

Citizens Communications Company

Compensation Committee Charter

Purpose

The Compensation Committee is appointed by the Board to discharge the Board's responsibilities relating to compensation of the Company's directors and officers. The Committee has overall responsibility for approving and evaluating the director and officer compensation plans, policies, and programs of the Company.

The Compensation Committee is also responsible for producing an annual report on executive compensation that is to be included in the Company's proxy statement.

Committee Membership

The Compensation Committee shall consist of no fewer than three directors who satisfy the independence requirements of the New York Stock Exchange and who, in the opinion of the Board of Directors, are independent of management and free from any relationship that would interfere with the exercise of independent judgment.

The members of the Compensation Committee shall be appointed annually by the Board on the recommendation of the Nominating and Corporate Governance Committee. The members of the Compensation Committee will elect one of the members to serve as the Chairman. Each member of the Committee will serve until the next annual meeting of the Company or until he or she resigns or is removed from the Committee by a majority vote of the full Board.

Committee Authority and Responsibilities

1. The Compensation 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 sole authority to approve the consultant's fees and other retention terms. The Compensation Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting, or other advisors.
2. The Compensation Committee shall annually review and approve corporate goals and objectives relevant to the CEO's compensation, evaluate the CEO's performance in light of those goals and objectives, and, together with the other independent directors, determine and approve the CEO's compensation levels based on this evaluation. In determining the long-term incentive component of the CEO's compensation, the Compensation Committee will consider the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years.
3. The Compensation Committee shall annually review and make recommendations to the Board with respect to the compensation of all directors, officers, and other key executives, including incentive-compensation plans and equity-based plans.
4. The Compensation Committee shall annually review and approve, for the CEO and the senior executives of the Company, (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive compensation 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.
5. The Compensation Committee may form and delegate authority to subcommittees, when appropriate.
6. The Compensation Committee shall make regular reports to the Board.
7. The Compensation Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Compensation Committee shall annually review its own performance.

Meetings

The Committee will meet as often as necessary to carry out its responsibilities. Meetings may be called by the Chairman or the full Board. All meetings of the Committee will be held pursuant to the Bylaws of the Company with regard to notice and waiver, and written minutes of each meeting will be duly filed in the Company records. Reports of meetings of the Committee will be made to the Board at its next regularly scheduled meeting.