

# Wachovia Corporation Board of Directors

## CHARTER OF THE MANAGEMENT RESOURCES & COMPENSATION COMMITTEE

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### **I. Purposes of the Committee**

The Management Resources & Compensation Committee (the “Committee”) is appointed by the Board of Directors of Wachovia Corporation (together with its subsidiaries, the “Corporation”) to assist the Board in fulfilling its responsibilities regarding the following:

- The compensation of the Corporation’s Executive Officers and certain other senior officers, including overseeing the administration of the Corporation’s employee benefit and corporate executive incentive plans, policies, practices and programs;
- The evaluation of the performance of the Chief Executive Officer (the “CEO”), and, with the assistance of the CEO, the performance of other senior officers;
- The evaluation and review of the Corporation’s management resources, including with respect to succession planning and management development activities;
- The compensation of the directors; and
- Such other duties, responsibilities and activities as may be set forth in this Charter or directed by the Board.

In addition, the Committee shall produce an annual report on executive compensation for inclusion in the Corporation’s annual proxy statement, in accordance with applicable rules and regulations.

### **II. Membership of Management Resources & Compensation Committee**

The Committee shall consist of a minimum of three (3) directors. Each member of the Committee shall be (i) “independent” under the applicable requirements of the New York Stock Exchange, Inc., as interpreted by the Board of Directors in its business judgment, (ii) a “non-employee director” as defined under Section 16b-3 under the Securities Exchange Act of 1934, and (iii) an “outside director” as defined under Section 162(m) of the Internal Revenue Code. The members of the Committee shall be appointed by the Board, based on the recommendations of the Corporate Governance & Nominating Committee of the Board, and shall serve for such term or terms as the Board may determine and until their successors shall be duly qualified and appointed. The Board shall designate a chairperson for the Committee.

### **III. Committee Meetings, Structure and Operations**

The Committee shall meet as frequently as the Committee deems necessary. The operation of the Committee, including with respect to actions without meetings, notice of meetings and waiver of notice, quorums and voting requirements, shall be as set forth in the Corporation's Bylaws.

### **IV. Duties, Responsibilities and Authority of the Committee**

In furtherance of the purposes of the Committee, the Committee shall have the following duties, responsibilities and authority:

- In consultation with senior management, to approve the Corporation's compensation philosophy and to oversee and monitor the Corporation's executive compensation policies, plans and programs for the Corporation's Executive Officers and certain other senior officers to ensure that they are consistent with the Board's compensation philosophy and objectives, as well as the long-term interests of the Corporation's stockholders;
- To annually review and approve the corporate goals and objectives relevant to the compensation of the CEO, and evaluate the performance of the CEO in light of these goals and objectives;
- Based on the foregoing evaluation, to determine and approve the compensation, including any incentive compensation, of the CEO; and, with respect to any incentive compensation, consider the Corporation's performance based on certain financial measures chosen by the Committee, relative stockholder return, the value of similar awards to chief executive officers at comparable companies, the awards given to the CEO in past years and such other factors as the Committee deems appropriate;
- To annually review and approve, as appropriate, the compensation, including incentive compensation, for the Corporation's other Executive Officers and certain other senior officers;
- To review the Corporation's policies regarding the tax deductibility of compensation paid to the Corporation's Executive Officers for purposes of Section 162(m) of the Internal Revenue Code, including establishing performance goals and certifying that performance goals have been attained;
- To prepare and issue the annual report of the Committee for inclusion in the Corporation's annual proxy statement in accordance with applicable rules and regulations;
- To review and approve, as appropriate, any new incentive compensation plans, including equity-based plans, and, as may be required, any amendments to existing plans relative to Executive Officers and certain other senior officers;

- To act as the administrative committee for the Corporation's employee stock purchase, stock option, and stock incentive plans with authority to grant any stock awards, including stock options, restricted stock awards, performance stock awards or other similar awards as provided in the Corporation's 2003 Stock Incentive Plan, to any Executive Officer, officer or employee of the Corporation and, in connection therewith, consider the potential dilutive impact of such stock awards to the Corporation's stockholders;
- To review, and approve, as appropriate, employment agreements or change in control agreements, including any contractual commitments or agreements with any employees of the Corporation;
- To review and approve severance agreements relative to any of the Corporation's Executive Officers and certain other senior officers;
- To review and make policy recommendations from time to time with respect to various benefit plans for the Corporation's employees, including the pension and savings plans, group insurance plans, and such other plans as the Committee may from time to time deem advisable and appropriate, and, at the Committee's discretion, convey appropriate administrative authority to the Corporation's management of such plans;
- In consultation with the independent directors and the CEO, to review, at least annually, succession planning and management development activities and strategies regarding the CEO and other members of senior management, and to discuss the Corporation's overall management resources;
- To review and approve the election of any officer of the Corporation at a level of Executive Vice President or above;
- To review and evaluate, at least annually, the compensation of the Board, including the appropriate mix of cash compensation and equity compensation, and to recommend any changes in Board compensation;
- To prepare and review with the Board an annual performance evaluation of the Committee;
- To review and reassess the adequacy of the Charter at least annually; and
- To discharge any other duties, responsibilities or activities delegated to the Committee by the Board from time to time or by any of the Corporation's benefit and incentive plans.

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee. In addition, consistent with applicable law, regulations and the Corporation's benefit and incentive plans, the

Committee may delegate certain of its authority to the CEO, a designee, or other appropriate members of management, including with respect to matters relating to the compensation, or election as officers, of the Corporation's employees other than the Corporation's Executive Officers.

**V. Reporting of Committee Activities to the Board of Directors**

The Committee shall report the information elicited by its activities to the Board and, where appropriate, its recommendations for action by the Board at their next meeting subsequent to that of the Committee. Certain action by the Committee may be similarly reported to the Board of Directors for approval, ratification, and/or confirmation.

**VI. Committee Resources**

In order to carry out the duties conferred upon the Committee by the Charter, the Committee is authorized to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, or other experts or consultants, as it deems appropriate, without seeking approval of management or the Board of Directors. The Corporation shall provide for appropriate funding, as determined by the Committee, for the payment of any such fees.