

THE MANITOWOC COMPANY, INC. COMPENSATION COMMITTEE CHARTER

ORGANIZATION

The Board of Directors shall have a Compensation Committee composed of no less than three and no more than five Board members who are independent of the management of the organization, and are free of any relationship that would interfere with his or her exercise of independent judgement as a Committee member. The members and the chairman of the Compensation Committee shall be determined by the Board taking into account the recommendation of the Chief Executive Officer and the Corporate Governance Committee. Membership on the Compensation Committee and the chairperson appointment will be reviewed annually by the Chief Executive Officer and Corporate Governance Committee and rotated periodically (approximately every 3 to 6 years) consistent with the directors' interests, areas of expertise and regulatory requirements. It is desirable that the Compensation Committee chairperson who is stepping down from the chair position remain as a Compensation Committee member for at least one additional year in order to facilitate a smooth transition and to endeavor to ensure that the new chairperson has at least one year of experience.

MISSION AND PURPOSE

The Compensation Committee shall provide assistance to the Board of Directors in fulfilling its responsibility to achieve the corporation's purpose of maximizing the long-term total return to shareholders by ensuring that officers, directors and employees are compensated in accordance with the corporation's philosophy, objectives, and policies. The Committee shall review and approve compensation and benefits policies, strategies, and pay levels necessary to support corporate objectives and shall provide an annual report on executive compensation for inclusion in the corporation's proxy statement, in accordance with applicable rules and regulations.

The Compensation Committee may be assisted on projects from time to time by various members of the corporation's staff and shall consult with the CEO and other members of senior management as necessary.

The Compensation Committee will have sole authority to retain and terminate outside consultants to assist in determining and establishing such policies and may authorize independent studies of corporate compensation and benefits of comparable companies. The Committee will also have sole authority to approve the outside consultants fees and other retention terms.

RESPONSIBILITIES

The Compensation Committee shall:

- Review and approve corporate goals and objectives relevant to executive compensation which includes providing leadership to define executive total compensation policy that

(1) supports the corporation's overall strategy and objectives; (2) attracts and retains key executives; (3) links total compensation to financial performance and the attainment of strategic objectives; and (4) provides competitive total compensation opportunities at a reasonable cost while enhancing the ability to fulfill the corporation's objectives.

- Act on behalf of the Board of Directors in setting compensation policy, administering compensation plans and making decisions with respect to the compensation of key company executives, including the review and approval of merit/other compensation budgets and payouts under incentive plans.
- Review and approve the annual base salary levels, annual incentive opportunity levels, executive perquisites, employment agreements (if and when appropriate), benefits and supplemental benefits of the chief executive officer and other key executives of the corporation.
- Annually appraise the performance of the chief executive officer and provide developmental feedback to the chief executive officer and, when appropriate, to other key executives of the organization.
- Annually evaluate chief executive officer and other key executives' compensation levels and payouts against (1) pre-established, measurable performance goals and objectives; and (2) an appropriate comparison group.
- Review and comment on the corporation's strategic and financial plans to determine their relationship to the compensation program.
- Review and approve new compensation plans that are consistent with compensation policy, and monitor the appropriateness and effectiveness of such plans.
- Draw clear lines of authority, responsibility and coordination between the Compensation Committee and other Board committees, as appropriate and necessary.
- In coordination with the Corporate Governance Committee, review the management succession program.
- Recommend pay levels for Board members including retainers, fees, benefits and perquisites for vote by the full board. Given the inherent conflict of directors setting their own pay levels, these recommendations will be based on input from corporation management and/or third party consultants.
- In coordination with the Audit Committee (or other appropriate committee(s)), review and approve in advance the contents of SEC and other regulatory filings relating to compensation matters. This includes preparation of the proxy statement and the corresponding Compensation Committee Report and footnote disclosure of compensation elements in the annual report.

- Ensure the total compensation program and practices of the corporation are designed with full consideration of all tax, accounting, legal and regulatory requirements (including 162(m)).
- Keep abreast of current developments in executive compensation and employee compensation practices outside the corporation.
- Meet at least two times per fiscal year to accomplish the Compensation Committee's responsibilities.
- Conduct an annual performance evaluation of itself to ensure all responsibilities are being met.

Note: this document last revised on 9/30/02