

**COMPENSATION COMMITTEE
MEMBERS**

Landon Hilliard – Chairman
Gaston Caperton
W. Ann Reynolds

**COMPENSATION COMMITTEE
CHARTER**

AUTHORITY AND PURPOSE

The Compensation Committee is responsible for the oversight of the Corporation's compensation of executives, including authority to determine the compensation of the Chief Executive Officer, and for producing an annual report on executive compensation for inclusion in the Corporation's proxy statement, or, if the Corporation does not file a proxy statement, in the Corporation's annual report on Form 10-K filed with the SEC, in accordance with applicable rules and regulations.

COMPOSITION OF THE COMMITTEE

The Committee shall have at least three members, including the Chairman, who are appointed by the Board on the recommendation of the Corporate Governance Committee. Members of the Committee shall qualify as independent directors ("Independent Directors") under the listing standards of the New York Stock Exchange (the "NYSE"). Members of the Committee shall also qualify as "non-employee directors" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and shall satisfy any other necessary standards of independence under the federal securities and tax laws.

Vacancies on the Committee shall be filled by majority vote of the Board at the next meeting of the Board. No member of the Committee shall be removed except by majority vote of the remaining Independent Directors.

MEETINGS AND PROCEDURE

The Committee shall hold regular meetings at such dates, times and places as it may determine from time to time. The Chairman of the Committee or a

majority of the members of the Committee may also call a special meeting of the Committee.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; *provided, however,* that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

The Committee may request that any directors, officers or employees of the Corporation, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests.

Following each of its meetings, the Committee shall deliver a report on the meeting to the Board, including a description of all actions taken by the Committee at the meeting. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Corporation.

RESPONSIBILITIES

- **Oversee the Corporation's policies concerning executive compensation for directors and officers, including the following:**
 - **Review at least annually the goals and objectives of the Corporation's executive compensation plans, and amend, or recommend that the Board amend, these goals and objectives if the Committee deems it appropriate.**
 - **Review at least annually the Corporation's executive compensation plans in light of the Corporation's goals and objectives with respect to such plans, and, if the Committee deems it appropriate, adopt, or recommend to the Board the adoption of, new, or the amendment of existing, executive compensation plans.**
 - **Evaluate annually the performance of the Chief Executive Officer in light of the goals and objectives of the Corporation's executive compensation plans and, either alone as a Committee or together with the other Independent Directors, set his or her compensation level based on this evaluation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall consider all relevant factors, including the Corporation's**

performance and relative stockholder return, the value of similar awards to chief executive officers of comparable companies, and the awards given to the Chief Executive Officer of the Corporation in past years. The Committee shall have authority to determine the Chief Executive Officer's compensation level.

- Approve the pay structure, salaries and incentive payments of all other officers of the Corporation.
- Review and approve any severance or termination arrangements to be made with any executive officer of the Corporation.
- Produce the annual report on executive compensation required for inclusion in the Corporation's proxy statement, or, if the Corporation does not file a proxy statement, in the Corporation's annual report on Form 10-K filed with the SEC, in accordance with applicable rules and regulations.
- Review and make recommendations to the Board with respect to non-CEO compensation, incentive-compensation and equity-based plans, including the following:
 - Review at least annually the goals and objectives of the Corporation's non-CEO compensation, incentive-compensation and equity-based plans, and amend, or recommend that the Board amend, these goals and objectives if the Committee deems it appropriate.
 - Review at least annually the Corporation's non-CEO compensation, incentive-compensation plans and equity-based plans in light of the goals and objectives of these plans, and recommend that the Board amend these plans if the Committee deems it appropriate.
 - Review all equity-compensation plans that are not subject to stockholder approval under the listing standards of the NYSE, and approve such plans in its sole discretion.
 - Perform such duties and responsibilities as may be assigned to the Committee under the terms of any non-CEO compensation, incentive-compensation or equity-based plan.
- Review the Corporation's executive compensation programs on a continuing basis to determine that they are properly integrated and that

payments and benefits are reasonably related to executive and Corporation performance and operate in a manner consistent with that contemplated when such programs were established.

- Monitor the potential liabilities to be secured by the Corporation's Rabbi Trust and determine when funding for such liabilities is appropriate.
- Review the status of the Corporation's Pension Preservation Trust and approve additional funding.
- Review the Corporation's policies in the area of executive perquisites and recommend any changes to the Board.
- Review officers' travel and entertainment expenses.

EVALUATION OF THE COMMITTEE

The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee shall address all matters that the Committee considers relevant to its performance, including the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall deliver to the Board a report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Corporation's or the Board's policies or procedures. Any such recommended amendments and changes shall also be communicated to the Corporate Governance Committee. The report to the Board may take the form of an oral report by the Chairman of the Committee or any other member of the Committee designated by the Committee to make this report.

OUTSIDE ADVISORS

The Committee shall have the sole authority to retain or terminate a compensation consultant to assist the Committee in carrying out its responsibilities, including sole authority to approve the consultant's fees and other retention terms, such fees to be borne by the Corporation.