

**Alliance Bank**  
**Compensation Committee Charter**  
**Adopted November 19, 2003**

**Purpose**

The Compensation Committee shall report to the Board of Directors and be responsible for ensuring that the Company provides a compensation and benefits program that furthers the goals of the Company, as prescribed by the Forward Planning Committee and the Board of Directors, and that is appropriate to maintain and develop management personnel of a caliber capable of ensuring the continued success of the Company and appropriate to attract and retain the services of key employees, upon whose judgment, interest and special effort the successful conduct of the Company's operation is largely dependent. The Compensation Committee shall discharge the Board's responsibilities relating to the production of an annual report on executive compensation for inclusion in the Company's proxy statement.

**Committee Composition**

The Compensation Committee shall consist of at least three members of the Board of Directors, one of whom shall serve as Chair of the Committee. All of the members of the Committee shall be "*independent*" directors, as determined by the Board under the standards set forth in the Board's Corporate Governance Guidelines.

**Primary Duties and Responsibilities**

**Management Compensation:**

1. Review and approve the Company's total compensation goals, objectives and programs covering executive officers and key management employees, including the position of Chairman of the Board.
2. Review the competitiveness of the Company's total compensation practices.
3. Evaluate and review the performance levels of executive officers in the light of the Company's goals and objectives, including the position of the Chief Executive Officer, and determine the annual base salaries and incentive awards to be paid based upon this evaluation.
4. Discuss its evaluation of, and recommended compensation to, the Chief Executive Officer at executive session of the Board of Directors.
5. Review and make recommendations to the Board of Directors with respect to the Company's executive compensation plans, including the incentive-compensation plans and equity-based plans, in relation to its corporate strategy.
6. Exercise administrative functions assigned to the Committee under various benefit plans.
7. Review recommendations of Company management for major changes in compensation, benefits and retirement plans, which have application to significant

- numbers of the Company's total employees and which require review or action by the Board of Directors.
8. The Committee shall have sole authority to retain, terminate, approve fees and other retention terms of any consultant(s) hired to assist in the evaluation of CEO or other senior executive compensation.

**Reporting Responsibilities:**

9. Produce an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations.
10. Report immediately following the meeting of the Board all significant items discussed at any Compensation Committee meeting.

**Other Responsibilities and Authority:**

11. On a regular basis, evaluate the Committee's performance.
12. On a regular basis evaluate the Company's Pension Fund's performance and its Investment Policy.
13. Perform such other oversight functions that from time to time may be assigned to it by the Board of Directors.
14. Review and reassess the adequacy of the Compensation Committee Charter on a regular basis.

**Committee Meetings**

The Compensation Committee shall hold meetings regularly during the year and at any additional time as the Committee Chair deems necessary. The Committee may request that members of management be present as needed in order to execute the Committee's primary responsibilities.