

STATE BANCORP, INC.

COMPENSATION COMMITTEE CHARTER

(AS AMENDED DECEMBER 13, 2005)

A. Name

There shall be a committee of the Board of Directors (the "Board") which shall be called the Compensation Committee (the "Compensation Committee"). Members of the Compensation Committee shall also act and serve as the compensation committee of State Bank of Long Island.

B. Purpose

The Compensation Committee shall (1) discharge the Board's responsibilities relating to compensation of the Company's executives and (2) produce an annual report on executive compensation for inclusion in the Company's proxy statement in accordance with applicable rules and regulations.

C. Committee Membership and Procedure

The Compensation Committee shall consist of no fewer than three members. Each member of the Compensation Committee shall satisfy the independence requirements of the stock exchange or exchanges on which the Company's common stock is listed or, if the Company's common stock is not listed on a stock exchange but is listed with NASDAQ, NASDAQ and, if deemed appropriate from time to time, meet the definition of "non-employee director" under Rule 16b-3 under the Securities Exchange Act of 1934, and "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986. The Board shall appoint the members of the Compensation Committee annually, considering the recommendation of the Governance Committee, and further considering the views of the Chairman of the Board and the Chief Executive Officer, as appropriate. The members of the Compensation Committee shall serve until their successors are appointed and qualify. The Board shall designate the Chairman of the Compensation Committee. The Board shall have the power at any time to change the membership of the Compensation Committee and to fill vacancies in it, subject to such new member(s) satisfying the above requirements. Except as expressly provided in this Charter or the by-laws of the Company or the Corporate Governance Guidelines of the Company, the Compensation Committee shall fix its own rules of procedure.

D. Committee Authority and Responsibilities

The Compensation Committee shall review and approve corporate goals and objectives relevant to CEO and officer compensation, evaluate their performance in light

of those goals and objectives, and recommend to the Board for determination the compensation levels for the CEO and officers based on this evaluation. The CEO may not be present during the voting and deliberations on his or her compensation.

In determining the long-term incentive component of CEO compensation, the Compensation Committee shall consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company's CEO in past years.

The Compensation Committee shall make recommendations to the Board with respect to incentive compensation plans and equity-based plans.

The Compensation Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, CEO or officer compensation and shall have sole authority to approve the consultant's fees and other retention terms.

The Compensation Committee shall adopt, administer, approve and ratify awards under incentive compensation and stock plans, including amendments to the awards made under any such plans, and review and monitor awards under such plans.

The Compensation Committee shall make regular reports to the Board.

The Compensation Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Compensation Committee shall annually review its own performance.

The Compensation Committee may form and delegate authority to subcommittees when appropriate.

In addition to the foregoing, the Compensation Committee shall have such other duties and responsibilities as may lawfully be assigned or delegated to it by the By-Laws of the Company or by the Board.