

# COMPENSATION COMMITTEE CHARTER

## **Purpose of Committee**

The Compensation Committee shall establish, review and approve the Association's total compensation philosophy, including the benefit programs; oversee the development and utilization of appropriate policies and programs to attract, retain, incent and reward high performing individuals; monitor executive development practices in order to ensure succession alternatives for the organization; evaluate the performance of the Chief Executive Officer; and report to the Board of Directors its recommendations and observations with respect to the foregoing, and with respect to the specific duties set forth below.

## **Committee Membership**

The Committee shall be made up of at least three members. Members shall serve on the Southwest Georgia Board of Directors and be free from any relationship that would interfere with the exercise of independent judgment as a committee member. The Chairman of the Board, in collaboration with the Governance Committee, shall appoint members annually. The Chairman of the Board shall also appoint a Committee Chairman and Vice Chairman annually. The Committee Chairman will have the responsibility of briefing the Board Chairman of any key decisions or recommendations in advance of Committee/Board meetings.

The Committee shall have the opportunity to attend training to ensure that compensation committee members receive ongoing training on compensation trends and updates.

## **Committee Duties and Responsibilities**

1. Determine corporate compensation philosophy and target objectives toward total pay, and then evaluate success at meeting target objectives.
2. Assess the on-going competitiveness of the total executive compensation plan and review benefit plans to ensure "fit."
3. Establish and periodically review policies in the area of perquisites and "fringe" benefits for key contributors.

5. Annually review and approve the goals and objectives of the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of these goals. Review market data and salary structure recommendations provided by outside or third party resources. Make recommendation to the Board of Directors on appropriate compensation levels for the Chief Executive Officer based on evaluation and information received from outside or third party resources.
6. Review and approve management's recommendations and provide guidance on matters relating to senior officer compensation and appointments. Senior officers shall be defined as individuals with a grade 19 or higher.
7. Review and approve annual and long-term incentive compensation programs for Senior Management and key contributors, including plan design, documentation, and incentive amounts. Review the annual corporate plan and the appropriateness of financial measures. Recommend any bonus considerations outside established policies and guidelines.
8. Review and approve the compensation disclosure in the Association Annual Report.
9. Annually review executive development and succession plan, as well as orderly succession to the post of CEO.
10. Annually approve the Association's salary structure and merit recommendations to be used in conjunction with performance appraisal form.
11. Carry out special assignments from the Board Chairman regarding issues on compensation and employee benefits.
12. Conduct an annual evaluation of the Committee's performance and make recommendations to the Board of Directors regarding committee member appointments and removals.
13. Review and recommend compensation for the Board.
14. Review annually the Committee's Charter, and make appropriate recommendations to the Board of Directors.
15. Report from the CEO to the Compensation Committee any severance plans and benefits offered under severance plans.
16. Any other assignment as requested by the Board of Directors.

## **Committee Meetings**

The Committee shall meet a minimum of four times each year with additional meetings, as it may deem appropriate.

The Committee shall be provided with whatever resources it needs to fulfill its responsibilities, including outside consultants, as appropriate, and shall have sole authority to retain, terminate and determine the fees of any such consultant.

Executive Sessions will be held at all committee meetings.

*Approved by the Board of Directors: December 18, 2019*