



AmericanWest Bancorporation Compensation Committee Charter

Adopted April, 2004

Purpose

The purpose of the Compensation Committee (the "Committee") of the Boards of Directors (the "Board") of AmericanWest Bancorporation and AmericanWest Bank (the "Companies") is to discharge the responsibilities of the Boards relating to compensation of the Companies' officers, to oversee the evaluation of the Chief Executive Officer and other members of management, to oversee the administration of the Company's executive compensation plans and to produce an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations of the Securities and Exchange Commission ("SEC"); to consult with the Chief Executive Officer and advise the Board with respect to senior management succession planning; and shall have such other powers and perform such other duties as the Board may from time to time delegate to it.

Duties and Responsibilities

1. Review and make recommendations to the Board with respect to executive compensation and executive retirement plans. Executive compensation plans include cash and/or equity payments earned in the short term and/or long term.
2. Annually, review and approve performance goals and objectives with respect to the compensation of the Chief Executive Officer and all other executive officers consistent with approved compensation plans.
3. Annually, oversee the performance evaluation of the Chief Executive Officer and all other executive officers against approved goals and objectives.
4. Based on the evaluation as well as evaluation of current market compensation conditions, set the compensation of the Chief Executive Officer and all other executive officers (including annual base salary level, annual incentive level, long-term incentive level and any special or supplemental benefits).
5. Review and approve employment, severance, change-in-control, termination and retirement arrangements for all officers.

6. Administer and interpret executive compensation plans to the extent required by the terms of such plans.
7. In consultation with senior management of the Company, review and approve broad based incentive, retirement and benefit plans available to non-officer employees.
8. Prepare the executive compensation report from the compensation committee required by the rules of the SEC to be included in the Company's annual proxy statement.
9. The Committee shall annually conduct an evaluation of its own performance and, in light of this, consider changes in its membership, charter or procedures. The Committee shall report to the Board the results of its evaluation, including recommended charter, membership and other changes.

Composition and Qualifications

The Committee shall be comprised of three or more directors, the exact number to be determined from time to time by resolution of the Board. Each member of the Committee shall be "independent" as required by Nasdaq listing standards and any other legal requirements as shall from time to time be in effect. The Board of Directors shall, in the exercise of business judgment, determine the "independence" of directors for this purpose.

The Chairman of the Committee shall be designated by a majority vote of the entire Board.

Members of the Committee shall be designated annually by a majority of vote of the entire Board (after considering any recommendations of the Corporate Governance Committee) at the organizational meeting of the Board of Directors held in connection with the annual meeting of shareholders.

Vacancies on the Committee shall be filled by a majority vote of the entire Board. By a majority vote of the entire Board, a member of the Committee may be removed.

In selecting the members of the Committee from time to time, the Board shall consider the following qualifications for membership: prior service on the Committee or a compensation committee of another public company or service with a public company which involved executive compensation matters.

The Chairman of the Committee is responsible for the orientation of new members regarding compensation matters.

The Committee shall be fully independent, accountable, and vigorous in taking primary responsibility for all aspects of executive compensation including employment, retention, and severance agreements.

Structure and Operation

1. Two members of the Committee shall constitute a quorum. When more than two members are present, the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Committee, and when only two members are present, the unanimous vote of the two members shall constitute the act of the Committee.
2. The Committee may form and delegate authority to subcommittees when appropriate.
3. Such person as may be designated by the Chairman of the Committee shall act as secretary and keep the minutes of all meetings of the Committee, which may, at the Chairman's discretion, not be a member of the Committee.
4. The Committee shall meet in person or telephonically, at least three times a year at such times and places determined by the Chairman of the Committee, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its Chairman.
5. The Committee shall meet in executive session without the presence of any members of management as often as it deems appropriate.
6. The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests.
7. The Chairman of the Committee shall report to the Board at each meeting of the Board the deliberations, actions and recommendations of the Committee since the last Board meeting
8. Except as expressly provided in this Charter, the By-laws of the Company or the Company's Corporate Governance Guidelines, or as required by law, regulations or Nasdaq listing standards, the Committee shall establish its own rules of procedure.