

## **Charter of the Compensation Committee of the Board of Directors**

### **I. Purpose**

The Compensation Committee shall:

- Assist the Board of Directors in discharging its responsibility to the shareholders with respect to the Company's compensation programs, compensation of the Company's executives and identify qualified individuals to become Company officers; and
- Produce an annual report of the Compensation Committee on executive compensation for inclusion in the Company's annual proxy statement, in accordance with applicable rules and regulations.

### **II. Structure and Operations**

#### *Composition and Qualifications*

The Compensation Committee shall be comprised of two or more directors as determined by the Board (upon the recommendation of the Nominating and Governance Committee), each of whom is determined by the Board to be an "independent" director in accordance with the rules of the New York Stock Exchange and any other applicable legal or regulatory requirement. Additionally, no director may serve on the Compensation Committee unless he or she satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code.

#### *Appointment and Removal*

The members of the Compensation Committee shall be designated by the Board annually and shall serve until such member's successor is duly designated or until such member's earlier resignation or removal. Any member of the Compensation Committee may be removed from the Committee, with or without cause, by a majority vote of the Board. Unless a Chair is designated by the Board, the members of the Compensation Committee shall designate a Chair by majority vote of the full Compensation Committee membership. The Chair will chair all regular sessions of the Compensation Committee and set the agendas for Compensation Committee meetings.

#### *Delegation to Subcommittees*

In fulfilling its responsibilities, the Compensation Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Compensation Committee and, to the extent not expressly reserved to the Compensation Committee by the Board or by applicable law, rule or regulation, to any other committee of directors of the Company appointed by it, which may or may not be composed of members of the Compensation Committee.

### **III. Meetings**

The Compensation Committee shall ordinarily meet at least four times annually, or more frequently as circumstances dictate. Any member of the Compensation Committee may call meetings of the Compensation Committee.

As part of its review and establishment of the performance criteria and compensation of designated key executives, the Compensation Committee should meet separately at least on an annual basis with the

Chief Executive Officer, the Company's Group Vice President – Human Resources, and any other Company officers it deems appropriate. However, the Compensation Committee may meet without such officers present, and in all cases such officers shall not be present at meetings at which their performance or compensation is being discussed or determined.

Any director of the Company who is not a member of the Compensation Committee may attend meetings of the Compensation Committee; provided, however, that any director who is not a member of the Compensation Committee may not vote on any matter coming before the Compensation Committee for a vote. The Compensation Committee also may invite to its meetings any member of management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The Compensation Committee may meet in executive session, as the Compensation Committee deems necessary or appropriate.

#### **IV. Responsibilities and Duties**

The following functions shall be common recurring activities of the Compensation Committee in carrying out its purpose set forth in Section I of this Charter. These functions should serve as a guide with the understanding that the Compensation Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Compensation Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purpose of the Compensation Committee set forth in Section I of this Charter.

The Compensation Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern within the purpose of the Compensation Committee that the Compensation Committee deems appropriate or necessary and shall have the sole authority to retain and terminate outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention.

To fulfill its responsibilities and duties, the Compensation Committee shall:

##### *Compensation for Executive Officers/Officer Selection/Conflicts*

- (1) Establish and review the overall executive compensation philosophy of the Company.
- (2) Review and approve Company goals and objectives relevant to CEO and other executive officers' compensation, including annual performance objectives.
- (3) Evaluate the performance of the CEO and other executive officers in light of established goals and objectives and, based on such evaluation, review and approve the annual salary, bonus, stock options, other incentive awards and other benefits, direct and indirect, of the CEO and other executive officers.
- (4) Review and approve for recommendation all officer positions to be filled by the Board.
- (5) In connection with executive compensation plans:
  - (i) Review and recommend to the full Board, or approve as appropriate, new executive compensation plans and any changes to or modifications of existing executive compensation plans;

- (ii) Review on a periodic basis the operations of the Company's executive compensation programs to determine whether they are properly coordinated and achieving their intended purposes;
  - (iii) Establish and periodically review policies for the administration of executive compensation programs; and
  - (iv) Take steps to modify any executive compensation program that, upon analysis, is determined to yield compensation or benefits that are not reasonably related to executive and corporate performance.
- (6) Establish and periodically review policies in the area of senior management perquisites.
- (7) Review and make recommendations to the Board, or approve, as appropriate, any contracts or other transactions with current or former executive officers of the Company and any non-independent director, including consulting arrangements, employment contracts, severance or termination arrangements.
- (8) Consider questions of independence and requests of current and former officers to engage in activities with other companies.

*Monitoring Incentive, Equity-Based and other Compensation Plans and Programs*

- (9) Perform duties delegated to it by the Board under various executive compensation plans.
- (10) Review and make recommendations to the full Board, or approve, as appropriate, all awards of stock, stock options and other incentive compensation awards and other compensation to executive officers pursuant to the Company's executive plans and programs.
- (11) Monitor compliance by executives with the terms and conditions of the Company's executive compensation plans.
- (12) Select, retain, terminate and/or replace, as needed, compensation and benefits consultants and other outside experts to provide independent advice to the Compensation Committee. In that connection, in the event the Compensation Committee retains a compensation consultant or other expert, or if the Company should retain a compensation consultant or other expert to assist in the evaluation of CEO or senior executive compensation, the Compensation Committee shall have the sole authority to approve such consultant's or expert's fees and other retention terms.

*Reports*

- (13) Prepare an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations.
- (14) Report regularly to the Board (i) following meetings of the Compensation Committee, (ii) with respect to such other matters as are relevant to the Compensation Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Compensation Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Compensation Committee designated by the Compensation Committee to make such report.

- (15) Maintain minutes and other records of meetings and activities of the Compensation Committee, as appropriate under Delaware law.

#### **V. Annual Performance Evaluation**

The Compensation Committee shall perform a review and evaluation, at least annually, of the performance of the Compensation Committee and its members, including a review of adherence of the Compensation Committee to this Charter. In addition, the Compensation Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Nominating and Governance Committee any improvements to this Charter that the Compensation Committee considers necessary or appropriate. The Compensation Committee shall conduct such evaluation and reviews in such manner as it deems appropriate.

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