

SUMMIT BANCSHARES, INC.

COMPENSATION AND BENEFITS COMMITTEE CHARTER

This Compensation and Benefits Committee Charter (this “*Charter*”) sets forth the purpose of the Compensation and Benefits Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Summit Bancshares, Inc. (the “*Company*”) and establishes the authorities, duties and responsibilities delegated to the Committee by the Board.

I. Purpose

The Committee is responsible for (i) determining the compensation of the directors and officers of the Company, (ii) reviewing and approving objectives relevant to the compensation of the Company’s other employees, (iii) approving and administering the Company’s compensation and benefits plans, (iv) preparing an annual report on executive compensation for inclusion in the Company’s proxy statement for its annual meeting of shareholders and (v) performing such other duties and responsibilities as are enumerated in or are consistent with those set forth in this Charter.

II. Composition

The Committee shall consist of three (3) or more members. The Chairman and the members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee of the Board. Any member of the Committee may be removed by the Board at any time with or without cause. Any vacancy on the Committee shall be filled by the Board upon recommendation of the Nominating and Corporate Governance Committee. Each member of the Committee shall hold office until such member’s successor is appointed and qualified.

The Committee shall be comprised solely of independent directors. To be “independent,” a member of the Committee must meet the independence requirements of the Marketplace Rules of The Nasdaq Stock Market, Inc. as well as any other independence requirements established by the Board from time to time. In addition, each member of the Committee must qualify as a “non-employee director” as defined under Section 16 of the Securities Exchange Act of 1934, as amended, and as an “outside director” under Section 162(m) of the Internal Revenue Code of 1986, as amended.

III. Meetings

The Committee shall meet at least twice per fiscal year or more frequently as it may determine necessary to fulfill its duties and responsibilities set forth in this Charter. Meetings of the Committee may be called by the Chairman of the Committee or by a majority of the members of the Committee. The Chairman of the Committee shall preside at all Committee meetings. If the Chairman is absent at any Committee meeting, a majority of the Committee members present at such meeting shall appoint a presiding member for such meeting. A majority of the full Committee shall constitute a quorum for the transaction of business by the Committee, and the act of a majority of the Committee members present at a meeting at which a quorum is present shall be the act of the Committee. The Committee shall keep minutes of its proceedings and a copy thereof shall be furnished to the members of the Board.

IV. Duties and Responsibilities

The Committee shall have the following duties and responsibilities:

1. Review and assess the Company's strategy and policies regarding compensation of the Chief Executive Officer and other executive officers of the Company.
2. Review market and industry data to assess the Company's competitive position with respect to the individual elements of total compensation among other comparable bank holding companies to ensure the attraction, retention and appropriate award of the Chief Executive Officer and other executive officers of the Company.
3. Review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer and other executive officers of the Company.
4. Determine the base salary, incentive compensation, deferred compensation, equity-based awards, bonuses and other compensation and benefits for the Chief Executive Officer and other executive officers of the Company. In determining the compensation of the Chief Executive Officer and other executive officers of the Company, the Committee shall consider, among other factors, (i) the Company's overall performance, (ii) the performance of the Chief Executive Officer and other executive officers of the Company in light of the corporate goals and objectives relevant to compensation established by the Committee from time to time, (iii) competitive market data relating to the total compensation payable to individuals with similar positions at comparable bank holding companies and (iv) such other factors as the Committee shall deem appropriate.
5. Administer the Company's incentive compensation, stock option and other equity-based plans and make recommendations to the Board regarding any amendments to such plans or the adoption of any new such plans. In connection with administering such plans, the Committee shall have the authority to (i) approve option guidelines and the general size of overall grants, (ii) make grants, (iii) interpret the plans, (iv) modify or cancel existing grants and substitute new grants, (v) designate employees eligible to participate in the plans and (vi) impose limitations, restrictions and conditions upon any award as the Committee deems appropriate and as permitted under the applicable plan.
6. Review the Company's compensation, benefits, retirement and bonus plans for its employees and make recommendations to the Board regarding any amendments to such plans or the adoption of any new such plans.
7. Review and approve any employment, severance, change in control or similar agreements for the Chief Executive Officer and other executive officers of the Company. In connection with reviewing and approving any such employment, severance, change in control or similar agreements, the Committee shall receive information relating to similar agreements with individuals with similar positions at comparable bank holding companies.
8. Review and make recommendations to the Board regarding the compensation paid to the Company's directors for service on the Board and its committees.
9. Prepare an annual report on executive compensation as required by the rules and regulations of the Securities and Exchange Commission for inclusion in the Company's proxy statement for its annual meeting of shareholders.

V. Consultants and Advisors

The Committee shall have the authority to retain, at the Company's expense, such compensation consultants and other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter, without obtaining the approval of the Board or any officer of the Company in advance. The Committee shall have the sole authority to approve the reasonable fees payable to, and other terms of retention of, such consultants and/or advisors.

VI. Investigations and Access

To assist the Committee in fulfilling its duties and responsibilities, the Committee may request any director, officer or employee of the Company or the Company's outside legal counsel to meet with the Committee or meet with any members of, or consultants or advisors to, the Committee. The Committee also shall have the authority to conduct any investigation relating to its purpose, duties or responsibilities that it deems appropriate and shall have full and unrestricted access to all books, records and facilities of the Company.

VII. Delegation

The Committee may delegate any or all of its duties and responsibilities to one (1) or more subcommittees of the Committee. Any such subcommittees shall consist of two (2) or more members of the Committee.

VIII. Board Reports

The Chairman of the Committee will report from time to time to the Board on Committee actions and on the fulfillment of the duties and responsibilities of the Committee under this Charter.

IX. Evaluations

The Committee shall annually review and evaluate the performance of the Committee and report the results of such evaluation to the Board. In addition, the Committee shall annually review and reassess the adequacy of this Charter and advise the Board of any recommendations for modifications or amendments to this Charter.

March 3, 2004