

FIRST BANCORP COMPENSATION AND BENEFITS COMMITTEE CHARTER

Purpose

First BanCorp's Compensation and Benefits Committee is responsible for the oversight and determination of the proper salary and incentive compensation of the executive officers and key employees of the Corporation.

Organization Membership and Meetings

The Committee shall be composed of at least three directors. Each member shall be an independent director, as defined by the New York Stock Exchange and other applicable rules, and shall be appointed or removed by the Board.

The Committee shall meet as determined necessary by its members or the Board, but at least annually, and shall make regular reports to the Board on the Committee's activities.

Committee Authority and Responsibilities

To fulfill its responsibilities and duties hereunder, the Committee shall:

1. Review and approve the annual goals and objectives relevant to compensation of the CEO, including the balance of the components of total compensation.
2. Evaluate the performance of the CEO in light of the agreed upon goals and objectives and set the compensation level of the CEO based on such evaluation.
3. Establish and approve the salaries, annual incentive awards and long-term incentives of the CEO, executive officers and selected senior executives.
4. Evaluate and approve severance arrangements and employment contracts for executive officers and selected senior executives.
5. Approve and administer the Company's cash and equity based incentive plans for senior executives.
6. Prepare and publish an annual executive compensation report in the company's proxy statement.
7. Periodically review the operation of the Corporation's overall compensation program for key employees and evaluate its effectiveness in promoting shareholder value and company objectives.

The Committee shall establish criteria for evaluating its performance and conduct an annual evaluation of the charter and discuss the results of the annual evaluation with the full Board.

The Committee shall have the sole authority to engage and terminate outside consultants to assist in determining appropriate compensation levels for the CEO and other executive officers, and to set fees and retention arrangements for such consultants.

The Committee will have full access to any relevant records of the Company and may request any employee of the Company or other person to meet with the Committee or its consultants.

The Committee will have the authority to delegate all or a portion of the authority granted to it by the Board to one or more of the Committee members, senior executives or committees, subject to applicable plans, laws and regulations.