

CAPITAL BANK FINANCIAL CORP.

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of Capital Bank Financial Corp. (“the “Company””) has formally adopted these guidelines to promote a high level of performance from the Board and management, to promote the interests of stockholders and to further the Company’s commitment to best practices in corporate governance.

1. Board Composition

Number of Directors. It is the sense of the Board of Directors that a size of 6 to 11 directors is appropriate for the Company. However, the Board would be willing to go to a somewhat larger size in order to accommodate the addition of members due to a significant merger or other business combination, the availability of an outstanding candidate or anticipated retirement.. The Company’s Bylaws provide that the number of directors shall be fixed from time to time by the Board. The Nominating and Governance Committee will periodically review the size and composition of the Board and balance necessary experience, expertise and independence with a membership that is not too large to function efficiently.

Director Independence. The Board will have a majority of directors who meet the criteria of independence required by the NASDAQ Stock Market listing standards.

2. Board Leadership

Chairman of the Board. The Board may elect from among its members a Chairman who will organize Board activities to enable the Board to effectively provide guidance to and oversight of management. The Chairman is responsible for, among other things: creating and maintaining an effective working relationship with the members of management and the Board; providing effective management with ongoing direction as to Board needs, interests and opinions; and assuring that the Board agenda is appropriately directed to matters of greatest importance to the Company.

The Board has no policy with respect to the separation of the offices of Chairman and the Chief Executive Officer. The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Company for the Board to make a determination when it elects a new chief executive officer.

3. Director Qualification

Director Assessment and Nomination. The Nominating and Governance Committee, in consultation with the Chairman, will identify and evaluate individual candidates for their qualifications to become directors. The Committee, in accordance with the policies and principles in its charter, will recommend qualified candidates to the Board as the need arises to fill vacancies or to stand for election at the annual meeting of stockholders, unless the Company has contractually granted the right to nominate directors to third parties.

Standards for Evaluating Directors and Candidates as Director-Nominees. To discharge their duties in identifying and evaluating individual directors and nominees for directors, the Nominating and Governance Committee and the Board shall consider the overall experience and expertise represented by the Board as well as the qualifications of each director and candidate. In the evaluation process, the Nominating and Governance Committee and the Board shall take into account the following:

- At least a majority of the Board must be comprised of independent directors.
- Candidates should be capable of working in a collegial manner with persons of different educational, business and cultural backgrounds and should possess skills and expertise that complement the attributes of the existing directors.
- Candidates should represent a diversity of viewpoints, backgrounds, experiences, and other demographics.
- Candidates should demonstrate notable or significant achievement and possess senior-level business, management or regulatory experience that would benefit the Company.
- Candidates should be individuals of the highest character and integrity.
- Candidates shall be free from any conflict of interest that would interfere with their ability to properly discharge their duties as a director or would violate any applicable law or regulation.
- Candidates shall be capable of devoting the necessary time to discharge their duties, taking into account memberships on other Boards and other responsibilities.
- Candidates shall have the desire to represent the interests of all stockholders.

4. Continuation as a Director

Director Tenure. The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. As an alternative to term limits, the Nominating and Governance Committee will review each director's continuation on the Board every three (3) years. This will allow each director the opportunity to conveniently confirm his or her desire to continue as a member of the Board.

Age Limit. No director may be nominated for an initial election if he or she would be age seventy-five (75) or older at the time of the election. However, the Nominating and Corporate Governance Committee may recommend and the Board may approve the nomination for re-election of a director at or after the age of 75, if, in light of all the circumstances, it is in the best interests of the Company and its stockholders.

Change of Occupation. If a director retires from or changes the principal occupation, position or responsibility he or she held when most recently elected or appointed to the Board, the director shall submit his or her offer to resign to the Nominating and Governance Committee. The Nominating and Governance Committee shall have the authority to accept or reject the offer to resign on behalf of the Board of Directors based on the consideration of all factors deemed relevant by the members of the Committee, including, without limitation: the length of service and qualifications of the director whose resignation has been tendered; the director's contributions to the Company; the relevant provisions of these Corporate Governance Guidelines; and the best interests of all shareholders. Any director who tenders his or her resignation under this provision will not participate in any discussions with the Board or a Committee of the Board regarding whether or not to accept the tendered resignation.

Limits on Board and Audit Committee Memberships. To ensure that directors have sufficient time to properly discharge their duties, directors are expected to advise the Nominating and Governance Committee in advance of accepting an invitation to serve on another public company board. No director shall serve on the boards of more than six (6) public companies, including the Company's Board. If a member of the Audit Committee wishes to serve on the audit committees of more than a total of three public companies, including the Company's Audit Committee, the director must seek Board approval prior to accepting the additional service.

Ongoing Independence. Directors are requested to inform the Chair of the Nominating and Governance Committee and the Chief Executive Officer of any circumstances that might reasonably affect his or her independence under requirements of the NASDAQ Stock Exchange or these guidelines. If so notified, the Board, with the assistance of the Nominating and Governance Committee, will reevaluate, as promptly as practicable thereafter, such director's independence.

5. Committee Matters

Board Committees. The Board has the authority to discharge its responsibilities through committees and subcommittees under its supervision. The Board will have at all times an Audit Committee, a Compensation Committee, a Nominating and Governance Committee and a Risk Committee. In the event that the Board of Directors of Capital Bank, National Association ("Capital Bank") has appointed a Risk Committee, the Board may decide not to have a separate Risk Committee so long as it receives regular reports on the activities of the Risk Committee of Capital Bank. All of the members of the Audit, Compensation and Nominating and Governance committees will be independent directors under the criteria established by the NASDAQ Stock Market. Each committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees. The Nominating and Governance Committee will set forth the qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

Assignment and Rotation of Committee Membership. Committee members will be appointed by the Board upon recommendation of the Nominating and Governance Committee

with consideration of the desires of individual directors. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy.

Committee Operations. The Chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of the year each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee will be furnished to all directors. The Board and each committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

6. Board Operations

Meeting Attendance. Directors are expected to attend the annual meeting of stockholders, Board meetings and meetings of any committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a meeting should generally be distributed to and reviewed by the Board in advance of the meeting.

Meeting Agenda. The Chairman will establish the agenda for each Board meeting. At the beginning of the year the Chairman will establish a schedule of agenda subjects to be discussed during the year (to the degree this can be foreseen). Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

Executive Sessions and Non-Management Directors. The non-management directors will meet periodically in executive session. If the Company's non-management directors include directors who are not independent under the corporate governance rules of the NASDAQ Stock Market, the Company's independent directors will meet by themselves in executive session at least quarterly.

Director Access to Officers, Employees and Independent Advisors. Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the Chief Executive Officer on any written communications between a director and an officer or employee of the Company.

The Board welcomes regular attendance at each Board meeting of senior officers of the Company. If the Chief Executive Officer wishes to have additional Company personnel attendees on a regular basis, this suggestion should be brought to the Board for approval.

The Board and its committees may retain independent advisors at the Company's expense.

Director Orientation and Continuing Education. The Nominating and Governance Committee will oversee the Company's Director Orientation Program, as well as continuing education programs for all directors. The Director Orientation Program materials will be provided to new directors as soon as practicable following the director's initial election or appointment to the Board. All new directors must participate in the Company's Orientation Program, which should be conducted within two months of the annual meeting at which new directors are elected. This orientation will include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. In addition, the Orientation Program will include visits to Company headquarters and, to the extent practical, certain of the Company's significant facilities. All other directors are also invited to attend the Orientation Program.

Confidentiality. In order to facilitate open discussion, the proceedings and deliberations of the Board and its committees shall be confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

Speaking on Behalf of the Company. The Board believes that the management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. But it is expected that Board members would do this with the knowledge of the management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

7. Board Responsibilities

Oversight. The basic responsibility of the Board is to oversee the Company's businesses and affairs, and to exercise their business judgment in what they reasonably believe to be the best interests of the Company and its shareholders. In discharging that obligation, directors should be entitled to rely on the honesty, integrity, business acumen and experience of the Company's senior executives and its outside advisors and auditors.

Annual Performance Evaluation. The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Governance Committee will receive comments from all directors and report annually to the Board with an assessment of the Board's performance. This will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

Chief Executive Officer Performance Evaluation. The Compensation Committee will conduct an annual review of the Chief Executive Officer's performance, as set forth in its charter. The Board of Directors will review the Compensation Committee's report in order to ensure that the Chief Executive Officer is providing effective leadership for the Company in the long- and short-term. The Compensation Committee will also report to the Board on the Committee's review of the performance of the Company's named executive officers included in the Company's annual meeting proxy statement.

Management Succession Planning. The Nominating and Governance Committee should make an annual report to the Board on succession planning. The entire Board will work with the Nominating and Governance Committee to nominate and evaluate potential successors to the Chief Executive Officer. The Chief Executive Officer should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

Director Compensation. The form and amount of director compensation will be determined by the Compensation Committee in accordance with the policies and principles set forth in its charter and any NASDAQ Stock Market or other applicable rules, and the Compensation Committee will conduct an annual review of director compensation. Director compensation should provide reasonable compensation for non-management directors commensurate with their duties and responsibilities as directors, and provide a sufficient level of compensation necessary to attract and retain the highest quality individuals. The Compensation Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

Strategic Planning. The Board shall ensure that management develops strategic plans for the Company's business and periodically reviews these plans with the Board.

Ethical Business Environment. The Board shall ensure that the Company, through its management, maintains high ethical standards and effective policies and practices designed to protect the Company's reputation, assets and businesses. The Company has adopted a Code of Business Conduct and Ethics that establishes the Company's core values and addresses potential conflicts of interest, confidentiality and information security, protection and proper use of corporate assets, personal financial responsibility, compliance with law and transactions in the securities of the Company.

8. Majority Voting for Uncontested Election of Directors

If an incumbent nominee for Director is uncontested and the nominee does not receive the vote of at least the majority of the votes cast at any meeting for the election of Directors at which a quorum is present and no successor has been elected at such meeting, the Director will promptly tender his or her resignation to the Board of Directors. A majority of votes cast for the purposes of this provision means that the number of shares voted "for" a Director's election

exceeds 50% of the number of votes cast with respect to that Director's election. Votes cast include votes to withhold authority in each case and exclude abstentions with respect to that Director's election.

The Nominating and Governance Committee will make a recommendation to the Board of Directors as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board of Directors will act on the tendered resignation, taking into account the Nominating and Governance Committee's recommendation, and publicly disclose its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of the certification of the election results. The Nominating and Governance Committee in making its recommendation, and the Board of Directors in making its decision, may each consider any factors or other information that it considers appropriate and relevant. The Director who tenders his or her resignation will not participate in the recommendation of the Nominating and Governance Committee or the decision of the Board of Directors with respect to his or her resignation, except that if a majority or more of the Nominating and Governance Committee will participate in the recommendation and if a majority of the Board of Directors is required to tender resignations then the entire Board of Directors will participate in the decision. If such incumbent Director's resignation is not accepted by the Board of Directors, such Director will continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal.

If a Director's resignation is accepted by the Board of Directors, then the Board of Directors, in its sole discretion, may fill any resulting vacancy or may decrease the size of the Board of Directors pursuant to the provisions of Section 1 of these Guidelines.

When an election of Directors is contested, a plurality voting standard will apply.