

CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF S.Y. BANCORP, INC.

ROLE

The Committee's role is to provide leadership by effectively and appropriately using compensation to tie the executive's financial interest to that of shareholders in order to achieve SY Bancorp, Inc. and Stock Yards Bank & Trust Company's (the "Company") vision and goals and thereby maximize the return to shareholders.

COMPOSITION AND TERM OF OFFICE

The Compensation Committee shall be composed of not less than three (3) independent Directors. The Committee defines independent as non-employee members of the Board whose current or prior relationships with the Company would not create shareholders' concerns as to the independence of the compensation decision-making. Each member is an outside director, independent of management. The Board elects committee members annually. The Chairman is elected by the Board or by the majority vote of the members

RESPONSIBILITIES

The general responsibilities of the Committee are oversight of executive compensation for the Chief Executive Officer and the other Stock Yards Bank executives (the "Executives"), communications with the full board, and communications with shareholders through the proxy statement. Specific responsibilities include:

1. Establish a total compensation philosophy and policy which fairly rewards the Executives for performance benefiting the shareholders and which effectively attracts and retains the executive resources necessary to successfully lead and manage the Company. As a practical matter, the Chief Executive Officer will articulate a compensation philosophy for the management team, but the Committee retains the right to modify or reject said philosophy;
2. Reviews and reports to the Board of Directors the status of the Company's Director Compensation practices in relation to other companies of comparable size and within the industry. Any changes in Director Compensation should come upon the recommendation of the Compensation Committee but with full discussion and concurrence by the Board of Directors.
3. Evaluate the performance of the Chief Executive Officer and determine the details of his total pay;
4. For the other Executives – review, amend (if necessary) and approve the Chief Executive Officer's recommendations for their salaries, bonus and other compensation;
5. Approve and administer cash incentive compensation plans and deferred compensation plans for the Executives, including any modifications to such plans, and annually establish the performance objectives for the incentive plans;
6. Approve and administer all the equity plans. Note the 2005 Stock Incentive Plan provides that the Committee administers the Plan and employee awards; however the entire Board holds responsibility for awards to non employee directors;
7. Review and recommend for approval by the Board of Directors new plans or material changes in existing plans, including additions or deletions of investment funds under any savings or similar plan maintained by the Company;

8. Review and approve the annual Committee's report to shareholders, showing the relationship of executive compensation to the Company's performance;
9. Review the Company's executive management and the steps being taken to assure the succession of qualified officers at the Company;
10. Retain and terminate any compensation consultant to be used to assist in the evaluation of the compensation of the directors, CEO or executive officers of the Company, including the sole authority to select the consultant with the majority of the Board approving the firm's fees and other retention terms;
11. Obtain advice and assistance from internal or external legal, accounting or other advisors as required for the performance of its duties;
12. Such other duties as delegated by the Board of Directors.

MINUTES

Minutes will be kept of each meeting of the Committee and will be available to each member of the Board. Any action of the Committee (other than actions for which the Committee has sole authority as set forth herein) shall be subject to revision, modification, rescission or alteration by the Board, provided that no rights of third parties shall be affected by any such revision, modification, rescission or alteration.

AMENDMENTS

This Compensation Committee Charter may be amended in whole or in part with the approval of a majority of the Board.