

**FIRST CITIZENS BANCSHARES, INC.  
FIRST-CITIZENS BANK & TRUST COMPANY**

**CHARTER OF THE JOINT  
COMPENSATION, NOMINATIONS AND GOVERNANCE COMMITTEE**

**April 25, 2017**

This Charter sets forth the composition, authority, duties, and responsibilities of the joint Compensation, Nominations and Governance Committee of the Board of Directors of First Citizens BancShares, Inc. (the "Corporation") and the Board of Directors of First-Citizens Bank & Trust Company (the "Bank").

**Definitions**

As used in this Charter:

- "Boards of Directors" and "Boards" mean the Board of Directors of the Corporation and the Board of Directors of the Bank, collectively.
- "Companies" means the Corporation and the Bank, collectively.
- "Executive Officers" means, without regard to whether such persons are actually officers of the Corporation or by whom such persons are actually employed, all persons who are (i) disclosed as "executive officers" of the Corporation in the Corporation's Annual Report on Form 10-K, or (ii) deemed by the Corporation to be its "officers" for purposes of the beneficial ownership reporting requirements under Section 16 of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission promulgated thereunder, *except that* as used in this Charter the term "Executive Officers" does *not* include the Companies' Chief Accounting Officer and the Corporate Secretary.
- "Independent Director" means a director of the Companies who is determined to be independent under the NASDAQ Listing Standards.
- "NASDAQ Listing Standards" means the listing standards adopted by The NASDAQ Stock Market, as amended from time to time.
- "Securities Regulations" means, collectively, the following to the extent they are applicable to the Corporation and/or the Bank: (i) the Securities Exchange Act of 1934, (ii) the Sarbanes-Oxley Act of 2002, (iii) the regulations adopted by the Securities and Exchange Commission, and (iv) the NASDAQ Listing Standards, all as amended from time to time.

**Purpose**

The Compensation, Nominations and Governance Committee (the "Committee") is established as a joint committee of the Boards of Directors. In general, the Committee is responsible for (i) review and approval of the general compensation policy of the Companies, (ii) providing overall guidance for executive compensation and benefit programs of the Companies, (iii) identifying and making recommendations to the Boards regarding candidates for service as directors, members of committees of the Boards, and certain specified officers of the Companies, and (iv) oversight of corporate governance of the Companies, including the review and recommendation to the Boards of the Corporate Governance Guidelines. The Committee will have such other purposes, and such specific duties and responsibilities, as may be described in this Charter or as may be assigned to it from time to time by the Boards.

## **Composition and Appointment**

The Committee will be comprised of not less than three members who will be appointed annually by the Boards. Members of the Committee will serve at the pleasure of, and may be removed at any time by, the Boards. The Boards will appoint one of the members of the Committee to serve as Committee Chairman. Each Committee member must (i) be a member of the Board of Directors of both the Corporation and the Bank, (ii) be an Independent Director, and (iii) satisfy all other applicable requirements of law, rules, regulations or other requirements of governmental or regulatory bodies (including, but not limited to, the Securities Regulations and laws and regulations applicable to financial institutions), all as in effect from time to time and applicable to the membership of the Committee.

## **Meetings**

The Committee will meet at least once every quarter, and may meet more frequently as the Committee and/or its Chairman may consider necessary and when requested to meet by the Chairman of the Boards or by the Lead Independent Director. Dates, times and locations of meetings will be determined by the Committee or its Chairman. A majority of the number of regular members then serving on the Committee will constitute a quorum. The Companies' Chief Executive Officer may not be present during deliberations or voting by the Committee on any matter related to the compensation of the Chief Executive Officer. Otherwise, the Committee itself will determine who, if anyone, other than Committee members may be present during its deliberations or voting. The Committee will keep minutes of its meetings and, following each Committee meeting, the Chairman will make a report at the next scheduled meeting of the Boards regarding the deliberations of or actions taken by the Committee.

## **Responsibilities**

**A. Compensation.** In its role as the joint compensation committee of the Boards, the Committee will:

1. Establish the overall compensation philosophy of the Companies, regularly review the Companies' compensation philosophy and practices to determine the overall risk profile of the Companies' compensation program, and, as a part of that risk oversight process, review at least annually all of the Companies' compensation plans, including all incentive and variable pay plans within specific divisions of the Companies, to (i) determine whether there are potential areas of risk that reasonably could be expected to have a material adverse effect on the Companies' business and financial results, and (ii) ensure continued oversight and mitigation of risk within the Companies' compensation practices.
2. Make recommendations to the Boards concerning:
  - The amounts of cash and other compensation to be paid or provided to members of the Boards, the Chief Executive Officer of the Companies, and the Executive Officers of the Companies; and
  - The adoption of new incentive, retirement, or other benefits plans, or changes in any such existing plans, under which any compensation or benefits are (or are proposed to be) paid or provided to members of the Boards, the Chief Executive Officer of the Companies, or the Executive Officers of the Companies.
3. At the request of the Boards, make recommendations to the Boards concerning:
  - The amounts of cash and other compensation to be paid or provided to other individually named officers or employees of the Companies; and

- The adoption of new incentive, retirement, or other benefits plans, or changes in any such existing plans, under which any compensation or benefits are (or are proposed to be) paid or provided to other individually named officers or employees or groups of officers or employees of the Companies.
4. Make recommendations to the Boards concerning the aggregate amounts of cash and other compensation to be paid or provided to other officers and employees of the Companies.
  5. Provide for the administration and investment of the assets of the retirement plans established for the benefit of the employees of the Companies.
  6. Review the compensation disclosures in the Corporation's proxy statements, including the Corporation's compensation discussion and analysis, and recommend to the Corporation's Board whether the compensation discussion and analysis be included in the Corporation's proxy statement and Annual Report on Form 10-K.
  7. Be directly responsible for the appointment, compensation, terms of engagement, and oversight of the work of any compensation consultant, legal counsel or other adviser in connection with matters pertaining to the compensation of officers, directors and employees of the Companies, and appoint, engage or retain any such consultant, counsel or adviser only after assessing its independence to the extent, and in the manner, required by the NASDAQ Listing Standards.

**B. Nominations.** In its role as the joint nominations committee of the Boards, the Committee will make recommendations to the Boards concerning:

1. Candidates for (i) selection as nominees for election as directors of the Companies at annual meetings of the shareholders of the Companies, and (ii) appointment as directors to fill vacancies on the Boards between annual meetings.
2. Candidates for election as the Chairman and Vice Chairman (or Vice Chairmen) of the Boards, and for election as the Chief Executive Officer and the President of the Companies.
3. If the person who is elected Chairman of the Boards is not an Independent Director, recommendation to the Independent Directors of a candidate from among the Independent Directors for election by the Independent Directors as Lead Independent Director.
4. Candidates for appointment as (i) members of committees of the Boards, and (ii) chairpersons of committees of the Boards.

In evaluating and recommending candidates as described above, the Committee will take into consideration the size and composition of the Boards, and the appropriate knowledge, skills and experience required in the Committee's judgment in order to meet the strategic needs of the Companies and comply with the Corporate Governance Guidelines of the Corporation, the Securities Regulations, other relevant laws and regulations, and other applicable standards, and such other criteria or minimum qualifications for membership as the Committee may consider appropriate, subject to the review and approval of the Boards.

After receipt of recommendations from the Committee regarding candidates for election or appointment as directors of the Companies or as members of committees of the Boards, the Boards will make all final decisions regarding the nomination or appointment of those persons.

**C. Governance.** In its role as the joint governance committee of the Boards, the Committee will:

1. Evaluate and make recommendations to the Boards concerning the Companies' governance structure and the number, size and composition of committees of the Boards, committee responsibilities, and committee membership rotation practices.
2. Recommend for approval by the Corporation's Board the Corporate Governance Guidelines, and annually review the Corporate Governance Guidelines and recommend to the Corporation's Board any changes as the Committee may from time to time consider necessary or advisable.
3. Establish the knowledge, skills, experience, qualifications and performance criteria for members of the Boards and committees of the Boards in accordance with the strategic needs of the Companies, the Corporate Governance Guidelines, the Securities Regulations, other relevant law and regulations, and other applicable standards, and such other criteria or minimum qualifications for membership as the Committee may recommend, subject to the review and approval of the Boards.
4. Assess and monitor each director's status as an Independent Director and make reports to the Boards as provided in the Corporate Governance Guidelines.
5. Annually review the Directors Code of Ethics (the "Code of Ethics"), review directors' compliance with the Code of Ethics, evaluate and make recommendations to the Boards concerning requests for waiver of the Code of Ethics in specific situations, and oversee management's processes and procedures for enforcement of the Code of Ethics.
6. Coordinate and facilitate an annual self-evaluation by the Boards of their performance, to include a review of the Boards' composition, responsibilities, structure, processes, and effectiveness; and report the results of the self-evaluation to the Boards.
7. Together with the Chairman of the Boards and the Corporate Secretary, develop an orientation program for new directors and continuing education opportunities for incumbent directors.
8. Oversee the Corporation's efforts to effectively communicate with shareholders in connection with the Corporation's annual meetings and otherwise.
9. Make recommendations as appropriate regarding succession planning for (a) key positions on the Boards, (b) the Companies' Chief Executive Officer and President, and (c) such other key positions of the Companies as the Boards may deem appropriate.

#### **D. Other Responsibilities**

1. Approve charters for, provide oversight of, and receive reports from, staff committees that report to the Committee, if any.
2. Conduct a self-evaluation of the Committee's performance at least annually, to include a review of the Committee's composition, responsibilities, structure, processes, and effectiveness, and report the results of the self-evaluation to the Boards.
3. Review and assess the adequacy of this Charter at least annually and recommend any proposed changes to the Boards for consideration.
4. At the request of the Boards' joint Risk Committee, make such reports or provide such information to the Risk Committee as the Risk Committee may request from time to time regarding matters relevant to the Risk Committee's oversight responsibilities for the Companies' enterprise risk management.

## **Authority**

The Committee is authorized to perform each of its duties and responsibilities set forth in this Charter, and to undertake such other duties and responsibilities within the scope of its primary functions outlined above as the Committee or the Boards may from time to time deem necessary or appropriate. The Committee also is authorized to, as it considers appropriate:

- Seek any information it requires from the Companies' employees, all of whom are directed to cooperate with the Committee's requests, or from external parties.
- Delegate any of its responsibilities to subcommittees or individual members of the Committee to the extent not inconsistent with other sections of this Charter or applicable laws or regulations.
- At its discretion and without the prior approval of management or the Boards, retain or obtain the advice of outside consultants or advisors (including, but not limited to, legal counsel, compensation experts, consulting firms, search firms, and other advisors), at the expense of the Companies, in accordance with procedures established from time to time by the Committee, and oversee and approve all terms of the engagement of such consultants or advisors, including, but not limited to, their fees or other compensation.
- Conduct such investigations and request and consider such information (from management or otherwise) as the Committee shall consider necessary, relevant, or helpful in its deliberations and the formulation of its recommendations. In connection with any such investigation, the Committee may rely on information provided to it by management without further verification.
- Consult to the extent it deems appropriate with the Chairman of the Boards, the Chief Executive Officer of the Companies (if the Chairman is not also the Chief Executive Officer), other officers or employees of the Companies, the Lead Independent Director (if a Lead Independent Director has been elected), and other directors.

## **Other**

1. Each member of the Committee will be entitled to rely on the advice, expertise and integrity of those persons and organizations within and outside the Companies who provide information to the Committee, and the accuracy and completeness of the financial and other information provided to the Committee by such persons or organizations, absent actual knowledge that such reliance is not reasonable or warranted.
2. In the performance of the Committee's responsibilities, each Committee member (and the Committee as a whole) shall at all times be under the continuing duty to exercise independent judgment on an informed basis, in good faith, and in a manner each considers to be in the best interests of the Companies and their shareholders.