

EAST WEST BANCORP, INC. /  
EAST WEST BANK

CHARTER OF THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS

(amended: July 2002)

**Overall Roles and Responsibilities**

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The Compensation Committee is responsible on an annual basis for establishing goals, evaluating the performance and establishing the compensation of the CEO, administering the Performance-Based Bonus Plan of the Company, and for making awards under the 1998 Stock Incentive Plan of the Company. The Compensation Committee is also responsible for the regular and orderly review of the compensation of the other senior executive management personnel.

**Specific Responsibilities**

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The specific responsibilities of the Executive and Compensation Review Committee include:

- Implementing and recommending to the board on an annual basis the process to set goals and carry out the CEO evaluation and compensation review. The Committee should describe how goals are established and performance is assessed. It should obtain input from the full board and report to the board on the selection of goals and on the results of the evaluation and compensation review.
- Receiving an annual report from the CEO of his or her performance assessment and compensation review decisions for senior executive management personnel. The committee neither participates in nor approves the executive's decisions about his or her staff, but rather, use the executive's report to become aware of the CEO's evaluation of the capabilities of the senior executive team.
- Conducting the executive evaluation process in a manner that promotes trust and communications between the board and CEO; ensures the CEO understands the board's expectations; and provides feedback to the CEO on his or her performance.
- As appropriate from time to time, but not less than every four years, engaging independent consultants to review existing benefit plans and to provide comparative information on compensation and benefits.

- Annually determine the officers of the Company who will be eligible for participation in the Performance-Based Bonus Plan of the Company, determining by no later than March 31 of each year the specific goals of participants under the Bonus Plan, and for certifying the meeting of such goals and awarding bonuses under such plan, subject to the approval of the Board of Directors.
- Administer and award grants of incentive stock under the 1998 Stock Incentive Plan of the Company, subject to approval of the Board of Directors.

### **Meetings**

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The committee meets at least twice a year or when necessary at the call of the committee chairperson. At least one meeting shall be held for setting goals for the upcoming year. At least one meeting shall be held to evaluate performance for the prior year and to recommend compensation.

### **Members**

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The Compensation Committee shall have three or more members. All members shall be directors of the Company. Members shall not be employees of the Company or any subsidiary of the Company or related (first cousin or closer) to any of the senior management of the Company or any subsidiary of the Company. No member shall be a senior officer of any other company for which any of the senior management of the Company are on the compensation committee of the board of directors. The members shall all be “outside directors” within the meaning of Internal Revenue Code Section 162(m) and shall meet the requirements of Securities and Exchange Commission Rule 16b-3 under the Securities Act of 1934.

The Chief Executive Officer shall participate in Compensation Committee meetings when reporting on the evaluation of senior executive management personnel and when discussing performance goals with the Committee. The Committee may invite other board members and officers to attend meetings from time to time but only members of the Committee shall be entitled to vote on Committee matters. The Secretary of the Board of Directors shall serve as the secretary of the Compensation Committee.