

Charter Compensation Committee

Status

The Compensation Committee is a committee of the Board of Directors.

Membership

The Compensation Committee shall consist of three or more directors, all of whom, in the judgment of the Board of Directors, shall be independent in accordance with New York Stock Exchange listing standards. In addition, a person may serve on the Compensation Committee only if the Board of Directors determines that he or she (i) is a “Non-employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934 and (ii) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

Purpose

The purposes of the Compensation Committee are to discharge the responsibilities delegated by the Board of Directors relating to the determination and execution of the Company’s compensation philosophy and the compensation of the Company’s CEO and members of the Executive Leadership Team. Except as otherwise required by applicable laws, regulations or listing standards, all major decisions are considered by the Board of Directors as a whole.

Duties and Responsibilities

The Compensation Committee’s duties and responsibilities include:

- reviewing and approving the Company’s overall compensation philosophy and overseeing the administration of related compensation and benefit programs, policies and practices;
- reviewing and approving the Company’s peer companies and data sources for purposes of evaluating our compensation competitiveness and establishing the appropriate competitive positioning of the levels and mix of compensation elements;
- establishing annual and long-term performance goals and objectives for the CEO and reviewing the goals approved by the CEO for the members of the Executive Leadership Team;
- evaluating the performance of the CEO and reviewing and approving the CEO’s evaluation of the other members of the Executive Leadership Team in light of the approved performance goals and objectives;
- setting the compensation of the CEO and reviewing and approving the compensation of the members of the Executive Leadership Team as recommended by the CEO based on an evaluation of their performance;
- approving or recommending employment agreements, offers of employment and other elements of compensation provided to the CEO and members of the Executive Leadership Team;
- approving or recommending severance arrangements for the CEO and members of the Executive Leadership Team, including change-in-control and similar provisions; and
- making recommendations to the Board of Directors with respect to new cash-based incentive compensation plans and equity-based compensation plans.

The Committee’s decisions regarding performance goals and objectives, and the compensation of the CEO and members of the Executive Leadership Team, are reviewed and ratified by the independent members of the Board.

The Compensation Committee's additional duties and responsibilities include:

- overseeing the Company's submissions to shareholders on executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, incentive and other executive compensation plans, and amendments to such plans (to the extent required under New York Stock Exchange listing standards) and, in conjunction with the Corporate Governance Committee (or its designees), engagement with proxy advisory firms and other shareholder groups on executive compensation matters;
- overseeing the administration of the Company's cash-based and equity-based compensation plans;
- reviewing and certifying awards under corporate performance-based plans;
- granting options and awards under the stock plans;
- reviewing and setting the compensation structure for senior executives whose individual compensation is not otherwise set by the Committee;
- determining officer stock ownership guidelines and monitoring compliance with such guidelines;
- preparing an annual performance evaluation of the Committee;
- reviewing and discussing with the Company's management the Compensation Discussion and Analysis (CD&A) to be included in the Company's annual proxy statement and determining whether to recommend to the Board of Directors that the CD&A be included in the proxy statement;
- providing the Compensation Committee Report for inclusion in the Company's proxy statement that complies with the rules and regulations of the Securities and Exchange Commission;
- reviewing and assessing on an annual basis potential risk to the Company from its compensation program and policies, including incentive and commission plans;
- consulting with, and considering recommendations of, the Regulatory and Compliance Committee, including: (a) whether compensation practices, including sales incentives for sales and marketing personnel, are aligned with compliance standards, and (b) reviewing all written recommendations regarding "clawbacks" of incentive compensation and determining the extent, if any, to which incentive-based compensation of the relevant colleagues should be reduced or extinguished;
- annually evaluating the adequacy of this Charter; and
- performing such other duties and carrying out such other responsibilities as are consistent with this Charter.

The Committee has the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion.

The Compensation Committee may, in its sole discretion, employ a compensation consultant to assist in the execution of the responsibilities in this Charter. The Compensation Committee shall have the sole authority to approve the fees and other retention terms with respect to such a compensation consultant. The Compensation Committee also has the authority, as necessary and appropriate, to consult with other outside advisors to assist in its duties to the Company.

Meetings

The Compensation Committee shall meet at least four times each year and at such other times as it deems necessary to fulfill its responsibilities. The Compensation Committee shall report regularly to the Board of Directors with respect to its activities and make recommendations to the Board of Directors as appropriate.