

THE COLONIAL BANCGROUP, INC.
PERSONNEL AND COMPENSATION COMMITTEE CHARTER

Purpose

The purposes of the Personnel and Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of The Colonial BancGroup, Inc. (the “Company”) shall be to discharge the Board’s responsibilities in matters relating to executive compensation and administration of the Company’s incentive compensation and equity-based plans and to annually produce a report on executive compensation for inclusion in the Company’s proxy statement, in accordance with applicable rules and regulations.

Membership

The Committee shall consist of no fewer than three members of the Board. Each member of the Committee shall be qualified to serve on the Committee pursuant to the requirements of the New York Stock Exchange and any additional requirements that the Board deems appropriate. Members of the Committee shall also qualify as “non-employee directors” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and shall satisfy any other necessary standards of independence under the federal securities and tax laws.

Members of the Committee shall be appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee and may be replaced by the Board.

The Board shall designate a chairperson of the Committee, but if the Board does not designate a chairperson, the members of the Committee, by a majority vote, may elect a chairperson.

Meetings and Procedures

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities as set forth herein.

The chairperson of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.

A majority of the members of the Committee will constitute a quorum for purposes of transacting business.

The Committee, in its discretion, may invite members of management and others to attend its meetings (or portions thereof) and provide pertinent information as necessary and appropriate.

Meeting agendas and appropriate briefing materials will be prepared and provided in advance to members of the Committee.

Following each of its meetings, the Committee shall deliver a report to the Board, including a description of all actions taken by the Committee at the meeting.

The Committee shall keep written minutes of its meetings, which will be maintained with the books and records of the Company.

The Committee may form and delegate authority to one or more subcommittees as it deems appropriate.

Duties and Responsibilities

Following are the principal duties and responsibilities of the Committee:

1. In consultation with senior management, to establish the Company's general compensation philosophy and oversee the development and implementation of compensation, benefit, and perquisite programs.
2. To review and approve corporate goals and objectives relevant to the compensation of the Company's CEO, evaluate the CEO's performance in light of those goals and objectives, and set the CEO's compensation level based on that evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee will 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.
3. To review and approve the evaluation process and compensation for those executive officers of the Company that report directly to the CEO (the "Other Executive Officers"). The Committee shall evaluate the performance of the Other Executive Officers and shall approve the annual compensation, including salary, bonus, incentive and equity compensation, for the Other Executive Officers.
4. To make recommendations to the Board with respect to incentive compensation plans and equity-based plans.
5. To discharge any responsibilities imposed on the Committee under any of the Company's compensation plans or programs.
6. To oversee the Company's compliance with regulations regarding compensation matters and with its policies on structuring compensation programs to preserve tax deductibility and, as necessary, to establish performance goals and certify that performance goals have been obtained for purposes of Section 162(m) of the Internal Revenue Code.

7. To review and approve any severance or termination arrangements to be made with any executive officer of the Company.
8. To annually draft and approve the Executive Compensation Committee Report included in the Company's proxy statement in accordance with applicable rules and regulations of the SEC.

Annual Performance Evaluation and Charter Review

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

The Committee shall produce and provide to the Board an annual performance evaluation of the Committee, which compares the Committee's performance with the requirements of this Charter. The performance evaluation shall be conducted in such manner as the Committee deems desirable or appropriate. The report to the Board may take the form of an oral report by the Chairperson of the Committee or by any other member of the Committee designated by the Committee or the Chairperson to make such report.

Resources and Authority

In carrying out its responsibilities, the Committee shall have the resources and authority it may deem desirable or appropriate to discharge its duties and responsibilities, including the authority to obtain advice or assistance from internal or external legal, human resource, accounting or other experts, advisors or consultants as it deems desirable or appropriate, without seeking approval of the Board or management. The 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 Other Executive Officer compensation and to approve any such consultant's fees and other retention terms. The Committee may consult with management regarding the retention, compensation and termination of any such compensation consultant but may not delegate the ultimate authority for any such responsibilities.