



*Last Amended: October 17, 2019
Last Ratified: May 12, 2020*

CIT Group Inc.

Charter of the Compensation Committee of the Board of Directors

Adopted by the Board of Directors October 16, 2013

I. PURPOSE

The Committee is appointed by the Board for the following purposes: (i) to oversee the goals and purposes of CIT's incentive compensation plans for all employees and to confirm that such goals and purposes appropriately balance risk and financial results and do not encourage excessive risk taking; (ii) to review and recommend to the Independent Directors for their approval corporate goals and objectives relevant to the CEO's Compensation, evaluate the CEO's performance in light of such goals and objectives, and recommend to the Independent Directors for their approval the CEO's Compensation on the basis of its evaluation; (iii) to review, approve and report to the Independent Directors, the Compensation of all Executive Officers; (iv) to review the Compensation of all employees who are not Executive Officers but whose annual compensation exceeds \$1 million; (v) to review, approve and/or make recommendations to the Board with respect to the adoption and terms of incentive-compensation, severance, pension and other compensation and benefit plans applicable to Executive Officers and all Equity-Compensation Plans; (vi) to authorize the Compensation Committee Report for inclusion in CIT's Proxy Statement or Annual Report over the names of the Committee's members and review all compensation related disclosures in CIT's Proxy Statement; (vii) to provide general oversight for employee compensation and benefit and retirement policies and programs; and (viii) to fulfill the other responsibilities set forth in this Charter.

II. GENERAL

A. Definitions

1. **"Annual Report"** means CIT's annual report on Form 10-K, pursuant to Sections 13 or 15(d) of the Securities Exchange Act of 1934, as amended.
2. **"Board"** means the Board of Directors of CIT.
3. **"CEO"** means the Chief Executive Officer of CIT.
4. **"Chair"** means the Chair of the Committee.
5. **"CIT"** means CIT Group Inc., a Delaware corporation, and its subsidiaries.
6. **"Committee"** means the Compensation Committee of the Board.

7. **“Compensation”** means salary and any bonuses, incentive and retention awards, Equity Awards, separation pay, retirement benefits, deferred compensation benefits and perquisites, including amounts payable pursuant to any Employment Agreement.
8. **“Compensation Committee Report”** means the Compensation Committee Report required by Item 407 of Regulation S-K.
9. **“Compensation Discussion and Analysis”** or **“CD&A”** means the Compensation Discussion and Analysis required by Item 402.
10. **“CRO”** means CIT’s Chief Risk Officer.
11. **“Employment Agreements”** means all employment, retention, separation and similar agreements and any amendments thereto.
12. **“Equity Awards”** means grants of equity securities, stock options, restricted stock, stock appreciation rights, stock units or any other award consisting of or relating to the stock or any security (or phantom stock or any other derivative security) of CIT under or pursuant to any present or future Equity-Compensation Plan of CIT.
13. **“Equity-Compensation Plan”** means a plan or other arrangement that provides for the delivery of equity securities (either newly issued or treasury shares) of CIT to any employee, director or other service provider as compensation for services.
14. **“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.
15. **“Executive Officers”** means those persons from time to time determined by the Board to be “officers” as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934.
16. **“Independent Directors”** means all of the members of the Board who are independent under the criteria established by the NYSE and the CIT Corporate Governance Guidelines, as in effect from time to time.
17. **“Item 402”** means Item 402 to Regulation S-K.
18. **“Material Revisions,”** as it relates to Equity-Compensation Plans, shall have the same meaning as assigned to that term in Section 303A.08 of the NYSE Listed Company Manual.
19. **“NYSE”** means the New York Stock Exchange.
20. **“Pension Plans”** means pension, savings, employee stock ownership, deferred compensation and all other retirement plans.
21. **“Proxy Statement”** means CIT’s proxy statement filed prior to its annual meeting of stockholders pursuant to Section 14(a) of the Securities Exchange Act of 1934, as amended.

B. Reliance on Information and Access to Consultants and Counsel. In carrying out their oversight responsibilities, Committee members shall be entitled to rely on the integrity and expertise of those persons providing information to the Committee and on the accuracy and completeness of such information, absent actual knowledge of inaccuracy. The Committee will have the resources and authority appropriate to discharge its responsibilities, including resource and authority to select, retain, oversee, compensate and terminate the engagement of such consultants and

counsel to the Committee as it determines to be appropriate to assist the Committee in the performance of its responsibilities, and to establish the terms of retention (including fees) of such consultants and counsel. Any fees and expenses of such consultants and counsel shall be borne by CIT.

C. Annual Review of Charter. The Committee shall review and assess the adequacy of this Charter at least annually and submit any proposed revisions to the Nominating & Governance Committee for its consideration and the approval of the Board.

D. Composition and Qualification of Members. The Committee shall be comprised of two or more directors as designated by the Board, each of whom shall meet all applicable legal and NYSE listing qualifications as may exist from time to time and shall be an “independent director” as defined in **Exhibit A**. The Committee members shall endeavor to stay abreast of significant emerging compensation developments and market practices.

E. Appointment and Removal. The members of the Committee shall be appointed by the Board and shall serve until the applicable member’s successor is duly elected and qualified or until such member’s earlier resignation or removal by the Board.

F. Chair of the Committee. The Board shall appoint one of the members of the Committee to serve as its Chair. The Chair shall chair all sessions of the Committee, set or review the agenda for Committee meetings, and report to the Board on a regular basis significant activities of and actions taken by the Committee.

G. Meetings. The Committee shall meet as frequently as necessary to fulfill its responsibilities, but not less than three times per year. Meetings may be called by the Chair or any Committee member. The Committee may invite to (or exclude from) its meetings any director who is not a member of the Committee, officer or employee of CIT, or such other persons as it deems appropriate to carry out its responsibilities.

H. Minutes. CIT’s Secretary or an Assistant Secretary (or the designee of the Secretary) will keep minutes of all of the Committee’s meetings, which shall be ratified by the Committee and retained with CIT’s corporate records.

I. Self-Evaluation. The members of the Committee shall conduct an annual performance self-evaluation of the Committee, including reviewing compliance by the Committee with this Charter.

J. Subcommittees. The Committee may form and delegate authority to subcommittees comprised of one or more members of the Committee.

III. COMMITTEE RESPONSIBILITIES

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in this Charter.

A. Evaluation of CEO. The Committee annually shall (i) review and recommend to the Independent Directors the corporate goals and objectives relevant to the CEO’s compensation, (ii) evaluate the CEO’s performance in light of such goals and objectives, and (iii) present its evaluation of the CEO’s performance to the Independent Directors.

B. Compensation of CEO. The Committee shall recommend to the Independent Directors for their approval the CEO's Compensation and, in doing so, shall consider at a minimum (i) the CEO's performance relative to approved goals and objectives, (ii) CIT's performance and relative shareholder return, (iii) the value of salary, incentive compensation and Equity Awards, and all other Compensation granted to CEOs at comparable or peer companies, and (iv) compensation awarded to the CEO in prior years.

C. Compensation of Executive Officers and Certain Highly Compensated Employees. After considering the CEO's recommendations, the Committee shall approve the salary, incentive compensation, Equity Awards and all other Compensation for all Executive Officers other than the CEO and shall report such approved Compensation to the Board. The Committee shall approve any material exceptions to CIT's standard incentive compensation policies or arrangements for Executive Officers. Additionally, the Committee shall annually review and report to the Board the salary, incentive compensation, and Equity Awards of employees who are not Executive Officers but whose compensation (i.e., annualized base salary plus cash and equity incentive awards, retention awards, sign on bonuses, and similar payments) exceeded \$1 million for the prior year.

D. Risk Review. At least annually, the Committee shall (i) discuss, evaluate and review CIT's Compensation plans with CIT's CRO to ensure that such plans do not encourage employees to take unnecessary or excessive risks that threaten the value of CIT; (ii) discuss, evaluate and review employee compensation plans with CIT's CRO in light of the risks posed to CIT by such plans and how to limit those risks; and (iii) discuss, evaluate and review CIT's employee Compensation plans to help ensure that these plans do not encourage the manipulation of CIT's reported earnings to enhance the Compensation of any of CIT's employees. At least annually, the Committee, jointly with the Risk Management Committee of the Board, shall review management's assessment (with input from risk-management personnel) of the effectiveness of the design and operation of CIT's incentive compensation systems in providing risk-taking incentives that are consistent with safety and soundness of CIT as a whole.

E. Cooperation with Risk Management Committee. The Committee shall work with the Risk Management Committee of the Board on areas where the substance of their activities overlap, including the risk review assessment of CIT's incentive compensation system.

F. Approve Compensation and Benefit Plans. The Committee shall review the overall purposes and structure of CIT's incentive compensation plans for all employees. The Committee shall oversee CIT's incentive compensation plans and review and approve the adoption and terms of any incentive-compensation plans applicable to Executive Officers and any Equity-Compensation Plan or any Material Revisions thereto or termination thereof. The Committee shall review and recommend to the Board for approval any retirement plans, severance plans, plans permitting the deferral of Compensation, or any other Compensation or benefit plans in which the Executive Officers are participants (or any material revisions thereto to the extent not delegated to a management committee).

G. Administration of Plans. The Committee shall perform the duties assigned to the Committee in any present or future Compensation, retirement or employee benefit plan of CIT. .

H. Approval of Aggregate Equity Awards. The Committee shall review and approve the aggregate amount of Equity Awards that may be granted to employees of CIT and its subsidiaries, other than Executive Officers, and authorize the CEO to approve Equity Awards (subject to such aggregate limit) to such employees. The Committee shall report to the Board the aggregate amount of Equity Awards that it approves for grant to such employees.

I. Approval of Equity and Cash Awards on an Ad Hoc Basis. Subject to aggregate limits approved by the Committee from time to time, the Committee shall establish an "Ad Hoc Pool"

pursuant to which the CEO (or his delegates) is authorized to approve equity grants, special cash payments, and minimum guaranteed incentive compensation commitments in connection with the recruitment and retention of existing and prospective employees. Such grants and payments from the Ad Hoc Pool may include sign on or make whole payments or grants, retention payments, minimum guaranteed short term incentive awards, and similar payments; provided, that (1) the recipient of such grants and payments are not Executive Officers; (2) no guarantee, payment or grant in excess of \$500,000 in value shall be approved for any one individual without the prior approval of the Committee; and (3) the amount and terms of such awards are reasonably consistent with awards made to employees in similar positions. The CEO or his delegates may also make equity grants from the Ad Hoc Pool in connection with severance payments to comply with applicable local regulatory requirements. Management shall provide quarterly reports to the Committee regarding the amount and terms of such equity grants, cash awards and commitments.

J. Compensation Policies and Structure. The Committee shall review, at least annually, CIT's executive compensation policies with CIT's Executive Vice President – Human Resources, including a “clawback” policy which provides the Company with the ability to recoup incentive-based compensation in certain circumstances (e.g., a financial restatement or commission of fraud). The Committee directs management to ensure that its policies are carried out in a manner that achieves balance and is consistent with the safety and soundness of CIT. The Committee shall review and approve any significant modifications to CIT's salary range structure, bonus and long-term incentive targets for employees other than Executive Officers; the Committee shall report to the Board any significant modifications to CIT's salary range structure, bonus and long-term incentive targets for Executive Officers.

K. Perquisites. The Committee shall review and recommend to the Independent Directors for approval with respect to the CEO, and review, approve and report to the Board with respect to Executive Officers, any plan or program which provides for the grant or payment of perquisites, except for plans or programs that are similarly offered to all or a large group of CIT's employees.

L. Employment Agreements. The Committee shall review and recommend to the Independent Directors for approval any Employment Agreement to which the CEO is a party; the Committee shall review, approve and report to the Board all Employment Agreements to which an Executive Officer is a party.

M. Compensation Committee Outside Counsel, Consultants and Other Experts

- 1. Retention of Compensation Counsel, Consultants and other Experts.** The Committee has the sole authority and responsibility to engage, retain, compensate, oversee the work of, evaluate and, where appropriate, terminate and replace a consultant or consulting firm, an attorney or law firm, or other experts or advisors (collectively, the “**Compensation Committee Consultants**”) to assist the Committee in fulfilling its duties, including advising and counseling the Committee regarding compensation and benefits matters, policies practices and trends and approve the engagement fees and terms of engagement for such Compensation Committee Consultants on an annual basis. Prior to engaging Compensation Committee Consultants, the Committee shall consider factors bearing on the independence of such advisors (including those factors included in any NYSE rules or guidelines - see **Exhibit B**).
- 2. Compensation Committee Consultant Engagements.** The Committee has sole authority (with the input of management) to approve in advance all engagements of the Compensation Committee Consultants (other than legal counsel) to provide services for CIT.

N. Required Proxy Statement and Form 10-K Disclosures. The Committee shall review the disclosure regarding compensation and benefit matters in CIT's Proxy Statement and Annual Report. In addition, the Committee shall review and discuss with CIT's management the CD&A required by Item 402. Based on such review and discussion, the Committee shall determine whether to recommend to the Board that the CD&A be included in CIT's Proxy Statement or Annual Report. If the Committee determines to so recommend to the Board the inclusion of the CD&A, the Committee shall authorize the CD&A for inclusion in CIT's Proxy Statement or Annual Report, in the form required by Item 402, and prepare the Compensation Committee Report for inclusion in CIT's Proxy Statement or Annual Report, as applicable, in accordance with applicable rules and regulations.

O. Pension Plans. The Committee shall provide oversight for Pension Plans, including, for any Pension Plans subject to the funding, administrative or fiduciary responsibility rules of ERISA, oversight of management's attestation that the Pension Plans are in substantial compliance with ERISA. On an annual basis, the Committee shall review financial information relating to the assets, changes in actuarial assumptions and potential funding requirements of the Pension Plans.

In no event shall the Committee act as a fiduciary (within the meaning of ERISA) of the Pension Plans, meaning, among other things, that the Committee shall have (a) no discretionary authority to manage or administer any Pension Plan and (b) no investment authority with respect to any assets of the Pension Plans.

P. Welfare Plans. Except as otherwise specified herein, the Committee delegates to the appropriate members of management or the appropriate committee of management the settlor and fiduciary responsibilities for (a) CIT's welfare plans as defined in ERISA and (b) any similar health and welfare plans.

Q. Human Capital. The Committee shall periodically discuss, evaluate and review updates from management in the area of CIT's human capital, including with respect to diversity and inclusion.

R. Say-on-Pay. The Committee shall annually review and assess the results of the advisory say-on-pay vote.

EXHIBIT A

DEFINITION OF INDEPENDENT DIRECTOR

A director shall be an “independent director” if such director:

1. is affirmatively determined by the Board as having no material relationship with CIT¹ (either directly or as a partner, shareholder or officer of an organization that has a relationship with CIT) after consideration of all relevant facts and circumstances, including (1) the source of compensation of a director (such as consulting, advisory or other compensatory fees paid by CIT to such director) and (2) whether a director is affiliated with CIT;
2. is not currently, and has not at any time during the prior three years been, an employee of CIT or any of its affiliates;
3. does not have an immediate family member who is, or has been in the prior three years, an executive officer of CIT or any of its affiliates;
4. does not receive compensation, directly or indirectly, from CIT for services rendered as a consultant or in any capacity other than a director, except for an amount that does not exceed the dollar amount (currently \$120,000) for which disclosure would be required under Item 404(a) of Regulation S-K, and does not possess an interest in any other transaction for which disclosure would be required pursuant to Item 404(a) of Regulation S-K;
5. does not receive, and no immediate family member of such director receives, and has not at any time during the prior three years received, more than \$120,000 during any 12-month period in direct compensation from CIT or any of its affiliates, 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);
6. is not a partner of or employed by, and no member of such director’s immediate family is a partner of or employed by, and has not within the prior three years been a partner of or employed in a professional capacity by, a present or former internal or external auditor of CIT or any of its consolidated subsidiaries;
7. is not employed, and no immediate family member of such director is employed, and has not within the prior three years been employed as an executive officer of another company where any of CIT’s present executives serves or served at the same time on that company’s compensation committee; and
8. is not an executive officer or an employee, and no immediate family member of such director is an executive officer, of another company that has made payments to or received payments from CIT for property or services in amounts representing at least 2% or \$1 million, whichever is greater, of such other company’s consolidated gross revenues in any of such company’s last three fiscal years.

¹ For purposes of determining independence, all references to CIT shall mean CIT Group Inc. and each of its consolidated subsidiaries

EXHIBIT B

Compensation Consultant Independence Factors

Independence factors that the Compensation Committee must consider before retaining a Compensation Committee Consultant:

1. whether the adviser provides other services to CIT;
2. fees received by the adviser's firm from CIT;
3. conflict of interest policies of the adviser's firm;
4. any relationships between the advisor and members of the Compensation Committee;
5. any stock ownership by the adviser in CIT; and
6. any relationships between the adviser or the adviser's firm and an executive officer of CIT.