



FIRST CITIZENS BANCSHARES, INC. CORPORATE GOVERNANCE GUIDELINES

As amended, restated, and approved by the Board of Directors on October 22, 2013

These Corporate Governance Guidelines describe the principles and practices that the Board of Directors of First Citizens BancShares, Inc. (the "Corporation") will follow in carrying out its responsibilities. These Guidelines supplement the Corporation's bylaws, the charters of the Board's committees, and various resolutions and policies previously adopted by the Board. As used in these Guidelines, the term "banking subsidiary" refers to First-Citizens Bank & Trust Company.

Board Size and Composition

Size of the Board. Subject to the Corporation's bylaws, the number of members of the Corporation's Board of Directors from time to time will be determined by the Board based on several factors, including (a) resignations, retirements, and the availability of appropriate, qualified candidates; (b) assuring that the Board has a small enough number to facilitate active discussions and decision-making; (c) assuring that the Board has a sufficient number of directors to fulfill committee assignments and to provide an appropriate mix of continuity, experience, and skills for the Board and its committees to perform their responsibilities in light of regulatory requirements and current business needs; and (d) commitments made to add directors to the Board in connection with mergers and acquisitions.

Independent Directors. According to the listing standards of The NASDAQ Stock Market ("NASDAQ"), a majority of the members of the Board must be "independent," as the term "independent" is defined in those listing standards. The Corporation's independent directors are referred to in these Guidelines as "Independent Directors." If as a result of resignation, retirement, death, disability, or other circumstances, a majority of the members of the Board are not Independent Directors, the Board will, as soon as is practicable, cause one or more new Independent Directors to be appointed or elected in order to restore that majority.

At least annually the Board will determine which of its members are Independent Directors. To facilitate that annual determination, the Board has directed its Compensation, Nominations and Governance Committee, on an ongoing basis, to (a) compile and analyze relevant facts, circumstances, conditions, relationships, and other factors known or reported to the committee (including information gathered in questionnaires completed by the directors themselves and any other or further information gathered by the committee in connection with its assessments) bearing on the ability of each of the Corporation's directors to exercise independent judgment in carrying out his or her responsibility as a director, (b) assess each director's status as an Independent Director under NASDAQ's listing standards and the rules and regulations of the Securities and Exchange Commission (the "SEC"), (c) make a report to the Board each year regarding its findings and conclusions in connection with the Board's annual determination, and (d) throughout each year, monitor the status of directors who have been designated by the Board as Independent Directors and inform the Board of new or changed facts, circumstances, conditions, relationships, and other factors that may affect a director's status as such or the director's ability to exercise independent judgment in carrying out his or her duties as a director.

In addition to NASDAQ's listing standards and the SEC's rules and regulations, the Board's determination with respect to each director's status will take into consideration any transactions, relationships,

arrangements, or factors (including a director's borrowing relationships with the Bank) that could impair his or her ability to exercise independent judgment in carrying out his or her duties as a director.

Selection and Election of Directors. The Board has previously established and currently has a Compensation, Nominations and Governance Committee. In addition to its other duties, the Compensation, Nominations and Governance Committee is responsible for identifying candidates to serve as directors and for making recommendations to the Board regarding the Board's selection of nominees for election or reelection as directors at annual meetings of shareholders and for appointments to fill vacancies on the Board. The Board will make all final decisions regarding nominations and appointments. In selecting nominees or new directors, the Board will take the following factors into consideration, together with such other factors as the Board may from time to time determine to be appropriate:

- ***Regulatory Requirements.*** The Board will assure that candidates and directors meet the requirements for Board membership under applicable law, rules, and regulations, including the NASDAQ listing standards, the SEC's rules and regulations, the regulations governing the Corporation as a publicly traded financial holding company, and the regulations governing the Corporation's banking subsidiary.
- ***Board Composition.*** The Board will consider its overall composition in light of current and future needs. Among the characteristics that may be considered are (a) business, professional, personal, and educational background, skills, experience, and expertise; (b) community leadership; (c) independence; (d) potential contributions to the Board that are unusual or unique; (e) knowledge of the Corporation, its banking subsidiary, and their respective operations; (f) personal financial interest in the long-term growth, stability, and success of the Corporation; (g) the past and future contributions of the Corporation's current directors and the value of continuity and prior Board experience; (h) the existence of one or more vacancies on the Board; (i) the need for a director possessing particular attributes, skills, experience, or expertise; (j) the role of directors in business development activities; (k) diversity; and (l) other factors that the Board considers relevant, including any specific qualifications adopted by the Board from time to time.
- ***Diversity.*** The Board does not consider diversity for the sake of diversity to be a legitimate basis for the nomination, election, or appointment of a director. However, the Board clearly recognizes the benefits that are derived from a Board composed of diverse individuals who bring different attributes, experiences, and perspectives to the Board's deliberations. Accordingly, the Board will consider diversity as but one of multiple factors in evaluating directors and prospective directors. Diversity factors include, by way of example, gender, race, academic background, business experience, and geographic location within the area serviced by the Corporation's banking subsidiary.
- ***Performance.*** In determining whether to nominate a director for reelection, the Board will also consider the director's past performance and contributions.
- ***Other Criteria.*** The Board will also assess whether the candidates have the qualities expected of all directors, including integrity, sound judgment, business acumen, and the time, ability, and commitment to make a constructive and meaningful contribution to the Board. While these Guidelines do not restrict a director's ability to serve on the boards of other companies, it is expected that a director will not permit his or her service as a director of other companies to interfere with his or her ability to devote the time and attention required to fulfill the duties and responsibilities of a director of this Corporation.

Board Governance

Board Chairman. The Board will appoint a Chairman each year who will have the duties and authority described in the Corporation's bylaws. The Board may select any of its members as Chairman, and it has no policy as to whether the Chairman will be an officer of the Corporation, an Independent Director, or an outside director who is not an Independent Director. The Board will exercise its judgment and discretion in the selection of its Chairman.

Lead Independent Director. Unless the Chairman elected by the Board is an Independent Director, each year the Compensation, Nominations and Governance Committee will nominate and the Independent Directors will elect a Lead Independent Director from among the Independent Directors. The election of the Lead Independent Director will be held at an executive session of the Independent Directors. The Lead Independent Director will assist the Chairman and:

- preside at separate meetings or executive sessions of Independent Directors and serve as the liaison between the Independent Directors, the Chairman, and the Corporation's management;
- consult with the Chairman regarding decisions reached, and suggestions made, at separate meetings or executive sessions of Independent Directors;
- consult with the Chairman regarding the schedule, agenda, and information for Board meetings;
- consult with the Chairman with respect to consultants who may report directly to the Board;
- consult with the Chairman and management as to the quality, quantity, and timeliness of information provided to the Board by management;
- convene meetings of the Independent Directors as necessary or appropriate;
- be available, as appropriate, for communication with the Corporation's shareholders; and
- have such additional duties and authority as is described elsewhere in these Guidelines and as the Board may from time to time determine.

Board Meetings

Regular Meetings. The Board will meet at least quarterly, with one of those meetings to be held as the Board's organizational meeting immediately after the annual shareholders meeting. The agenda for the Board's organizational meeting will include the election of officers, the appointment of Board Committees, and the adoption of a tentative schedule of regular Board meetings for the ensuing year.

Special Meetings. Special meetings of the Board may be called and held as provided in the Corporation's bylaws. If a Lead Independent Director has been elected, a special meeting will be called at his or her request.

Agenda. The Chairman will set the agenda for each Board meeting, with input and advice from the Chief Executive Officer (if the Chairman is not also the Chief Executive Officer) and the Lead Independent Director (if one has been elected). While any Director may suggest agenda items, a matter will be placed on the agenda for a regular or special meeting at the request of the Lead Independent Director, if one has been elected.

Briefing Materials and Presentations. To the extent possible and appropriate, directors should receive written briefing materials in advance of each Board meeting. At each regular meeting, the Board should receive reports on the overall financial and operating performance of the Corporation as a whole. In addition, management is encouraged to provide the Board with other presentations on important aspects of the business of the Corporation and its banking subsidiary, including presentations from appropriate officers of the Corporation and its banking subsidiary.

Executive Sessions of Independent Directors. Independent Directors will meet separately in executive session following each regular Board meeting. These meetings will be held without management and without those directors who are not considered Independent Directors. At their option and discretion, Independent Directors may hold separate meetings other than in conjunction with a regular Board meeting, and such a separate meeting will be scheduled at the request of any Independent Director. The Chairman (if he is an Independent Director) or the Lead Independent Director (if the Chairman is not an Independent Director) will facilitate the calling and notice of, and will preside at, all such meetings of the Independent Directors.

Director Compensation

In addition to its other duties, the Compensation, Nominations and Governance Committee will review and make recommendations to the Board regarding all matters relating to the compensation of directors. The full Board will approve all those matters. Board compensation will be reviewed by the committee periodically and, when appropriate, the committee will make recommendations as to any adjustments. As part of its review, the committee will receive information from management on the levels and types of compensation provided by the Corporation's peer companies to their directors. The committee also will review and make recommendations to the Board regarding the Corporation's policies and procedures for reimbursing expenses incurred by directors in connection with their services.

Board Responsibilities

General. The Board's primary responsibility is to maximize long-term shareholder value for the Corporation's shareholders. The Board selects the Corporation's senior management, monitors the performance of the Corporation and its senior management, and provides advice and counsel to senior management.

Specific Responsibilities. The Board's responsibilities include, but are not limited to, the following:

- **Enterprise Risk Management.** Through and with the assistance of its Risk Management Committee, oversee the Corporation's and its banking subsidiary's enterprise risk management.
- **Corporate Governance.** Through and with the assistance of its Compensation, Nominations and Governance Committee, oversee the governance structure of the Corporation.
- **Strategy, Business Plan and Budget.** At least annually, the Board will review the Corporation's long-term strategy and review and approve its business plan and operating budget.

- **Management Performance.** At least annually, the directors who are not employed by the Corporation or a committee comprised solely of directors who are not employed by the Corporation (such as the Compensation, Nominations and Governance Committee) will review the performance of the Chief Executive Officer and the President of the Corporation and its banking subsidiary. The results of the review and any recommendations arising from the review will be shared with the entire Board and will be considered by the Board in establishing the compensation of the Chief Executive Officer and the President.
- **Succession.** To ensure the continuity of the business activities of the Corporation and its banking subsidiary, the Board will be responsible for succession planning for the Chief Executive Officer, the President, and other key officers, to include adequate provisions for emergency situations in which the Chief Executive Officer, the President, or some other key officer is temporarily disabled or otherwise incapacitated.
- **Board and Committee Performance Evaluations.** At least annually, the Board shall conduct a self-evaluation of its performance, to include a review of the Board's composition, responsibilities, structure, processes, and effectiveness. The Compensation, Nominations and Governance Committee of the Board will be responsible for coordinating the Board's self-evaluation and reporting the results of the self-evaluation to the Board. In addition, each of the following Board committees will conduct a self-evaluation of its performance at least annually: the Audit Committee, the Compensation, Nominations and Governance Committee, the Executive Committee, and the Risk Committee. Each committee self-evaluation will include (i) a review of the committee's composition, responsibilities, structure, processes, and effectiveness, and (ii) a review of the committee's charter and a determination of whether revisions are necessary or advisable. Each Committee will report the results of its self-evaluation to the Board.
- **Other Actions.** The Board or a designated committee may review and approve other transactions not included in the business plan or budget, as set forth in guidelines adopted by the Board.

Attendance at and Preparation for Board Meetings. Directors are expected to familiarize themselves with the business and operations of the Corporation and its banking subsidiary, to attend meetings of the Board and of Board committees on which they serve (subject to circumstances which make their absence unavoidable), to review briefing materials provided to them in advance of meetings so that they will be prepared to participate in meeting discussions, and to participate actively in discussions at meetings and in the work of the committees on which they serve.

Availability at Annual Meetings. Attendance by directors at annual meetings of the Corporation's shareholders benefits the Corporation by giving directors an opportunity to meet, talk with, and hear the concerns of shareholders who attend those meetings, and by giving those shareholders access to the Corporation's directors that they may not have at any other time during the year. The Board recognizes that outside directors have their own business interests and are not employees of the Corporation, and that it is not always possible for directors of the Corporation to attend annual meetings. However, it is the policy of the Board of Directors that directors are strongly encouraged to attend each annual meeting of the Corporation's shareholders.

Stock Ownership. All directors are encouraged to own an amount of the Corporation's stock that is significant in light of the director's individual financial means.

Compliance with Laws Relating to Stock Ownership. Each director is expected to comply fully with all laws and regulations that apply to his or her ownership of or transactions in the Corporation's stock. Those laws and regulations include the beneficial ownership reporting and "short swing profits" requirements of Section 16 of the Securities and Exchange Act of 1934, and prohibitions on trading on "inside" information. Each director is expected to refrain from buying or selling, and to cause any person whose transactions he or she controls from buying or selling, the Corporation's stock during periods in which management of the Corporation has "closed the trading window" for insiders or when he or she is in possession of material information regarding the Corporation that has not been generally released to the public. Also, directors are expected to comply with such other or more detailed policies and procedures as the Board may establish from time to time regarding the ownership of or trading in the Corporation's stock.

Confidentiality. Information provided to directors regarding the business and operations, financial condition, transactions, and plans of the Corporation and its subsidiaries that has not been disclosed publicly, and discussions at Board and committee meetings, are confidential, and their disclosure could harm the Corporation's business and reputation as well as result in liability to the Corporation and to its directors. Each director is expected to treat all such information as confidential and proprietary to the Corporation. Directors may not disclose any such information to any other person unless authorized by the Board or the Corporation's management.

Communications with Shareholders, Third Parties and Others

Outside Parties and the Media. The Board believes that, in general, it is the responsibility of management to speak for the Corporation in communications with outside parties (including institutional investors, the media, industry associations, and other institutions with which the Corporation may have business dealings). Directors should only engage in such communications regarding the business of the Corporation or its subsidiaries at the request of management.

Shareholders. The Corporation's shareholders are encouraged to communicate with the Board of Directors, or with individual directors, regarding their concerns, complaints and other matters pertinent to the Corporation's business. Shareholders will be instructed to address and mail their communication to the Corporation's Corporate Secretary at the Corporation's principal office. Each communication should indicate whether it is intended for the Board as a whole, for the chairman of a committee of the Board, or for one or more individual members of the Board. Except as described below, all written communications received from shareholders will be reviewed by the Corporation's secretary and forwarded to the directors for whom they appear to be intended. In his or her review of communications received, the Corporation's secretary may cull out communications that he or she considers in the exercise of his or her judgment to be "junk" mail, spam, solicitation materials, or communications not relevant to the business affairs of the Corporation or its subsidiaries. Communications that involve specific complaints from a customer of First Citizens or one of its subsidiaries relating to the customer's deposit, loan, or other financial relationship or transactions will be forwarded to the head of the department or division of the Corporation or First Citizens that is most closely associated with the subject of the customer's communication, with a copy of the communication to be sent to the Chairman of the Compensation, Nominations and Governance Committee to be dealt with as he or she considers appropriate and, if the customer's communication indicates that it is intended for a particular director, then also to that director.

Management and Outside Advisors. Outside directors will have full access to any member of management and to the Corporation's independent auditors and internal auditors for the purpose of understanding issues relating to the Corporation's business. Directors who contact subordinate levels of management should, if appropriate, inform the Chief Executive Officer of such interactions. The Corporation's management will arrange for the Corporation's outside advisors to be made available for discussions with the Board, a Board committee, the Independent Directors as a group, or individual directors.

Board Committees

Establishment of Committees. Pursuant to the Corporation's bylaws, the Board has established (and currently has) an Executive Committee, and it may from time to time establish such other committees as it deems appropriate, any of which may be joint committees of the Boards of the Corporation and its banking subsidiary. At a minimum, those additional committees will include an audit committee, a compensation committee, a nominations committee, a governance committee, and a risk committee. The Board may combine the functions of any one or more committees into one committee. Members of each committee must satisfy (i) any requirements of the NASDAQ listing standards and other laws and regulations (including, but not limited to, banking and securities laws and regulations) applicable to service on that committee, and (ii) the membership requirements, if any, specified in the committee's written charter approved by the Board.

Committee Purpose and Responsibilities. The composition, authority, duties, and responsibilities of each committee will be as set forth in the bylaws, a written charter approved by the Board, and/or Board resolutions pertaining to that committee. Each Independent Director Committee will be established in accordance with all regulatory requirements that apply to it, including the NASDAQ listing standards, the SEC's rules and regulations, the regulations governing the Corporation as a publicly traded financial holding company, and the regulations governing the Corporation's banking subsidiary.

Committee Appointments. The Compensation, Nominations and Governance Committee will make recommendations to the Board regarding committee appointments and the appointment of a chairman for each Board committee. The Board will appoint the members and the chairman of each Board committee. Committee members must meet all applicable legal and regulatory requirements for the committees upon which they serve.

Meetings, Schedules and Agendas. Each committee will meet (i) as determined by the committee and/or the chairman of the committee, and (ii) when requested to meet by the Chairman, the Chief Executive Officer (if the Chairman is not also the Chief Executive Officer), or the Lead Independent Director (if a Lead Independent Director has been elected). The committee chairman will determine the agendas for the committee meetings, taking into account the recommendations of the members of the committee, the Chairman, the Chief Executive Officer (if the Chairman is not also the Chief Executive Officer), and the Lead Independent Director (if a Lead Independent Director has been elected). Committee members are encouraged to suggest items for agendas.

Director Orientation and Education

Orientation. The Chairman will assure that each new director is provided with an orientation regarding the Board, the operations of the Corporation and its banking subsidiary, and the duties and responsibilities of directors.

Ongoing Education. The Board of Directors will, from time to time, provide educational opportunities to all directors regarding the business of the Corporation and its banking subsidiary, the business of banking in general, laws and regulations that apply to the Corporation and to its directors and officers, and the duties and responsibilities of directors. The Board will establish a policy regarding the reimbursement of directors for reasonable expenses relating to ongoing director education.

Independent Advisors

The Board, each Board committee, and the Independent Directors as a group, in each case by a majority vote, have the authority to retain independent advisors from time to time, separate and apart from the Corporation's regular advisors. The cost of any such advisors will be paid by the Corporation.

Corporate Governance Review and Disclosure

At least annually, the Board will review these Guidelines and make any necessary or appropriate changes. As part of its review, the Board will consider whether the principles and practices have been, and are likely to continue to be, effective in enabling the Board to fulfill its responsibilities. The Board may also compare current practices to the expectations of shareholders, changes in laws or regulations, and the practices of boards of peer companies.