

## **COMPENSATION COMMITTEE CHARTER**

### **PURPOSE**

The Compensation Committee shall carry out the Board's overall responsibility with respect to executive compensation, director compensation and review of the performance of the Company's CEO.

### **COMMITTEE MEMBERSHIP**

The Compensation Committee shall consist of no fewer than three members. All members of the Committee shall meet the independence and experience requirements of the Nasdaq Marketplace Rules and applicable SEC rules and regulations.

The Board shall appoint the members of the Compensation Committee on the recommendation of the Board Chair. The Board shall appoint the Committee's members at the Board meeting next following the Corporations' annual meeting of shareholders. The Board may replace a Committee member at any time.

### **COMMITTEE CHAIR**

The Board shall appoint one of the Committee members as the Committee Chair. The Committee may appoint one of its members as Vice Chair to carry out the duties of the Committee Chair in his or her absence.

### **MEETINGS**

The Compensation Committee shall meet as often as it determines, but at least quarterly. The Committee shall meet with management and in executive sessions, without management present. The Committee may request any officer or employee of the Company or the Company's outside advisors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

### **COMMITTEE REPORTS**

The Committee Chair shall report the Committee's activities and actions to the Board at the regular Board meeting next following each Committee meeting. Notwithstanding the general policy requiring each Board committee to keep a written record of its activities and proceedings, the Board recognizes that there will be certain sensitive personnel and compensation issues presented to the Compensation Committee that will not be fully reflected in regular or executive session minutes. The Committee may refer to the Board any matter that the Committee believes should be addressed by the Board. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review the Compensation Committee's own performance, as it relates to compliance with this Charter.

**COMMITTEE AUTHORITY AND RESPONSIBILITIES**

The Compensation Committee shall have all the authority of the Board to act or exercise corporate powers with respect to the following:

1. Supervise the administration of the Company's employee stock option plans, including recommending to the Board the reservation or purchase of shares for issuance under director compensation and employee benefit plans. The Committee shall provide disinterested administration of any employee benefit plans in which section 16 officers are eligible to participate;
2. Review and approval of the administration of the Company's 401(k) and profit sharing plans, SERP plans and BOLI plans;
3. Review and recommend to the Board action affecting salaries, bonuses, benefits, equity compensation grants and other compensation arrangements for the Company's CEO;
4. Review and recommend to the Board action relating to the granting of stock options, equity compensation and/or restricted stock to employees other than the CEO;
5. Review and approve the annual executive compensation report in the Company's proxy statement;
6. Review and approve on an annual basis the corporate goals and objectives with respect to compensation for the Company's CEO. The Committee shall evaluate, at least once per year, the CEO's performance in light of these established goals and objectives and based upon these evaluations, shall recommend to the Board the CEO's annual compensation, including salary, bonus, incentive and equity compensation; and
7. Review, approve, disapprove and modify the following policies:

FIN 17.000  
HR 1.000

401(k)/Profit Sharing Plan Investment Policy  
Associate Handbook