

## **TALENT DEVELOPMENT AND COMPENSATION COMMITTEE CHARTER**

### **Purpose**

The Talent Development and Compensation Committee (“Committee”) is appointed by the Board of Directors (“Board”) to approve the Company's employee compensation and benefit programs, ensure the competitiveness of these programs, and advise the Board on the development of and success for key executives.

### **Committee Membership**

The Committee shall consist of no fewer than three members. The Board must determine in its best judgment that each member of the Committee is “independent” of management (as that term is defined from time to time by the NASDAQ Stock Market (“NASDAQ”), the SEC, and any other applicable laws, rules and regulations, as amended from time to time, and the Company’s Corporate Governance Guidelines) and qualified to serve by experience or education. In evaluating the independence of a Committee member, the Board will consider (a) the source of compensation of such Committee member, including any consulting, advisory or other compensatory fees paid by the Company, and (b) whether the Committee member has an affiliate relationship with the Company, a subsidiary of the Company, or an affiliate of a subsidiary of the Company. In addition, each member of the Committee shall be a “non-employee director” as that term is defined under SEC Rule 16b-3.

The members of the Committee shall be appointed by the Board on the recommendation of the Corporate Governance & Nominating Committee. Committee members may be replaced by the Board.

### **Committee Meetings**

The Committee Chairman shall (a) chair all meetings of the Committee; (b) set the frequency and length of the meeting(s) and the agenda items to be addressed at each meeting; and (c) perform such other activities as from time to time are requested by the other directors or as circumstances indicate.

### **Committee Authority and Resources**

The Committee shall have the resources, funding and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of any compensation consultant, independent legal counsel or other advisor (an “Advisor”) in its sole discretion without seeking approval of the Board or management.

The Committee shall be directly responsible for the appointment, compensation, and oversight of the work of any Advisor, but may not substitute such Advisor’s judgment for its own. Nothing in this Charter shall be constructed to (a) require the Committee to implement or act consistently

with the advice or recommendations of any Advisor or (b) affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of the duties of the Committee.

The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to an Advisor retained by the Committee. To the extent required by NASDAQ rules, the Committee may select or receive advice from an Advisor only after taking into consideration all factors relevant to that person's independence from management, including the following:

- A. The provision of other services to the Company by the person that employs the Advisor;
- B. The amount of fees received from the Company by the person that employs the Advisor as a percentage of that person's total revenue;
- C. The policies and procedures of that person that employs the Advisor that are designed to prevent conflicts of interest;
- D. Any business or personal relationship of the Advisor with a member of the Committee;
- E. Any stock of the Company owned by the Advisor; and
- F. Any business or personal relationship of the Advisor or the person employing the Advisor with an executive officer of the Company.

The Committee may form and delegate authority to subcommittees when appropriate.

The Committee shall have the flexibility of delegating authority to management to administer the compensation and benefits programs, including the authority to interpret the plans in individual cases when appropriate.

### **Committee Duties and Responsibilities**

The Committee shall have the power and authority of the Board to perform the following duties and to fulfill the following responsibilities:

1. The Committee shall annually review and approve corporate goals and objectives relevant to Chief Executive Officer ("CEO") compensation, coordinate the evaluation of the CEO's performance with the Chairman or Lead Director, if applicable, in light of those goals and objectives, and approve the CEO's compensation level based on this evaluation.
2. The Committee shall annually review and approve and recommend to the Board of Directors for its final approval, for the CEO and each executive officer of the Company reporting directly to the CEO, all elements of executive compensation, including but not

limited to (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) employment agreements, severance arrangements, and change in control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits. In any deliberations or voting to determine the compensation of the CEO, the CEO must not be present; however, in any deliberations regarding the compensation of other executive officers, the Committee may elect to invite the CEO to be present but not vote.

3. The Committee shall, in consultation with the CEO, review the talent development and executive succession planning process within the Company to ensure it is effectively managed. The CEO will provide a report to the Committee regarding the talent and performance review process for each executive officer of the Company reporting directly to the CEO and other high potential individuals. The purpose of the performance and talent review is to ensure that there is a sufficient pool of qualified internal candidates to fill senior leadership positions and to identify opportunities, performance gaps and next steps as part of the Company's executive succession planning and development process, all of which shall be reviewed with the Committee.
4. The Committee shall annually review the compensation systems that are in place for employees of the Company to evaluate whether such systems result in internal and external equity in the compensation of all employees. The Committee shall also broadly monitor the structure, philosophy, and competitiveness of the Company's general hiring or compensation practices, oversee the establishment and administration of the Company's broad-based benefits plans and programs, and review or approve significant amendments or changes to the plans and programs.
5. The Committee shall administer the Company's Equity Incentive Plan(s) and the grants awarded under the Plan(s).
6. The Committee shall establish and periodically review policies with respect to management perquisites.
7. The Committee shall review the proposed Compensation Discussion & Analysis ("CD&A") section of the Company's proxy statement and discuss that section with management, and, based upon that review and discussion, shall recommend to the Board the inclusion of the CD&A in the Company's filings with the Securities and Exchange Commission ("SEC"), as required. The Committee shall also prepare the "Compensation Committee Report" for inclusion in the Company's proxy statement and Form 10-K as required by the SEC
8. The Committee shall be responsible for establishing the purchase price, the offering date, the purchase period and the purchase date for each offering of stock under the Company's Employee Stock Purchase Plan ("ESPP").
9. The Committee shall review and approve compensation policies and plans that balance risk and financial results in a manner that does not encourage employees to take

excessive risks, and does not encourage risk taking beyond the Company's ability to identify and manage risk. The Committee shall also communicate with the Audit Committee and Enterprise Risk Committee, as determined to be necessary or advisable, with respect to risk related matters arising from the Company's compensation programs and arrangements.

10. The Committee shall approve the Charter and committee membership of the Pension & Profit Sharing Committee. The Committee shall also approve the Charters of the Salary Administration and Incentive Compensation Committee and the Health and Welfare Committee. The Committee shall receive regular reports from each of these committees.
11. The Committee shall administer the Company's Bonus Recoupment Policy on behalf of the Board and make recommendations to the Board relative to whether there should be a recovery of a bonus or incentive payment paid to any Executive Officer of the Company under the terms of the Policy or other rule or regulation of the SEC or NASDAQ.
12. The Committee shall make regular reports to the Board.
13. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Corporate Governance & Nominating Committee for its approval.
14. The Committee shall annually review its own performance and present the evaluation findings to the Board.
15. The Committee shall perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time.