

COMPENSATION COMMITTEE CHARTER

COMPOSITION

The Board shall annually elect a Compensation Committee composed of at least three Directors, all of whom shall meet the independence requirements of the New York Stock Exchange. One of the members of the Committee shall be appointed by the Board to serve as Chairman. Compensation Committee members may be removed and replaced by the Board.

RESPONSIBILITIES

The Committee shall:

- 1) Approve and, thereafter, report to the Board of Directors, all matters concerning the Corporation's total compensation philosophy, including periodic reviews to ensure that the Corporation's compensation philosophy supports its objectives and shareholders' interests.
- 2) Administer and interpret the Key Executive Short-Term Incentive Compensation Plan, the Employee Stock Incentive Plans, and any and all other compensation and benefit plans in which members of the senior management group participate, including special benefits and perquisites.
- 3) Act in an advisory capacity to the Board of Directors and to the Chief Executive Officer on all matters relating to senior management, including but not limited to the review of plans and programs for the development of key executives and the identification and selection of candidates for senior officer positions.

FUNCTIONS

The Committee shall:

- 1) Establish an overall total compensation philosophy statement for the Corporation.
- 2) Establish total compensation structures for the Chief Executive Officer and the senior management group, select peer groups, and periodically assess the competitiveness of compensation levels in terms of relative size and performance.

- 3) Make recommendations to the Board concerning the approval of the Key Executive Short-Term Incentive Compensation Plan and the Stock Incentive Plan.
- 4) Grant awards and approve payments, where applicable, under the Key Executive Short-Term Incentive Compensation Plan, the Employee Stock Incentive Plans, and any and all other compensation plans implemented for the senior management group.
- 5) Establish performance objectives in connection with the annual and long-term executive incentive plans to ensure consistency with the corporation's financial and strategic plans and objectives.
- 6) Authorize, amend or modify the terms and provisions of any incentive, profit sharing, benefit, pension, option or similar plan affecting the Corporation and its employees.
- 7) Review and approve corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance in light of those goals and objectives and determine and approve the Chief Executive Officer's compensation based upon this evaluation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall consider the Corporation's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies and the awards given to the Corporation's Chief Executive Officer in past years. The Committee will refer its determination and approval of the Chief Executive Officer's compensation to the independent Directors for ratification.
- 8) Review and approve the Chief Executive Officer's recommendations for salary and incentive compensation of senior management.
- 9) Review and approve special termination arrangements and/or deferred payment arrangements to be paid to Directors and officers and other members of senior management for whom the Committee regularly approves compensation decisions.
- 10) Produce an annual report on executive compensation for inclusion in the Corporation's proxy statement, and oversee the portions of the proxy statement pertaining to executive compensation, including the various compensation and pension tables and the stock performance graph.
- 11) Regularly report to the Board of Directors on the Committee's activities and any and all compensation matters which should appropriately be brought to the Board's attention.

- 12) Review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- 13) Annually review its own performance.

PROCEDURES

- 1) The Committee shall hold no less than three regular meetings in each calendar year. In addition to the Committee members, these meetings may be attended by the Chief Executive Officer or another member of management as shall be designated by the Chief Executive Officer. However, the Chief Executive Officer will not be present when the Chief Executive Officer's personal compensation is discussed.
- 2) The Committee shall have sole authority to retain and terminate any consultants, and to commission any special surveys or analyses, as it deems necessary to fulfill its responsibilities and functions or to assist it in evaluating Chief Executive Officer or senior management compensation. The Committee shall have sole authority to approve the fees and other retention terms of any such consultants.
- 3) The Committee Secretary shall be a member of management recommended by the Chairman of the Board and approved by the Board. The Secretary shall prepare the agenda, distribute materials, and prepare minutes of each Committee meeting, which minutes will be distributed to members of the Committee.
- 4) The Committee shall define a senior management, officer or grade level at and above which all compensation decisions must be approved by the Committee. Below this level, the Committee shall approve the overall design of the total executive compensation program, however, the Committee shall delegate the discretion to approve individual compensation decisions to the CEO.
- 5) The Committee may form and delegate authority to subcommittees when appropriate.

January 28, 2004