

## **Fidelity Bankshares, Inc.**

### **Nominating and Corporate Governance Committee Charter**

The Nominating and Corporate Governance Committee of the Board of Directors of Fidelity Bankshares, Inc. shall consist of a minimum of three directors, as determined by the board. Members of the committee shall be appointed and may be removed by the board of directors. All members of the committee shall be independent directors, and shall satisfy the applicable Nasdaq Stock Market listing standards for independence.

The purpose of the committee shall be to assist the board in identifying qualified individuals to become board members, in determining the size and composition of the board of directors and its committees, in monitoring a process to assess board effectiveness and in developing and implementing the company's corporate governance guidelines.

In furtherance of this purpose, the committee shall have the following authority and responsibilities:

1. To lead the search for individuals qualified to become members of the board of directors and to select director nominees to be presented for stockholder approval at the annual meeting. The committee shall select individuals as director nominees who shall have the highest personal and professional integrity, who shall have demonstrated exceptional ability and judgment and who shall be most effective, in conjunction with the other nominees to the board, in collectively serving the long-term interests of the stockholders. In addition, the committee shall adopt procedures for the submission of recommendations by stockholders as it deems appropriate. The committee shall conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates.
2. To review and monitor the board's compliance with applicable Nasdaq Stock market listing standards for independence.
3. To establish and modify criteria for service as a director. The committee shall consider the value of continuity of service, the need for new perspectives, the diversity and mix of the existing board of directors, including, but not limited to, such factors as: the age of the current directors, their geographic location (being a community bank, there is a strong preference for local directors), minority and female representation on the board of directors, employment experience, community representation, public interest considerations and the implementation of the company's strategic plan. Among other things, when examining a specific candidate's qualifications, the Nominating and Corporate Governance Committee shall consider: the ability to represent the best interest of the company, existing

relationships with the company, interest in the affairs of the company and its purpose, the ability to fulfill director responsibilities, leadership skill, reputation within the company's community, community service, integrity, business judgment, ability to develop business for the company and the ability to work as a member of a team.

4. To make recommendations to the board regarding the size and composition of the board of directors.
5. To review the board of directors' committee structure and to recommend to the board for its approval directors to serve as members of each committee, or a process for such selection. The committee shall review and recommend committee slates annually and shall recommend additional committee members to fill vacancies as needed.
6. To see that corporate governance guidelines are developed and adopted by the board of directors and recommend changes as necessary.
7. To develop and recommend to the board continuing education guidelines for directors.
8. To review on an annual basis director compensation and benefits.

The committee shall have the authority to delegate any of its responsibilities to sub-committees as the committee may deem appropriate in its sole discretion.

The committee shall have the authority to retain any search firm engaged to assist in identifying director candidates, and to retain outside counsel and any other advisors as the committee may deem appropriate in its sole discretion. The committee shall have sole authority to approve related fees and retention terms.

The committee shall report its actions and recommendations to the board after each committee meeting and shall conduct and present to the board an annual performance evaluation of the committee. The committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the board for approval.