

H.B. FULLER COMPANY COMPENSATION COMMITTEE CHARTER

Purpose

The Committee is appointed by the Board to approve and evaluate the Company's compensation policies, plans and provisions to ensure the Company's ability to attract, retain and motivate qualified executives and directors that represent the human capital necessary in order to achieve the Company's short – and long-term objectives.

Membership

- The Committee shall have a minimum of three directors as members.
- The members of the Committee shall meet the independence requirements of the New York Stock Exchange ("NYSE").
- All Committee members shall also meet the definitions of (i) a “non-employee director” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and (ii) an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.
- The Board will appoint a Chairperson(s) and other members to the Committee annually.

Duties and Responsibilities

In addition to such other matters the Board or Corporate Governance and Nominating Committee may assign, the Committee shall perform the following duties and responsibilities:

- Establish overall compensation programs and practices for key executives and directors with an emphasis on market-based competitiveness and alignment with the mission, strategies, and financial objectives of the Company.
- Monitor the competitiveness, fairness and equity of the Company's retirement plans.¹
- As requested by the Board, Corporate Governance and Nominating Committee, or Chief Executive Officer, the Committee shall review, advise and/or make recommendations on matters related to any other compensation or retirement plans matters, which relate to competitiveness, fairness and equity.

¹ Retirement plans are defined as plans that provide a post-employment benefit to former employees and include defined benefit, defined contribution, and medical plans. The H.B. Fuller Company Key Employee Deferred Compensation Plan is not defined as a retirement plan.

- Have authority for administration of the Company's stock-based plans and individual awards, including the approval of all stock-based awards.
- For key executives who report to the Chief Executive Officer review, modify and/or approve the Chief Executive Officer's recommendations on base salaries, incentive programs, stock-based awards, perquisites, supplemental benefits, employment agreements, severance arrangements, change in control provisions and other executive compensation items to appropriately attract, retain, and motivate such executives.
- Review and approve the Chief Executive's Officer's compensation, including base salary, incentive programs, stock-based awards, perquisites, supplemental benefits, employment agreement, severance arrangements, change in control provisions and other executive compensation items to appropriately attract, retain, and motivate the Chief Executive Officer.
- Review and approve non-employee directors' compensation, including retainers, fees, stock-based awards, and other compensation and expense items to appropriately attract and retain these individuals and align their interests with those of shareholders.
- Prepare the report on executive compensation required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.
- The Committee shall review and reassess the adequacy of this charter at least once each year and recommend any proposed changes to the Board for approval.
- The Committee shall make regular reports to the Board.

In connection with the exercise of its duties and responsibilities, the Committee shall have the authority to retain special compensation or other consultants to advise the Committee and shall have the sole authority to approve the fees or other contractual terms of such retention. The Committee may request any officer or employee of the Company to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Committee Meetings and Actions

- A majority of the Committee members will be a quorum for the transaction of business.
- The action of a majority of those present at a meeting at which a quorum is present will be the act of the Committee.
- Any action required to be taken at a meeting of the Committee will be deemed the action of the Committee if all of the Committee members execute, either before or after the action is taken, a written consent and the consent is filed with the Corporate Secretary.
- The Committee delegates certain administrative authority to the Chairman to act on its behalf related to such matters as accelerated vesting of outstanding awards. The Committee intends this delegation of authority for situations of retirement or termination, and where it is impractical to obtain participation by all members.
- The Chairman will report from time to time to the Board on Committee actions and on the fulfillment of the Committee's duties under its Charter.
- The Committee shall conduct an annual performance evaluation in accordance with the applicable regulations of the NYSE and report the results from such evaluation to the Board.
- The Committee Secretary will record and prepare minutes of all Committee meetings, and distribute to all Board members.
- Staff support, including recordkeeping, will be provided by the human resources department.

- ❖ Last revised September 30, 2004 (reviewed and approved).
- ❖ Reviewed and approved October 5, 2006.