

# COMMERCIAL FEDERAL CORPORATION/COMMERCIAL FEDERAL BANK COMPENSATION COMMITTEE CHARTER

## I. PURPOSE OF THE COMMITTEE

The Committee is appointed to discharge the Boards' responsibilities relating to compensation of the executive officers of the Corporation and the Bank. The Committee has overall responsibility for evaluating and approving base salaries, annual incentives, long-term incentives, equity based awards, benefits, severance, and/or other compensation/reward plans, policies and programs for certain executive and senior officers of the Corporation and the Bank.

## II. AUTHORITY AND COMPOSITION

The Compensation Committee (the "Committee") of Commercial Federal Corporation (the "Corporation") and Commercial Federal Bank (the "Bank") is established pursuant to the By-Laws of the Corporation and the Bank (jointly, the "Company") and the authority given to the respective Boards to appoint committees for the purpose of carrying out the Boards' responsibility on behalf of shareholders.

The Committee shall be composed of four members, including a Chairman, appointed annually by the Boards of the Corporation and the Bank. All members of the Committee must be members of the Board of both the Corporation and the Bank and be independent Directors. No member of the Committee shall be an officer or former officer of the Corporation or the Bank. Members appointed to the Committee shall have experience in dealing with executive compensation and a general knowledge of executive compensation issues and practices. The Boards may, at their discretion, remove and replace members of the Committee.

## III. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Compensation Committee are:

- A. Produce an annual report on executive compensation for inclusion in the Corporation's proxy statement.
- B. Review and approve corporate goals and objectives relevant to performance based compensation of the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer.
- C. Review and recommend to the Board, the annual base salary compensation for the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer in consideration of the Company's performance, relative shareholder return, and the compensation for similar positions at financial service companies of similar size and characteristics in the marketplace.
- D. Review and approve the annual Management Incentive Plan and specifically approve the performance goals for the Management Incentive Plan relating to the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer.
- E. Review the achievement of corporate performance relative to the approved corporate goals and objectives and approve any annual Management Incentive Plan reward.
- F. Review and recommend to the Board, long-term incentive compensation arrangements including stock option incentive plans and long-term incentive plans.
- G. Recommend to the Board the number of stock options available to be awarded annually.

- H. Authorize restricted stock awards including those made as part of the payment of annual Management Incentive Plan awards.
- I. Recommend to the Board, the stock option awards for the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer.
- J. Review and recommend to the Board, performance goals associated with any long-term incentive plan. Further review and approve payments under any long-term incentive plan based on the performance level achieved against the approved goals for the long-term incentive plan period.
- K. Review and approve employment agreements, severance agreements, and change of control agreements/provisions, any perquisites or other in-kind benefit, and any special or supplemental benefits, in each case as, when and if appropriate for the Chief Executive Officer, the Chief Operating Officer, and the Chief Financial Officer.
- L. Retain and terminate any compensation consultant to be used to assist in the evaluation of compensation for the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, and/or executive compensation in general.
- M. Establish guidelines regarding employee stock ownership and periodically review the ownership of employees that are covered by the ownership guidelines.
- N. Review and recommend to the Board, the provisions of change of control agreements, annually review and report to the Board, the names of individual employees with whom the Company maintains or has executed a change of control agreement.
- O. Administer the Corporation's Stock Option and Incentive Plan(s) as such authority and responsibility is delegated to the Committee by the plan document including, recommendations by the Committee to the Board from time to time to amend the terms of the plan.
- P. Perform such duties and responsibilities as may be assigned to the Committee under the terms of any executive compensation plan.
- Q. Review and recommend to the Board, the adoption and/or amendments related to the retirement and health and welfare plans maintained by the Corporation, the Bank and/or its subsidiaries.
- R. Review recommendations from management regarding amendments to or termination of the Deferred compensation Plan and the Deferred Stock Plan.

S. The Committee shall:

- 1) Report regularly to the Board on its activities;
- 2) Maintain minutes of its meetings and records relating to those meetings and the Committee's activities;
- 3) Have authority to obtain advice and assistance from internal or external legal, accounting, executive compensation, or other advisors;
- 4) Review and reassess the adequacy of this Charter annually and recommend to the Board any proposed changes of this Charter; and
- 5) Annually review the Committee's own performance.

#### **IV. GENERAL**

Any reference to reports or recommendations to be made by the Committee to the Board shall be deemed to refer to the Board of the Corporation or the Bank as appropriate. In performing the duties and responsibilities, the Committee members are entitled to rely in good faith on information, opinions, reports or statements prepared or presented by:

- A. One or more officers or employees of the Company with whom the Committee member reasonably believes to be reliable and competent in the matters presented;
- B. Counsel, independent auditors, executive compensation consultants, or other persons as to matters which the Committee member reasonably believes to be within the professional or expert competence of such person; or
- C. Another committee of the Board as to matters within the designated authority which committee the Committee member reasonably believes to merit confidence.