

## Compensation Committee Quarterly Planning Checklist

### THROUGHOUT THE YEAR

- Review the Charter for the Compensation Committee to the Board (annually)
- Review and approve Compensation Committee meeting minutes
- Review new hire/promotion compensation arrangements for Section 16b officers

### FIRST QUARTER

- Review and approve the appropriateness of financial measures used in incentive plans and the "stretch" required to achieve specific performance targets
- Prepare proxy report for public shareholders
- Recommend to the Board compensation for the Board of Directors
- Evaluate and report to the Board on the performance of the CEO and any resulting compensation decisions
- Review and approve prior year's performance and resulting bonuses for plan participants.

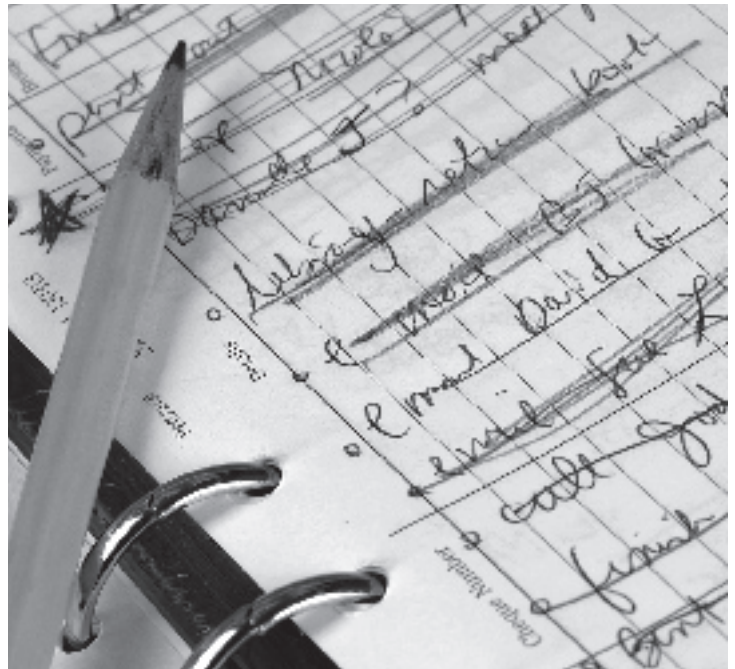
### SECOND QUARTER

- Review areas of particular difficulty in attracting/retaining staff, progress/development of senior officers during the year, and succession planning
- Review and approve management's decisions with regard to salary, bonus, equity grants, and other compensation for elected officers and discuss officer development needs

### THIRD QUARTER

- Review compensation philosophy statement including alignment with the company's strategic plan, program objectives and peer group of companies for compensation/financial comparison purposes
- Assess the ongoing competitiveness of the total executive compensation package
- Approve the initial design of and subsequent amendments to any incentive compensation (bonus) plan, equity participation plan, supplemental executive benefit plan, or termination plan
- Discuss/evaluate the role of equity and share ownership goals/guidelines for elected officers
- Review how the executive compensation program is communicated to participants

= Compensation Consultant Input Recommended



### FOURTH QUARTER

- Review and approve management's recommendations with regard to the aggregate merit increase budget and guidelines
- Approve aggregate awards under various incentive arrangements (i.e., stock option plan, annual bonus plan, and sales incentive plan)
- Review and approve contributions to retirement plans and savings plans
- Recommend to the Board the annual salary level and short and long-term incentive opportunities for the CEO
- Evaluate any specific compensation-related actions with regard to elected officers which would fall outside established policies and guidelines

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