

Adopted by the Board of Directors: January 21, 2004

Last Amended: March 10, 2009

## CIT Group Inc. (“CIT”)

# ***Corporate Governance Guidelines***

CIT’s Board of Directors (“Board”) exercises its oversight and decision-making duties to pursue the best interests of CIT and its shareowners and to ensure the long-term success of CIT’s business.

Closely tied to CIT’s objective of enhancing shareowner wealth is the Board’s commitment to the fundamental corporate governance principles and responsibilities that are described in this document, CIT’s Certificate of Incorporation, By-Laws and Board Charter, and the written charters of the Board’s committees. Collectively, these documents and principles establish the general corporate governance framework for CIT.

### **A. DIRECTOR QUALIFICATION STANDARDS**

- 1) **Board Selection Criteria.** The Nominating and Governance Committee (“Governance Committee”) periodically reviews with the Board the skills and characteristics appropriate for Board members. The Board seeks diversity in its members with respect to background, skills and expertise, industry knowledge, and experience. General criteria for nomination to the Board is attached to these Guidelines as **Annex A**. These criteria set forth the traits, abilities and experience that the Board believes are important in selecting candidates for election to the Board.
  
- 2) **Director Independence.** A substantial majority of the Board shall be composed of directors who meet the independence criteria established by the New York Stock Exchange (“NYSE”). To qualify as independent, the Board must affirmatively determine that a director has no material relationship with CIT (either directly or as a partner, shareholder or officer of another organization that has a relationship with CIT). In assessing the materiality of a director’s relationship with CIT, the Board broadly considers all relevant facts and circumstances, not only from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation.

Charitable contributions exceeding in any calendar year the lesser of (a) \$25,000 or (b) 2% of the charity’s consolidated gross revenues to an organization in which an independent Director is affiliated shall be subject to the approval of the Governance Committee. The Governance Committee considers the impact of any such contributions on the applicable Director’s independence.

- 3) **Term Limits and Retirement Policy.** The Board does not believe that arbitrary term limits on directors' service are appropriate or that directors should expect to be renominated annually until they reach retirement age. It is the policy of the Board that individuals will not be nominated for election to the Board by the Governance Committee after their 72<sup>nd</sup> birthday, unless such person was 72 or older and an active director of CIT on January 1, 2005.
- 4) **Resignation Policy - Changes in Job Responsibilities.** Directors who experience a change in their business or professional positions must offer to resign from the Board unless the Governance Committee determines that it continues to be appropriate for such Director to remain on CIT's Board. It is not the belief of the Board that in every instance directors who retire or change their position should necessarily leave the Board. Management directors must offer their resignation from the Board upon their resignation, removal or retirement as an officer of CIT.
- 5) **Service on Other Boards.** The Board believes that service on the boards of other companies, and of civic and charitable organizations, enhances the experience and perspective of directors, but may also limit their time and availability to CIT. Before accepting an invitation to serve on another public company board or committee, directors must advise the Secretary of CIT and must advise and receive the approval of the Chairman of the Governance Committee. To ensure that all directors have sufficient time to devote proper attention to their responsibilities as directors of CIT, unless otherwise approved by the Governance Committee, directors who are fully employed are required to limit their external directorships of other public companies to two and directors who are not fully employed are required to limit their external directorships of other public companies to five.

Consistent with The Depository Institution Management Interlocks Act of 1978 and the implementing regulations adopted thereunder, no director of CIT may serve at the same time as either a director or a "senior executive officer" (as defined in 12 CFR 303.101(b)) of a depository institution or a depository holding company that is not affiliated with CIT.

- 6) **Service on Audit Committees.** Members of the Audit Committee shall not simultaneously serve on the audit committees of more than two other public companies.

## **B. ELECTION OF DIRECTORS AND BOARD ORIENTATION**

- 1) **Election of Directors.** The directors are elected each year by the shareholders at CIT's Annual Shareholders' Meeting. In accordance with CIT's By-Laws, the Board (based on recommendations made by the Governance Committee) determines the number of directors on the Board and proposes a slate of nominees to the shareholders for election. Any vacancies on the Board occurring between Annual Meetings may be filled by the Board, but any such appointment will only remain in effect until the next Annual Meeting.
- 2) **Majority Voting for Directors.** In accordance with CIT's Bylaws, if none of our stockholders provides CIT notice of an intention to nominate one or more candidates to compete with the Board's nominees in a Director election, or if our stockholders have withdrawn all such nominations by the tenth day before CIT mails its notice of meeting to our

stockholders, a nominee must receive more votes cast “for” than “against” his or her election or re-election to be elected or re-elected to the Board. The Board shall nominate for election or re-election as Director only candidates who agree to tender, promptly following the annual meeting at which they are elected or re-elected as Director, irrevocable resignations that will be effective upon (i) the failure to receive the required vote at the next annual meeting at which they face re-election and (ii) Board acceptance of such resignation. In addition, the Board shall fill Director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other Directors.

If an incumbent Director fails to receive the required vote for re-election, the Governance Committee promptly will determine whether to recommend an acceptance or rejection of the Director’s resignation and will submit such recommendation for consideration by the Board. In considering whether to accept or reject the tendered resignation, the Governance Committee will consider all factors deemed relevant by the members of the Governance Committee including, without limitation, the stated reasons (if any) why shareholders “withheld” votes for election from such director, the length of service and qualifications of the director whose resignation has been tendered, the director’s contributions to CIT, and CIT’s Corporate Governance Guidelines.

The Board will act on the Governance Committee’s recommendation no later than 90 days following the date of the shareholders’ meeting where the election occurred. In considering the Governance Committee’s recommendation, the Board will consider the factors considered by the Governance Committee and such additional information and factors the Board believes to be relevant. Following the Board’s decision on the Governance Committee’s recommendation, CIT will promptly publicly disclose the Board’s decision whether to accept the resignation as tendered (providing a full explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation) in a Form 8-K filed with the Securities and Exchange Commission.

To the extent that one or more directors’ resignations are accepted by the Board, the Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

- 3) **Shareholder Nominations**. Stockholders may propose qualified nominees for director for consideration by the Governance Committee by submitting the names and supporting information in writing to: Office of the General Counsel, CIT Group Inc., 1 CIT Drive, Livingston, New Jersey 07039. Such supporting information shall include (1) a statement containing the notarized signature of the nominee whereby such nominee consents to being nominated to serve as a director of CIT and to serving as a director if elected by the shareholders; (2) information in support of the nominee’s qualifications to serve on CIT’s board and the nominee’s independence from management; (3) the name or names of the stockholders who are submitting such proposal, the number of shares of CIT’s common stock held by each such stockholder, and the length of time such shares have been beneficially owned by such stockholders; and (4) such other information as the stockholder believes to be pertinent. To be considered for nomination, any such nominees shall be proposed as described above no later than December 15<sup>th</sup> of the calendar year preceding the applicable Annual Shareholders Meeting.

- 4) **Invitation to Join the Board.** Invitations to join the Board are generally extended by the Chairman on behalf of the entire Board.
- 5) **New Director Orientation and Continuing Education.** Management provides programs for director orientation in which all new directors are expected to participate. CIT also provides new directors with comprehensive background materials regarding CIT's business and policies, and the opportunity to meet with senior management and other directors. CIT will maintain continuing education programs and opportunities for directors in areas of importance to CIT.

### C. **BOARD LEADERSHIP**

- 1) **Chairman.** The Board is free to select its chairman in the manner and upon the criteria that it deems best for CIT at the time of selection. The Board currently does not have a non-executive chairman but has no set policy on whether or not to have one.
- 2) **Lead Director.** The independent directors, by majority vote, designate a non-management director to serve as lead director. CIT's lead director is responsible for reviewing, and providing input with respect to, Board meeting agendas, presiding at executive sessions of the Board or at meetings of the Board in which the Chairman is not present, and coordinating communications between the Board and the Chief Executive Officer ("CEO"). If the Chairman is not a current or former employee of CIT, then the Chairman will be automatically deemed to be the Lead Director.

### D. **DIRECTOR RESPONSIBILITIES**

- 1) **Basic Duties.** The fundamental responsibility of CIT's directors is to exercise their business judgment to act in what they reasonably believe to be in the best interest of CIT and all of its shareholders, and to ensure that the business of CIT is conducted so as to further the long-term interests of its shareholders.
- 2) **Attendance at and Preparation for Meetings.** Directors are expected to (i) attend and actively and constructively participate (in person or by conference call) in Board and applicable committee meetings, (ii) review in advance of any meetings the agenda for the meeting and any written pre-meeting briefing materials provided by the Corporate Secretary or any other member of management, and (iii) attend CIT's Annual Shareholders' Meeting.
- 3) **Conflicts of Interest.** Board members shall avoid any action, position or interest that conflicts with or appears to conflict with an interest of CIT. On an annual basis, CIT solicits information from directors to monitor potential conflicts of interest. Directors are required to disclose to the Governance Committee any personal financial or other interest that he or she has that interferes in any way or appears to interfere with the interests of CIT.
- 4) **Corporate Opportunities.** Directors are prohibited from (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information or position; (b) using corporate property, information, or position for personal gain; or (c) competing with CIT. Directors are responsible for advancing CIT's legitimate interests when the opportunity to do so arises.

- 5) **Need to be Informed.** Directors are expected to remain well informed about the business, performance, policies, operations and management of CIT; general business and economic trends affecting the company; and principles and practices of sound corporate governance. To this end, management (1) provides directors with appropriate information sufficiently in advance of Board and committee meetings to allow them to meaningfully review and reflect on the applicable items on the meeting agenda, and (2) during the periods between Board meetings, regularly provides directors with pertinent information regarding CIT's business, operations, and industry, including significant press releases; analyst and rating agency reports; ownership reports; and SEC filings.
- 6) **Confidentiality.** Information learned during Board or committee meetings or otherwise in the course of serving as a director of CIT is to be held confidential and used solely in furtherance of CIT's business and interests.
- 7) **Code of Business Conduct.** CIT has adopted a comprehensive code of business conduct which applies to all of its employees worldwide. CIT's directors are expected to be familiar with and to comply with the Code of Business Conduct to the extent applicable to them.
- 8) **Stock Ownership Policy.** The Board believes that significant stock ownership by Board members further aligns their interests with the interests of the Company's stockholders. Accordingly, it is CIT's policy that (a) within one year after the later of the adoption of this policy and the date a non-management director joins the Board, such Board member shall own shares of CIT common stock at least equal to one time the amount of the annual retainer fee that a director receives for a full year of service, (b) within three years after the later of the adoption of this policy and the date a non-management director joins the Board, such Board member shall own shares of CIT common stock at least equal to three times the amount of the annual retainer fee that a director receives for a full year of service, and (c) within five years after such date, each non-management Board member shall own shares of CIT common stock at least equal to five times the amount of the annual retainer fee that a director receives for a full year of service. For purposes of meeting this policy, the term "shares" includes all shares beneficially owned by a director, shares of restricted stock, and shares acquired upon the exercise of stock options.

## **E. DIRECTOR COMPENSATION**

Director's fees and benefits are based on applicable market practices for comparable companies as determined by the compensation committee, and a significant portion of each Director's compensation is in the form of CIT equity. Directors are also reimbursed for reasonable out-of-pocket expenses incurred in attending Board or committee meetings. Management directors do not receive fees or other compensation for serving on the Board. Compensation for management directors is approved or recommended by the Compensation Committee and reported to or approved by the independent members of the Board.

## F. BOARD RELATIONSHIP TO MANAGEMENT

- 1) **Regular Attendance of Non-Directors at Board Meetings.** The Board welcomes the regular attendance at each Board meeting of non-Board members who are in management positions of CIT. If the Chairman or any other Board member desires the attendance of any member of management on a regular basis or for a specific meeting or portion of a meeting, it is expected that this suggestion would be made to the Board for its concurrence. The Board encourages the CEO to invite managers to Board or committee meetings who: (a) can provide additional insight into the items being discussed, and/or (b) are managers with future potential that the CEO believes should be given exposure to the Board.
- 2) **Board Access to Management.** Board members have access to CIT's management, including the CEO, President, Chief Financial Officer, General Counsel and Secretary, Director-Internal Audit, Controller, Chief Credit Officer, Chief Compliance Officer, and EVP-Human Resources. Board members can coordinate access to any other employees of CIT by contacting any of the foregoing officers.

## G. MEETING PROCEDURES

- 1) **Selection of Agenda Items for Board Meetings.** The Chairman, with the input of the lead director, establishes the agenda for each Board meeting. He also issues, on an annual basis, a schedule of agenda subjects to be discussed for the ensuing year (to the degree these can be foreseen). Each Board member is free and encouraged to suggest items for inclusion on the meeting agenda.
- 2) **Board Presentations.** As a general rule, presentations on specific subjects should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. On those occasions in which the subject matter is too sensitive to be communicated in writing in advance of meetings, the presentation will be discussed at the meeting.
- 3) **Executive Sessions of Independent Directors.** The non-management directors meet in executive session either at the beginning or end of each regularly scheduled board meeting. The lead director presides over executive sessions of the non-management directors.
- 4) **Board Access to External Resources.** While management is responsible for providing assistance to the Board, the Board and its committees, in connection with the performance of their duties, can engage external financial, legal and other experts without obtaining the approval of any officer of CIT, and CIT shall provide the financial resources to compensate such third parties.
- 5) **Director Requirement to Recuse Themselves.** A director shall not participate in the discussion of or decision on any matter in which he or she has a personal, business, or professional interest other than his or her interest as a shareholder of CIT. Directors shall promptly inform the Chairman regarding any actual or potential conflicts of interest.

## H. BOARD COMMITTEES

- 1) **Number, Structure and Independence of Committees.** To assist it in its responsibility to oversee management on behalf of shareholders, the Board may form new committees or disband or reconstitute a current committee. The current standing Board committees are the Audit Committee, the Compensation Committee, the Nominating and Governance Committee, and the Risk Management Committee. Committee membership will consist only of independent directors. Membership on the committees is reviewed each year by the Governance Committee and approved by the full Board. CIT does not have a policy to regularly rotate its committee members; changes in committee assignment are made based on committee needs, director experience and skills, and legal considerations.
- 2) **Frequency and Length of Committee Meetings.** The Committee Chairmen, in consultation with committee members, will determine the frequency and length of the meetings of the committee.
- 3) **Committee Agenda.** The Chairman of the committee, in consultation with management and other members of the committee, develops the committee's agenda.
- 4) **Committee Reports.** Committee Chairman report and comment on the committee's activities at the Board meeting next following the applicable committee meeting.
- 5) **Audit Committee Member Qualifications.** Audit Committee members shall meet the requirements as to independence, experience and expertise for audit committee members established by the NYSE and applicable laws and regulations. At least one member of the Audit Committee shall be an audit committee financial expert as defined by the rules of the U.S. Securities and Exchange Commission.

## I. LEADERSHIP DEVELOPMENT

- 1) **Formal Evaluation of the Chief Executive Officer.** The non-management members of the Board evaluate the CEO's performance at least annually; typically the evaluation will be conducted contemporaneously with the annual review of the CEO's compensation during the first quarter. The results of the evaluation are communicated to the CEO by either the lead director or the Chairman of the Compensation Committee. The evaluation is based on objective criteria including performance of the business, accomplishment of long-term strategic objectives, the handling of extraordinary events, and development of management. The criteria ensures that the CEO's interests are aligned with the long-term interests of CIT's shareowners.
- 2) **Succession Planning and Management Development.** The CEO provides an annual report to the Board and/or Governance Committee on succession planning with respect to all executive officers and senior managers holding significant positions and CIT's program for management development. There should also be available, on a continuing basis, the CEO's recommendation as a successor should he be unexpectedly disabled or otherwise unable to carry out his responsibilities for any significant period of time or permanently.

## J. **MISCELLANEOUS**

- 1) **Confidential Shareholder Voting.** CIT believes that individual shareholder votes are confidential, unless disclosure is: (i) necessary to meet legal requirements or to assert or defend claims for or against CIT; or (ii) made during a contested proxy solicitation, tender offer, or other change in control situations.
- 2) **Policy Against Company Loans.** CIT and its subsidiaries will not make personal loans, loan guarantees or otherwise directly or indirectly extend credit to any Director or executive officer of CIT.
- 3) **Assessing the Board's Performance.** To increase the effectiveness of the Board and its committees, on an annual basis, the Governance Committee is responsible for leading a Board self-evaluation process and reporting to the Board its assessment of the Board's performance. This assessment is discussed with all non-management directors.
- 4) **Communications with Investors, the Media and Customers.** CIT management is the contact with outside parties and speaks for CIT. From time to time, directors may be requested by the Board or management to meet or otherwise communicate with various constituencies that are involved with CIT.
- 5) **Communicating Concerns to the Board.** Any person who has a concern about CIT's governance, corporate conduct, business ethics or financial practices ("Concerns") may communicate that Concern to the non-management directors. In addition, CIT's stockholders may communicate with the Board regarding any topic of current relevance to CIT's business. The foregoing communications may be submitted in writing to the lead director, the Audit Committee, or the non-management directors as a group in care of CIT's General Counsel and Secretary, 1 CIT Drive, Livingston, New Jersey 07039, or by email to [directors@cit.com](mailto:directors@cit.com). Concerns and stockholder communications may also be directed to the Board by calling the CIT Hotline in the U.S. or Canada at 1-877-530-5287. To place calls from other countries in which CIT has operations, individuals should refer to page 18 of the Code of Business Conduct for a listing of international phone numbers.

Concerns and issues communicated to the Board will be addressed through CIT's regular procedures:

- ◆ Depending on the nature of the Concern or issue, it may be initially referred to CIT's Internal Audit Department, Law Department, Human Resources Department or other appropriate department for processing, investigation, and follow-up action.
- ◆ Concerns relating to CIT's accounting, internal accounting controls or auditing matters will be referred to the Audit Committee.
- ◆ All other Concerns will be referred to either CIT's Lead Director or to the non-management members of the Board.
- ◆ While CIT's policy prohibits CIT and its employees from retaliating in any manner against anyone who raises a Concern or helps to investigate or resolve it, Concerns can be reported confidentially or anonymously.

## **ANNEX A**

### **General Criteria for Nomination to the Board of Directors of CIT Group Inc.**

1. Directors should possess senior level management and decision-making experience.
2. Directors should have a reputation for integrity and abiding by exemplary standards of business and professional conduct.
3. In selecting Director nominees, the Board should seek candidates with the commitment and ability to devote the time and attention necessary to fulfill their duties and responsibilities to CIT and its shareholders.
4. Directors should be highly accomplished in their respective field, with leadership experience in corporations, banking institutions, or other complex organizations, including government, educational and military institutions.
5. In addition to satisfying the independence criteria described in the Guidelines, non-management directors should be able to represent all shareholders of CIT.
6. Directors who are expected to serve on a board committee shall satisfy the New York Stock Exchange and legal criteria for members of the applicable committee.
7. Directors should have the ability to evaluate business issues and exercise sound business judgment to provide advice and guidance to the Chief Executive Officer and management with candor.
8. Directors should have the skills and personality to work with other directors on the Board that are effective, collegial and responsive to the needs of CIT.
9. The Board's assessment of a director candidate's qualifications includes consideration of diversity, age, skills and experience in the context of the needs of the Board.

*The foregoing general criteria apply equally to the evaluation of all potential, non-management director nominees, including those individuals recommended by stockholders.*