25% or more of the outstanding shares of common stock of the other Party (the terms "person," "group," and "beneficial ownership" having the meanings assigned thereto in Section 13(d) of the 1934 Act and the regulations promulgated thereunder).

10.2 EFFECT OF TERMINATION. In the event of the termination and abandonment of this Supplemental Agreement and the Merger Agreement pursuant to Section 10.1 of this Supplemental Agreement, this Supplemental Agreement and the Merger

Agreement shall become void and have no effect, except that (i) the provisions of the last sentence of 7.4 (as to the last sentence only), 8.5, and Article Eleven of this Supplemental Agreement shall survive any such termination and abandonment, (ii) each of the KeyCorp Stock Option Agreement and the Society Stock Option Agreement shall be governed by its own terms as to termination, and (iii) a termination pursuant to Sections 10.1(b) or 10.1(e) of this Supplemental Agreement shall not relieve a breaching Party from liability for any breach giving rise to such termination.

10.3 SURVIVAL OF REPRESENTATIONS, WARRANTIES, AND COVENANTS. The respective representations, warranties, obligations, covenants, and agreements of the Parties shall not survive the Effective Time except (i) this Section 10.3 and Sections 2.2, and Article Four of this Supplemental Agreement and (ii) the Merger Agreement, provided that no such representations, warranties, or covenants shall be deemed to be terminated or extinguished so as to deprive KeyCorp or Society (or any director, officer, or controlling person thereof) of any defense in law or equity which otherwise would be available against the claims of any person, including, without limitation, any shareholder or former shareholder of either KeyCorp or Society, the aforesaid representations, warranties, and covenants being material inducements to consummation by KeyCorp, Society, and the Surviving Corporation of the transactions contemplated hereby. Notwithstanding anything to the contrary in this Supplemental Agreement, in general, and in this Section 10.3 in particular, and in the Merger Agreement, the respective representations, warranties, obligations, covenants, and agreements of the Parties that will survive the Effective Time pursuant to this Section 10.3 shall be

deemed to be automatically amended to the extent necessary to conform to the provisions of the Surviving Corporation Articles of Incorporation and/or the Surviving Corporation Regulations as either of them may be from time to time amended after the Effective Time pursuant to the provisions thereof or applicable law.

ARTICLE ELEVEN

MISCELLANEOUS

11.1 EXPENSES.

(a) Except as provided in Section 11.1(b) of this Supplemental Agreement, each of the Parties shall bear and pay all costs and expenses incurred by it or on its behalf in connection with the transactions contemplated hereunder, including fees and expenses of its own financial or other consultants, investment bankers, accountants, and counsel, except that KeyCorp, on the one hand, and Society, on the other hand, shall bear and pay one-half of the following expenses: (i) the costs incurred in connection with the preparing and printing of the Registration Statement and the Joint Proxy Statement, and (ii) all listing, filing, or registration fees paid by or incurred on behalf of the Surviving Corporation, including, without limitation, fees paid for filing the Registration Statement and the Joint Proxy Statement with the SEC, fees paid for filings with Regulatory Authorities, and NYSE listing fees.

(b) Notwithstanding the foregoing, a Party (the "Expense Paying Party") shall pay all of the costs and expenses incurred by the other Party (the "Reimbursed Party") (without duplication pursuant to this Supplemental Agreement or any other agreement or instrument) in connection with this Supplemental Agreement and the transactions contemplated hereunder, including fees and expenses of such Reimbursed Party's financial or other consultants, investment bankers, accountants, and counsel, if:

(i) the Reimbursed Party terminates this Supplemental Agreement pursuant to Section 10.1(b) by reason of a material breach by the Expense Paying Party, and the Expense Paying Party is at the time of the termination not also entitled to terminate this Supplemental Agreement pursuant to Section 10.1(b) by reason of a material breach by the Reimbursed Party; or

(ii) a Repurchase Event occurs (x) with respect to the KeyCorp Stock Option Agreement if KeyCorp is the Expense Paying Party or (y) with respect to the Society Stock Option Agreement if Society is the Expense Paying Party, and the Merger has not been, or thereafter is not, consummated for any reason other than a termination pursuant to Section 10.1(b) because of a material breach by the Reimbursed Party.

Nothing contained in this Section 11.1(b) shall constitute or shall be deemed to constitute liquidated damages for the breach by a Party of the terms of this Supplemental Agreement or otherwise limit the rights of the nonbreaching Party.

(c) Final settlement with respect to payment of fees and expenses by the

Parties pursuant to Section 11.1 of this Supplemental Agreement shall be made within 30 days of the termination of this Supplemental Agreement and the Merger Agreement.

11.2 BROKERS AND FINDERS. Except as Previously Disclosed, each of the Parties represents and warrants that neither it nor any of its officers, directors, employees, affiliates, or Subsidiaries has employed any broker or finder or incurred any liability for any financial advisory fees, investment bankers' fees, brokerage fees, commissions, or finders' fees in connection with this Supplemental Agreement or the transactions contemplated hereby. In the event of a claim by any broker or finder based upon his or its representing or being retained by or allegedly representing or being retained by either KeyCorp or Society, KeyCorp or Society, as the case may be, agrees to indemnify and hold the other Party harmless of and from any such claim.

11.3 ENTIRE AGREEMENT. Except as otherwise expressly provided herein, this Supplemental Agreement, the Merger Agreement, the KeyCorp Stock Option Agreement, the Society Stock Option Agreement and each of the Confidentiality Letters, contain the entire agreement between the Parties with respect to the transactions contemplated hereunder and thereunder, and such agreements supersede all prior arrangements or understandings with respect thereto, written or oral. The terms and conditions of this

Supplemental Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors. Nothing in this Supplemental Agreement expressed or implied, is intended to confer upon any party, other than the Parties, the Surviving Corporation, or their respective successors, any rights, remedies, obligations, or liabilities under or by reason of this Supplemental Agreement except as provided in Sections 4.1, 4.2, 4.3, 4.5, and 4.6.

11.4 AMENDMENTS. To the extent permitted by law, this Supplemental Agreement or the Merger Agreement may be amended by a subsequent writing signed by each of the Parties upon the approval of the Boards of Directors of each of the Parties; provided, however, that the provisions of the Merger Agreement relating to the manner or basis in which shares of KeyCorp Capital Stock will be exchanged for the Surviving Corporation Capital Stock shall not be amended after the Shareholders' Meetings without any requisite approval of the holders of the issued and outstanding shares of KeyCorp Capital Stock and Society Common Stock entitled to vote thereon. The Parties may, without approval of their respective Boards of Directors, make such technical changes to this Supplemental Agreement or the Merger Agreement, not inconsistent with the purposes hereof and thereof, as may be required to effect or facilitate any governmental approval or acceptance of the Merger or of this Supplemental Agreement or the Merger Agreement or to effect or facilitate any filing or recording required for the consummation of any of the transactions contemplated hereby or thereby.

11.5 WAIVERS. Prior to or at the Effective Time, KeyCorp, acting through its Board of Directors or chief executive officer or other authorized officer, shall, as to KeyCorp's rights hereunder, have the right to waive any default in the performance of any term of this Supplemental Agreement by Society, to waive or extend the time for the compliance or fulfillment by Society of any and all of its obligations under this Supplemental Agreement, and to waive any or all of the conditions precedent to the obligations of KeyCorp under this Supplemental Agreement. Prior to or at the Effective Time, Society, acting through its Board of Directors or chief executive officer or other authorized officer, shall, as to Society's rights hereunder, have the right to waive any default in the performance of any term of this Supplemental Agreement by KeyCorp, to waive or extend the time for the compliance or fulfillment by KeyCorp of any and all of its obligations under this Supplemental Agreement, and to waive any or all of the conditions precedent to the obligations of Society under this Supplemental Agreement.

11.6 NO ASSIGNMENT. Neither of the Parties may assign any of its rights or obligations under this Supplemental Agreement to any other person and any such purported assignment shall be deemed null and void.

11.7 SPECIFIC ENFORCEABILITY. The Parties recognize and hereby acknowledge that it is impossible to measure in money the damages that would result to a Party by reason of the failure of any of the Parties to perform any of the obligations imposed on it by this Supplemental Agreement and that in any event damages would be an inadequate remedy in this instance. Accordingly, if any Party should institute an action or proceeding seeking specific enforcement of the provisions hereof, the Party against which such action or proceeding is brought hereby waives the claim or defense that the Party instituting such action or proceeding has an adequate remedy at law and hereby agrees not to assert in any such action or proceeding the claim or defense that such a remedy at law exists and shall waive or not assert any requirement to post bond in connection with seeking specific performance.

11.8 NOTICES. All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered by hand, by facsimile transmission, or by registered or certified mail, postage pre-paid to the persons at the addresses set forth below (or at such other address as may be provided hereunder), and shall be deemed to have been delivered as of the date so delivered:

KeyCorp:
KeyCorp
One KeyCorp Plaza
P.O. Box 88
Albany, New York 12201-0088
Telecopy Number: (518) 487-4270
Attention: Victor J. Riley, Jr.
Chairman of the Board

Copy to Counsel:
KeyCorp
One KeyCorp Plaza
P.O. Box 88
Albany, New York 12201-0088
Telecopy Number: (518) 487-4270
Attention: Walter V. Ferris, Esq.
Executive Vice President
and General Counsel

Society:
Society Corporation
127 Public Square
Cleveland, Ohio 44114
Telecopy Number: (216) 689-7827
Attention: Robert W. Gillespie
Chairman of the Board

Copy to Counsel:
Society Corporation
127 Public Square
Cleveland, Ohio 44114
Telecopy Number: (216) 689-5681
Attention: Lawrence J. Carlini, Esq.
General Counsel and
Secretary

11.9 GOVERNING LAW. This Supplemental Agreement shall be governed by and construed in accordance with the laws of Ohio except to the extent the laws of the Business Corporation Law of the State of New York shall be applicable.

11.10 COUNTERPARTS. This Supplemental Agreement may be executed in one or more counterparts, each of which shall constitute one and the same instrument.

11.11 CAPTIONS. The captions contained in this Supplemental Agreement are for reference purposes only and are not part of this Supplemental Agreement.

IN WITNESS WHEREOF, each of the Parties has caused this Supplemental Agreement to be executed on its behalf and its corporate seal to be hereunto affixed and attested by officers thereunto duly authorized all as of the day and year first above written.

KEYCORP
By: /s/ VICTOR J. RILEY, JR.
Victor J. Riley, Jr.
Chairman of the Board

ATTEST: /s/ ROBERT W. BROUCHARD
Robert W. Bouchard
Secretary

[CORPORATE SEAL]

SOCIETY CORPORATION
By: /s/ ROBERT W. GILLESPIE
Robert W. Gillespie
Chairman of the Board

And: /s/ LAWRENCE J. CARLINI
Lawrence J. Carlini
Secretary

[CORPORATE SEAL]

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EXHIBIT V(A)

Gentlemen:

I have been advised that as of the date hereof I may be deemed to be an "affiliate" of KeyCorp, a New York corporation ("KeyCorp"), as the term "affiliate" is (i) defined for purposes of paragraphs (c) and (d) of Rule 145 of the Rules and Regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), and/or (ii) used in and for purposes of Accounting Series, Releases 130 and 135, as amended, of the Commission. Pursuant to the terms of the Supplemental Agreement to the Agreement and Plan of Merger, dated as of October 1, 1993, by and between KeyCorp and Society Corporation, an Ohio corporation ("Society"), and the related Agreement and Plan of Merger (collectively, the "Agreements"), KeyCorp will be merged (the "Merger") into and with Society and the name of the surviving corporation will be Key Bancshares Inc., an Ohio corporation (the "Surviving Corporation").

As used herein, "KeyCorp Capital Stock" means the Common Shares, par value $5.00 per share, of KeyCorp and the 10% Cumulative Preferred Stock, Series B, of KeyCorp and "Surviving Corporation Capital Stock" means the Common Shares, with a par value of $1 each, of the Surviving Corporation and the 10% Cumulative Preferred Stock, Class A, of the Surviving Corporation.

I represent, warrant, and covenant to the Surviving Corporation that in the event I receive any Surviving Corporation Capital Stock as a result of the Merger:

A. I shall not make any sale, transfer, or other disposition of any Surviving Corporation Capital Stock acquired by me in the Merger in violation of the Act or the Rules and Regulations.

B. I have carefully read this letter and the Agreements and discussed their requirements and other applicable limitations upon my ability to sell, transfer, or otherwise dispose of Surviving Corporation Capital Stock, to the extent I felt necessary, with my counsel or counsel for KeyCorp.

C. I have been advised that the issuance of Surviving Corporation Capital Stock to me pursuant to the Merger has been or will be registered with the Commission under the Act on a Registration Statement on Form S-4. However, I have also been advised that, because at the time the Merger will be submitted for a vote of the shareholders of KeyCorp, I may be deemed to be an affiliate of KeyCorp, the distribution by me of any Surviving Corporation Capital Stock acquired by me in the Merger will not be registered under the Act and that I may not sell, transfer, or otherwise dispose of any Surviving Corporation Capital Stock acquired by me in the Merger unless (i) such sale, transfer, or other disposition has been registered under the Act, (ii) such sale, transfer, or other disposition is made in conformity with the volume and other limitations of Rule 145 promulgated by the Commission under the Act, or (iii) in the opinion of counsel reasonably acceptable to the Surviving Corporation, such sale, transfer, or other disposition is otherwise exempt from registration under the Act.

D. I understand that the Surviving Corporation is under no obligation to register under the Act the sale, transfer, or other disposition by me or on my behalf of any Surviving Corporation Capital Stock acquired by me in the Merger or to take any other action necessary in order to make an exemption from such registration available.

E. I also understand that stop transfer instructions will be given to the Surviving Corporation's transfer agents with respect to Surviving Corporation Capital Stock and that there will be placed on the certificates for the Surviving Corporation Capital Stock acquired by me in the Merger, or any substitutions therefor, a legend stating in substance:

"The shares represented by this certificate were issued in a transaction to which Rule 145 promulgated under the Securities Act of 1933 applies. The shares represented by this certificate may only be transferred in accordance with the terms of an agreement dated , 1993 between the registered holder hereof and the issuer of the certificate, a copy of which agreement will be mailed to the holder hereof without charge within five days after receipt of written request therefor."

F. I also understand that unless the transfer by me of my Surviving Corporation Capital Stock has been registered under the Act or is a sale made in conformity with the provisions of Rule 145, the Surviving Corporation reserves the right to put the following legend on the certificates issued to my transferee:

"The shares represented by this certificate have not been registered under the Securities Act of 1933 and were acquired from a person who received such shares in a transaction to which Rule 145 promulgated under the Securities Act of 1933 applies. The shares may not be sold, pledged or otherwise transferred except in accordance with an exemption from the registration requirements of the Securities Act of 1933."

It is understood and agreed that the legends set forth in paragraph E and F above shall be removed by delivery of substitute certificates without such legend if the undersigned shall have delivered to the Surviving Corporation a copy of a letter from the staff of the Commission, or an opinion of counsel in form and substance reasonably satisfactory to the Surviving Corporation, to the effect that such legend is not required for purposes of the Act.

I further represent to and covenant with KeyCorp and the Surviving Corporation that I will not, within the 30 days prior to the Effective Time (as defined in the Agreements), sell, transfer, or otherwise dispose of any shares of KeyCorp Capital Stock and that I will not sell, transfer, or otherwise dispose of any shares of Surviving Corporation Capital Stock (whether or not acquired by me in the Merger) until after such time as results covering at least 30 days of combined operations of KeyCorp and Society have been published by the Surviving Corporation, in the form of a quarterly earnings report, an effective registration statement filed with the Commission, a report to the Commission on Form 10-K, 10-Q, or 8-K, or any other public filing or announcement which includes the combined results of operations. Furthermore, I understand that KeyCorp and the Surviving Corporation will give stop transfer instructions to their respective transfer agents in order to prevent the breach of the representations, warranties, and covenants made by me in this paragraph. I also understand that the Merger is intended to be treated for accounting purposes as a "pooling of interests", and I agree that, if KeyCorp or the Surviving Corporation advises me in writing that additional restrictions apply to my ability to sell, transfer, or otherwise dispose of KeyCorp Capital Stock or Surviving Corporation Capital Stock in order to be entitled to use the pooling of interest accounting method, I will abide by such restrictions.

Very truly yours,

by
Name:

Accepted this day of
, 1993,

by

Name:
Title:

EXHIBIT V(B)

Gentlemen:

I have been advised that as of the date hereof I may be deemed to be an "affiliate" of Society Corporation, an Ohio corporation ("Society"), as the term "affiliate" is (i) defined for purposes of paragraphs (c) and (d) of Rule 145 of the Rules and Regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), and/or (ii) used in and for purposes of Accounting Series, Releases 130 and 135, as amended, of the Commission. Pursuant to the terms of the Supplemental Agreement to the Agreement and Plan of Merger, dated as of October 1, 1993 by and between KeyCorp, a New York corporation ("KeyCorp"), and Society, and the related Agreement and Plan of Merger, (collectively, the "Agreements"), KeyCorp will be merged (the "Merger") into and with Society and the name of the surviving corporation will be Key Bancshares Inc., an Ohio corporation (the "Surviving Corporation").

As used herein, "Society Capital Stock" means the Common Shares, with a par value of $1 each, of Society, and "Surviving Corporation Capital Stock" means the Common Shares, with a par value of $1 each, of the Surviving Corporation and the 10% Cumulative Preferred Stock, Class A, of the Surviving Corporation.

I represent, warrant, and covenant to the Surviving Corporation that in the event I receive any Surviving Corporation Capital Stock as a result of the Merger:

A. I shall not make any sale, transfer or other disposition of any Surviving Corporation Capital Stock acquired by me in the Merger in violation of the Act or the Rules and Regulations.

B. I have carefully read this letter and the Agreements and discussed their requirements and other applicable limitations upon my ability to sell, transfer, or otherwise dispose of Surviving Corporation Capital Stock, to the extent I felt necessary, with my counsel or counsel for Society.

C. I have been advised that the issuance of Surviving Corporation Capital Stock to me pursuant to the Merger has been or will be registered with the Commission under the Act on a Registration Statement on Form S-4. However, I have also been advised that, because at the time the Merger will be submitted for a vote of the shareholders of Society, I may be deemed to be an affiliate of Society, the distribution by me of any Surviving Corporation Capital Stock acquired by me in the Merger will not be registered under the Act and that I may not sell, transfer, or otherwise dispose of any Surviving Corporation Capital Stock acquired by me in the Merger unless (i) such sale, transfer, or other disposition has been registered under the Act, (ii) such sale, transfer, or other disposition is made in conformity with the volume and other limitations of Rule 145 promulgated by the Commission under the Act, or (iii) in the opinion of counsel reasonably acceptable to the Surviving Corporation, such sale, transfer, or other disposition is otherwise exempt from registration under the Act.

D. I understand that the Surviving Corporation is under no obligation to register under the Act the sale, transfer, or other disposition by me or on my behalf of any Surviving Corporation Capital Stock acquired by me in the Merger or to take any other action necessary in order to make an exemption from such registration available.

E. I also understand that stop transfer instructions will be given to the Surviving Corporation's transfer agents with respect to Surviving Corporation Capital Stock and that there will be placed on the certificates for the Surviving Corporation Capital Stock acquired by me in the Merger, or any substitutions therefor, a legend stating in substance:

"The shares represented by this certificate were issued in a transaction to which Rule 145 promulgated under the Securities Act of 1933 applies. The shares represented by this certificate may only be transferred in accordance with the terms of an agreement dated , 1993 between the registered holder hereof and the issuer of this certificate, a copy of which agreement will be mailed to the holder hereof without charge within five days after receipt of written request therefor."

F. I also understand that unless the transfer by me of my Surviving Corporation Capital Stock has been registered under the Act or is a sale made in conformity with the provisions of Rule 145, the

Surviving Corporation reserves the right to put the following legend on the certificates issued to my transferee:

"The shares represented by this certificate have not been registered under the Securities Act of 1933 and were acquired from a person who received such shares in a transaction to which Rule 145 promulgated under the Securities Act of 1933 applies. The shares may not be sold, pledged or otherwise transferred except in accordance with an exemption from the registration requirements of the Securities Act of 1933."

It is understood and agreed that the legends set forth in paragraph E and F above shall be removed by the delivery of substitute certificates without such legend if the undersigned shall have delivered to the Surviving Corporation a copy of a letter from the staff of the Commission, or an opinion of counsel in form and substance reasonably satisfactory to the Surviving Corporation, to the effect that such legend is not required for purposes of the Act.

I further represent to and covenant with Society and the Surviving Corporation that I will not, within the 30 days prior to the Effective Time (as defined in the Agreements), sell, transfer, or otherwise dispose of any shares of Society Capital Stock and that I will not sell, transfer, or otherwise dispose of any shares of Surviving Corporation Capital Stock (whether or not

acquired by me in the Merger) until after such time as results covering at least 30 days of combined operations of KeyCorp and Society have been published by the Surviving Corporation, in the form of a quarterly earnings report, an effective registration statement filed with the Commission, a report to the Commission on Form 10-K, 10-Q, or 8-K, or any other public filing or announcement which includes the combined results of operations. Furthermore, I understand that Society and the Surviving Corporation will give stop transfer instructions to their respective transfer agents in order to prevent the breach of the representations, warranties, and covenants made by me in this paragraph. I also understand that the Merger is intended to be treated for accounting purposes as a "pooling of interests", and I agree that, if Society or the Surviving Corporation advises me in writing that additional restrictions apply to my ability to sell, transfer, or otherwise dispose of Society Capital Stock or Surviving Corporation Capital Stock in order to be entitled to use the pooling of interest accounting method, I will abide by such restrictions.

Very truly yours,

by

Name:

Accepted this day of
, 1993,

by

- ---

Name:
Title:

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APPENDIX III.

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APPENDIX III

SALOMON BROTHERS INC
SEVEN WORLD TRADE CENTER
NEW YORK, NEW YORK 10048

212-783-7000

SALOMON BROTHERS

December 29, 1993

Board of Directors
KeyCorp
One KeyCorp Plaza
30 South Pearl Street
Albany, NY 12201

Members of the Board:

You have requested our opinion as investment bankers as to the fairness, from a financial point of view, to the common stockholders of KeyCorp ("KeyCorp") of the exchange ratio for the exchange of shares of KeyCorp common stock (the "Exchange Ratio") in the proposed merger (the "Merger") of KeyCorp and Society Corporation ("Society"), pursuant to the Supplemental Agreement to Agreement and Plan of Merger and the related Agreement and Plan of Merger, both dated as of October 1, 1993, by and between KeyCorp and Society (collectively, the "Agreement"). Under the terms of the Agreement, each outstanding share of common stock, $5.00 par value per share, of KeyCorp ("KeyCorp Common Stock"), will be converted into 1.205 shares of common stock, $1.00 par value per share, of Society ("Society Common Stock").

Pursuant to the Agreement, KeyCorp and Society entered into separate stock option agreements (the "Stock Option Agreements") by which Society granted to KeyCorp an option to purchase up to 19.9% of the outstanding shares of Society Common Stock, at a price per share and on the terms and conditions set forth therein and KeyCorp granted to Society an option to purchase up to 19.9% of the outstanding shares of KeyCorp Common Stock, at a price per share and on the terms and conditions set forth therein.

We understand that the Merger is conditioned upon, among other things,

receipt of a letter from KeyCorp's and Society's independent public accountants to the effect that the Merger will qualify for pooling-of-interests accounting treatment and an opinion of counsel or favorable ruling from the Internal Revenue Service to the effect that the Merger constitutes a tax-free transaction under the Internal Revenue Code. The terms of the Merger are more fully set forth in the Agreement.

As you are aware, Salomon Brothers Inc from time to time has provided investment banking and financial advisory services to KeyCorp for which we have received customary compensation. Such services have included acting as an agent for KeyCorp's Medium Term Note Program, acting as a managing underwriter of offerings of common stock, preferred stock and subordinated debt and acting as financial advisor in the acquisition of Puget Sound Bancorp, for which we have received customary compensation. In addition, in the ordinary course of our securities business we actively trade the debt and equity securities of KeyCorp and Society for our own account and the accounts of our customers, and accordingly, at any time may hold a long or short position in such securities.

In arriving at our opinion, we have reviewed and analyzed, among other things, the following: (i) the Agreement and the Stock Option Agreements; (ii) the Annual Reports on Form 10-K of KeyCorp and Society for each year in the three year period ended December 31, 1992; (iii) the Quarterly Reports on Form 10-Q of KeyCorp and Society for the quarters ended March 31, 1993, June 30, 1993 and September 30, 1993; (iv) Reports on Form 8-K of KeyCorp dated October 1, 1993 and October 13, 1993 and of Society dated

October 1, 1993 and November 19, 1993; (v) the Joint Proxy Statement of KeyCorp and Society dated the date hereof; (vi) certain other publicly available financial and other information concerning KeyCorp and Society and the trading markets for the publicly traded securities of KeyCorp and Society; (vii) certain other internal information, including projections, relating to KeyCorp and Society prepared by the managements of KeyCorp and Society and furnished to us for the purpose of our analysis; and (viii) publicly available information concerning other banks and bank holding companies, the trading markets for their securities and the nature and terms of certain other merger transactions we believe relevant to our inquiry. We have also met with certain officers and representatives of KeyCorp and Society to discuss the foregoing as well as other matters we believe relevant to our inquiry,

In conducting our review and in arriving at our opinion, we have relied upon and assumed the accuracy and completeness of the financial and other information provided to us or publicly available and have not attempted independently to verify the same. We have relied upon the managements of KeyCorp and Society as to the reasonableness and achievability of the projections (and the assumptions and bases therefor) provided to us, and we have assumed that such projections reflect the best currently available estimates and judgments of such managements and that such projections will be realized in the amounts and in the time periods currently estimated by such managements. We have also assumed, without independent verification, that the aggregate allowances for loan losses for KeyCorp and Society are adequate to cover such losses. We have not made or obtained any evaluations or appraisals of the property of KeyCorp or Society, nor have we examined any individual loan credit files. It is understood that we were retained by the Board of Directors of KeyCorp and that our opinion as expressed herein is limited to the fairness, from a financial point of view, to the common stockholders of KeyCorp of the Exchange Ratio in the Merger and does not address KeyCorp's underlying business decision to proceed with the Merger.

We have considered such financial and other factors as we have deemed appropriate under the circumstances, including, among others, the following: (i) the historical and current financial position and results of operations of KeyCorp and Society, including interest income, interest expense, net interest income, net interest margin, non-interest income, non-interest expense, earnings, dividends, internal capital generation, book value, intangible assets, return on assets, return on stockholders' equity, the amount and type of non-performing assets, the reserve for loan losses and capitalization all as set forth in the financial statements for KeyCorp and Society; (ii) the assets and liabilities of KeyCorp and Society, including the loan and investment portfolios, deposits, other liabilities, historical and current liability sources and costs and liquidity; (iii) certain pro forma combined financial information of KeyCorp and Society; (iv) historical and current market data for KeyCorp Common Stock and Society Common Stock; and (v) the nature and terms of certain other merger transactions involving banks and bank holding companies. We have also taken into account our assessment of general economic, market and financial conditions and our experience in similar transactions, as well as our experience in securities valuation and our knowledge of the banking industry generally. Our opinion is necessarily based upon conditions as they exist and can be evaluated on the date hereof and the information made available to us through the date hereof. This letter does not constitute a recommendation to the

Board of Directors or to any common stockholder of KeyCorp with respect to any approval of the Merger.

Based upon and subject to the foregoing, it is our opinion as investment bankers, that, as of the date hereof, the Exchange Ratio is fair, from a financial point of view, to the common stockholders of KeyCorp.

Very truly yours,

APPENDIX IV.

APPENDIX IV

CS FIRST BOSTON

55 East 52nd Street
New York, New York 10055-0186
Telephone: 212/909-2000

December 29, 1993

Board of Directors of
Society Corporation
127 Public Square
Cleveland, OH 44114-1306

Dear Sirs and Madam:

You have asked us to advise you with respect to the fairness to the common shareholders of Society Corporation (the "Company"), from a financial point of view, of the exchange ratio (the "Exchange Ratio") of 1.205 of Common Shares of the Company, $1 par value, for each share of Common Stock, $5 par value, of KeyCorp ("KeyCorp"), pursuant to the Merger (the "Merger") of KeyCorp with and into the Company as provided in the Supplemental Agreement to the Agreement and Plan of Merger and the related Agreement and Plan of Merger, both dated as of October 1, 1993, between KeyCorp and the Company.

In arriving at our opinion, we have reviewed certain publicly available business and financial information relating to the Company and KeyCorp. We have reviewed certain other information, including financial forecasts, provided to us by the Company and KeyCorp, and have met with the Company's management to discuss the business and prospects of the Company. We have reviewed with Company management the results of their discussions with KeyCorp management with respect to the historical and current operating results and financial condition and the prospects of KeyCorp. We have also discussed with KeyCorp's management the historical and current operating results and financial condition of KeyCorp.

We have also considered certain financial and stock market data of the Company and KeyCorp, and we have compared the data with similar data for other publicly held bank holding companies and we have considered the financial terms of certain other business combinations in the commercial banking industry that have recently been effected. We have analyzed the pro forma effect of the Merger on the earnings per share, asset quality, consolidated capitalization, funding mix and certain other balance sheet and profitability ratios of the Company. We also considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which we deemed relevant.

In connection with our review, we have not independently verified any of the foregoing information and have relied on its being complete and accurate in all material respects. With respect to the financial forecasts, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the Company's and KeyCorp's management as to the future financial performance of the Company and KeyCorp. In addition, we have not made an independent evaluation or appraisal of any of the assets of the Company or KeyCorp nor have we examined any individual loan files or been furnished with any such appraisals.

We have acted as financial advisor to the Company in connection with the Merger and will receive a fee for our services, a significant portion of which is contingent upon the consummation of the Merger. We will also receive a fee for rendering this opinion. We have in the past provided on various occasions investment banking services to KeyCorp and have received fees for the rendering of such services.

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In the ordinary course of our business, we have actively traded the debt and equity securities of both the Company and Keycorp for our own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

It is understood that this letter is for the information of the Board of Directors only and is not to be quoted or referred to, in whole or in part, in any registration statement, prospectus, or proxy statement, or in any other document used in connection with the offering or sale of securities, nor shall this letter be used for any other purposes, without CS First Boston Corporation's prior written consent, provided, however, that we hereby consent to the inclusion of this opinion in any registration statement or proxy statement used in connection with the Merger so long as the opinion is included in its entirety in such registration statement or proxy statement.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Exchange Ratio is fair to the holders of common shares of the Company from a financial point of view.

Very truly yours,

CS FIRST BOSTON CORPORATION

By:
Richard E. Thornburgh
Managing Director

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APPENDIX V.

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APPENDIX V

KEYCORP STOCK OPTION AGREEMENT

STOCK OPTION AGREEMENT, dated as of October 2, 1993, between KeyCorp, a New York corporation ("Issuer"), and Society Corporation, an Ohio corporation ("Grantee").

WHEREAS, Grantee and Issuer have entered into a Supplemental Agreement to Agreement and Plan of Merger (the "Supplemental Agreement") and a related Agreement and Plan of Merger, both dated October 1, 1993 (together, the "Merger Agreement"); and

WHEREAS, as a condition to Grantee's entry into the Merger Agreement and in consideration for such entry, Issuer has approved the grant to Grantee of the Option (as hereinafter defined):

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein and in the Merger Agreement, the parties hereto agree as follows:

1. (a) Issuer hereby grants to Grantee an unconditional, irrevocable option (the "Option") to purchase, subject to the terms hereof, up to 20,229,509 fully paid and nonassessable Common Shares, par value $5.00 per share (the "Common Stock"), of Issuer at a price of $38.50 per share (such price, as adjusted if applicable, the "Option Price"); provided, however, that in no event shall the number of shares for which this Option is exercisable exceed 19.9% of the Issuer's issued and outstanding shares of Common Stock. The number of shares of Common Stock that may be received upon the exercise of the Option and the Option Price are subject to adjustment as herein set forth.

(b) In the event that any additional shares of Common Stock are issued or otherwise become outstanding after the date of this Agreement (other than pursuant to this Agreement), including, without limitation, pursuant to stock option plans and in connection with acquisitions and other transactions permitted by the Merger Agreement, the number of shares of Common Stock subject to the Option shall be increased so that, after such issuance, it equals 19.9% of the number of shares of the Common Stock then issued and outstanding without giving effect to any shares subject or issued pursuant to the Option. Nothing contained in this Section 1(b) or elsewhere in this Agreement shall be deemed to authorize Issuer or Grantee to breach any provision of the Merger Agreement.

2. (a) The Holder (as hereinafter defined) may exercise the Option, in whole or part, if, but only if, both an Initial Triggering Event (as hereinafter defined) and a Subsequent Triggering Event (as hereinafter defined) shall have occurred prior to the occurrence of an Exercise Termination Event (as

hereinafter defined), provided that the Holder shall have sent the written notice of such exercise (as provided in subsection (e) of this Section 2) within 90 days following such Subsequent Triggering Event. Each of the following shall be an Exercise Termination Event: (i) the Effective Time of the Merger, (ii) termination of the Merger Agreement in accordance with the provisions thereof if such termination occurs prior to the occurrence of an Initial Triggering Event, except a termination by Grantee pursuant to Section 10.1(b) of the Supplemental Agreement (unless the breach by Issuer is non-volitional), or (iii) the passage of twelve months after termination of the Merger Agreement if such termination follows the occurrence of an Initial Triggering Event or a termination by Grantee pursuant to Section 10.1(b) of the Supplemental Agreement (unless the breach by Issuer is non-volitional) (provided that if an Initial Triggering Event continues or occurs beyond such termination, the Exercise Termination Event shall be twelve months from the expiration of the Last Triggering Event but in no event more than 18 months after such termination). The "Last Triggering Event" shall mean the last Initial Triggering Event to expire. The term "Holder" shall mean the holder or holders of the Option.

(b) The term "Initial Triggering Event" shall mean any of the following events or transactions occurring after the date hereof:

(i) Issuer or any Issuer Subsidiary, without having received Grantee's prior written consent, shall have entered into an agreement to engage in an Acquisition Transaction with any person (the term "person" for purposes of this Agreement having the meaning assigned thereto in Sections 3(a)(9) and

13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations thereunder), other than Grantee or a Grantee Subsidiary, or the Board of Directors of Issuer shall have recommended that the shareholders of Issuer approve or accept any Acquisition Transaction other than as contemplated by the Merger Agreement. For purposes of this Agreement, "Acquisition Transaction" shall mean (A) a merger or consolidation, or any similar transaction, with Issuer or any significant subsidiary (as defined in Rule 1.02 of Regulation S-X of the Securities and Exchange Commission) (a "Significant Subsidiary") of Issuer, (B) a purchase, lease, or other acquisition of all or substantially all the assets of Issuer or any Significant Subsidiary of Issuer, (C) a purchase or other acquisition (including by way of merger, consolidation, share exchange, or otherwise) of securities representing 10% or more of the voting power of Issuer or any Significant Subsidiary of Issuer, or (D) any substantially similar transaction; or

(ii) (A) Any person, other than Grantee, any Grantee Subsidiary, any Issuer Subsidiary in a fiduciary capacity in the ordinary course of such Issuer Subsidiary's business, any employee benefit plan or employee stock ownership plan of Issuer or any Issuer Subsidiary, or any person organized, appointed, or established by Issuer or any Issuer Subsidiary for or pursuant to the terms of any such plan, alone or together with such person's affiliates and associates (as the terms "affiliate" and "associate" are defined in Rule 12b-2 under the Exchange Act), shall have acquired beneficial ownership (as the term "beneficial ownership" is defined in Section 13(d) of the Exchange Act and the rules and regulations thereunder) or the right to acquire beneficial ownership of 10% or more of the then outstanding shares of Common Stock of Issuer, or (B) any group (as the term "group" is defined in Section 13(d)(3) of the Exchange Act), other than a group of which Grantee, any Grantee Subsidiary, any Issuer Subsidiary in a fiduciary capacity in the ordinary course of such Issuer Subsidiary's business, any employee benefit plan or employee stock ownership plan of Issuer or any Issuer Subsidiary, or any person organized, appointed, or established by Issuer or any Issuer Subsidiary for or pursuant to the terms of any such plan is a member, shall have been formed that beneficially owns 10% or more of the Common Stock then outstanding; or

(iii) Any person, other than Grantee or any Grantee Subsidiary, shall have made a bona fide proposal to Issuer or its shareholders by public announcement or written communication that is or becomes the subject of public disclosure to engage in an Acquisition Transaction; or

(iv) After a proposal is made by a third party to Issuer or its shareholders to engage in an Acquisition Transaction, Issuer shall have breached any covenant or obligation contained in the Merger Agreement and such breach would entitle Grantee to terminate the Merger Agreement under Section 10.1(b) of the Merger Agreement (without regard to the cure periods provided for therein unless such cure is promptly effected without jeopardizing consummation of the Merger pursuant to the terms of the Merger Agreement) and such breach shall not have been cured within 30 days; or

(v) Any person (other than Grantee or any Grantee Subsidiary), other than in connection with a transaction to which Grantee has given its prior

written consent, shall have filed an application or notice with the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), or other federal or state bank regulatory authority, which application or notice has been accepted for processing, for approval to engage in an Acquisition Transaction.

(c) The term "Subsequent Triggering Event" shall mean either of the following events or transactions occurring after the date hereof:

(i) The acquisition by any person, alone or together with such person's affiliates and associates, or any group, subject to the same exceptions as those set forth in clause (ii) (A) or (B), respectively, of Section (b) of this Section 2, of beneficial ownership of 25% or more of the then outstanding Common Stock; or

(ii) The occurrence of an Initial Triggering Event described in clause (i) of subsection (b) of this Section 2, except that the percentage reference in sub-clause (C) of clause (i) shall be 25%.

(d) Issuer shall notify Grantee promptly in writing of the occurrence of any Initial Triggering Event or Subsequent Triggering Event (together, a "Triggering Event"), it being understood that the giving of such notice by Issuer shall not be a condition to the right of the Holder to exercise the Option.

(e) In the event the Holder is entitled to and wishes to exercise the Option, it shall send to Issuer a written notice (the date of which being herein referred to as the "Notice Date") specifying (i) the total number of shares it will purchase pursuant to such exercise, and (ii) a place and date not earlier than three business days nor later than 60 business days from the Notice Date for the closing of such purchase (the "Closing Date"); provided that if prior notification to or approval of the Federal Reserve Board or any other regulatory agency is required in connection with such purchase, the Holder shall promptly file the required notice or application for approval and shall expeditiously process the same and the period of time that otherwise would run pursuant to this sentence shall run instead from the date on which any required notification periods have expired or been terminated or such approvals have been obtained and any requisite waiting period or periods shall have passed. Any exercise of the Option shall be deemed to occur on the Notice Date relating thereto.

(f) At the closing referred to in subsection (e) of this Section 2, the Holder shall pay to Issuer the aggregate purchase price for the shares of the Common Stock purchased pursuant to the exercise of the Option in immediately available funds by a wire transfer to a bank account designated by Issuer, provided that failure or refusal of Issuer to designate such a bank account shall not preclude the Holder from exercising the Option.

(g) At such closing, simultaneously with the delivery of immediately available funds as provided in subsection (f) of this Section 2, Issuer shall deliver to the Holder a certificate or certificates representing the number of shares of Common Stock purchased by the Holder and, if the Option should be exercised in part only, a new Option evidencing the rights of the Holder thereof to purchase the balance of the shares purchasable hereunder, and the Holder shall deliver to Issuer a copy of this Agreement and a letter agreeing that the Holder will not offer to sell or otherwise dispose of such shares in violation of applicable law or the provisions of this Agreement.

(h) Certificates for Common Stock delivered at a closing hereunder may be endorsed with a restrictive legend that shall read substantially as follows:

"The transfer of the shares represented by this certificate is subject to certain provisions of an agreement between the registered holder hereof and Issuer and to resale restrictions arising under the Securities Act of 1933, as amended, a copy of which agreement is on file at the principal office of Issuer. A copy of such agreement will be mailed to the holder hereof without charge within five days after receipt by Issuer of a written request."

It is understood and agreed that: (i) the reference to the resale restrictions of the Securities Act of 1933, as amended (the "Securities Act"), in the above legend shall be removed by delivery of substitute certificate(s) without such reference if the Holder shall have delivered to Issuer a copy of a letter from the staff of the Securities and Exchange Commission, or an opinion of counsel, in form and substance satisfactory to Issuer, to the effect that such legend is not required for purposes of the Securities Act; (ii) the reference to the provisions of this Agreement in the above legend shall be removed by delivery of substitute certificate(s) without such reference if the shares have been sold or transferred in compliance with the provisions of this Agreement and under circumstances that do not require the retention of such

reference; and (iii) the legend shall be removed in its entirety if the conditions in the preceding clauses (i) and (ii) are both satisfied. In addition, such certificates shall bear any other legend as may be required by law.

(i) Upon the giving by the Holder to Issuer of the written notice of exercise of the Option provided for under subsection (e) of this Section 2, the tender of the applicable purchase price in immediately available funds and the tender of a copy of this Agreement to Issuer, the Holder shall be deemed to be the holder of record of the shares of Common Stock issuable upon such exercise, notwithstanding that the stock transfer books of Issuer shall then be closed or that certificates representing such shares of Common Stock shall not then be actually delivered to the Holder. Issuer shall pay all expenses, and any and all United States federal, state, and local taxes and other charges that may be payable in connection with the preparation, issue, and

delivery of stock certificates under this Section 2 in the name of the Holder or its assignee, transferee, or designee.

3. Issuer agrees (i) that it shall at all times maintain, free from preemptive rights, sufficient authorized but unissued or treasury shares of the Common Stock so that the Option may be exercised without additional authorization of Common Stock after giving effect to all other options, warrants, convertible securities, and other rights to purchase Common Stock, (ii) that it will not, by charter amendment or through reorganization, consolidation, merger, dissolution, or sale of assets, or by any other voluntary act, avoid or seek to avoid the observance or performance of any of the covenants, stipulations, or conditions to be observed or performed hereunder by Issuer, (iii) promptly to take all action as may from time to time be required (including (A) complying with all premerger notification, reporting, and waiting period requirements specified in 15 U.S.C. Section 18a and regulations promulgated thereunder and (B) in the event, under the Bank Holding Company Act of 1956, as amended, or the Change in Bank Control Act of 1978, as amended, or a state banking law, prior approval of or notice to the Federal Reserve Board or to any state regulatory authority is necessary before the Option may be exercised, cooperating fully with the Holder in preparing such applications or notices and providing such information to the Federal Reserve Board or such state regulatory authority as they may require) in order to permit the Holder to exercise the Option and Issuer duly and effectively to issue shares of the Common Stock pursuant hereto, and (iv) promptly to take all action provided herein to protect the rights of the Holder against dilution.

4. This Agreement (and the Option granted hereby) are exchangeable, without expense, at the option of the Holder, upon presentation and surrender of this Agreement at the principal office of Issuer, for other Agreements providing for Options of different denominations entitling the holder thereof to purchase in the aggregate the same number of shares of the Common Stock purchasable hereunder. The terms "Agreement" and "Option" as used herein include any Stock Option Agreements and related Options for which this Agreement (and the Option granted hereby) may be exchanged. Upon receipt by Issuer of evidence reasonably satisfactory to it of the loss, theft, destruction, or mutilation of this Agreement, and (in the case of loss, theft, or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Agreement, if mutilated, Issuer will execute and deliver a new Agreement of like tenor and date. Any such new Agreement executed and delivered shall constitute an additional contractual obligation on the part of Issuer, whether or not the Agreement so lost, stolen, destroyed, or mutilated shall at any time be enforceable by anyone.

5. In addition to the adjustment in the number of shares of Common Stock that are purchasable upon exercise of the Option pursuant to Section 1 of this Agreement, the number of shares of Common Stock purchasable upon the exercise hereof and the Option Price shall be subject to adjustment from time to time as provided in this Section 5:

(a)(i) In the event of any change in Common Stock by reason of stock dividends, split-ups, mergers, recapitalizations, combinations, subdivisions, conversions, exchanges of shares, or the like, the type and number of shares of Common Stock purchasable upon exercise hereof and the Option Price shall be appropriately adjusted, and proper provision shall be made in the agreements governing any such transaction so that Grantee shall receive upon exercise of the Option the number and class of shares, other securities, property, or cash that Grantee would have received in respect of the Common Stock subject to the Option if the Option had been exercised and the Common Stock subject to the Option had been issued to Grantee immediately prior to such event or the record date therefor, as applicable; and

(ii) Issuer may make such increases in the number of shares of Common

Stock purchasable upon exercise hereof, in addition to those required under subsection (a)(i), as shall be determined by its Board of Directors to be advisable in order to avoid taxation so far as practicable of any dividend of stock or stock rights or any event treated as such for Federal income tax purposes to the recipients; and

(b) Whenever the number of shares of Common Stock purchasable upon exercise hereof is adjusted as provided in this Section 5, the Option Price shall be adjusted by multiplying the Option Price by a fraction, the numerator of which is equal to the number of shares of Common Stock purchasable prior to the adjustment

and the denominator of which is equal to the number of shares of the Common Stock purchasable after the adjustment.

6. Upon the occurrence of a Subsequent Triggering Event that occurs prior to an Exercise Termination Event, Issuer shall, at the request of Grantee delivered within 90 days of such Subsequent Triggering Event (whether on its own behalf or on the behalf of any subsequent holder of this Option (or part thereof) or any of the shares of Common Stock issued pursuant hereto), promptly prepare, file, and keep current a shelf registration statement under the Securities Act covering this Option and any shares issued and issuable pursuant to this Option and shall use its best efforts to cause such registration statement to become effective and remain current in order to permit the sale or other disposition of this Option and any shares of Common Stock issued upon total or partial exercise of this Option ("Option Shares") in accordance with any plan of disposition requested by Grantee and by any underwriter or underwriters selected by Grantee. Issuer will use its best efforts to cause such registration statement first to become effective and then to remain effective for such period not in excess of 180 days from the day such registration statement first becomes effective or such shorter time as may be reasonably necessary to effect such sales or other dispositions. Grantee shall have the right to demand a second such registration by making a request to Issuer therefor within two years of the date of its request made in accordance with the first sentence of this Section 6. The obligations of Issuer hereunder to file a registration statement and to maintain its effectiveness may be suspended for one or more periods of time that do not exceed 60 days in the aggregate if the Board of Directors of Issuer shall have determined that the filing of such registration statement or the maintenance of its effectiveness would require disclosure of nonpublic information that would materially and adversely affect Issuer. The foregoing notwithstanding, if, at the time of any request by Grantee for registration of the Option or Option Shares as provided above, Issuer is in registration with respect to an underwritten public offering of shares of Common Stock, and if, in the good faith judgment of the managing underwriter or managing underwriters, or, if none, the sole underwriter or underwriters, of such offering, the inclusion of the Holder's Option or Option Shares would interfere with the successful marketing of the shares of Common Stock offered by Issuer, the number of shares represented by the Option and/or the number of Option Shares which in either case are to be covered in the registration statement contemplated hereby may be reduced; provided, however, that after any such required reduction the number of Option Shares to be included in such offering for the account of the Holder shall constitute at least 25% of the total number of shares to be sold by the Holder and Issuer in such offering in the aggregate; provided further, however, that if such reduction occurs, then the Issuer shall file a registration statement for the balance as promptly as practical and no reduction shall thereafter occur. Whenever the provisions of this Section 6 apply, the provisions of Appendix A attached hereto shall be applicable.

7. (a) Upon the occurrence of a Subsequent Triggering Event that occurs prior to an Exercise Termination Event, (i) at the request of the Holder, delivered within 90 days of such occurrence (or such later period as provided in Section 10), Issuer shall repurchase the Option from the Holder at a price (the "Option Repurchase Price") equal to the amount by which (A) the sum of the market/offer price (as defined below) and Grantee's reasonable out-of-pocket expenses incurred in connection with the transactions contemplated by the Merger Agreement, including, without limitation, legal, accounting, and investment banking fees, exceeds (B) the Option Price, multiplied by the number of shares for which this Option may then be exercised and (ii) at the request of the owner of Option Shares from time to time (the "Owner"), delivered within 90 days of such occurrence (or such later period as provided in Section 10), Issuer shall repurchase such number of the Option Shares from the Owner as the Owner shall designate at a price per share (the "Option Share Repurchase Price") equal to the sum of the market/offer price plus Grantee's reasonable out-of-pocket expenses incurred in connection with the transactions contemplated by the Merger Agreement, including, without limitation, legal, accounting, and investment banking fees. The term "market/offer price" shall mean the highest of (x) the price per share of the Common Stock at which a tender offer or exchange offer therefor has been made, (y) the price per share of the Common Stock to be paid

by any third party pursuant to an agreement with Issuer, and (z) the highest closing price for shares of the Common Stock within the six-month period immediately preceding the date the Holder gives notice of the required repurchase of this Option or the Owner gives notice of the required repurchase of Option Shares, as the case may be. In the event that an exchange offer is made for the Common Stock or an agreement is entered into for a merger or consolidation involving consideration other than cash, the value of the securities or other property

issuable or deliverable in exchange for the Common Stock shall be determined by a nationally recognized investment banking firm selected by the Holder or Owner, as the case may be, and Issuer. Notwithstanding the foregoing, if the same person who has participated in a Triggering Event has entered, or after such Triggering Event has occurred enters, into any agreement or understanding with Grantee relating to Grantee's rights under this Option or with respect to the Option Shares or directly or indirectly relating to Issuer, Grantee shall, notwithstanding the terms of such agreement or understanding, at any time upon the occurrence of a Subsequent Triggering Event of the type set forth in Section 2(c)(i) without Issuer's approval, recommendation, or consent, promptly request that Issuer repurchase the Option and any Option Shares held by Grantee as provided in this Section 7 and Issuer shall do so.

(b) The Holder and the Owner, as the case may be, may exercise its right to require Issuer to repurchase the Option and any Option Shares pursuant to this Section 7 by surrendering for such purpose to Issuer, at its principal office, a copy of this Agreement or certificates for Option Shares, as applicable, accompanied by a written notice or notices stating that the Holder or the Owner, as the case may be, elects to require Issuer to repurchase this Option and/or the Option Shares in accordance with the provisions of this Section 7. As promptly as practicable, and in any event within five business days after the surrender of the Option and/or certificates representing Option Shares and the receipt of such notice or notices relating thereto, Issuer shall deliver or cause to be delivered to the Holder the Option Repurchase Price and/or to the Owner the Option Share Repurchase Price therefor or the portion thereof that Issuer is not then prohibited under applicable law and regulation from so delivering.

(c) To the extent that Issuer is prohibited under applicable law or regulation, or as a consequence of administrative policy, from repurchasing the Option and/or the Option Shares in full, Issuer shall immediately so notify the Holder and/or the Owner and thereafter deliver or cause to be delivered, from time to time, to the Holder and/or the Owner, as appropriate, the portion of the Option Repurchase Price and the Option Share Repurchase Price, respectively, that it is no longer prohibited from delivering, within five business days after the date on which Issuer is no longer so prohibited; provided, however, that if Issuer at any time after delivery of a notice of repurchase pursuant to paragraph (b) of this Section 7 is prohibited under applicable law or regulation, or as a consequence of administrative policy, from delivering to the Holder and/or the Owner, as appropriate, the Option Repurchase Price and the Option Share Repurchase Price, respectively, in full (and Issuer hereby undertakes to use its best efforts to receive all required regulatory and legal approvals and to file any required notices as promptly as practicable in order to accomplish such repurchase), the Holder or Owner may revoke its notice of repurchase of the Option or the Option Shares, whereupon Issuer shall promptly (i) deliver to the Holder a new Stock Option Agreement evidencing the right of the Holder to purchase that number of shares of the Common Stock obtained by multiplying the number of shares of the Common Stock for which the surrendered Stock Option Agreement was exercisable at the time of delivery of the notice of repurchase by a fraction, the numerator of which is the Option Repurchase Price less the portion thereof theretofore delivered to the Holder and the denominator of which is the Option Repurchase Price, and (ii) deliver to the Owner a certificate for the Option Shares it is then so prohibited from repurchasing, and Issuer shall have no further obligation to purchase such Option or Option Shares.

8. (a) In the event that prior to an Exercise Termination Event, Issuer shall enter into an agreement (1) to consolidate with or merge into any person, other than Grantee or one of its Subsidiaries, and shall not be the continuing or surviving corporation of such consolidation or merger, (2) to permit any person, other than Grantee or one of its Subsidiaries, to merge into Issuer and Issuer shall be the continuing or surviving corporation, but, in connection with such merger, the then outstanding shares of Common Stock shall be changed into or exchanged for stock or other securities of any other person or cash or any other property or the then outstanding shares of Common Stock shall after such merger represent less than 50% of the outstanding voting shares and voting share equivalents of the merged company, or (3) to sell or otherwise transfer all or substantially all of its assets to any person, other than Grantee or one of its Subsidiaries, then, and in each such case, the agreement governing such transaction shall make proper provision so that the Option shall, upon the

consummation of any such transaction and upon the terms and conditions set forth herein, be converted into, or exchanged for, an option (the "Substitute Option"), at the election of the Holder, of either (i) the Acquiring Corporation (as hereinafter defined), (ii) any person that controls the Acquiring Corporation, or (iii) in the case of a merger described in clause (a)(2), Issuer.

(b) The following terms have the meanings indicated:

(1) "Acquiring Corporation" shall mean (i) the continuing or surviving corporation of a consolidation or merger with Issuer (if other than Issuer), (ii) Issuer in a merger in which Issuer is the continuing or surviving person, or (iii) the transferee of all or substantially all of Issuer's assets.

(2) "Substitute Common Stock" shall mean the common stock issued by the issuer of the Substitute Option upon exercise of the Substitute Option.

(3) "Assigned Value" shall mean the market/offer price, as defined in Section 7; provided, however, that in the event of a sale of all or substantially all of Issuer's assets, the Assigned Value shall be the sum of the price paid in such sale for such assets and the current market value of the remaining assets of Issuer as determined by a nationally recognized investment banking firm selected by the Holder (or by a majority in interest of the Holders if there shall be more than one Holder), divided by the number of shares of the Common Stock of Issuer outstanding at the time of such sale.

(4) "Average Price" shall mean the average closing price of a share of the Substitute Common Stock for the one year immediately preceding the consolidation, merger, or sale in question, but in no event higher than the closing price of the shares of the Substitute Common Stock on the day preceding such consolidation, merger, or sale; provided that, if Issuer is the issuer of the Substitute Option, the Average Price shall be computed with respect to a share of common stock issued by the person merging into Issuer or by any company which controls such person, as the Holder may elect.

(c) The Substitute Option shall have the same terms as the Option, provided that, if the terms of the Substitute Option cannot, for legal reasons, be the same as the Option, such terms shall be as similar as possible and in no event less advantageous to the Holder. The issuer of the Substitute Option shall also enter into an agreement with the then Holder or Holders of the Substitute Option in substantially the same form as this Agreement, which shall be applicable to the Substitute Option.

(d) The Substitute Option shall be exercisable for such number of shares of the Substitute Common Stock as is equal to the Assigned Value multiplied by the number of shares of the Common Stock for which the Option is then exercisable, divided by the Average Price. The exercise price of the Substitute Option per share of the Substitute Common Stock shall then be equal to the Option Price multiplied by a fraction in which the numerator is the number of shares of the Common Stock for which the Option is then exercisable and the denominator is the number of shares of the Substitute Common Stock for which the Substitute Option is exercisable.

(e) In no event, pursuant to any of the foregoing paragraphs, shall the Substitute Option be exercisable for more than 19.9% of the aggregate of the shares of the Substitute Common Stock outstanding prior to exercise of the Substitute Option. In the event that the Substitute Option would be exercisable for more than 19.9% of the aggregate of the shares of Substitute Common Stock but for the limitation in the first sentence of this clause (e), the Substitute Option Issuer shall make a cash payment to Grantee equal to the excess of (i) the value of the Substitute Option without giving effect to the limitation in the first sentence of this clause (e) over (ii) the value of the Substitute Option after giving effect to the limitation in the first sentence of this clause (e). This difference in value shall be determined by a nationally-recognized investment banking firm selected by Grantee.

(f) Issuer shall not enter into any transaction described in subsection (a) of this Section 8 unless the Acquiring Corporation and any person that controls the Acquiring Corporation assume in writing all the obligations of Issuer hereunder.

9. (a) At the request of the holder of the Substitute Option (the "Substitute Option Holder"), the issuer of the Substitute Option (the "Substitute Option Issuer") shall repurchase the Substitute Option from the Substitute Option Holder at a price (the "Substitute Option Repurchase Price") equal to the amount by which (i) the sum of the Highest Closing Price (as

hereinafter defined) and Grantee's reasonable out-of-pocket expenses incurred in connection with the transactions contemplated by the Merger Agreement, including, without limitation, legal, accounting, and investment banking fees, exceeds (ii) the exercise price of the Substitute Option, multiplied by the number of shares of the Substitute Common Stock for which the

Substitute Option may then be exercised, and at the request of the owner (the "Substitute Share Owner") of shares of the Substitute Common Stock (the "Substitute Shares"), the Substitute Option Issuer shall repurchase the Substitute Shares at a price per share (the "Substitute Share Repurchase Price") equal to the sum of the Highest Closing Price and Grantee's reasonable out-of-pocket expenses incurred in connection with the transactions contemplated by the Merger Agreement, including, without limitation, legal, accounting, and investment banking fees. The term "Highest Closing Price" shall mean the highest closing price for shares of the Substitute Common Stock within the six-month period immediately preceding the date the Substitute Option Holder gives notice of the required repurchase of the Substitute Option or the Substitute Share Owner gives notice of the required repurchase of the Substitute Shares, as applicable.

(b) The Substitute Option Holder and the Substitute Share Owner, as the case may be, may exercise its respective right to require the Substitute Option Issuer to repurchase the Substitute Option and the Substitute Shares pursuant to this Section 9 by surrendering for such purpose to the Substitute Option Issuer, at its principal office, the agreement for such Substitute Option (or, in the absence of such an agreement, a copy of this Agreement) and certificates for Substitute Shares accompanied by a written notice or notices stating that the Substitute Option Holder or the Substitute Share Owner, as the case may be, elects to require the Substitute Option Issuer to repurchase the Substitute Option and/or the Substitute Shares in accordance with the provisions of this Section 9. As promptly as practicable, and in any event within five business days after the surrender of the Substitute Option and/or certificates representing Substitute Shares and the receipt of such notice or notices relating thereto, the Substitute Option Issuer shall deliver or cause to be delivered to the Substitute Option Holder the Substitute Option Repurchase Price and/or to the Substitute Share Owner the Substitute Share Repurchase Price therefor or the portion thereof which the Substitute Option Issuer is not then prohibited under applicable law and regulation from so delivering.

(c) To the extent that the Substitute Option Issuer is prohibited under applicable law or regulation, or as a consequence of administrative policy, from repurchasing the Substitute Option and/or the Substitute Shares in full, the Substitute Option Issuer shall immediately so notify the Substitute Option Holder and/or the Substitute Share Owner and thereafter deliver or cause to be delivered, from time to time, to the Substitute Option Holder and/or the Substitute Share Owner, as appropriate, the portion of the Substitute Share Repurchase Price, respectively, which it is no longer prohibited from delivering, within five business days after the date on which the Substitute Option Issuer is no longer so prohibited; provided, however, that if the Substitute Option Issuer is at any time after delivery of a notice of repurchase pursuant to subsection (b) of this Section 9 prohibited under applicable law or regulation, or as a consequence of administrative policy, from delivering to the Substitute Option Holder and/or the Substitute Share Owner, as appropriate, the Substitute Option Repurchase Price and the Substitute Share Repurchase Price, respectively, in full (and the Substitute Option Issuer shall use its best efforts to receive all required regulatory and legal approvals as promptly as practicable in order to accomplish such repurchase), the Substitute Option Holder or Substitute Share Owner may revoke its notice of repurchase of the Substitute Option or the Substitute Shares, whereupon the Substitute Option Issuer shall promptly (i) deliver to the Substitute Option Holder a new Substitute Option evidencing the right of the Substitute Option Holder to purchase that number of shares of the Substitute Common Stock obtained by multiplying the number of shares of the Substitute Common Stock for which the surrendered Substitute Option was exercisable at the time of delivery of the notice of repurchase by a fraction, the numerator of which is the Substitute Option Repurchase Price less the portion thereof theretofore delivered to the Substitute Option Holder and the denominator of which is the Substitute Option Repurchase Price, and (ii) deliver to the Substitute Share Owner a certificate for the Substitute Option Shares it is then so prohibited from repurchasing, and the Substitute Option Issuer shall have no further obligation to purchase such Substitute Option or Substitute Shares.

10. The 90-day periods for exercise of certain rights under Sections 2, 6, 7, and 13 shall be extended in each such case (i) to the extent necessary to obtain all regulatory approvals for the exercise of such rights and for the expiration of all statutory waiting periods and (ii) to the extent necessary to avoid liability under Section 16(b) of the Exchange Act by reason of such exercise.

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11. Issuer hereby represents and warrants to Grantee as follows:

(a) Issuer has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by the Board of Directors of Issuer and no other corporate proceedings on the part of Issuer are necessary to authorize this Agreement or to consummate the transactions so contemplated. This Agreement has been duly and validly executed and delivered by Issuer and constitutes a valid and binding obligation of Issuer, enforceable against Issuer in accordance with its terms.

(b) To the best knowledge of Issuer, as of the date of this Agreement, no person owns beneficially more than 10 percent of the outstanding shares of its Common Stock.

(c) Issuer has taken all necessary corporate action to authorize and reserve and permit it to issue, and at all times from the date hereof through the termination of this Agreement in accordance with its terms will have reserved for issuance upon the exercise of the option, that number of shares of Common Stock equal to the maximum number of shares of Common Stock at any time and from time to time issuable hereunder, and all such shares, upon issuance pursuant hereto, will be duly authorized, validly issued, fully paid, nonassessable, and will be delivered free and clear of all claims, liens, encumbrances, and security interests and not subject to any preemptive rights.

(d) The Shareholder Protection Rights Plan, dated as of October 1, 1993, between Issuer and Key Trust Company, as Rights Agent (the "Rights Agreement"), provides that Grantee will not become an "Acquiring Person" and that no "Flip-in Date," "Flip-over Transaction or Event," "Separation Time," or "Stock Acquisition Date" (as such terms are defined in the Rights Agreement) will occur as a result of the approval, execution, or delivery of this Agreement or the Merger Agreement or the consummation of the transactions contemplated hereby and thereby, including the purchase of Common Stock by Grantee pursuant to this Agreement, and that "Rights" (as defined in the Rights Agreement) shall be issued under the Rights Agreement in respect of any Common Stock of Issuer that is issued pursuant to this Agreement after the "Record Time" but prior to the "Expiration Time" (as such terms are defined in the Rights Agreement).

(e) Except as disclosed pursuant to the Merger Agreement, the execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not, conflict with, or result in a violation of or default under, (i) any provision of the Restated Certificate of Incorporation, as amended, or Bylaws of Issuer or similar documents of any Issuer Subsidiary or (ii) subject to obtaining the approvals, if any, contemplated or required by Section 7(c) or 9(c) of this Agreement, any loan or credit agreement, note, mortgage, indenture, lease, or other agreement, obligation, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to Issuer or any Issuer Subsidiary or their respective properties or assets, which conflict, violation, or default could have a material adverse effect on Issuer.

12. Grantee hereby represents and warrants to Issuer that:

(a) Grantee has full corporate power and authority to enter into this Agreement and, subject to obtaining the approvals referred to in this Agreement, to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Grantee. This Agreement has been duly executed and delivered by Grantee and constitutes a valid and binding obligation of Grantee, enforceable against Grantee in accordance with its terms.

(b) The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not, conflict with, or result in a violation of or default under, (i) any provision of the Articles of Incorporation or Regulations of Grantee or any Grantee Subsidiary or (ii) subject to obtaining the approvals referred to in this Agreement, any loan or credit agreement, note, mortgage, indenture, lease, or other agreement, obligation, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to Grantee or any

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subsidiary of Grantee or their respective properties or assets, which conflict, violation, or default would have a material adverse effect on Grantee.

(c) Any Option Shares or other securities acquired by Grantee upon exercise of the Option will not be transferred or otherwise disposed of except in a transaction registered or exempt from registration under the Securities Act.

13. Neither of the parties hereto may assign any of its rights or obligations under this Option Agreement or the Option created hereunder to any other person without the express written consent of the other party, except that in the event a Subsequent Triggering Event shall have occurred prior to an Exercise Termination Event, Grantee, subject to the express provisions hereof (including, without limitation, Section 7(a)), may assign in whole or in part its rights and obligations hereunder within 90 days following such Subsequent Triggering Event (or such later period as provided in Section 10); provided, however, that until the date 30 days following the date on which the Federal Reserve Board approves an application by Grantee under the Bank Holding Company Act to acquire the Common Stock subject to the Option, Grantee may not assign its rights under the Option except in (i) a widely dispersed public distribution, (ii) a private placement in which no one party acquires the right to purchase in excess of 2% of the voting shares of Issuer, (iii) an assignment to a single party (e.g., a broker or investment banker) for the purpose of conducting a widely dispersed public distribution on Grantee's behalf, or (iv) any other manner approved by the Federal Reserve Board.

14. Each of Grantee and Issuer will use its best efforts to make all filings with, and to obtain consents of, all third parties and governmental authorities necessary to the consummation of the transactions contemplated by this Agreement, including without limitation making application to list the shares of the Common Stock issuable hereunder on the New York Stock Exchange upon official notice of issuance and applying to the Federal Reserve Board under the Bank Holding Company Act for approval to acquire the shares issuable hereunder, but Grantee shall not be obligated to apply to state banking authorities for approval to acquire the shares of Common Stock issuable hereunder until such time, if ever, as it deems appropriate to do so.

15. The parties hereto acknowledge that damages would be an inadequate remedy for a breach of this Agreement by either party hereto and that the obligations of the parties hereto shall be enforceable by either party hereto through injunctive or other equitable relief.

16. If any term, provision, covenant, or restriction contained in this Agreement is held by a court or a federal or state regulatory agency of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the terms, provisions, covenants, and restrictions contained in this Agreement shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated. If for any reason such court or regulatory agency determines that the Holder is not permitted to acquire, or Issuer is not permitted to repurchase pursuant to Section 7, the full number of shares of the Common Stock provided in Section 1(a) hereof (as adjusted pursuant to Section 1(b) or 5 hereof), it is the express intention of Issuer to allow the Holder to acquire or to require Issuer to repurchase such lesser number of shares as may be permissible, without any amendment or modification hereof.

17. All notices, requests, claims, demands, and other communications hereunder shall be deemed to have been duly given when delivered in person, by cable, telegram, telecopy, or telex, or by registered or certified mail (postage prepaid, return receipt requested) at the respective addresses of the parties set forth in the Merger Agreement.

18. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

19. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

20. Except as otherwise expressly provided herein, each of the parties hereto shall bear and pay all costs and expenses incurred by it or on its behalf in connection with the transactions contemplated hereunder, including fees and expenses of its own financial consultants, investment bankers, accountants, and counsel.

21. Except as otherwise expressly provided herein, this Agreement contains the entire agreement between the parties with respect to the transactions contemplated hereunder and supersedes all prior arrangements or understandings

with respect thereof, written or oral. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer upon any party, other than the parties hereto, and their respective successors and permitted assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided herein.

22. Capitalized terms used in this Agreement and not defined herein shall have the meanings assigned thereto in the Merger Agreement, provided that references to "Subsidiaries" of "Issuer" and "Grantee" shall be deemed to refer to Subsidiaries of KeyCorp and Society Corporation, respectively.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized, all as of the day and year first above written.

KEYCORP

By:/s/ VICTOR J. RILEY, JR.
Its: Chairman of the Board

And:/s/ ROBERT W. BOUCHARD
Its: Secretary

SOCIETY CORPORATION

By: /s/ ROBERT W. GILLESPIE
Its: Chairman of the Board

And:/s/ LAWRENCE J. CARLINI
Its: Secretary

APPENDIX A

REGISTRATION RIGHTS

1. If and whenever Issuer is required by the provisions of Section 6 of the Agreement to which this Appendix A is a part to effect the registration of securities under the Securities Act of 1933 ("Securities Act"), Issuer will

(a) prepare and file with the SEC such amendments to such registration statement and supplements to the prospectus contained therein as may be necessary to keep such registration statement current;

(b) furnish to Grantee and to the underwriters of the Securities being registered such reasonable number of copies of the registration statement, preliminary prospectus, final prospectus, and such other documents as Grantee or such underwriters may reasonably request in order to facilitate the public offering of such securities;

(c) use its best efforts to register or qualify the securities covered by such registration statement under such state securities or blue sky laws of such jurisdictions as Grantee or such underwriters may reasonably request; provided that Issuer shall not be required by virtue hereof to submit to jurisdiction in any state;

(d) notify Grantee promptly after Issuer shall receive notice thereof, of the time when such registration statement has become effective or a supplement or amendment to any prospectus forming a part of such registration statement has been filed or become effective;

(e) notify Grantee promptly of any request by the SEC for the amending or supplementing of such registration statement or prospectus or for additional information;

(f) prepare and file with the SEC, promptly upon the request of Grantee, any amendments or supplements to such registration statement or prospectus which, in the opinion of counsel for Grantee and Issuer, are required under the Securities Act or the rules and regulations thereunder in connection with the distribution of the securities by Grantee;

(g) prepare and promptly file with the SEC such amendments or supplements to such registration statement or prospectus as may be necessary to correct any statements or omissions if at the time when a prospectus relating to such securities is required to be delivered under the Securities Act, any event shall have occurred as the result of which such prospectus as then in effect would include an untrue statement of a material fact or omit to state any material fact necessary to make the

statements therein, in the light of the circumstances in which they were not made, not misleading;

(h) advise Grantee, promptly after it shall receive notice or obtain knowledge, of the issuance of any stop order or to obtain its withdrawal if such stop order should be issued; and

(i) at the request of Grantee, furnish on the date or dates provided for in the underwriting agreement: (i) an opinion or opinions of the counsel representing Issuer for the purposes of such registration, addressed to the underwriters and to Grantee, covering such matters as such underwriters and Grantee may reasonably request and are customarily covered by Issuer's counsel at that time; and (ii) a letter or letters from the independent certified public accountants of Issuer, addressed to the underwriters and to Grantee, covering such matters as such underwriters or Grantee may reasonably request, in which letters such accountants shall state (without limiting the generality of the foregoing) that they are independent certified public accountants within the meaning of the Securities Act and that, in the opinion of such accountants, the financial statements and other financial data of Issuer included or incorporated by reference in the registration statement or any amendment or supplement thereto comply in all material respects with applicable accounting requirements of the Securities Act.

2. With respect to the first registration requested pursuant to Section 6 of the Agreement, Issuer shall bear the following fees, costs, and expenses: All registration, filing, and NASD fees, printing and engraving expenses, fees and disbursements of counsel and accountants for Issuer, and all legal fees and disbursements

and other expenses of Issuer to comply with state securities or blue sky laws of up to 15 jurisdictions in which the securities to be offered are to be registered or qualified (with Grantee bearing such fees, disbursements, and expenses with respect to additional jurisdictions). Grantee shall bear such costs, fees, and expenses with respect to the second registration requested pursuant to Section 6 of the Agreement. With respect to both registrations requested pursuant to Section 6 of the Agreement, fees and disbursements of counsel and accountants for Grantee, underwriting discounts and commissions, and transfer taxes for Grantee and any other expenses incurred by Grantee shall be borne by Grantee.

3. (a) Issuer will indemnify and hold harmless Grantee, any underwriter (as defined in the Securities Act) for Grantee, and each person, if any, who controls Grantee or such underwriter (within the meaning of the Securities Act) from and against any and all losses, damages, liabilities, costs, and expenses to which Grantee or any such underwriter or controlling person may become subject under the Securities Act or otherwise, including, without limitation, any such losses, damages, liabilities, costs, or expenses arising out of or caused by any untrue statement or alleged untrue statement of any material fact contained in such registration statement, any prospectus or preliminary prospectus contained therein, or any amendment or supplement thereto, or arising out of or based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made not misleading; provided, however, that Issuer will not be liable in any such case to the extent that any such losses, damages, liabilities, costs, or expenses arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by Grantee, such underwriter, or such controlling person in writing specifically for use in the preparation thereof.

(b) Grantee will indemnify and hold harmless Issuer, any underwriter (as defined in the Securities Act), and each person, if any, who controls Issuer or such underwriter (within the meaning of the Securities Act) from and against any and all losses, damages, liabilities, costs, or expenses to which Issuer or any such underwriter or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, damages, liabilities, costs, or expenses arise out of or are caused by any untrue or alleged untrue statement of any material fact contained in such registration statement, any prospectus or preliminary prospectus contained therein or any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was so made in reliance upon and in conformity with written information furnished by Grantee specifically for use in the preparation thereof.

(c) Promptly after receipt by an indemnified party pursuant to the

provisions of subparagraph (a) or (b) of this Paragraph 3 of any claim in writing or of notice of the commencement of any action involving the subject matter of the foregoing indemnity provisions, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party pursuant to the provisions of said subparagraph (a) or (b), promptly notify the indemnifying party of the receipt of such claim or notice of the commencement of such action, but the omission to so notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise thereunder. In case such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall have the right to participate in, and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, if the defendants in any action include both the indemnified party and the indemnifying party and there is a conflict of interest which would prevent counsel for the indemnifying party from also representing the indemnified party, the indemnified party or parties shall have the right to select one separate counsel to participate in the defense of such indemnified party or parties. After notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party pursuant to the provisions of said subparagraph (a) or (b) for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation, unless (i) the indemnified party shall have employed counsel in accordance with the provisions of the preceding sentence, (ii) the indemnifying party shall not have employed

counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after the notice of the commencement of the action, or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party.

(d) If recovery is not available under the foregoing indemnification provisions, for any reason other than as specified therein, the parties entitled to indemnification by the terms thereof shall be entitled to contribution to liabilities and expenses, except to the extent that contribution is not permitted under Section 11(f) of the Securities Act. In determining the amount of contribution to which the respective parties are entitled, there shall be considered the parties' relative knowledge and access to information concerning the matter with respect to which the claim was asserted, the opportunity to correct and/or prevent any statement or omission, and any other equitable considerations appropriate under the circumstances. Grantee and Issuer agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation even if the underwriters and Grantee as a group were considered a single entity for such purpose.

APPENDIX VI.

APPENDIX VI

SOCIETY CORPORATION STOCK OPTION AGREEMENT

STOCK OPTION AGREEMENT, dated as of October 2, 1993, between Society Corporation, an Ohio corporation ("Issuer"), and KeyCorp, a New York corporation ("Grantee").

WHEREAS, Grantee and Issuer have entered into a Supplemental Agreement to Agreement and Plan of Merger (the "Supplemental Agreement") and a related Agreement and Plan of Merger, both dated October 1, 1993 (together, the "Merger Agreement"); and

WHEREAS, as a condition to Grantee's entry into the Merger Agreement and in consideration for such entry, Issuer has approved the grant to Grantee of the Option (as hereinafter defined):

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein and in the Merger Agreement, the parties hereto agree as follows:

1. (a) Issuer hereby grants to Grantee an unconditional, irrevocable option (the "Option") to purchase, subject to the terms hereof, up to 23,299,888 fully paid and nonassessable Common Shares, with a par value of $1 each (the "Common Stock"), of Issuer at a price of $32.50 per share (such price, as adjusted if

applicable, the "Option Price"); provided, however, that in no event shall the number of shares for which this Option is exercisable exceed 19.9% of the Issuer's issued and outstanding shares of Common Stock. The number of shares of Common Stock that may be received upon the exercise of the Option and the Option Price are subject to adjustment as herein set forth.

(b) In the event that any additional shares of Common Stock are issued or otherwise become outstanding after the date of this Agreement (other than pursuant to this Agreement), including, without limitation, pursuant to stock option plans and in connection with acquisitions and other transactions permitted by the Merger Agreement, the number of shares of Common Stock subject to the Option shall be increased so that, after such issuance, it equals 19.9% of the number of shares of the Common Stock then issued and outstanding without giving effect to any shares subject or issued pursuant to the Option. Nothing contained in this Section 1(b) or elsewhere in this Agreement shall be deemed to authorize Issuer or Grantee to breach any provision of the Merger Agreement.

2. (a) The Holder (as hereinafter defined) may exercise the Option, in whole or part, if, but only if, both an Initial Triggering Event (as hereinafter defined) and a Subsequent Triggering Event (as hereinafter defined) shall have occurred prior to the occurrence of an Exercise Termination Event (as hereinafter defined), provided that the Holder shall have sent the written notice of such exercise (as provided in subsection (e) of this Section 2) within 90 days following such Subsequent Triggering Event. Each of the following shall be an Exercise Termination Event: (i) the Effective Time of the Merger, (ii) termination of the Merger Agreement in accordance with the provisions thereof if such termination occurs prior to the occurrence of an Initial Triggering Event, except a termination by Grantee pursuant to Section 10.1(b) of the Supplemental Agreement (unless the breach by Issuer is non-volitional), or (iii) the passage of twelve months after termination of the Merger Agreement if such termination follows the occurrence of an Initial Triggering Event or a termination by Grantee pursuant to Section 10.1(b) of the Supplemental Agreement (unless breach by Issuer is non-volitional) (provided that if an Initial Triggering Event continues or occurs beyond such termination, the Exercise Termination Event shall be twelve months from the expiration of the Last Triggering Event but in no event more than 18 months after such termination). The "Last Triggering Event" shall mean the last Initial Triggering Event to expire. The term "Holder" shall mean the holder or holders of the Option.

(b) The term "Initial Triggering Event" shall mean any of the following events or transactions occurring after the date hereof:

(i) Issuer or any Issuer Subsidiary, without having received Grantee's prior written consent, shall have entered into an agreement to engage in an Acquisition Transaction with any person (the term "person" for purposes of this Agreement having the meaning assigned thereto in Sections 3(a)(9) and 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and

regulations thereunder), other than Grantee or a Grantee Subsidiary, or the Board of Directors of Issuer shall have recommended that the shareholders of Issuer approve or accept any Acquisition Transaction other than as contemplated by the Merger Agreement. For purposes of this Agreement, "Acquisition Transaction" shall mean (A) a merger or consolidation, or any similar transaction, with Issuer or any significant subsidiary (as defined in Rule 1.02 of Regulation S-X of the Securities and Exchange Commission) (a "Significant Subsidiary") of Issuer, (B) a purchase, lease, or other acquisition of all or substantially all the assets of Issuer or any Significant Subsidiary of Issuer, (C) a purchase or other acquisition (including by way of merger, consolidation, share exchange, or otherwise) of securities representing 10% or more of the voting power of Issuer or any Significant Subsidiary of Issuer, or (D) any substantially similar transaction; or

(ii) (A) Any person, other than Grantee, any Grantee Subsidiary, any Issuer Subsidiary in a fiduciary capacity in the ordinary course of such Issuer Subsidiary's business, any employee benefit plan or employee stock ownership plan of Issuer or any Issuer Subsidiary, or any person organized, appointed, or established by Issuer or any Issuer Subsidiary for or pursuant to the terms of any such plan, alone or together with such person's affiliates and associates (as the terms "affiliate" and "associate" are defined in Rule 12b-2 under the Exchange Act), shall have acquired beneficial ownership (as the term "beneficial ownership" is defined in Section 13(d) of the Exchange Act and the rules and regulations thereunder) or the right to acquire beneficial ownership of 10% or more of the then outstanding shares of Common Stock of Issuer, or (B) any group (as the term "group" is defined in Section 13(d)(3) of the Exchange Act), other than a group of which Grantee, any Grantee Subsidiary, any Issuer Subsidiary in a fiduciary capacity in the ordinary course of such Issuer

Subsidiary's business, any employee benefit plan or employee stock ownership plan of Issuer or any Issuer Subsidiary, or any person organized, appointed, or established by Issuer or any Issuer Subsidiary for or pursuant to the terms of any such plan is a member, shall have been formed that beneficially owns 10% or more of the Common Stock then outstanding; or

(iii) Any person, other than Grantee or any Grantee Subsidiary, shall have made a bona fide proposal to Issuer or its shareholders by public announcement or written communication that is or becomes the subject of public disclosure to engage in an Acquisition Transaction; or

(iv) After a proposal is made by a third party to Issuer or its shareholders to engage in an Acquisition Transaction, Issuer shall have breached any covenant or obligation contained in the Merger Agreement and such breach would entitle Grantee to terminate the Merger Agreement under Section 10.1(b) of the Merger Agreement (without regard to the cure periods provided for therein unless such cure is promptly effected without jeopardizing consummation of the Merger pursuant to the terms of the Merger Agreement) and such breach shall not have been cured within 30 days; or

(v) Any person (other than Grantee or any Grantee Subsidiary), other than in connection with a transaction to which Grantee has given its prior written consent, shall have filed an application or notice with the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), or other federal or state bank regulatory authority, which application or notice has been accepted for processing, for approval to engage in an Acquisition Transaction.

(c) The term "Subsequent Triggering Event" shall mean either of the following events or transactions occurring after the date hereof:

(i) The acquisition by any person, alone or together with such person's affiliates and associates, or any group, subject to the same exceptions as those set forth in clause (ii)(A) or (B), respectively, of Section (b) of this Section 2, of beneficial ownership of 25% or more of the then outstanding Common Stock; or

(ii) The occurrence of an Initial Triggering Event described in clause (i) of subsection (b) of this Section 2, except that the percentage reference in sub-clause (C) of such clause (i) shall be 25%.

(d) Issuer shall notify Grantee promptly in writing of the occurrence of any Initial Triggering Event or Subsequent Triggering Event (together, a "Triggering Event"), it being understood that the giving of such notice by Issuer shall not be a condition to the right of the Holder to exercise the Option.

(e) In the event the Holder is entitled to and wishes to exercise the Option, it shall send to Issuer a written notice (the date of which being herein referred to as the "Notice Date") specifying (i) the total number of shares it will purchase pursuant to such exercise, and (ii) a place and date not earlier than three business days nor later than 60 business days from the Notice Date for the closing of such purchase (the "Closing Date"); provided that if prior notification to or approval of the Federal Reserve Board or any other regulatory agency is required in connection with such purchase, the Holder shall promptly file the required notice or application for approval and shall expeditiously process the same and the period of time that otherwise would run pursuant to this sentence shall run instead from the date on which any required notification periods have expired or been terminated or such approvals have been obtained and any requisite waiting period or periods shall have passed. Any exercise of the Option shall be deemed to occur on the Notice Date relating thereto.

(f) At the closing referred to in subsection (e) of this Section 2, the Holder shall pay to Issuer the aggregate purchase price for the shares of the Common Stock purchased pursuant to the exercise of the Option in immediately available funds by a wire transfer to a bank account designated by Issuer, provided that failure or refusal of Issuer to designate such a bank account shall not preclude the Holder from exercising the Option.

(g) At such closing, simultaneously with the delivery of immediately available funds as provided in subsection (f) of this Section 2, Issuer shall deliver to the Holder a certificate or certificates representing the number of shares of Common Stock purchased by the Holder and, if the Option should be exercised in part only, a new Option evidencing the rights of the Holder thereof to purchase the balance of the shares purchasable hereunder, and the Holder shall deliver to Issuer a copy of this Agreement and a letter agreeing that the Holder will not offer to sell or otherwise dispose of such shares in violation of applicable law or the provisions of this Agreement.

(h) Certificates for Common Stock delivered at a closing hereunder may be endorsed with a restrictive legend that shall read substantially as follows:

> "The transfer of the shares represented by this certificate is subject to certain provisions of an agreement between the registered holder hereof and Issuer and to resale restrictions arising under the Securities Act of 1933, as amended, a copy of which agreement is on file at the principal office of Issuer. A copy of such agreement will be mailed to the holder hereof without charge within five days after receipt by Issuer of a written request."

It is understood and agreed that: (i) the reference to the resale restrictions of the Securities Act of 1933, as amended (the "Securities Act"), in the above legend shall be removed by delivery of substitute certificate(s) without such reference if the Holder shall have delivered to Issuer a copy of a letter from the staff of the Securities and Exchange Commission, or an opinion of counsel, in form and substance satisfactory to Issuer, to the effect that such legend is not required for purposes of the Securities Act; (ii) the reference to the provisions of this Agreement in the above legend shall be removed by delivery of substitute certificate(s) without such reference if the shares have been sold or transferred in compliance with the provisions of this Agreement and under circumstances that do not require the retention of such reference; and (iii) the legend shall be removed in its entirety if the conditions in the preceding clauses (i) and (ii) are both satisfied. In addition, such certificates shall bear any other legend as may be required by law.

(i) Upon the giving by the Holder to Issuer of the written notice of exercise of the Option provided for under subsection (e) of this Section 2, the tender of the applicable purchase price in immediately available funds and the tender of a copy of this Agreement to Issuer, the Holder shall be deemed to be the holder of record of the shares of Common Stock issuable upon such exercise, notwithstanding that the stock transfer books of Issuer shall then be closed or that certificates representing such shares of Common Stock shall not then be actually delivered to the Holder. Issuer shall pay all expenses, and any and all United States federal, state, and local taxes and other charges that may be payable in connection with the preparation, issue, and delivery of stock certificates under this Section 2 in the name of the Holder or its assignee, transferee, or designee.

3. Issuer agrees (i) that it shall at all times maintain, free from preemptive rights, sufficient authorized but unissued or treasury shares of the Common Stock so that the Option may be exercised without additional authorization of Common Stock after giving effect to all other options, warrants, convertible securities, and other rights to purchase Common Stock, (ii) that it will not, by charter amendment or through reorganization, consolidation, merger, dissolution, or sale of assets, or by any other voluntary act, avoid or seek to avoid the observance or performance of any of the covenants, stipulations, or conditions to be observed or performed hereunder by Issuer, (iii) promptly to take all action as may from time to time be required (including (A) complying with all premerger notification, reporting, and waiting period requirements specified in 15 U.S.C. Section 18a and regulations promulgated thereunder and (B) in the event, under the Bank Holding Company Act of 1956, as amended, or the Change in Bank Control Act of 1978, as amended, or a state banking law, prior approval of or notice to the Federal Reserve Board or to any state regulatory authority is necessary before the Option may be exercised, cooperating fully with the Holder in preparing such applications or notices and providing such information to the Federal Reserve Board or such state regulatory authority as they may require) in order to permit the Holder to exercise the Option and Issuer duly and effectively to issue shares of the Common Stock pursuant hereto, and (iv) promptly to take all action provided herein to protect the rights of the Holder against dilution.

4. This Agreement (and the Option granted hereby) are exchangeable, without expense, at the option of the Holder, upon presentation and surrender of this Agreement at the principal office of Issuer, for other Agreements providing for Options of different denominations entitling the holder thereof to purchase in the aggregate the same number of shares of the Common Stock purchasable hereunder. The terms "Agreement" and "Option" as used herein include any Stock Option Agreements and related Options for which this Agreement (and the Option granted hereby) may be exchanged. Upon receipt by Issuer of evidence reasonably satisfactory to it of the loss, theft, destruction, or mutilation of this Agreement, and (in the case of loss, theft, or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Agreement, if mutilated, Issuer will execute and deliver a new Agreement of like tenor and date. Any such new Agreement executed and delivered shall constitute an additional contractual obligation on the part of Issuer, whether or not the Agreement so lost, stolen, destroyed, or mutilated shall at any time be enforceable by anyone.

5. In addition to the adjustment in the number of shares of Common Stock that are purchasable upon exercise of the Option pursuant to Section 1 of this Agreement, the number of shares of Common Stock purchasable upon the exercise hereof and the Option Price shall be subject to adjustment from time to time as provided in this Section 5:

(a)(i) In the event of any change in Common Stock by reason of stock dividends, split-ups, mergers, recapitalizations, combinations, subdivisions, conversions, exchanges of shares, or the like, the type and number of shares of Common Stock purchasable upon exercise hereof shall be appropriately adjusted, and proper provision shall be made in the agreements governing any such transaction so that Grantee shall receive upon exercise of the Option the number and class of shares, other securities, property, or cash that Grantee would have received in respect of the Common Stock subject to the Option if the Option had been exercised and the Common Stock subject to the Option had been issued to Grantee immediately prior to such event or the record date therefor, as applicable; and

(ii) Issuer may make such increases in the number of shares of Common Stock purchasable upon exercise hereof, in addition to those required under subsection (a)(i), as shall be determined by its Board of Directors to be advisable in order to avoid taxation so far as practicable of any dividend of stock or stock rights or any event treated as such for Federal income tax purposes to the recipients; and

(b) Whenever the number of shares of Common Stock purchasable upon exercise hereof is adjusted as provided in this Section 5, the Option Price shall be adjusted by multiplying the Option Price by a fraction, the numerator of which is equal to the number of shares of Common Stock purchasable prior to the adjustment and the denominator of which is equal to the number of shares of the Common Stock purchasable after the adjustment.

(c) Notwithstanding anything in this Agreement, the sum of (i) the number of shares of Common Stock to be purchased from time to time upon exercise of the Option plus (ii) the number of shares of Common

Stock in respect of which Grantee may, directly or indirectly, alone or with others, exercise or direct the exercise of voting power in the election of directors shall not exceed 19.9% of the Common Stock issued and outstanding at the time the Option is exercised; provided that, Grantee shall not be deemed to have voting power with respect to Common Stock held by a subsidiary of Grantee that is a bank, broker, nominee, or trustee who acquires shares in the ordinary course of business for the benefit of others in good faith and not for the purpose of circumventing Section 1701.831 of the Ohio General Corporation Law unless the subsidiary is able, without further instructions from others, to exercise or direct the exercise of the votes on a proposed control share acquisition at a meeting of shareholders called under Section 1701.831 of the Ohio General Corporation Law. In the event that the Option would be exercisable for more than 19.9% of the aggregate of the shares of Common Stock but for this clause (c), the Issuer shall, at the time the Option is exercised, make a cash payment to Grantee equal to the excess of (i) the value of the Option without giving effect to the limitation in the first sentence of this clause (c) over (ii) the value of the Option after giving effect to the limitation in the first sentence of this clause (c). This difference in value shall be determined by a nationally-recognized investment banking firm selected by Grantee.

6. Upon the occurrence of a Subsequent Triggering Event that occurs prior to an Exercise Termination Event, Issuer shall, at the request of Grantee delivered within 90 days of such Subsequent Triggering Event (whether on its own behalf or on the behalf of any subsequent holder of this Option (or part thereof) or any of the shares of Common Stock issued pursuant hereto), promptly prepare, file, and keep current a shelf registration statement under the Securities Act covering this Option and any shares issued and issuable pursuant to this Option and shall use its best efforts to cause such registration statement to become effective and remain current in order to permit the sale or other disposition of this Option and any shares of Common Stock issued upon total or partial exercise of this Option ("Option Shares") in accordance with any plan of disposition requested by Grantee and by any underwriter or underwriters selected by Grantee. Issuer will use its best efforts to cause such registration statement first to become effective and then to remain effective for such period not in excess of 180 days from the day such registration statement first becomes effective or such shorter time as may be reasonably necessary to effect such sales or other dispositions. Grantee shall have the right to demand a second such registration by making a request to Issuer therefor within two years of the date of its request made in accordance with the first sentence of this Section 6. The obligations of Issuer hereunder to file a registration statement and to maintain its effectiveness may be suspended for one or more periods of time that do not exceed 60 days in the aggregate if the

Board of Directors of Issuer shall have determined that the filing of such registration statement or the maintenance of its effectiveness would require disclosure of nonpublic information that would materially and adversely affect Issuer. The foregoing notwithstanding, if, at the time of any request by Grantee for registration of the Option or Option Shares as provided above, Issuer is in registration with respect to an underwritten public offering of shares of Common Stock, and if, in the good faith judgment of the managing underwriter or managing underwriters, or, if none, the sole underwriter or underwriters, of such offering, the inclusion of the Holder's Option or Option Shares would interfere with the successful marketing of the shares of Common Stock offered by Issuer, the number of shares represented by the Option and/or the number of Option Shares which in either case are to be covered in the registration statement contemplated hereby may be reduced; provided, however, that after any such required reduction the number of Option Shares to be included in such offering for the account of the Holder shall constitute at least 25% of the total number of shares to be sold by the Holder and Issuer in such offering in the aggregate; provided further, however, that if such reduction occurs, then the Issuer shall file a registration statement for the balance as promptly as practical and no reduction shall thereafter occur. Whenever the provisions of this Section 6 apply, the provisions of Appendix A attached hereto shall be applicable.

7. (a) Upon the occurrence of a Subsequent Triggering Event that occurs prior to an Exercise Termination Event, (i) at the request of the Holder, delivered within 90 days of such occurrence (or such later period as provided in Section 10), Issuer shall repurchase the Option from the Holder at a price (the "Option Repurchase Price") equal to the amount by which (A) the sum of the market/offer price (as defined below) and Grantee's reasonable out-of-pocket expenses incurred in connection with the transactions contemplated by the Merger Agreement, including, without limitation, legal, accounting, and investment banking fees, exceeds (B) the Option Price, multiplied by the number of shares for which this Option may then be exercised and (ii) at the request of the owner of Option Shares from time to time (the "Owner"), delivered within 90 days of such occurrence (or such later period as provided in Section 10), Issuer shall repurchase

such number of the Option Shares from the Owner as the Owner shall designate at a price per share (the "Option Share Repurchase Price") equal to the market/offer price plus Grantee's reasonable out-of-pocket expenses incurred in connection with the transactions contemplated by the Merger Agreement, including, without limitation, legal, accounting, and investment banking fees. The term "market/offer price" shall mean the highest of (x) the price per share of the Common Stock at which a tender offer or exchange offer therefor has been made, (y) the price per share of the Common Stock to be paid by any third party pursuant to an agreement with Issuer, and (z) the highest closing price for shares of the Common Stock within the six-month period immediately preceding the date the Holder gives notice of the required repurchase of this Option or the Owner gives notice of the required repurchase of Option Shares, as the case may be. In the event that an exchange offer is made for the Common Stock or an agreement is entered into for a merger or consolidation involving consideration other than cash, the value of the securities or other property issuable or deliverable in exchange for the Common Stock shall be determined by a nationally recognized investment banking firm selected by the Holder or Owner, as the case may be, and Issuer. Notwithstanding the foregoing, if the same person who has participated in a Triggering Event has entered, or after such Triggering Event has occurred enters, into any agreement or understanding with Grantee relating to Grantee's rights under this Option or with respect to the Option Shares or directly or indirectly relating to Issuer, Grantee shall, notwithstanding the terms of such agreement or understanding, at any time upon the occurrence of a Subsequent Triggering Event of the type set forth in Section 2(c)(i) without Issuer's approval, recommendation, or consent, promptly request that Issuer repurchase the Option and any Option Shares held by Grantee as provided in this Section 7 and Issuer shall do so.

(b) The Holder and the Owner, as the case may be, may exercise its right to require Issuer to repurchase the Option and any Option Shares pursuant to this Section 7 by surrendering for such purpose to Issuer, at its principal office, a copy of this Agreement or certificates for Option Shares, as applicable, accompanied by a written notice or notices stating that the Holder or the Owner, as the case may be, elects to require Issuer to repurchase this Option and/or the Option Shares in accordance with the provisions of this Section 7. As promptly as practicable, and in any event within five business days after the surrender of the Option and/or certificates representing Option Shares and the receipt of such notice or notices relating thereto, Issuer shall deliver or cause to be delivered to the Holder the Option Repurchase Price and/or to the Owner the Option Share Repurchase Price therefor or the portion thereof that Issuer is not then prohibited under applicable law and regulation from so delivering.

(c) To the extent that Issuer is prohibited under applicable law or regulation, or as a consequence of administrative policy, from repurchasing the Option and/or the Option Shares in full, Issuer shall immediately so notify the Holder and/or the Owner and thereafter deliver or cause to be delivered, from time to time, to the Holder and/or the Owner, as appropriate, the portion of the Option Repurchase Price and the Option Share Repurchase Price, respectively, that it is no longer prohibited from delivering, within five business days after the date on which Issuer is no longer so prohibited; provided, however, that if Issuer at any time after delivery of a notice of repurchase pursuant to paragraph (b) of this Section 7 is prohibited under applicable law or regulation, or as a consequence of administrative policy, from delivering to the Holder and/or the Owner, as appropriate, the Option Repurchase Price and the Option Share Repurchase Price, respectively, in full (and Issuer hereby undertakes to use its best efforts to receive all required regulatory and legal approvals and to file any required notices as promptly as practicable in order to accomplish such repurchase), the Holder or Owner may revoke its notice of repurchase of the Option or the Option Shares, whereupon Issuer shall promptly (i) deliver to the Holder a new Stock Option Agreement evidencing the right of the Holder to purchase that number of shares of the Common Stock obtained by multiplying the number of shares of the Common Stock for which the surrendered Stock Option Agreement was exercisable at the time of delivery of the notice of repurchase by a fraction, the numerator of which is the Option Repurchase Price less the portion thereof theretofore delivered to the Holder and the denominator of which is the Option Repurchase Price, and (ii) deliver to the Owner a certificate for the Option Shares it is then so prohibited from repurchasing, and Issuer shall have no further obligation to purchase such Option or Option Shares.

8. (a) In the event that prior to an Exercise Termination Event, Issuer shall enter into an agreement (1) to consolidate with or merge into any person, other than Grantee or one of its Subsidiaries, and shall not be the continuing or surviving corporation of such consolidation or merger, (2) to permit any person, other than

Grantee or one of its Subsidiaries, to merge into Issuer and Issuer shall be the continuing or surviving corporation, but, in connection with such merger, the then outstanding shares of Common Stock shall be changed into or exchanged for stock or other securities of any other person or cash or any other property or the then outstanding shares of Common Stock shall after such merger represent less than 50% of the outstanding voting shares and voting share equivalents of the merged company, or (3) to sell or otherwise transfer all or substantially all of its assets to any person, other than Grantee or one of its Subsidiaries, then, and in each such case, the agreement governing such transaction shall make proper provision so that the Option shall, upon the consummation of any such transaction and upon the terms and conditions set forth herein, be converted into, or exchanged for, an option (the "Substitute Option"), at the election of the Holder, of either (i) the Acquiring Corporation (as hereinafter defined), (ii) any person that controls the Acquiring Corporation, or (iii) in the case of a merger described in clause (a)(2), Issuer.

(b) The following terms have the meanings indicated:

(1) "Acquiring Corporation" shall mean (i) the continuing or surviving corporation of a consolidation or merger with Issuer (if other than Issuer), (ii) Issuer in a merger in which Issuer is the continuing or surviving person, or (iii) the transferee of all or substantially all of Issuer's assets.

(2) "Substitute Common Stock" shall mean the common stock issued by the issuer of the Substitute Option upon exercise of the Substitute Option.

(3) "Assigned Value" shall mean the market/offer price, as defined in Section 7; provided, however, that in the event of a sale of all or substantially all of Issuer's assets, the Assigned Value shall be the sum of the price paid in such sale for such assets and the current market value of the remaining assets of Issuer as determined by a nationally recognized investment banking firm selected by the Holder (or by a majority in interest of the Holders if there shall be more than one Holder), divided by the number of shares of the Common Stock of Issuer outstanding at the time of such sale.

(4) "Average Price" shall mean the average closing price of a share of the Substitute Common Stock for the one year immediately preceding the consolidation, merger, or sale in question, but in no event higher than the closing price of the shares of the Substitute Common Stock on the day preceding such consolidation, merger, or sale; provided that, if Issuer is the issuer of the Substitute Option, the Average Price shall be computed with respect to a share of common stock issued by the person merging into Issuer or by any company which controls such person, as the Holder may

elect.

(c) The Substitute Option shall have the same terms as the Option, provided that, if the terms of the Substitute Option cannot, for legal reasons, be the same as the Option, such terms shall be as similar as possible and in no event less advantageous to the Holder. The issuer of the Substitute Option shall also enter into an agreement with the then Holder or Holders of the Substitute Option in substantially the same form as this Agreement, which shall be applicable to the Substitute Option.

(d) The Substitute Option shall be exercisable for such number of shares of the Substitute Common Stock as is equal to the Assigned Value multiplied by the number of shares of the Common Stock for which the Option is then exercisable, divided by the Average Price. The exercise price of the Substitute Option per share of the Substitute Common Stock shall then be equal to the Option Price multiplied by a fraction in which the numerator is the number of shares of the Common Stock for which the Option is then exercisable and the denominator is the number of shares of the Substitute Common Stock for which the Substitute Option is exercisable.

(e) In no event, pursuant to any of the foregoing paragraphs, shall the Substitute Option be exercisable for more than 19.9% of the aggregate of the shares of the Substitute Common Stock outstanding prior to exercise of the Substitute Option. In the event that the Substitute Option would be exercisable for more than 19.9% of the aggregate of the shares of Substitute Common Stock but for the limitation in the first sentence of this clause (e), the Substitute Option Issuer shall make a cash payment to Grantee equal to the excess of (i) the value of the Substitute Option without giving effect to the limitation in the first sentence of this clause (e) over (ii) the value of the Substitute Option after giving effect to the limitation in the first sentence of this clause (e). This difference in value shall be determined by a nationally-recognized investment banking firm selected by Grantee.

(f) Issuer shall not enter into any transaction described in subsection (a) of this Section 8 unless the Acquiring Corporation and any person that controls the Acquiring Corporation assume in writing all the obligations of Issuer hereunder.

9. (a) At the request of the holder of the Substitute Option (the "Substitute Option Holder"), the issuer of the Substitute Option (the "Substitute Option Issuer") shall repurchase the Substitute Option from the Substitute Option Holder at a price (the "Substitute Option Repurchase Price") equal to the amount by which (i) the sum of the Highest Closing Price (as hereinafter defined) plus Grantee's reasonable out-of-pocket expenses incurred in connection with the transactions contemplated by the Merger Agreement, including, without limitation, legal, accounting, and investment banking fees, exceeds (ii) the exercise price of the Substitute Option, multiplied by the number of shares of the Substitute Common Stock for which the Substitute Option may then be exercised, and at the request of the owner (the "Substitute Share Owner") of shares of the Substitute Common Stock (the "Substitute Shares"), the Substitute Option Issuer shall repurchase the Substitute Shares at a price per share (the "Substitute Share Repurchase Price") equal to the sum of the Highest Closing Price plus Grantee's reasonable out-of-pocket expenses incurred in connection with the transactions contemplated by the Merger Agreement, including, without limitation, legal, accounting, and investment banking fees. The term "Highest Closing Price" shall mean the highest closing price for shares of the Substitute Common Stock within the six-month period immediately preceding the date the Substitute Option Holder gives notice of the required repurchase of the Substitute Option or the Substitute Share Owner gives notice of the required repurchase of the Substitute Shares, as applicable.

(b) The Substitute Option Holder and the Substitute Share Owner, as the case may be, may exercise its respective right to require the Substitute Option Issuer to repurchase the Substitute Option and the Substitute Shares pursuant to this Section 9 by surrendering for such purpose to the Substitute Option Issuer, at its principal office, the agreement for such Substitute Option (or, in the absence of such an agreement, a copy of this Agreement) and certificates for Substitute Shares accompanied by a written notice or notices stating that the Substitute Option Holder or the Substitute Share Owner, as the case may be, elects to require the Substitute Option Issuer to repurchase the Substitute Option and/or the Substitute Shares in accordance with the provisions of this Section 9. As promptly as practicable, and in any event within five business days after the surrender of the Substitute Option and/or certificates representing Substitute Shares and the receipt of such notice or notices relating thereto, the Substitute Option Issuer shall deliver or cause to be delivered to the Substitute Option Holder the Substitute Option Repurchase Price and/or to the Substitute Share Owner the Substitute Share Repurchase Price therefor or the portion thereof which the Substitute Option Issuer is not then prohibited under applicable law and regulation from so delivering.

(c) To the extent that the Substitute Option Issuer is prohibited under applicable law or regulation, or as a consequence of administrative policy, from repurchasing the Substitute Option and/or the Substitute Shares in full, the Substitute Option Issuer shall immediately so notify the Substitute Option Holder and/or the Substitute Share Owner and thereafter deliver or cause to be delivered, from time to time, to the Substitute Option Holder and/or the Substitute Share Owner, as appropriate, the portion of the Substitute Share Repurchase Price, respectively, which it is no longer prohibited from delivering, within five business days after the date on which the Substitute Option Issuer is no longer so prohibited; provided, however, that if the Substitute Option Issuer is at any time after delivery of a notice of repurchase pursuant to subsection (b) of this Section 9 prohibited under applicable law or regulation, or as a consequence of administrative policy, from delivering to the Substitute Option Holder and/or the Substitute Share Owner, as appropriate, the Substitute Option Repurchase Price and the Substitute Share Repurchase Price, respectively, in full (and the Substitute Option Issuer shall use its best efforts to receive all required regulatory and legal approvals as promptly as practicable in order to accomplish such repurchase), the Substitute Option Holder or Substitute Share Owner may revoke its notice of repurchase of the Substitute Option or the Substitute Shares, whereupon the Substitute Option Issuer shall promptly (i) deliver to the Substitute Option Holder a new Substitute Option evidencing the right of the Substitute Option Holder to purchase that number of shares of the Substitute Common Stock obtained by multiplying the number of shares of the Substitute Common Stock for which the surrendered Substitute Option was exercisable at the time of delivery of the notice of repurchase by a fraction, the numerator of which is the Substitute Option Repurchase Price less the portion thereof theretofore delivered to the Substitute Option Holder and the denominator of which is the Substitute Option Repurchase

Price, and (ii) deliver to the Substitute Share Owner a certificate for the Substitute Option Shares it is then so prohibited from repurchasing, and the Substitute Option Issuer shall have no further obligation to purchase such Substitute Option or Substitute Shares.

10. The 90-day periods for exercise of certain rights under Sections 2, 6, 7, and 13 shall be extended in each such case (i) to the extent necessary to obtain all regulatory approvals for the exercise of such rights and for the expiration of all statutory waiting periods and (ii) to the extent necessary to avoid liability under Section 16(b) of the Exchange Act by reason of such exercise.

11. Issuer hereby represents and warrants to Grantee as follows:

(a) Issuer has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by the Board of Directors of Issuer and no other corporate proceedings on the part of Issuer are necessary to authorize this Agreement or to consummate the transactions so contemplated. This Agreement has been duly and validly executed and delivered by Issuer and constitutes a valid and binding obligation of Issuer, enforceable against Issuer in accordance with its terms.

(b) To the best knowledge of Issuer, as of the date of this Agreement, no person owns beneficially more than 10 percent of the outstanding shares of its Common Stock.

(c) Issuer has taken all necessary corporate action to authorize and reserve and permit it to issue, and at all times from the date hereof through the termination of this Agreement in accordance with its terms will have reserved for issuance upon the exercise of the option, that number of shares of Common Stock equal to the maximum number of shares of Common Stock at any time and from time to time issuable hereunder, and all such shares, upon issuance pursuant hereto, will be duly authorized, validly issued, fully paid, nonassessable, and will be delivered free and clear of all claims, liens, encumbrances, and security interests and not subject to any preemptive rights.

(d) The Rights Agreement, dated as of August 25, 1989, between Issuer and Society National Bank, as Rights Agent (successor to First Chicago Trust Company of New York as said Rights Agent) (the "Rights Agreement"), has been amended to provide that Grantee will not become an "Acquiring Person" and that no "Flip-in Event," "Flip-over Event," "Triggering Event," or "Share Acquisition Date" (as such terms are defined in the Rights Agreement) will occur as a result of the approval, execution, or delivery of this Agreement or the Merger Agreement or the consummation of the transactions contemplated hereby and thereby, including the purchase of Common Stock by Grantee pursuant to this Agreement, and that "Rights" (as defined in the Rights Agreement) shall be issued under the Rights

Agreement in respect of any Common Stock of Issuer that is issued pursuant to this Agreement after the "Record Date" but before the "Expiration Date" (as such terms are defined in the Rights Agreement).

(e) Except as disclosed pursuant to the Merger Agreement, the execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not, conflict with, or result in a violation of or default under, (i) any provision of the Articles of Incorporation or Regulations of Issuer or any Issuer Subsidiary or (ii) subject to obtaining the approvals, if any, contemplated or required by Section 7(c) or 9(c) of this Agreement, any loan or credit agreement, note, mortgage, indenture, lease, or other agreement, obligation, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to Issuer or any Issuer Subsidiary or their respective properties or assets, which conflict, violation or default would have a material adverse effect on Issuer.

12. Grantee hereby represents and warrants to Issuer that:

(a) Grantee has full corporate power and authority to enter into this Agreement and, subject to obtaining the approvals referred to in this Agreement, to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Grantee. This Agreement has been duly executed and delivered by Grantee and constitutes a valid and binding obligation of Grantee, enforceable against Grantee in accordance with its terms.

(b) The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not, conflict with, or result in a violation of or default under, (i) any provision of the Restated Certificate of Incorporation, as amended, or Restated Bylaws of Grantee or similar documents of any Grantee Subsidiary or (ii) subject to obtaining the approvals referred to in this Agreement, any loan or credit agreement, note, mortgage, indenture, lease, or other agreement, obligation, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to Grantee or any subsidiary of Grantee or their respective properties or assets, which conflict, violation, or default would have a material adverse effect on Grantee.

(c) Any Option Shares or other securities acquired by Grantee upon exercise of the Option will not be transferred or otherwise disposed of except in a transaction registered or exempt from registration under the Securities Act.

13. Neither of the parties hereto may assign any of its rights or obligations under this Option Agreement or the Option created hereunder to any other person without the express written consent of the other party, except that in the event a Subsequent Triggering Event shall have occurred prior to an Exercise Termination Event, Grantee, subject to the express provisions hereof (including, without limitation, Section 7(a)), may assign in whole or in part its rights and obligations hereunder within 90 days following such Subsequent Triggering Event (or such later period as provided in Section 10); provided, however, that until the date 30 days following the date on which the Federal Reserve Board approves an application by Grantee under the Bank Holding Company Act to acquire the Common Stock subject to the Option, Grantee may not assign its rights under the Option except in (i) a widely dispersed public distribution, (ii) a private placement in which no one party acquires the right to purchase in excess of 2% of the voting shares of Issuer, (iii) an assignment to a single party (e.g., a broker or investment banker) for the purpose of conducting a widely dispersed public distribution on Grantee's behalf, or (iv) any other manner approved by the Federal Reserve Board.

14. Each of Grantee and Issuer will use its best efforts to make all filings with, and to obtain consents of, all third parties and governmental authorities necessary to the consummation of the transactions contemplated by this Agreement, including without limitation making application to list the shares of the Common Stock issuable hereunder on the New York Stock Exchange upon official notice of issuance and applying to the Federal Reserve Board under the Bank Holding Company Act for approval to acquire the shares issuable hereunder, but Grantee shall not be obligated to apply to state banking authorities for approval to acquire the shares of Common Stock issuable hereunder until such time, if ever, as it deems appropriate to do so.

15. The parties hereto acknowledge that damages would be an inadequate remedy for a breach of this Agreement by either party hereto and that the obligations of the parties hereto shall be enforceable by either party hereto through injunctive or other equitable relief.

16. If any term, provision, covenant, or restriction contained in this Agreement is held by a court or a federal or state regulatory agency of

competent jurisdiction to be invalid, void, or unenforceable, the remainder of the terms, provisions, covenants, and restrictions contained in this Agreement shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated. If for any reason such court or regulatory agency determines that the Holder is not permitted to acquire, or Issuer is not permitted to repurchase pursuant to Section 7, the full number of shares of the Common Stock provided in Section 1(a) hereof (as adjusted pursuant to Section 1(b) or 5 hereof), it is the express intention of Issuer to allow the Holder to acquire or to require Issuer to repurchase such lesser number of shares as may be permissible, without any amendment or modification hereof.

17. All notices, requests, claims, demands, and other communications hereunder shall be deemed to have been duly given when delivered in person, by cable, telegram, telecopy, or telex, or by registered or certified mail (postage prepaid, return receipt requested) at the respective addresses of the parties set forth in the Merger Agreement.

18. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

19. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

20. Except as otherwise expressly provided herein, each of the parties hereto shall bear and pay all costs and expenses incurred by it or on its behalf in connection with the transactions contemplated hereunder, including fees and expenses of its own financial consultants, investment bankers, accountants, and counsel.

21. Except as otherwise expressly provided herein, this Agreement contains the entire agreement between the parties with respect to the transactions contemplated hereunder and supersedes all prior arrangements or understandings with respect thereof, written or oral. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer upon any party, other than the parties hereto, and their respective successors and permitted assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided herein.

22. Capitalized terms used in this Agreement and not defined herein shall have the meanings assigned thereto in the Merger Agreement, provided that references to "Subsidiaries" of "Issuer" and "Grantee" shall be deemed to refer to Subsidiaries of Society Corporation and KeyCorp, respectively.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized, all as of the day and year first above written.

SOCIETY CORPORATION

By: /s/ ROBERT W. GILLESPIE
Its: Chairman of the Board

And: /s/ LAWRENCE J. CARLINI
Its: Secretary

KEYCORP

By: /s/ VICTOR J. RILEY, JR.
Its: Chairman of the Board

And: /s/ ROBERT W. BOUCHARD
Its: Secretary

APPENDIX A

REGISTRATION RIGHTS

1. If and whenever Issuer is required by the provisions of Section 6 of the Agreement to which this Appendix A is a part to effect the registration of securities under the Securities Act of 1933 ("Securities Act"), Issuer will

(a) prepare and file with the SEC such amendments to such registration statement and supplements to the prospectus contained therein as may be necessary to keep such registration statement current;

(b) furnish to Grantee and to the underwriters of the Securities being registered such reasonable number of copies of the registration statement, preliminary prospectus, final prospectus, and such other documents as Grantee or such underwriters may reasonably request in order to facilitate the public offering of such securities;

(c) use its best efforts to register or qualify the securities covered by such registration statement under such state securities or blue sky laws of such jurisdictions as Grantee or such underwriters may reasonably request; provided that Issuer shall not be required by virtue hereof to submit to jurisdiction in any state;

(d) notify Grantee promptly after Issuer shall receive notice thereof, of the time when such registration statement has become effective or a supplement or amendment to any prospectus forming a part of such registration statement has been filed or become effective;

(e) notify Grantee promptly of any request by the SEC for the amending or supplementing of such registration statement or prospectus or for additional information;

(f) prepare and file with the SEC, promptly upon the request of Grantee, any amendments or supplements to such registration statement or prospectus which, in the opinion of counsel for Grantee and Issuer, are required under the Securities Act or the rules and regulations thereunder in connection with the distribution of the securities by Grantee;

(g) prepare and promptly file with the SEC such amendments or supplements to such registration statement or prospectus as may be necessary to correct any statements or omissions if at the time when a prospectus relating to such securities is required to be delivered under the Securities Act, any event shall have occurred as the result of which such prospectus as then in effect would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were not made, not misleading;

(h) advise Grantee, promptly after it shall receive notice or obtain knowledge, of the issuance of any stop order or to obtain its withdrawal if such stop order should be issued; and

(i) at the request of Grantee, furnish on the date or dates provided for in the underwriting agreement: (i) an opinion or opinions of the counsel representing Issuer for the purposes of such registration, addressed to the underwriters and to Grantee, covering such matters as such underwriters and Grantee may reasonably request and are customarily covered by Issuer's counsel at that time; and (ii) a letter or letters from the independent certified public accountants of Issuer, addressed to the underwriters and to Grantee, covering such matters as such underwriters or Grantee may reasonably request, in which letters such accountants shall state (without limiting the generality of the foregoing) that they are independent certified public accountants within the meaning of the Securities Act and that, in the opinion of such accountants, the financial statements and other financial data of Issuer included or incorporated by reference in the registration statement or any amendment or supplement thereto comply in all material respects with applicable accounting requirements of the Securities Act.

2. With respect to the first registration requested pursuant to Section 6 of the Agreement, Issuer shall bear the following fees, costs, and expenses: All registration, filing, and NASD fees, printing and engraving expenses, fees and disbursements of counsel and accountants for Issuer, and all legal fees and disbursements and other expenses of Issuer to comply with state securities or blue sky laws of up to 15 jurisdictions in which

the securities to be offered are to be registered or qualified (with Grantee bearing such fees, disbursements, and expenses with respect to additional jurisdictions). Grantee shall bear such costs, fees, and expenses with respect to the second registration requested pursuant to Section 6 of the Agreement. With respect to both registrations requested pursuant to Section 6 of the Agreement, fees and disbursements of counsel and accountants for Grantee, underwriting discounts and commissions, and transfer taxes for Grantee and any other expenses incurred by Grantee shall be borne by Grantee.

3. (a) Issuer will indemnify and hold harmless Grantee, any underwriter (as

defined in the Securities Act) for Grantee, and each person, if any, who controls Grantee or such underwriter (within the meaning of the Securities Act) from and against any and all losses, damages, liabilities, costs, and expenses to which Grantee or any such underwriter or controlling person may become subject under the Securities Act or otherwise, including, without limitation, any such losses, damages, liabilities, costs, or expenses arising out of or caused by any untrue statement or alleged untrue statement of any material fact contained in such registration statement, any prospectus or preliminary prospectus contained therein, or any amendment or supplement thereto, or arising out of or based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; provided, however, that Issuer will not be liable in any such case to the extent that any such losses, damages, liabilities, costs, or expenses arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by Grantee, such underwriter, or such controlling person in writing specifically for use in the preparation thereof.

(b) Grantee will indemnify and hold harmless Issuer, any underwriter (as defined in the Securities Act), and each person, if any, who controls Issuer or such underwriter (within the meaning of the Securities Act) from and against any and all losses, damages, liabilities, costs, or expenses to which Issuer or any such underwriter or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, damages, liabilities, costs, or expenses arise out of or are caused by any untrue or alleged untrue statement of any material fact contained in such registration statement, any prospectus or preliminary prospectus contained therein or any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was so made in reliance upon and in conformity with written information furnished by Grantee specifically for use in the preparation thereof.

(c) Promptly after receipt by an indemnified party pursuant to the provisions of subparagraph (a) or (b) of this Paragraph 3 of any claim in writing or of notice of the commencement of any action involving the subject matter of the foregoing indemnity provisions, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party pursuant to the provisions of said subparagraph (a) or (b), promptly notify the indemnifying party of the receipt of such claim or notice of the commencement of such action, but the omission to so notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise thereunder. In case such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall have the right to participate in, and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, if the defendants in any action include both the indemnified party and the indemnifying party and there is a conflict of interest which would prevent counsel for the indemnifying party from also representing the indemnified party, the indemnified party or parties shall have the right to select one separate counsel to participate in the defense of such indemnified party or parties. After notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party pursuant to the provisions of said subparagraph (a) or (b) for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation, unless (i) the indemnified party shall have employed counsel in accordance with the provisions of the preceding sentence, (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after

the notice of the commencement of the action, or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party.

(d) If recovery is not available under the foregoing indemnification provisions, for any reason other than as specified therein, the parties entitled to indemnification by the terms thereof shall be entitled to contribution to liabilities and expenses, except to the extent that contribution is not permitted under Section 11(f) of the Securities Act. In determining the amount of contribution to which the respective parties are entitled, there shall be considered the parties' relative knowledge and access to information concerning the matter with respect to which the claim was asserted, the opportunity to correct and/or prevent any statement or omission, and any other equitable

considerations appropriate under the circumstances. Grantee and Issuer agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation even if the underwriters and Grantee as a group were considered a single entity for such purpose.

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APPENDIX VII

SEC. 623 PROCEDURE TO ENFORCE SHAREHOLDERS RIGHT TO RECEIVE PAYMENT FOR SHARES

(a) A shareholder intending to enforce his right under a section of this chapter to receive payment for his shares if the proposed corporate action referred to therein is taken shall file with the corporation, before the meeting of shareholders at which the action is submitted to a vote, or at such meeting but before the vote, written objection to the action. The objection shall include a notice of his election to dissent, his name and residence address, the number and classes of shares as to which he dissents and a demand for payment of the fair value of his shares if the action is taken. Such objection is not required from any shareholder to whom the corporation did not give notice of such meeting in accordance with this chapter or where the proposed action is authorized by written consent of shareholders without a meeting.

(b) Within ten days after the shareholders' authorization date, which term as used in this section means the date on which the shareholders' vote authorizing such action was taken, or the date on which such consent without a meeting was obtained from the requisite shareholders, the corporation shall give written notice of such authorization or consent by registered mail to each shareholder who filed written objection or from whom written objection was not required, excepting any shareholder who voted for or consented in writing to the proposed action and who thereby is deemed to have elected not to enforce his right to receive payment for his shares.

(c) Within twenty days after the giving of notice to him, any shareholder for whom written objection was not required and who elects to dissent shall file with the corporation a written notice of such election, stating his name and residence address, the number and classes of shares as to which he dissents and a demand for payment of the fair value of his shares. Any shareholder who elects to dissent from a merger under section 905 (Merger of subsidiary corporation) or paragraph (c) of section 907 (Merger or consolidation of domestic and foreign corporations) or from a share exchange under paragraph (g) of section 913 (Share exchanges) shall file a written notice of such election to dissent within twenty days after the giving to him of a copy of the plan of merger or exchange or an outline of the material features thereof under section 905 and 913.

(d) A shareholder may not dissent as to less than all of the shares, as to which he has a right to dissent, held by him of record, that he owns beneficially. A nominee or fiduciary may not dissent on behalf of any beneficial owner as to less than all of the shares of such owner, as to which such nominee or fiduciary has a right to dissent, held of record by such nominee or fiduciary.

(e) Upon consummation of the corporate action, the shareholder shall cease to have any of the rights of a shareholder except the right to be paid the fair value of his shares and any other rights under this section. A notice of election may be withdrawn by the shareholder at any time prior to his acceptance in writing of an offer made by the corporation, as provided in paragraph (g), but in no case later than sixty days from the date of consummation of the corporate action except that if the corporation fails to make a timely offer, as provided in paragraph (g), the time for withdrawing a notice of election shall be extended until sixty days from the date an offer is made. Upon expiration of such time, withdrawal of a notice of election shall require the written consent of the corporation. In order to be effective, withdrawal of a notice of election must be accompanied by the return to the corporation of any advance payment made to the shareholder as provided in paragraph (g). If a notice of election is withdrawn, or the corporate action is rescinded, or a court shall determine that the shareholder is not entitled to receive payment for his shares, or the shareholder shall otherwise lose his dissenter's rights, he shall not have the right to receive payment for his shares and he shall be reinstated to all his rights as a shareholder as of the consummation of the corporate action, including any intervening preemptive rights and the right to payment of any intervening dividend or other distribution or, if any such rights have expired or any such dividend or distribution other than in cash has been completed, in lieu thereof, at the election of the corporation, the fair value thereof in cash as determined by the board as of the time of such expiration or completion, but without prejudice otherwise to any corporate proceedings that may have been taken in the interim.

(f) At the time of filing the notice of election to dissent or within one month thereafter the shareholder of shares represented by certificates shall submit the certificates representing his shares to the corporation, or to its transfer agent, which shall forthwith note conspicuously thereon that a notice of election has been filed

and shall return the certificates to the shareholder or other person who submitted them on his behalf. Any shareholder of shares represented by certificates who fails to submit his certificates for such notation as herein specified shall, at the option of the corporation exercised by written notice to him within forty-five days from the date of filing of such notice of election to dissent, lose his dissenter's rights unless a court, for good cause shown, shall otherwise direct. Upon transfer of a certificate bearing such notation, each new certificate issued therefor shall bear a similar notation together with the name of the original dissenting holder of the shares and a transferee shall acquire no rights in the corporation except those which the original dissenting shareholder had at the time of the transfer.

(g) Within fifteen days after the expiration of the period within which shareholders may file their notices of election to dissent, or within fifteen days after the proposed corporate action is consummated, whichever is later (but in no case later than ninety days from the shareholders' authorization date), the corporation or, in the case of a merger or consolidation, the surviving or new corporation, shall make a written offer by registered mail to each shareholder who has filed such notice of election to pay for his shares at a specified price which the corporation considers to be their fair value. Such offer shall be accompanied by a statement setting forth the aggregate number of shares with respect to which notices of election to dissent have been received and the aggregate number of holders of such shares. If the corporate action has been consummated, such offer shall also be accompanied by (1) advance payment to each such shareholder who has submitted the certificates representing his shares to the corporation, as provided in paragraph (f), of an amount equal to eighty percent of the amount of such offer, or (2) as to each shareholder who has not yet submitted his certificates a statement that advance payment to him of an amount equal to eighty percent of the amount of such offer will be made by the corporation promptly upon submission of his certificates. If the corporate action has not been consummated at the time of the making of the offer, such advance payment or statement as to advance payment shall be sent to each shareholder entitled thereto forthwith upon consummation of the corporate action. Every advance payment or statement as to advance payment shall include advice to the shareholder to the effect that acceptance of such payment does not constitute a waiver of any dissenters' rights. If the corporate action has not been consummated upon the expiration of the ninety day period after the shareholders' authorization date, the offer may be conditioned upon the consummation of such action. Such offer shall be made at the same price per share to all dissenting shareholders of the same class, or if divided into series, of the same series and shall be accompanied by a balance sheet of the corporation whose shares the dissenting shareholder holds as of the latest available date, which shall not be earlier than twelve months before the making of such offer, and a profit and loss statement or statements for not less than a twelve month period ended on the date of such balance sheet or, if the corporation was not in existence throughout such twelve month period, for the portion thereof during which it was in existence. Notwithstanding the foregoing, the corporation shall not be required to furnish a balance sheet or profit and loss statement or statements to any shareholder to whom such balance sheet or profit and loss statement or statements were previously furnished, nor if in connection with obtaining the shareholders' authorization for or consent to the proposed corporate action the shareholders were furnished with a proxy or information statement, which included financial statements, pursuant to Regulation 14A or Regulation 14C of the United States Securities and Exchange Commission. If within thirty days after the making of such offer, the corporation making the offer and any shareholder agree upon the price to be paid for his shares, payment therefor shall be made within sixty days after the making of such offer or the consummation of the proposed corporate action, whichever is later, upon the surrender of the certificates for any such shares represented by certificates.

(h) The following procedure shall apply if the corporation fails to make such offer within such period of fifteen days, or if it makes the offer and any dissenting shareholder or shareholders fail to agree with it within the period of thirty days thereafter upon the price to be paid for their shares:

(1) The corporation shall, within twenty days after the expiration of whichever is applicable of the two periods last mentioned, institute a special proceeding in the supreme court in the judicial district in which the office of the corporation is located to determine the rights of dissenting shareholders and to fix the fair value of their shares. If, in the case of merger or consolidation, the surviving or new corporation is a

foreign corporation without an office in this state, such proceeding shall be brought in the county where the office of the domestic corporation, whose shares are to be valued, was located.

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(2) If the corporation fails to institute such proceeding within such period of twenty days, any dissenting shareholder may institute such proceeding for the same purpose not later than thirty days after the expiration of such twenty day period. If such proceeding is not instituted within such thirty day period, all dissenter's rights shall be lost unless the supreme court, for good cause shown, shall otherwise direct.

(3) All dissenting shareholders, excepting those who, as provided in paragraph (g), have agreed with the corporation upon the price to be paid for their shares, shall be made parties to such proceeding, which shall have the effect of an action quasi in rem against their shares. The corporation shall serve a copy of the petition in such proceeding upon each dissenting shareholder who is a resident of this state in the manner provided by law for the service of a summons, and upon each nonresident dissenting shareholder either by registered mail and publication, or in such other manner as is permitted by law. The jurisdiction of the court shall be plenary and exclusive.

(4) The court shall determine whether each dissenting shareholder, as to whom the corporation requests the court to make such determination, is entitled to receive payment for his shares. If the corporation does not request any such determination or if the court finds that any dissenting shareholder is so entitled, it shall proceed to fix the value of the shares, which, for the purposes of this section, shall be the fair value as of the close of business on the day prior to the shareholders' authorization date. In fixing the fair value of the shares, the court shall consider the nature of the transaction giving rise to the shareholder's right to receive payment for shares and its effects on the corporation and its shareholders, the concepts and methods then customary in the relevant securities and financial markets for determining fair value of shares of a corporation engaging in a similar transaction under comparable circumstances and all other relevant factors. The court shall determine the fair value of the shares without a jury and without referral to an appraiser or referee. Upon application by the corporation or by any shareholder who is a party to the proceeding, the court may, in its discretion, permit pretrial disclosure, including, but not limited to, disclosure of any expert's reports relating to the fair value of the shares whether or not intended for use at the trial in the proceeding and notwithstanding subdivision (d) of section 3101 of the civil practice law and rules.

(5) The final order in the proceeding shall be entered against the corporation in favor of each dissenting shareholder who is a party to the proceeding and is entitled thereto for the value of his shares so determined.

(6) The final order shall include an allowance for interest at such rate as the court finds to be equitable, from the date the corporate action was consummated to the date of payment. In determining the rate of interest, the court shall consider all relevant factors, including the rate of interest which the corporation would have had to pay to borrow money during the pendency of the proceeding. If the court finds that the refusal of any shareholder to accept the corporate offer of payment for his shares was arbitrary, vexatious or otherwise not in good faith, no interest shall be allowed to him.

(7) Each party to such proceeding shall bear its own costs and expenses, including the fees and expenses of its counsel and of any experts employed by it. Notwithstanding the foregoing, the court may, in its discretion, apportion and assess all or any part of the costs, expenses and fees incurred by the corporation against any or all of the dissenting shareholders who are parties to the proceeding, including any who have withdrawn their notices of election as provided in paragraph (e), if the court finds that their refusal to accept the corporate offer was arbitrary, vexatious or otherwise not in good faith. The court may, in its discretion, apportion and assess all or any part of the costs, expenses and fees incurred by any or all of the dissenting shareholders who are parties to the proceeding against the corporation if the court finds any of the following: (A) that the fair value of the shares as determined materially exceeds the amount which the corporation offered to pay; (B) that no offer or required advance payment was made by the corporation; (C) that the corporation failed to institute the special proceeding within the period specified therefor; or (D) that the action of the corporation in complying with its obligations as provided in this section was arbitrary, vexatious or otherwise not in good faith. In making any determination as provided in

clause (A), the court may consider the dollar amount or the percentage, or both, by which the fair value of the shares as determined exceeds the corporate offer.

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(8) Within sixty days after final determination of the proceeding, the corporation shall pay to each dissenting shareholder the amount found to be due him, upon surrender of the certificate for any such shares represented by certificates.

(i) Shares acquired by the corporation upon the payment of the agreed value therefor or of the amount due under the final order, as provided in this section, shall become treasury shares or be cancelled as provided in section 515 (Reacquired shares), except that, in the case of a merger or consolidation, they may be held and disposed of as the plan of merger or consolidation may otherwise provide.

(j) No payment shall be made to a dissenting shareholder under this section at a time when the corporation is insolvent or when such payment would make it insolvent. In such event, the dissenting shareholder shall, at his option:

(1) Withdraw his notice of election, which shall in such event be deemed withdrawn with the written consent of the corporation; or

(2) Retain his status as a claimant against the corporation and, if it is liquidated, be subordinated to the rights of creditors of the corporation, but have rights superior to the non-dissenting shareholders, and if it is not liquidated, retain his right to be paid for his shares, which right the corporation shall be obliged to satisfy when the restrictions of this paragraph do not apply.

(3) The dissenting shareholder shall exercise such option under subparagraph (1) or (2) by written notice filed with the corporation within thirty days after the corporation has given him written notice that payment for his shares cannot be made because of the restrictions of this paragraph. If the dissenting shareholder fails to exercise such option as provided, the corporation shall execise the option by written notice given to him within twenty days after the expiration of such period of thirty days.

(k) The enforcement by a shareholder of his right to receive payment for his shares in the manner provided herein shall exclude the enforcement by such shareholder of any other right to which he might otherwise be entitled by virtue of share ownership, except as provided in paragraph (e), and except that this section shall not exclude the right of such shareholder to bring or maintain an appropriate action to obtain relief on the ground that such corporate action will be or is unlawful or fraudulent as to him.

(l) Except as otherwise expressly provided in this section, any notice to be given by a corporation to a shareholder under this section shall be given in the manner provided in section 605 (Notice of meetings of shareholders).

(m) This section shall not apply to foreign corporations except as provided in subparagraph (e)(2) of section 907 (Merger or consolidation of domestic and foreign corporations). (Last amended by Ch. 117, L. '86, eff. 9-1-86.)

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APPENDIX VIII.

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APPENDIX VIII

SEC. 1701.85 RELIEF TO DISSENTING SHAREHOLDER OF DOMESTIC CORPORATION.

(A)(1) A shareholder of a domestic corporation is entitled to relief as a dissenting shareholder in respect of the proposals in sections 1701.74, 1701.76, and 1701.84 of the Revised Code, only in compliance with this section.

(2) If the proposal must be submitted to the shareholders of the corporation involved, the dissenting shareholder shall be a record holder of the shares of the corporation as to which he seeks relief as of the date fixed for the determination of shareholders entitled to notice of a meeting of the shareholders at which the proposal is to be submitted, and such shares shall not have been voted in favor of the proposal. Not later than ten days after the date on which the vote on such proposal was taken at the meeting of the shareholders, the shareholder shall deliver to the corporation a written demand for payment to

him of the fair cash value of the shares as to which he seeks relief, stating his address, the number and class of such shares, and the amount claimed by him as the fair cash value of the shares.

(3) The dissenting shareholder entitled to relief under division (C) of section 1701.84 of the Revised Code in the case of a merger pursuant to section 1701.80 of the Revised Code and a dissenting shareholder entitled to relief under division (E) of section 1701.84 of the Revised Code in the case of a merger pursuant to section 1701.801 of the Revised Code shall be a record holder of the shares of the corporation as to which he seeks relief as of the date on which the agreement of merger was adopted by the directors of that corporation. Within twenty days after he has been sent the notice provided in section 1701.80 or 1701.801 [1701.80.1] of the Revised Code, the shareholder shall deliver to the corporation a written demand for payment with the same information as that provided for in division (A)(2) of this section.

(4) In the case of a merger or consolidation, a demand served on the constituent corporation involved constitutes service on the surviving or the new corporation, whether served before, on, or after the effective date of the merger or consolidation.

(5) If the corporation sends to the dissenting shareholder, at the address specified in his demand, a request for the certificates representing the shares as to which he seeks relief, he, within fifteen days from the date of the sending of such request, shall deliver to the corporation the certificates requested, in order that the corporation may forthwith endorse on them a legend to the effect that demand for the fair cash value of such shares has been made. The corporation promptly shall return such endorsed certificates to the shareholder. Failure on the part of the shareholder to deliver such certificates terminates his rights as a dissenting shareholder, at the option of the corporation, exercised by written notice sent to him within twenty days after the lapse of the fifteen-day period, unless a court for good cause shown otherwise directs. If shares represented by a certificate on which such a legend has been endorsed are transferred, each new certificate issued for them shall bear a similar legend, together with the name of the original dissenting holder of such shares. Upon receiving a demand for payment from a dissenting shareholder who is the record holder of uncertificated securities, the corporation shall make an appropriate notation of the demand for payment in its shareholder records. If uncertificated shares for which payment has been demanded are to be transferred, any new certificate issued for the shares shall bear the legend required for certificated securities as provided in this paragraph. A transferee of the shares so endorsed, or of uncertificated securities where such notation has been made, acquires only such rights in the corporation as the original dissenting holder of such shares had immediately after the service of a demand for payment of the fair cash value of the shares. Such request by the corporation is not an admission by the corporation that the shareholder is entitled to relief under this section.

(B) Unless the corporation and the dissenting shareholder shall have come to an agreement on the fair cash value per share of the shares as to which he seeks relief, the shareholder or the corporation, which in case of a merger or consolidation may be the surviving or the new corporation, within three months after the service of the demand by the shareholder, may file a complaint in the court of common pleas of the county in which the principal office of the corporation which issued such shares is located, or was located at the time when the proposal was adopted by the shareholders of the corporation, or, if the proposal was not required to be submitted to the shareholders, was approved by the directors. Other dissenting shareholders, within the period of three months, may join as plaintiffs, or may be joined as defendants in any such proceeding, and any two or

more such proceedings may be consolidated. The complaint shall contain a brief statement of the facts, including the vote and the facts entitling the dissenting shareholder to the relief demanded. No answer to such complaint is required. Upon the filing of the complaint, the court, on motion of the petitioner, shall enter an order fixing a date for a hearing on the complaint, and requiring that a copy of the complaint and a notice of the filing and of the date for hearing be given to the respondent or defendant in the manner in which summons is required to be served or substituted service is required to be made in other cases. On the day fixed for the hearing on the complaint or any adjournment of it, the court shall determine from the complaint and from such evidence as is submitted by either party whether the shareholder is entitled to be paid the fair cash value of any shares and, if so, the number and class of such shares. If the court finds that the shareholder is so entitled, the court may appoint one or more persons as appraisers to receive evidence and to recommend a decision on the amount of the fair cash value. The appraisers have such power and authority as is specified in the order of their appointment. The court thereupon shall make a finding as to the fair cash value of a share, and shall render judgment against the corporation for the payment of it, with

interest at such rate and from such date as the court considers equitable. The costs of the proceeding, including reasonable compensation to the appraisers to be fixed by the court, shall be assessed or apportioned as the court considers equitable. The proceeding is a special proceeding, and final orders in it may be vacated, modified, or reversed on appeal pursuant to the rules of appellate procedure and, to the extent not in conflict with those rules, Chapter 2505. of the Revised Code. If, during the pendency of any proceeding instituted under this section, a suit or proceeding is or has been instituted to enjoin or otherwise to prevent the carrying out of the action as to which the shareholder has dissented, the proceeding instituted under this section shall be stayed until the final determination of the other suit or proceeding. Unless any provision in division (D) of this section is applicable, the fair cash value of the shares as agreed upon by the parties or as fixed under this section shall be paid within thirty days after the date of final determination of such value under this division, the effective date of the amendment to the articles, or the consummation of the other action involved, whichever occurs last. Upon the occurrence of the last such event, payment shall be made immediately to a holder of uncertificated securities entitled to such payment. In the case of holders of shares represented by certificates, payment shall be made only upon and simultaneously with the surrender to the corporation of the certificates representing the shares for which such payment is made.

(C) If the proposal was required to be submitted to the shareholders of the corporation, fair cash value as to those shareholders shall be determined as of the day prior to that on which the vote by the shareholders was taken and, in the case of a merger pursuant to section 1701.80 or 1701.801 [1701.80.1] of the Revised Code, fair cash value as to shareholders of a constituent subsidiary corporation shall be determined as of the day before the adoption of the agreement of merger by the directors of the particular subsidiary corporation. The fair cash value of a share for the purposes of this section is the amount that a willing seller, under no compulsion to sell, would be willing to accept, and that a willing buyer, under no complusion to purchase, would be willing to pay, but in no event shall the fair cash value of it exceed the amount specified in the demand of the particular shareholder. In computing such fair cash value, any appreciation or depreciation in market value resulting from the proposal submitted to the directors or to the shareholders shall be excluded.

(D) The right and obligation of a dissenting shareholder to receive such fair cash value and to sell such shares as to which he seeks relief, and the right and obligation of the corporation to purchase such shares and to pay the fair cash value of them terminates if:

(1) Such shareholder has not complied with this section, unless the corporation by its directors waives such failure;

(2) The corporation abandons, or is finally enjoined or prevented from carrying out, or the shareholders rescind their adoption, of the action involved;

(3) The shareholder withdraws his demand, with the consent of the corporation by its directors;

(4) The corporation and the dissenting shareholder shall not have come to an agreement as to the fair cash value per share, and neither the shareholder nor the corporation shall have filed or joined in a complaint under division (B) of this section within the period provided.

(E) From the time of giving the demand, until either the termination of the rights and obligations arising from it or the purchase of the shares by the corporation, all other rights accruing from such shares, including voting and dividend or distribution rights, are suspended. If during the suspension, any dividend or distribution is paid in money upon shares of such class, or any dividend, distribution, or interest is paid in money upon any securities issued in extinguishment of or in substitution for such shares, an amount equal to the dividend, distribution, or interest which, except for the suspension, would have been payable upon such shares or securities, shall be paid to the holder of record as a credit upon the fair cash value of the shares. If the right to receive fair cash value is terminated otherwise than by the purchase of the shares by the corporation, all rights of the holder shall be restored and all distributions which, except for the suspension, would have been made shall be made to the holder of record of the shares at the time of termination.