

# **COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE CHARTER**

## **Purpose**

The Compensation and Management Development Committee (“Committee”) is appointed by the Board to approve the corporation's compensation and benefit programs, ensure the competitiveness of these programs, and advise the Board on the development of and success for key executives. The Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company’s proxy statement.

## **Committee Membership**

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the independence requirements of the New York Stock Exchange.

The members of the Committee shall be appointed by the Board on the recommendation of the Corporate Governance & Nominating Committee. Committee members may be replaced by the Board.

The Committee Chairman shall (a) chair all meetings of the Compensation Committee; (b) set the frequency and length of the meeting(s) and the agenda items to be addressed at each meeting; and (c) perform such other activities as from time to time are requested by the other directors or as circumstances indicate.

## **Committee Authority and Responsibilities**

The Committee shall have the power and authority of the Board to perform the following duties and to fulfill the following responsibilities:

1. The Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, coordinate the evaluation of the CEO’s performance with the non-executive chairman in light of those goals and objectives, and approve the CEO’s compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee will consider the Company’s performance and relative shareholder return, the value of similar incentive rewards to CEOs at comparable companies, and the awards given to the CEO in past years.
2. The Committee shall annually review and approve and recommend to the Board of Directors for its approval, for the CEO and the next four highest paid officers of the Company, (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) employment agreements, severance arrangements, and change in control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits.
3. The Committee shall, in consultation with the CEO, review the talent development and executive succession planning process within the Company to ensure it is effectively managed. The CEO will provide a report to the Committee regarding the talent and performance review process for Chairman's Committee members and other high potential individuals. The purpose of the performance and talent review is to ensure that there is a

sufficient pool of qualified internal candidates to fill senior leadership positions and to identify opportunities, performance gaps and next steps as part of the Company's executive succession planning and development process, all of which shall be reviewed with the Committee.

4. The Committee shall annually review the compensation systems that are in place for employees of the Company to be satisfied that they result in internal and external equity in the compensation of all employees. The Committee shall also monitor broadly the structure, philosophy, or competitiveness of the Company's general hiring or compensation practices, oversee the establishment and administration of the Company's broad-based benefits plans and programs, and review or approve significant amendments or changes to the plans and programs.
5. The Committee shall fix and determine awards to employees of stock or stock options pursuant to the Company's Equity Incentive Plan(s) now or from time to time in effect and exercise such power and authority as may be permitted or required by such plans.
6. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, CEO or senior executive compensation and shall have the sole authority to approve the consultant's fees and other retention terms. The Committee shall also have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
7. The Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company's proxy statement in accordance with applicable rules and regulations.
8. The Committee shall make regular reports to the Board.
9. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Corporate Governance & Nominating Committee for its approval.
10. The Committee shall annually review its own performance and present the evaluation findings to the Board.
11. The Committee may form and delegate authority to subcommittees when appropriate.
12. The Committee shall have the flexibility of delegating authority to management to administer the compensation and benefits programs, including the authority to interpret the plans in individual cases when appropriate.
13. The Committee shall perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time.