

# FIRST CITIZENS BANCSHARES, INC.

## DIRECTORS CODE OF ETHICS

**As approved by the Board of Directors on  
January 28, 2020**

### **Purpose**

This Code of Ethics (this "Code") establishes certain principles and practices to be observed by the Directors of First Citizens BancShares, Inc. ("BancShares"). As used within this Code, the term "Company" refers collectively to BancShares and its subsidiaries. The BancShares' Board of Directors (the "Board") has adopted this Code to ensure that, in carrying out the responsibilities of each Director to the Company and its shareholders, Directors will:

- **Be honest and ethical;**
- **Ethically resolve all actual and apparent conflicts of interests;**
- **Strive to ensure that the Company makes full, fair, accurate, timely and understandable disclosures in reports and documents that BancShares files with the Securities and Exchange Commission ("SEC") and in its other public communications;**
- **Strive to ensure the Company's compliance with applicable laws, rules and regulations;**
- **Promptly report any illegal or unethical conduct or violations of this Code to the Board's Compensation, Nominations and Governance Committee; and**
- **Promptly report any accounting or audit concerns regarding the Company's books, records or financial statements and reports to the Audit Committee.**

The Directors recognize that banking is a unique business and that the Company's activities are regulated by several authorities, including the SEC, the Federal Deposit Insurance Corporation, the Commissioner of Banks and the State Banking Commission of North Carolina, the Federal Reserve Board, and the Consumer Financial Protection Bureau. The Directors further recognize that a unique system of laws, both civil and criminal, and regulations apply to the activities of the Company's Directors, officers, and associates.

While the Board does not manage the Company's day-to-day operations and cannot guarantee the Company's success, it must oversee the Company's policies and operations to help ensure safe and sound practices. The Board must stay informed about the Company's current operating environment, hire and retain competent management, and ensure that the Company maintains an appropriate risk management process. The Board must also oversee the Company's business performance and its efforts to serve community credit needs. Problems in any of these areas could have a negative impact on the Company and its shareholders, and could result in individual liability if a Director has not exercised reasonable prudence.

In addition to the duties of care and loyalty imposed upon Directors, more specific duties and responsibilities may be imposed by various laws and regulations. The following principles, among others, should be applied by Directors in carrying out their responsibilities.

Each Director should:

- **Attend board meetings well-prepared;**
- **Exercise independent judgment in evaluating all proposals;**
- **Insist that proposals be well-reasoned, clear and unambiguous; and**
- **Take personal responsibility for the safety, soundness and profitability of the Company and the Company's compliance with applicable laws and regulations.**

The Board believes this Code represents an evolving set of principles to guide the conduct of Directors. The Code may therefore be modified by the Board from time to time, as circumstances warrant. Any modifications to or waivers from this Code may be made only by the Board.

### **Ethical Behavior**

In performing his or her duties as a Director, each Director must:

- **Act with uncompromising honesty and integrity;**
- **Adhere to the highest moral and ethical standards; and**
- **Avoid illegal discrimination, libel, slander or harassment.**

### **Conflicts of Interest**

Directors should be alert to recognize and avoid situations or activities that conflict with, have the potential to conflict with, or have the appearance of conflicting with the best interests of the Company and its shareholders. A conflict of interest, or the appearance of a conflict of interest, may arise in a number of ways, but two of the most common situations are described below:

- Personal business activities, investments or interests may present a conflict of interest for a Director if they are in competition with one of the Company's business activities or may deprive the Company of a business opportunity. For example, a conflict of interest arises when a Director or a close family member of a Director has a financial interest in or control over a business entity that lends money or sells investments, insurance or other products or services in direct competition with the Bank in a local market, or otherwise competes with the Company for a business opportunity.
- Conflicts of interest also may arise when a Director participates in the approval of a transaction, relationship or other business matter in which the Director or someone close to the Director has a material interest, whether that interest is direct or indirect. For example, a conflict of interest arises when a Director or a close family member of a Director has a significant financial interest in or control over a business entity that is obtaining a loan from or entering into a business arrangement with the Company.

Situations such as these may prevent, or may give the appearance of preventing, the Director from independently exercising his or her discretion and judgment on behalf of and in the best interests of the Company.

Any personal interest of a Director that may be perceived as being in competition with the Company, or as potentially affecting or appearing to affect the Director's ability to exercise independent judgment in a Board decision or in the performance of the Director's duties, must be promptly disclosed to the Compensation, Nominations and Governance Committee, the Executive Committee, or the full Board of Directors. In Board actions in which the Director's independent judgment might be affected, the Director

should abstain from participation and voting. Prompt and full disclosure to the Compensation, Nominations and Governance Committee, the Executive Committee or the full Board of Directors is always the proper first step in resolving any real or potential conflict of interest. The Compensation, Nominations and Governance Committee has primary responsibility for reviewing the relevant facts and determining whether the conflict is both real and material. If a conflict is both real and material, the conflict may be waived, but only if the proposed activity or the Director's participation will not substantially harm the Company's interests. The Chairman of the Compensation, Nominations and Governance Committee will notify and consult with the Chairman of the Audit Committee with respect to any conflicts of interest that involve or may involve accounting or audit matters.

These conflicts policies are related to, but distinct from, the Company's Related Person Transaction Policy. Directors must additionally comply with the requirements of the Related Person Transaction Policy, where applicable.

### **Compliance with Laws, Rules and Regulations**

The Company's business must be conducted in compliance with all applicable state and federal laws. Obedience to the letter and spirit of the law is the foundation of the Company's ethical standards. Directors must respect and obey the laws of the United States and the states in which the Company operates, and Directors must strive to ensure that the Company and its Management also satisfy these requirements. If a law conflicts with a policy in this Code, Directors must comply with the law.

### **Books and Records; Financial Reporting**

The Company must have honest and accurate information to make responsible business decisions. Directors shall strive to ensure that:

- **The Company has policies and procedures in place to ensure that its financial books and records are appropriately maintained by Management and that they accurately reflect the Company's total financial position, results of operations, and cash flows;**
- **Management establishes, maintains, and periodically evaluates appropriate disclosure controls and procedures to ensure proper internal control over financial reporting; and**
- **The Company makes full, fair, accurate, timely, and understandable disclosures in reports and documents that the Company files with the SEC and its banking regulators and in its other public disclosures.**

Directors may not permit there to be any unrecorded or "off the books" funds, assets or liabilities unless permitted by applicable law or regulation, and may not permit any transaction to be structured, effected or recorded in a manner which hides or mischaracterizes the substance of the transaction. In performing their duties, Directors will strive to ensure that the Company and its Management satisfy these requirements. A Director who becomes aware of, or suspects, any material inaccuracy, misstatement, or omission of information in the Company's books, records, accounts or financial statements, or in any filing, report or public release, should immediately disclose that fact or suspicion to the Audit Committee and, if applicable, to the Company's independent auditors and legal advisors.

## **Internal Reporting**

Directors should report any illegal or unethical behavior by associates, officers or Directors or violations of this Code to the Compensation, Nominations and Governance Committee, and any accounting or audit concerns to the Audit Committee. The report may be made through the Committee Chairman or to any Committee member, and may be made anonymously. Directors are expected to cooperate in the internal investigations of any such issues and concerns. If an issue or concern has been reported to a Committee without reasonable resolution or investigation, the matter should be reported to the Company's legal advisors.

## **Accountability**

Any determination regarding whether a Director has violated this Code will be based upon the facts and circumstances of the particular situation. If a Director is accused of violating this Code, he or she will be given an opportunity to present his or her version of the events at issue prior to any determination regarding whether a violation has occurred. The Board will take appropriate action in the event that a Director is found to have violated the terms of this Code, which such action may include requesting such Director to resign from the Board.

## **No Retaliation**

The Board shall ensure that the Company does not retaliate or take negative action against any Director, officer or employee for reporting misconduct by others, where the report is made in good faith.

## **Waivers**

Any waiver of this Code must be approved by the Board of Directors in writing, and must be promptly disclosed if required by an applicable law or rule. The Board and the Company's shareholders expect full compliance with the provisions of and principles within this Code and, accordingly, the Board is not likely to grant waivers to the Code's directives.

## **Insider Trading**

All Directors are considered to be insiders of the Company and are subject to various federal securities laws which apply to transactions by insiders in the Company's stock. Directors are also subject to blackout periods and may only trade during applicable trading windows as notified to them by the Company's Legal Department. The Company's policies with respect to insider trading are set forth in the Company's Code of Ethics, and these policies are applicable to Directors regardless of whether they are employees or officers of the Company.

## **Acknowledgement and Agreement**

As a Director, I acknowledge that I have carefully read and understand this Code of Ethics. I agree to fully comply with both its directives and its principles.

Date: \_\_\_\_\_, 20\_\_\_\_\_