

# **BB&T CORPORATION**

## **CORPORATE GOVERNANCE GUIDELINES**

### **INTRODUCTION**

BB&T Corporation's ("BB&T") mission and corporate purpose is to create a strong, sound and profitable financial services company with long-term growth and value for its shareholders. BB&T has long been committed to the highest standards of corporate governance. To achieve its mission, BB&T has adopted certain corporate values to provide the foundation for BB&T's corporate culture and to promote the highest ethical conduct among its directors, officers and employees. These values are Character (Honesty and Integrity), Judgment (Reality, Reason and Independent Thinking), Success (Productivity, Teamwork and Justice), and Happiness (Self-Esteem and Pride). BB&T's Corporate Governance Guidelines are founded on these uncompromising values.

The Board of Directors of BB&T is elected by its shareholders to oversee and advise management in the conduct of BB&T's affairs and business. In this regard, the Board continuously promotes an environment within BB&T that is conducive to sound corporate governance, including periodic review, refinement and approval of these Corporate Governance Guidelines and the codes of ethics for directors, officers and employees and development of board committees that are designed to effectively accomplish the Board's oversight and advisory responsibilities.

### **DIRECTOR NOMINATION AND QUALIFICATION**

**Annual Director Election.** Director nominees will be recommended to the Board annually by the Nominating and Corporate Governance Committee for election by BB&T shareholders. Shareholders may submit the names and qualifications of potential director nominees by written communication addressed and delivered to the Corporate Secretary (BB&T Corporation, 200 W. Second Street, Winston-Salem, NC 27101) for delivery to the Chair of the Nominating and Corporate Governance Committee for consideration. If a shareholder desires to nominate a director candidate at an upcoming annual meeting of shareholders, written notice of the nomination must be given by the shareholder in accordance with the provisions of Article II, Section 10 of BB&T's Bylaws. Subject to the terms and conditions set forth in Article II, Section 14 of BB&T's Bylaws, BB&T shall also include in its proxy statement and form of proxy for an annual meeting of shareholders, in addition to the persons nominated for election by the Board, the name, and any additional information required under Article II, Section 14 of BB&T's Bylaws, of any person nominated for election to the Board by one or more shareholders that satisfies the notice, share ownership and other requirements of Article II, Section 14 and Article II, Section 10 of BB&T's Bylaws.

The Nominating and Corporate Governance Committee conducts an extensive due diligence process to review potential director candidates and their individual qualifications, and all such candidates, including those submitted by shareholders, will be similarly evaluated by the Committee using the Board Membership Criteria described below. With regard to each director nominee approved by the Nominating and Corporate Governance Committee for inclusion on

BB&T's proxy card (other than nominees who are executive officers or who are directors standing for re-election), BB&T shall disclose the source(s) of the nomination as required by applicable law and regulation.

**Board Membership Criteria.** A candidate for election as a director of BB&T is nominated to stand for election based on his or her professional experience, recognized achievement in his or her respective field, an ability to contribute to BB&T's business, his or her experience in risk management and the willingness to make the commitment of time and effort required of a BB&T director over an extended period of time. A director must be "financially literate," as required by the Board, and should understand the intricacies of a public company. A director should possess good judgment, strength of character, and an independent mind, as well as a reputation for integrity and the highest personal and professional ethics. Other factors will be taken into consideration to assure that the overall composition of the BB&T Board is appropriate, such as occupational and geographic diversity and age. The Board has a goal, which is pursued through the Nominating and Corporate Governance Committee, to include members with diverse backgrounds, skills and characteristics that, taken as a whole, will help ensure a strong and effective governing body.

**Director Resignation Policy.** In an uncontested election of directors at which a quorum is present, any incumbent director who fails to receive more votes in favor of the director's election than withheld from the director's election shall tender to the Board, via the Chair of the Nominating and Corporate Governance Committee, his or her resignation. A director whose resignation is under consideration shall abstain from participating in any recommendation or decision regarding that resignation. The Nominating and Corporate Governance Committee shall make a recommendation to the Board whether to accept, reject or otherwise act with respect to the tendered resignation. In making their decisions, the Nominating and Corporate Governance Committee and the Board may consider any factor or other information that any of the directors deem relevant. The Board shall act on the tendered resignation, taking into account the Nominating and Corporate Governance Committee's recommendation, and shall publicly disclose its decision regarding the resignation within one hundred thirty (130) days after the results of the election are certified. If the resignation is not accepted, the director shall continue to serve until the next annual meeting of shareholders and until the director's successor is elected and qualified, or until his or her earlier resignation or removal.

**Director Independence.** The Board of Directors of BB&T shall have a majority of directors who meet the independence requirements of the New York Stock Exchange and applicable law. The Board has adopted the following categorical criteria, which include, among other required laws, rules and regulations, the qualifications described in Section 303A of the New York Stock Exchange Listed Company Manual, to assist it in determining director independence:

- a. All loans to directors and their associates from a bank subsidiary of BB&T are made in compliance with the provisions of Federal Reserve Board Regulation O and are made in the ordinary course of business, on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with others and do not involve more than the normal risk of collectibility or present other unfavorable features, and none of such credits can be classified as nonaccrual, restructured, or potential problem loans.

- b. All deposit, investment, fiduciary, or other relationships with BB&T or any of its subsidiaries are conducted in the ordinary course of business on substantially the same terms and conditions as are otherwise available to nonaffiliated customers for comparable transactions of the subsidiary involved.
- c. No director qualifies as “independent” unless the Board affirmatively determines that the director has no material relationship, and has not had such a relationship within the past three years, with BB&T or any of its subsidiaries (either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with BB&T or its subsidiaries). In making an independence determination, the Board will broadly consider all relevant facts and circumstances. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others. A director meeting the bright line criteria set out in Section 303A.02(b) of the New York Stock Exchange Listed Company Manual is not *per se* independent. BB&T will disclose these determinations in its annual Proxy Statement. (Section 303A.02(a), NYSE Listed Company Manual and Question 2, Section C of the NYSE FAQs, dated as of February 13, 2004)

For purposes of this paragraph (c), any contribution made or pledged by BB&T, its subsidiaries, or by any foundation sponsored or associated with BB&T or its subsidiaries to a charitable or non-profit organization of which a director, or an immediate family member of a director, is an executive officer, director or trustee will not be deemed to establish a material relationship between the director and BB&T if:

- (i) Within the past three years, the aggregate amount of all such contributions during any single fiscal year of the charitable or non-profit organization did not exceed the greater of \$1 million or 2% of the charitable or non-profit organization’s consolidated gross revenues for that fiscal year (excluding any contributions made or pledged pursuant to a matching gift program that is not deemed to be a material relationship); and
  - (ii) The charitable or non-profit organization is not a family foundation created by the director or an immediate family member of the director.
- d. A director who is an employee of BB&T or a director whose immediate family member is an executive officer of BB&T or any of its subsidiaries is not independent until three years after the end of such employment relationship. Employment as an interim Chairman or CEO does not disqualify a director from being considered independent following such employment. An “immediate family member” includes a director’s spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than domestic employees) who shares the director’s home. When applying the three-year look back provision, individuals who are no longer

immediate family members as a result of legal separation or divorce or those who have died or become incapacitated need not be considered. (Section 303A.02(b)(i))

- e. A director who receives, or whose immediate family member who is an executive officer of BB&T and receives, more than \$120,000 during any twelve-month period in direct compensation from BB&T or any of its subsidiaries, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent until three years after he or she ceases to receive more than \$120,000 during any twelve-month period in such compensation. The following compensation need not be considered by the Board under this test: (1) compensation received by a director for former service as an interim Chairman or CEO; and, (2) compensation received by an immediate family member for service as a non-executive employee of BB&T or its subsidiaries. (Section 303A.02(b)(ii))
- f. A director who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by and personally worked on BB&T's audit, a present or former internal or external auditor of BB&T or any of its subsidiaries is not independent until three years after the end of the affiliation or the employment or auditing relationship. (Section 303A.02(b)(iii))
- g. A director who is employed or whose immediate family member is employed as an executive officer of another company where any executive officer of BB&T or any of its subsidiaries serve on that company's compensation committee is not "independent" until three years after the end of such service or the employment relationship. (Section 303A.02(b)(iv))
- h. A director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to or receives payments from BB&T or any of its subsidiaries for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues, is not "independent" until three years after falling below such threshold. (Section 303A.02(b)(v))

**Stock Ownership for Directors.** In accordance with BB&T's Bylaws, throughout the full term of his or her service, each non-employee BB&T director shall maintain ownership of shares of BB&T Corporation Common Stock with a market value approximately equal to five times the director's average annual cash retainer paid by BB&T for such BB&T director's services. All shares held or controlled by the director will be considered in determining compliance with the ownership requirement, including, but not limited to, direct holdings, shares in nonqualified individual account plans sponsored by BB&T, and unvested, but not forfeited, restricted stock units or restricted shares (but not stock options) granted by BB&T. All non-employee BB&T directors will be expected to meet this ownership requirement by the later of (i) five years following the adoption of these guidelines or the initial election of the director, or (ii) such

period of time as it may take for the director to reach the ownership requirement threshold by continuously holding those shares or restricted stock units granted by BB&T pursuant to its director equity compensation arrangements. BB&T directors may not engage in speculative trading or hedging strategies with respect to BB&T Corporation Common Stock. In addition, a BB&T director may only pledge shares of BB&T Corporation Common Stock that are in excess of the amount required to be owned pursuant to this section; provided, that, any pledge of shares that fails to comply with this requirement and which existed prior to December 1, 2013, shall be exempt from this requirement.

**Stock Ownership for Executive Management.** During the term of his or her employment, the Chief Executive Officer of BB&T shall be expected to maintain ownership of BB&T Corporation Common Stock having a value equal to approximately six times his or her base salary. During the term of his or her employment, each member of Executive Management, other than the Chief Executive Officer, shall be expected to maintain ownership of BB&T Corporation Common Stock having a value equal to approximately three times his or her base salary. Such share ownership shall be maintained in accordance with guidelines established by the Compensation Committee from time to time. All shares held or controlled by each member of Executive Management will be considered in determining compliance with the ownership requirement, including, but not limited to, direct holdings, shares in qualified and nonqualified individual account plans sponsored by BB&T, and unvested, but not forfeited, restricted stock units or restricted shares (but not options or performance share units) granted by BB&T. All members of Executive Management will be expected to meet this ownership requirement by the later of (i) five years following the adoption of these guidelines or the initial appointment of the individual to Executive Management, or (ii) such period of time as it may take for the member of Executive Management to reach the ownership requirement threshold by continuously holding those shares or restricted stock units granted by BB&T pursuant to its equity compensation arrangements. Members of Executive Management may not engage in speculative trading or hedging strategies with respect to BB&T Corporation Common Stock. In addition, members of Executive Management may only pledge shares of BB&T Corporation Common Stock that are in excess of the amount required to be owned pursuant to this section; provided, that, any pledge of shares that fails to comply with this requirement and which existed prior to December 1, 2013, shall be exempt from this requirement.

**Changes to a Director's Current Job Responsibilities or Position.** A director must disclose in writing and in advance to the Chairman of the Board and the Chair of the Nominating and Corporate Governance Committee his or her intent to change his or her principal employment activity, as well as any intent to serve as a new director, officer or employee of any for-profit business or enterprise; provided, that, where advance notice is not possible, a director shall provide notice as soon as practicable regarding any such change. The Board may review any such change and determine the appropriateness of the director's continued membership on the Board.

**Service by Directors on Other Boards.** A director shall advise the Chairman of the Board and the Chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public or private company board. The Nominating and Corporate Governance Committee will review whether such board membership may unduly impact the ability of the Director to fulfill his or her responsibilities as a Director of BB&T and, if so, shall

make a recommendation to the Board. No BB&T director shall serve on more than three other public company boards.

## **SHAREHOLDER OR INTERESTED PARTY COMMUNICATIONS WITH THE BOARD**

Any shareholder or interested party desiring to contact the Board of Directors, or any individual director serving on the Board, may do so by written communication mailed to: Board of Directors (Attn: (name of director(s)), if intended for a specific director or less than the full Board), c/o Corporate Secretary, BB&T Corporation, 200 W. Second Street, Winston-Salem, NC 27101. Any proper communication so received will be processed by the Corporate Secretary as agent for the Board or individually named director(s), and a summary of the communication will be delivered to the full Board, including management directors, for review in accordance with procedures unanimously approved by the non-management directors of the Board. The Corporate Secretary may elect not to forward summaries or copies of communications that the Corporate Secretary believes are business solicitations, resumes, abusive, frivolous or similarly inappropriate. Directors may at any time review a log of all correspondence received by BB&T that is addressed to members of the Board and request copies of any such correspondence. Any director may request the Corporate Secretary to produce for his or her review the original of the communication or a copy thereof.

## **BOARD RESPONSIBILITIES**

The primary functions of the Board of Directors of BB&T include the following:

- Act in the best interests of BB&T and its shareholders, and set a climate of corporate trust, confidence and overall transparency. In discharging these responsibilities, the Board relies on the expertise, honesty and integrity of BB&T's Executive Management, other senior officers, the internal audit function, the independent accountants, and outside advisors and consultants.
- Oversee the direction and management of BB&T.
- Establish and periodically review, update and amend corporate governance guidelines.
- Establish and periodically review, update and amend codes of ethics and other appropriate policies for directors, officers and employees.
- Review and approve fundamental business strategies to enhance long-term shareholder value.
- Oversee and evaluate internal control systems and processes, financial reporting, and public disclosure of information.
- Oversee and evaluate management's implementation of, and compliance with, BB&T's risk management policies.

- Monitor corporate performance on an on-going basis against the Profit Plan and the performance of peer companies.
- Periodically review the Chief Executive Officer's performance and annually approve his compensation.
- Conduct management succession planning and review.
- Conduct a self-evaluation at least annually to determine whether the Board and its committees are functioning effectively.

**Election of the Chairman and Chief Executive Officer.** It is the responsibility of the Board of Directors to elect its Chairman and BB&T's Chief Executive Officer ("CEO"). The Chairman also may hold the position of CEO. The Board's policy is not to mandate the separation of the offices of Chairman and the CEO. The Board believes that this issue is part of the succession planning process and that it is in the best interests of BB&T and its shareholders for the Board to make a determination of whether the CEO should also serve as Chairman when it elects a new Chairman. The CEO and, if the offices of BB&T's Chairman and CEO are held by the same person, the Chairman shall not serve as a member of any standing Board committee, other than the Executive Committee or the Risk Committee.

**Successor Chairman.** If the Chairman of the Board should be unable to continue his responsibilities as Chairman of the Board due to death, disability or other event, then the Lead Director shall cause a special Board meeting to be called within one week of the determination that the Chairman of the Board cannot continue his responsibilities to elect a successor Chairman of the Board.

**Independent Lead Director.** When the position of Chairman of the Board is not held by an independent director, the Board will appoint an independent Lead Director. The role of the Lead Director shall be to assist the Chairman and the remainder of the Board in assuring effective governance in overseeing the direction and management of BB&T. The Lead Director will serve in such capacity for an initial two-year term (subject to the annual election as a director by the shareholders) and may serve for one subsequent one-year term at the discretion of the Board. At the end of the Lead Director's term, a different director shall be selected as the independent Lead Director, provided that a Lead Director is otherwise required hereby. For the avoidance of doubt, a director who has previously served as the Lead Director may again serve in such capacity so long as at least one different director has served as the Lead Director in the interim.

The Lead Director will:

- Organize and preside over executive sessions.
- Set the agenda for and lead executive sessions.
- Preside at all meetings of the Board at which the Chairman is not present (including executive sessions).
- Take responsibility for feedback to/engagement with CEO on executive sessions.

- Suggest matters and issues for inclusion on the Board agenda.
- Work with the Chairman and Committee chairs to ensure that there is sufficient time for discussion of all agenda items.
- Facilitate teamwork and communication among independent directors and the CEO.

**Attendance at and Participation in Meetings.** In order to effectively fulfill their primary responsibilities, directors are expected to attend the annual meeting of shareholders and all Board meetings and meetings of committees on which they serve. Each director should be sufficiently familiar with the business of BB&T, including its strategy, financial statements, capital structure, business risks and competition, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves.

**Meeting Agendas.** The Chairman of the Board establishes the agenda for, and presides over, each Board meeting. Each director is free to suggest the inclusion of items for the agenda and to raise subjects that are not on the agenda during any meeting. Information and data that are important to directors' understanding of the business to be conducted at a Board or committee meeting, to the extent that it is practical, shall be mailed or otherwise distributed to directors for review prior to the meeting. Directors are expected to review in advance all relevant meeting materials provided. The Lead Director shall preside at all meetings of the Board in which the Chairman is not present and may suggest matters for inclusion on the Board agenda.

The Corporate Secretary maintains a list of recurring agenda items and the timing of such agenda items throughout the year, as well as departmental requests for presentation of matters to be directed to the Board. These items are placed on the agenda and reviewed by Executive Management for additions, deletions, and revisions. Subjects not included on the agenda are introduced at the meeting under the agenda item "New Business," as appropriate.

**Executive Sessions.** Nonmanagement directors shall meet in executive session at least three times a year following regularly scheduled meetings of the Board and at such other times as they deem necessary or desirable. Independent directors shall meet in executive session at least once a year. The Lead Director shall establish the agenda for, and preside over, executive sessions of the Board when the Chairman of the Board does not participate. The Lead Director shall confer with the Chairman promptly following the executive sessions to convey the substance of the discussions held during those sessions, as appropriate and subject to any limitations specified during the sessions.

**Directors Representing BB&T.** Executive Management and/or its designees speak for BB&T. Individual directors may, from time to time, meet or otherwise communicate with various constituencies that are involved with BB&T. However, it is expected that a director will do this only with the knowledge of and at the request of Executive Management. It is imperative to maintaining compliance with Federal disclosure requirements that directors refer all inquiries from the press, institutional investors and others to Executive Management or its designees for response in conformity with BB&T's disclosure policies.

**Confidentiality of Board Information.** Information about BB&T, including information about BB&T's current and prospective clients, employees, consultants, suppliers, vendors and others



with whom BB&T has contact and business dealings, that has not been released to the public is confidential and must be protected at all times, except when disclosure of such information is otherwise authorized or is legally mandated to be disclosed. All confidential information must be used by directors only for legitimate business purposes that further the interests of BB&T and never for personal gain or benefit. Confidential information should only be discussed by directors with those persons who have a need to know the information to perform their duties and responsibilities on behalf of BB&T.

**Director Access to Management and Independent Advisors.** The Board of Directors or any committee of the Board shall have full and free access to all officers and employees of BB&T and its subsidiaries and its independent advisors. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of BB&T and will, to the extent appropriate, inform the Chief Executive Officer of any such communications between a director and an officer or employee of or an independent advisor.

The Board welcomes and encourages members of Executive Management to attend Board meetings and to bring managers into Board meetings who can provide additional insight and expertise with respect to matters being discussed by the Board and/or who have demonstrated future potential and should be given exposure to the Board.

**CEO Evaluation and Management Succession.** The Compensation Committee shall conduct an annual review of corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals, and determine the compensation level of the CEO based on such an evaluation. The Board of Directors will review the Committee's report in order to confirm that the CEO is providing effective leadership for BB&T. The Board of Directors shall be responsible for ensuring that BB&T has developed an Executive Management succession plan, including procedures for CEO selection in the event of an emergency or the retirement of the CEO. Such plan shall be reviewed and evaluated by the Board at least annually. The Lead Director, or the Board Chairman (if there is no Lead Director), shall lead the Board's annual review and evaluation of BB&T's Executive Management succession plan. The CEO should make available his or her recommendations and evaluations of potential successors, along with a review of any development plans of such individuals.

**Annual Self-Evaluation of the Board.** The Board shall conduct an annual self-evaluation to assess how effectively the Board is functioning as a whole.

## **BOARD SKILLS AND TRAINING PROGRAM**

BB&T has formalized and maintains a Board Skills and Training Program, designed to provide directors access to tools and resources to support the performance of their duties as directors. As a part of the Board Skills and Training Program, BB&T has adopted Knowledge, Skills and Resources Standards Matrices detailing the skills directors are expected to possess in order to fulfill their roles effectively. In addition, the Board has adopted Learning Plan Curricula setting forth the various courses BB&T offers so that directors may supplement their existing skill sets. Some of the courses include the Director Orientation and Continuing Director Education described below.

**Director Orientation.** All new directors shall participate in an orientation program prior to or within a reasonable time after their election to acquaint them with the following:

- Corporate Governance Guidelines.
- Code of Ethics (applicable to BB&T associates).
- Code of Ethics for Directors.
- Supplemental Code of Ethics for Senior Financial Officers.
- Related Person Transactions Policy and Procedures.
- Policies and procedures for accounting and legal complaints.
- Insider trading rules and SEC compliance procedures.
- An overview of BB&T's business and operations.
- BB&T's strategic plan.
- Principal officers.
- Significant financial, accounting, and risk management issues.
- Internal audit services and the external independent accounting firm.
- Compliance programs.

All continuing directors are also invited to attend such orientation programs. New directors may be required to execute an acknowledgment of receipt and compliance with the codes and procedures adopted by BB&T's Board in a form specified by the Board.

**Continuing Director Education.** In addition to director orientation, both new and continuing directors participate in BB&T-sponsored education programs on a wide variety of topics. In addition, certain approved third party providers may provide a role in presenting content.

## **BOARD STRUCTURE**

**Board Size.** The BB&T Bylaws provide that the number of directors shall be not less than three nor more than 25 members, as determined from time to time by the Board of Directors. The Board expects that the number of directors will vary from time to time within the defined range, depending upon various circumstances including, but not limited to, retirements and the availability of desirable and qualified candidates.

**Term Limits; Age Limitation.** Each director shall hold office until his or her death, resignation, retirement, removal, disqualification, or until his or her successor is elected and qualified.

The Board has not established term limits. While term limits may supply the Board with fresh ideas and viewpoints, they do arbitrarily force the replacement of directors who have gained valuable experience, insight, and historical perspective regarding BB&T. The Board believes the self-evaluation and nomination process described in these Guidelines, including the consideration of the Board Membership Criteria in connection with nominating a director for reelection, will ensure the continued benefit of fresh ideas and viewpoints.

The retirement of a director shall occur at the end of the year in which the director becomes 72 years of age; provided, however that a director may voluntarily elect to retire before the director becomes 72 years of age.

**Director Indemnification.** The Board of Directors shall be entitled to have BB&T purchase reasonable Directors and Officers Liability Insurance on its behalf and provide indemnification to directors to the fullest extent permitted by law and BB&T's Articles of Incorporation and Bylaws.

**Committee Structure.** The Board has established five standing committees. Each committee shall appoint a chair annually at its first meeting held each calendar year, or at such other meeting as the applicable committee determines from time to time. The committee may delegate to its chair such power and authority as the committee deems to be appropriate, except such powers and authorities required by law or regulation to be exercised by the whole committee or by a subcommittee of at least two members.

The Board and each committee have the authority to, as they deem appropriate, independently engage, at the expense of BB&T, and oversee outside legal, accounting, or other advisors or consultants without consulting in advance, or obtaining the approval of, any BB&T officer or, in the case of a committee, the Board. Additionally, each committee annually conducts a review and evaluation of the performance of such committee. The current charter of each committee is reviewed and reassessed annually by each committee to determine its adequacy in light of any changes to applicable rules and regulations. The charters are published on BB&T's website and will be mailed to any shareholder upon written request. It also is anticipated that the committees of the Board will perform additional duties that are not specifically set out in their respective charters as may be necessary or advisable in order for BB&T to comply with certain laws, regulations or corporate governance standards, as the same may be adopted, amended or revised from time to time. A summary of the primary responsibilities of each of the committees follows.

**Audit Committee.** The Audit Committee assists the Board in its oversight of the integrity of BB&T's financial statements and disclosures and other internal control processes. The Committee solely selects, approves the compensation for, and oversees and evaluates the independence and ability of BB&T's independent auditors. The Committee oversees BB&T's internal audit function and receives regular reports from the General Auditor. The Committee has established procedures for handling complaints received by BB&T regarding accounting, internal accounting controls, auditing or legal matters, including the handling of anonymous and confidential complaints from employees and others. The Committee prepares the disclosure required by Item 407(d)(3)(i) of Regulation S-K.

**Compensation Committee.** The Compensation Committee reviews and approves annually BB&T's compensation philosophy and practices, establishes the Chief Executive Officer's salary and other benefits, reviews the salary and benefits of other members of Executive Management recommended by the Chief Executive Officer, reviews and approves BB&T's stock option and short- and long-term incentive compensation plans and awards, oversees BB&T's risk management functions related to incentive compensation and periodically reviews BB&T's various employee benefit plans covering substantially all BB&T employees (including risks arising from those plans). The Committee prepares the disclosure required by Item 407(e)(5) of Regulation S-K. In addition, the Committee periodically reviews and makes recommendations to the full Board regarding the adequacy of compensation paid to BB&T's directors.

**Nominating and Corporate Governance Committee.** The Nominating and Corporate Governance Committee reviews annually the composition and structure of the Board and its committees and evaluates the qualifications and independence of incumbent directors. The Committee reviews qualified candidates for election as directors, as needed. The Committee proposes the slate of director nominees for approval by the Board and subsequent election by shareholders. The Committee annually recommends for Board approval the composition of membership on the Board committees. The Committee administers BB&T's Related Person Transactions Policy and Procedures.

The Committee periodically reviews the Corporate Governance Guidelines, BB&T's codes of ethics and other written corporate governance policies and recommends revisions, as needed, to the Board for approval.

**Risk Committee.** The Risk Committee assists the Board in its oversight of BB&T's risk management function. Discharging the duties of risk oversight requires, among other things, that the Committee: (i) understand, communicate and monitor BB&T's risk appetite and risk profile; (ii) stay abreast of regulatory requirements and industry standards related to risk management; (iii) provide input to Executive Management on risk appetite, risk profile and regulatory requirements; and (iv) approve the effectiveness of BB&T's risk management framework.

While the Committee oversees BB&T's risk functions, management is ultimately responsible for the identification of, planning for, and responding to, the BB&T's material risks, including regulatory risk, credit risk, liquidity risk, market risk, operational risk, reputational risk, and strategic risk.

**Executive Committee.** The Executive Committee exercises, during the intervals between the meetings of the Board, all the powers and authority of the Board in the management of the business and affairs of BB&T, to the extent permitted by applicable law.

**Committee Membership.** Each committee of the Board, except for the Executive Committee and the Risk Committee, shall be composed entirely of independent directors as defined in New York Stock Exchange rules, the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder and any other applicable laws and regulations relating to independence, and each Board committee, including the Executive Committee and the Risk Committee, shall be chaired by an independent director. Audit Committee members are required to meet an additional independence criterion-specifically and they may not accept any consulting, advisory,

or other compensatory fees from BB&T or any of its subsidiaries other than approved director compensation. In addition, in affirmatively determining the independence of any director that will serve on the Compensation Committee, the Board of Directors must consider factors specifically relevant to determining whether such director has a relationship to BB&T which is material to that director's ability to be independent from management in connection with the duties of a Compensation Committee member, including, but not limited to, the source of such director's compensation, including any consulting, advisory or other compensatory fee paid by BB&T to such director, and whether such director is affiliated with BB&T, its subsidiaries or an affiliate of its subsidiaries.

The Nominating and Corporate Governance Committee annually recommends to the full Board for its approval the composition of membership on all Board committees.

**Rotation Policy.** Directors may be rotated to serve on another committee, subject to each committee's legal requirements regarding "director independence" and to considerations the Board shall deem appropriate. Committee chairs also may be rotated.

**Committee Reporting.** Each Committee chair, or the chair's designee, reports to the full Board on committee actions at the next Board meeting after the committee has met.

### **BOARD COMPENSATION PROGRAM**

The form and amount of director compensation is determined by the full Board of Directors upon the recommendation of the Compensation Committee, as set forth in its charter.

The Compensation Committee conducts an annual review of director compensation. In formulating its recommendation regarding the form and amount of director compensation and the potential impact on the independence of a director, the Compensation Committee shall evaluate whether director compensation is appropriate, reasonably comparable to BB&T's peers in the financial services industry and in the best interests of BB&T's shareholders.

BB&T's Compensation Committee directly engages an independent compensation consultant to advise it as to "best practices" and emerging trends in director compensation. The independent consultant also benchmarks BB&T's director compensation against a national peer group and general industry data, which is adjusted for each company's relative income and asset base.

The total director compensation package includes a program wherein a director may invest in additional shares of BB&T stock on a regular basis in order to better align the interests of BB&T's directors with the long-term interests of its shareholders.

Amended and restated 12/19/2017