

Section 10

Quality Control

10.21 Internal Audit Function (Compensation Committee Charter)

Compensation Committee Charter

The Board of Directors of Farm Credit of South Florida has established a Compensation Committee (the "Committee"). It has the authority, responsibilities and specific duties as described below.

PURPOSE

The Committee shall establish, review and approve the association's total compensation philosophy. This includes benefit programs, oversight of the development and utilization of appropriate policies and programs to attract, retain, incent and reward high performing employees, monitor executive development practices in order to ensure succession alternatives for the association, evaluate the performance of the chief executive officer, and report to the full Board of Directors its recommendations and observations regarding the foregoing and the specific duties listed below.

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.

MEMBERSHIP

The Committee shall consist of at least three members of the Board appointed by the Chairman of the Board on an annual basis. In addition, the Chief Executive Officer and the Association Human Resources Representative may participate on a non-voting basis.

MEETINGS

The Committee will meet a minimum of two times each year with additional meetings, as it deems appropriate.

MINUTES

Minutes of each meeting will be prepared by the Association Human Resources Representative and sent to the Committee members for approval prior to submission to the full Board.

DUTIES

1. Determine association compensation philosophy and target objectives toward total pay (competitive, below, above) and evaluate success at meeting target objectives.

2. Assess the on-going competitiveness of the total executive compensation plan and review benefit plans to ensure competitive fitness. Establish and periodically review policies in the area of perquisites and fringe benefits for key contributors.
3. 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, and set appropriate compensation levels based on this evaluation. Review market data and salary structure recommendations provided by the AgFirst Bank's Human Resources Department.
4. Review and approve management's recommendations and provide guidance on matters relating to senior officer compensation and appointments. Senior Officers are defined in FCA Reg. 619.9310.
5. Review and approve annual and, if appropriate, long-term incentive compensation programs for the association, including plan design, documentation, and incentive amounts. Review the annual corporate plan and the appropriateness of financial measures and degree of difficulty in achieving targets. Recommend any bonus considerations outside established policies and guidelines.
6. Annually review executive development and succession plan, as well as orderly succession to the position of Chief Executive Officer.
7. Annually approve the association's salary structure and merit matrix to be used in conjunction with the performance appraisal form.
8. Carry out special assignments from the Board Chairman regarding issues on compensation and employee benefits.
9. Conduct an annual self-evaluation of the Committee's performance and make recommendations to the full Board regarding committee member appointments and removals.
10. Review and recommend compensation for the Board.
11. Review periodically this Charter and make appropriate recommendations to the full Board.
12. Approve any association severance plans and benefits offered under severance plans.
13. Perform any related assignments as appointed by the association Board.
14. Review annually the changes in Human Resources policies and procedures as required by changes in related law.

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