

# Compensation and Personnel Committee Charter

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*The Hartford Financial Services Group, Inc.*



**THE HARTFORD FINANCIAL SERVICES GROUP, INC.  
COMPENSATION AND PERSONNEL COMMITTEE CHARTER**

**PURPOSE**

The Compensation and Personnel Committee (the “Committee”) of the Board of Directors (the “Board”) of The Hartford Financial Services Group, Inc. (the “Company”) has oversight responsibility with respect to executive compensation rather than responsibility for the Company’s day-to-day management of executive compensation. The Committee should work with management to develop a clear relationship between pay levels and organization performance and returns to shareholders and to align the Company’s compensation structure with its organizational objectives.

**RESPONSIBILITIES AND AUTHORITY**

The Committee shall have direct responsibility to:

1. Assist the organization in defining an executive total compensation policy that (1) supports the organization’s overall business strategy and objectives, (2) attracts, motivates and retains key executives, (3) links total compensation with business objectives and organizational performance, and (4) provides competitive total compensation opportunities at an appropriate cost while enhancing shareholder value.
2. Act on behalf of the Board in setting executive compensation policy and making decisions or developing recommendations for the Board with respect to the compensation of executives. The Committee shall have sole authority to retain and terminate any consulting firms to be used to assist in the evaluation of executive compensation, including sole authority to approve the consulting firm’s fees and other retention terms. In addition, the Committee shall have the sole authority to obtain such advice and assistance from outside accounting, legal or other advisors as the Committee determines to be necessary or advisable in connection with the discharge of its duties and responsibilities hereunder, including sole authority to approve the accounting, legal or other advisor’s fees and other retention terms. Any accounting, legal or other advisor retained by the Committee may, but need not, be in the case of an outside accountant, the same accounting firm employed by the Company for the purpose of rendering or issuing an audit report on the Company’s annual financial statements, or in the case of outside counsel or other advisor, otherwise engaged by the Company for any other purpose. The Company shall pay to any compensation consultant or outside accounting, legal or other advisor retained by the Committee pursuant to this paragraph such compensation, including, without limitation, usual and customary expenses and charges, as shall be determined by the Committee.
3. Determine the annual base salary level, annual incentive opportunity level, long-term incentive opportunity level, employment agreements (if and when appropriate), severance arrangements (if and when appropriate), change in control provisions/agreements (if and

when appropriate), and any special or supplemental benefits/perquisites of the Chief Executive Officer (“CEO”), and review and approve the annual base salary level, annual incentive opportunity level, long-term incentive opportunity level, employment agreements (if and when appropriate), severance arrangements (if and when appropriate), change in control provisions/agreements (if and when appropriate), and any special or supplemental benefits/perquisites of other Tier 1 and Tier 2 executives (including the Company’s non-CEO executive officers).

4. Approve long-term incentive program total budgets and awards for the Company’s key employees, including, without limitation, awards of stock options, stock appreciation rights, restricted stock, restricted stock units and performance shares under The Hartford 2005 Incentive Stock Plan, The Hartford 2000 Incentive Stock Plan and similar plans.
5. Periodically evaluate, review and approve the Company’s goals and objectives relevant to the compensation of the CEO and other Tier 1 and Tier 2 executives (including the Company’s non-CEO executive officers), evaluate the performance of the CEO and other Tier 1 and Tier 2 executives (including the Company’s non-CEO executive officers), in light of those goals and objectives, and, as a Committee or together with the other independent directors (as directed by the Board), determine and approve compensation for the CEO and other Tier 1 and Tier 2 executives (including the Company’s non-CEO executive officers) based upon this evaluation. The Committee shall also consider the Company’s performance and relative shareholder returns, the value of similar incentives to executives at similar corporations, and the awards given to the Company’s executives in past years in determining the long-term incentive component of the compensation of the CEO and other Tier 1 and Tier 2 executives (including the Company’s non-CEO executive officers).
6. Consider the Company’s compensation programs as they relate to the Company’s strategic and financial plans.
7. Review and approve annual incentive plan target performance goals for Tier 1 and Tier 2 executives (including the Company’s non-CEO executive officers) prior to April 1 of each plan year, review performance against such goals at the end of the plan year and approve awards for such executives. Annual incentive plan awards for those below Tier 2 will not come before the Committee for approval.
8. Adopt and make any material amendments to executive incentive plans affecting Tier 1 and Tier 2 executives (including the Company’s non-CEO executive officers) that are consistent with executive compensation policy. Carry out any administrative responsibilities assigned to the Committee under such plans.
9. Review and recommend to the Board any new U.S. retirement or savings plans and any amendments to such plans that have a cost impact on the Company of more than 10% of the annual cost of such plan. Amendments to such plans with a cost impact below that threshold may be approved by the CEO.

10. Produce and approve the report of the Committee for inclusion over the names of the Committee members in the Company's proxy statement. Review compliance with Internal Revenue Code Section 162(m) and Section 16 of the Securities Exchange Act of 1934 as reflected in such report.
11. Appoint individuals as Tier 1 or Tier 2 executives of the Company.
12. The Committee or its chairman shall review (with opportunity for discussion but without Executive Committee authority to approve or veto) the following items with the Executive Committee: (1) changes to the Company's overall executive pay philosophy (i.e., comparability to market), (2) continuity plans and stewardship of Tier 1 and Tier 2 executives, and (3) total compensation packages for Tier 1 and Tier 2 executives (including the Company's non-CEO executive officers).
13. While succession of the CEO is a responsibility delegated to the Executive Committee, the Committee should work closely and in coordination with the Executive Committee on such matters.
14. Administer, to the extent required, awards to outside directors of the Company under The Hartford 2005 Incentive Stock Plan, The Hartford 2000 Incentive Stock Plan and The Hartford Restricted Stock Plan for Non-Employee Directors.
15. Conduct an annual evaluation of the performance of the Committee.
16. Exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board.

Note: The Nominating and Corporate Governance Committee has responsibility for pay components for outside directors (e.g., retainers, fees, long-term incentive plans, benefits and perquisites other than the administration of The Hartford 2005 Incentive Stock Plan, The Hartford 2000 Incentive Stock Plan and The Hartford Restricted Stock Plan for Non-Employee Directors) for services as directors on an annual basis and for attendance at meetings of the Board and committees of the Board.

## **MEMBERSHIP**

The Committee shall be composed of three or more independent directors (as determined by the Board in accordance with the requirements of the New York Stock Exchange and applicable law). Committee members also shall meet such other criteria as are adopted from time to time by the Board. The members of the Committee shall be appointed by the Board annually on the recommendation of the Nominating and Corporate Governance Committee, or as required upon the resignation, death, incapacity or removal of a member of the Committee. Committee members may be replaced by the Board at any time. The Committee shall have a chairman who is elected by the Board annually or upon the resignation, death, incapacity or removal of the current chairman.

The position of Committee chairman shall rotate at least every three years among the members of the Committee at the time of such rotation.

## **MEETINGS**

The Committee will meet as often as it determines, but at least two times a year. The agenda of each meeting generally will be prepared by the Executive Vice President, Human Resources (with input from the Committee chairman and other members of the Committee, as well as the CEO) and circulated to each Committee member prior to the meeting date. The minutes of each meeting will be prepared by the Executive Vice President, Human Resources or his/her designated representative. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

One-third of the members of the Committee, but not less than two, will constitute a quorum. The act of a majority of the members present at any meeting at which a quorum is present shall be the act of the Committee. The Committee will meet at the call of its chairman or any two of its members. The chairman will preside, when present, at all meetings of the Committee. The Committee will keep a record of its meetings and report on them to the Board.

Members of the Committee may participate in a meeting of the Committee by conference call or similar communications arrangements that enable all persons participating in the meeting to hear each other. The Committee may also take action by subcommittee and written consent.