

## COMPENSATION COMMITTEE

### **Membership and Organization**

The members of the Compensation Committee shall be comprised of not less than three directors. The Committee members shall meet the independence and other requirements established by law, the rules and regulations of the Securities and Exchange Commission, and the New York Stock Exchange listing standards. The members of the Compensation Committee shall be appointed by the Board upon the recommendation of the Governance Committee. Compensation Committee members may be replaced by the Board.

### **Authority and Responsibilities**

The Compensation Committee shall meet regularly and have the following duties and authority:

- (1) Review and recommend to the Board with respect to
  - (a) the establishment of any director compensation plan or any executive compensation plan or other employee benefit plan which requires stockholder approval;
  - (b) the establishment of significant long-term director or executive compensation and director or executive benefits plans which do not require stockholder approval; and
  - (c) any other matter, such as severance agreements, change in control agreements, or special or supplemental executive benefits, within the Committee's authority which in the Committee's judgment should appropriately be decided by the full Board.
- (2) Review and approve
  - (a) the Corporation's overall compensation policy (which currently is to position the aggregate of the compensation components at a level that is commensurate with the Corporation's size and performance relative to a broad range of general industry manufacturing and service companies) and executive salary plan;
  - (b) the annual base salary, annual bonus, and annual and long-term equity-based or other incentives of each corporate officer, including the CEO;
  - (c) corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and have sole authority to determine the CEO's compensation level based on this evaluation, which determination will be subject to notification to the full Board;

- (d) the administration of the compensation program for other executives for consistency with the executive compensation policy; and
  - (e) the design and amendment of employee benefit plans, including proposals to establish, freeze, close off or terminate employee benefit plans and related trusts, provided that the Corporation's Chief Financial Officer may in his sole discretion approve certain amendments or modifications to an employee benefit plan or trust in accordance with resolutions of the Board of Directors.
- (3) Administer
- (a) the Corporation's director stock option and deferred compensation plans and executive and employee stock incentive and stock purchase plans;
  - (b) the Management Incentive and Management Performance Incentive Plans and other cash incentive plans.

### **Reports to Board**

The Committee shall make regular reports to the Board.

### **Compensation Committee Report**

The Committee shall ensure preparation of the report on executive compensation required by the Securities and Exchange Commission to be included in the Corporation's annual proxy statement.

### **Compensation Consultants**

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

### **Outside Advisers and Access to Management**

The Committee may, as it deems necessary or appropriate and at the Corporation's expense, obtain advice and assistance from internal or external legal or other advisers. The Committee shall have unrestricted access to Management.

### **Charter Recommendation**

The Committee shall annually review and assess the adequacy of the Committee Charter and make recommendations to the Board relating to the Committee's Charter and the Committee's core meeting agenda for the upcoming year.

### **Performance Review**

The Committee shall perform an annual review of the performance of the Committee.