



ESTABLISHED 1887

# **BROOKLYN FEDERAL SAVINGS BANK**

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## **Brooklyn Federal Bancorp, Inc. Compensation Committee Charter Adopted: 04/19/05**

### **1. Purpose**

The Compensation Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Brooklyn Federal Bancorp, Inc. (the "Company") to assist the Board in fulfilling its responsibilities as related to the development of criteria and goals for the Company's executive management and then to review and approve the compensation of the Company's executive management (for the purposes of this Charter, "executive management" means all individuals qualifying as "officers" of the Company as defined by Rule 16-1(f) of the SEC Regulations).

### **2. Committee Membership**

The Committee shall be composed of a minimum of three (3) directors, each of whom shall meet the independence requirements of the Nasdaq Stock Market and qualify as an "outside director" under Section 162(m) of the Internal Revenue Code and as a "non-employee director" under Rule 16b-3 of the SEC Regulations. The Board of Directors shall appoint a new member or members in the event that there is a vacancy on the Committee that reduces the number of members below three (3), or in the event that the Board of Directors determines that the number of members on the Committee should be increased.

A chairman of the Committee (the "Chairperson") will be designated by majority vote of the full Committee membership. The Chairperson shall be responsible for determining meeting agendas (which shall be circulated in advance of meetings) and the length of meetings.

The entire Committee or any individual Committee member may be removed from office without cause by the affirmative vote of a majority of the Board. Any Committee member may resign effective upon giving written notice to the Chairman of the Board, the Corporate Secretary or the Board. If the resignation is effective at a future time, the Board may elect a successor to take office when the resignation becomes effective.

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### **3. Meetings**

The Committee shall meet at least semi-annually, and may hold additional meetings, which additional meetings may be held in person or telephonically, in the discretion of the Chairperson. The Committee may ask members of management or others, including legal counsel, to attend meetings or to provide relevant information. However, the Chief Executive Officer ("CEO") is prohibited from being present during voting or deliberation of matters involving CEO compensation. The CEO may be present and may participate during deliberations, but may not vote on the compensation of other executive officers. A majority of Committee members shall constitute a quorum, and a majority of the members present at any meeting shall decide any questions brought before the Committee.

### **4. Authority and Responsibilities**

The specific authority and responsibilities of the Committee shall include, but are not limited to, the following:

#### **A. Compensation and Management Goals**

1. Review and approve Company objectives relevant to the CEO and the cash and equity compensation of the CEO, to evaluate CEO performance relative to set goals, and to determine (or recommend to the full Board of Directors for determination) CEO compensation based on this evaluation. In determining the long term incentive components, if any, of CEO compensation, the Committee, in its discretion, may consider Company performance and shareholder return relative to comparable companies and the value of similar incentive rewards given to the CEO in past years.
2. Review and approve goals relevant to the compensation of the Company's executive officers, review such officers' performance in light of these goals and determine (or recommend to the full Board of Directors for determination) such officers' cash and equity compensation based on this evaluation.
3. Review succession planning and management development for senior management, including the CEO, on at least an annual basis.
4. Review and approve the annual compensation percentage increase, both cost of living and merit, available for all staff.
5. Determine the compensation to be paid to directors of the Company and of affiliates of the Company for their services on the Board.
6. Review and approve, subject to the authority of the full Board, the terms of employment and severance agreements/arrangements for members of executive management, including any change of control and indemnification provisions.

#### **B. General Procedures**

1. Provide public disclosure including the Committee's annual executive compensation report in the Annual Meeting Proxy Statement.
2. Retain and terminate any compensation consultant or legal counsel used to assist the Committee in fulfilling its responsibilities.
3. Report to the full Board any actions taken for ratification by the Board as necessary.
4. Annually review this Charter and recommend changes to the Board.

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