

## **COMPENSATION COMMITTEE CHARTER**

(Amended and approved March 5, 2008)

### **1. MEMBERSHIP:**

The Compensation Committee (the "Committee") shall consist of not less than three members of the Board of Directors of the Company (the "Board"). The Committee shall be composed entirely of "independent directors," as required by New York Stock Exchange listing standards and any other legal requirement as shall be in effect. Committee members shall not be employees or former employees of the Company, and they shall be free of any relationship that, in the opinion of the Board, would interfere with their individual exercise of independent judgment. The Board shall, in the exercise of its business judgment, determine the independence of directors for this purpose. Members of the Committee shall also qualify as "non-employee directors," within the meaning of Rule 16b-3 of the General Rules and Regulations 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. In selecting the members of the Committee, the Board shall consider the following qualifications for membership: prior service on the Committee, or a compensation committee of another public company, or service with a public company which involved executive compensation matters.

The members of the Committee shall be appointed annually by the Board, upon recommendation by the Nominating and Corporate Governance Committee, at the organizational meeting of the Board following the annual meeting of shareholders. Vacancies on the Committee shall be filled by the Board upon recommendation by the Nominating and Corporate Governance Committee. The Chairperson of the Committee shall likewise be appointed annually by the Board upon recommendation by the Nominating and Corporate Governance Committee and shall be responsible for leadership of the Committee, including overseeing meeting agendas, presiding over meetings, orienting new members to the Committee, and reporting to the Board. If the appointed Chairperson is not present at a Committee meeting, the members of the Committee present shall designate a Chairperson to lead the meeting. The Chief Executive Officer ("CEO"), or his/her delegate, will be the management liaison to the Committee.

### **2. PURPOSE:**

The primary functions of the Committee are to discharge the Board of Directors' responsibilities relating to compensation of the Company's executives<sup>1</sup> in accordance with applicable rules and regulations.

### **3. MEETINGS:**

The Committee shall meet at such times in person or telephonically as it determines to be necessary or appropriate, but not less than once a year, and the Committee Chairperson shall report to the Board at the next meeting of the Board following each such Committee meeting, or as reasonably practicable.

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<sup>1</sup> As used herein, the term "executives" shall consist of "officers" as defined by Rule 16a-1(f) of the General Rules and Regulations under the Securities Exchange Act of 1934 (the "Act"); "executive officers" as defined in Rule 3b-7 of the Act; and the members of the Senior Executive Team ("SET"), as established from time to time by the CEO.

The Company's Corporate Secretary or Assistant Secretary and a management liaison to the Committee shall be present at all meetings except during executive sessions. Any background materials, together with the agenda, shall be distributed to the Committee members, and the CEO, by the Corporate Secretary in advance of the meeting, and the Corporate Secretary shall maintain one set of all Committee minutes.

The Committee may adopt such rules and procedures for the conduct of its affairs, as it deems necessary or appropriate if not inconsistent with this Charter and the Company's By-Laws.

A majority of the members of the Committee shall constitute a quorum and the acts of a majority of the members present and voting at a meeting at which a quorum is present shall be the acts of the Committee. The Committee may request that any directors, officers, or employees of the Company, or other persons, whose advice or consultation is sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Committee may form subcommittees and delegate authority to them, as it deems appropriate.

The Committee shall meet in executive session without the presence of any members of management as often as it deems appropriate.

Any action required or permitted to be taken at a meeting of the Committee may be taken without a meeting if, prior or subsequent to the action, a consent or consents thereto by all members of the Committee is filed with the Secretary of the Company.

#### **4. RESPONSIBILITIES:**

In addition to, or in furtherance of the Committee's primary functions referenced above, the Committee shall:

- a. Recommend to the Board an executive compensation policy that is designed to
  1. support overall business strategies and objectives,
  2. attract and retain key executives,
  3. link compensation with business objectives and organizational performance,
  4. align executives' interests with those of the Company's shareholders, and
  5. provide competitive and reasonable compensation opportunities.
- b. Review and approve periodically a general compensation policy and salary structure for executives and other key employees of the Company and its subsidiaries, which considers business and financial objectives, industry and labor market best pay practices and such other information as may be deemed appropriate.
- c. Annually review and recommend for approval by the independent members of the Board corporate goals and objectives relevant to the CEO's compensation; manage and execute the evaluation process as conducted by the independent members of the Board of the CEO's performance in light of these goals and objectives, and review and recommend for approval by the independent members of the Board the CEO's compensation level, including salary, bonus, profit sharing and other incentive and equity based compensation, based on this evaluation.
- d. With respect to the non-CEO executives:
  1. Review and approve salaries annually, with the involvement of the CEO.
  2. Review and approve discretionary cash bonus payments.
  3. Review and approve annually discretionary stock or other equity-based grants.
  4. Establish individual target award levels for bonus, profit sharing and incentive compensation payments, in relation to the Board-established financial target(s) or other performance measures for such bonus, profit sharing or incentive compensation.

5. Recommend to the Board whether the financial target(s) or other performance measures for bonus or incentive compensation have been achieved.
  6. Upon Board determination that such financial target(s) or other performance measures have been met, the Committee shall approve the bonus and incentive compensation payments.
- e. Make general grants of stock options, restricted stock awards and other equity-based compensation for non-executive employees of the Company and its subsidiaries, as authorized under relevant plans.
  - f. Review and recommend for approval by the Board new incentive compensation plans or changes to existing incentive compensation plans.
  - g. Review and approve the operating rules under the Company's incentive compensation plans.
  - h. Review and recommend for approval by the Board new defined benefit plans, contribution plans and other welfare benefit plans, as well as changes to or terminations of such existing plans.
  - i. Oversee the various pension and 401(k) savings plans, and recommend to the Board any plan design changes.
  - j. Supervise on behalf of the Board the administration of compensation, incentive and benefit plans approved by the Board and/or shareholders, in a manner consistent with the terms of such plans.
  - k. Review, approve and assign management responsibility to administer the annual profit sharing plans including, to the extent appropriate, setting the financial target(s) or other performance measures under such plans.
  - l. Engage such independent compensation consultants or legal advisors, as the Committee may deem appropriate in its sole discretion, to advise the Committee. The Committee shall have sole authority to approve related fees and retention terms of such consultants, counsel, or advisors.
  - m. Annually review the non-employee directors' compensation program for competitiveness and plan design, recommend changes as appropriate to the Board, including changes involving stock options, restricted stock awards and other equity-based compensation as authorized under relevant plans and grant stock options, make restricted stock awards and approve any other equity based compensation, subject to such terms and conditions as the Committee may approve, for non employee directors in accordance with the non employee directors' compensation program approved by the Board.
  - n. Prepare the annual report required by the rules of the Securities and Exchange Commission (the "SEC") to be included with the Company's proxy statement and annual report on Form 10-K in compliance with the rules and regulations promulgated by the SEC. Review and discuss the Compensation Discussion and Analysis (the "CD&A") required to be included with the Company's proxy statement and annual report on Form 10-K by the rules and regulations of the SEC with management and, based on such review and discussion, determine whether or not to recommend to the Board that the CD&A be so included.
  - o. Annually review the adequacy of its Charter, and recommend approval of any changes thereof to the Board.
  - p. Annually conduct a performance evaluation of the Committee's effectiveness and present the annual performance evaluation of the Committee to the Board.
  - q. The Committee shall also undertake additional activities within the scope of its Charter as the Committee may from time to time determine are warranted or desirable.