



Bank of McKenney

*Your link to quality service*

## **Bank of McKenney Compensation Committee Charter**

### **Corporate Authorization and Purpose**

The Compensation Committee is one of the standing committees of the Board of Directors formed pursuant to Article III, Section 3 of the Company's Bylaws. Such Committee shall have the duty to review and to make recommendations to the Board of Directors with respect to management organization, succession and development programs, the election of corporate officers and their salaries and incentive compensation or bonus awards; to make the decisions required by a committee of the Board of Directors under all stock option and restricted stock and deferred stock plans; and to approve and report to the Board of Directors changes in salary ranges for all other major position categories and changes in retirement plans, group insurance plans, investment plans or other benefit plans and management incentive compensation or bonus plans.

### **Organization**

The Compensation Committee of the Company shall consist of at least two Directors, of whom all shall be "independent directors". The Committee may form one or more subcommittees, each of which may take such actions as may be delegated by the Committee. The Committee periodically shall report and make appropriate recommendations to the Board of Directors.

### **Responsibilities and Duties**

As its duties and responsibilities, the Compensation Committee shall:

1. Review at least annually management organization, succession and development;
2. Review and recommend to the Board of Directors the annual salary, bonus, stock options and other benefits, direct and indirect, of the President & Chief Executive Officer and other senior executive officers of the Company;
3. Administer executive compensation programs including:
  - a. Review any new executive compensation program;
  - b. Review on a periodic basis any current executive compensation program to determine whether it is being properly coordinated;
  - c. Establish and periodically review policies for the administration of executive compensation programs.
4. Establish and periodically review policies in the area of management perquisites;

5. Evaluate the performance of the President & Chief Executive Officer, and review the evaluations of the Company's senior management conducted by the President & Chief Executive Officer;
6. Establish the design of the benefit plans that pertain to the Chief Executive Officer and other officers of the Company.
7. Review and recommend to the Board for approval changes to or adoption of qualified defined benefit pension or defined contribution plans and management incentive compensation plans of the Company, and review regularly group insurance plans or other bonus and benefit plans.