

# Compensation Committee Charter



## Mission and Purpose

The Compensation Committee shall provide assistance to the Board of Directors in achieving the Company's purpose of maximizing shareholder value by ensuring that executive officers ("executives") and non-employee directors are compensated in accordance with the Company's compensation philosophy, objectives, and policies. The Committee shall review and approve executive compensation policies and strategies, pay and benefit levels necessary to support corporate objectives. In carrying out its responsibilities, the Compensation Committee will draw on expertise of corporate staff and management and, if and when it deems appropriate, hire outside advisers or experts to assist the Compensation Committee with its work. The Compensation Committee may delegate its responsibilities to the extent permitted by law.

## Organization

The Board of Directors shall have a Compensation Committee composed of three or more Board members who:

- Meet the criteria of independence under
  - NYSE listing standards
  - Section 162(m) of the Internal Revenue Code
  - Rule 16b-3 of the Securities Exchange Act of 1934
- Are free of any relationship that would interfere with their exercise of independent judgement as Committee members.

The Board appoints members of the Compensation Committee upon the recommendation of the Governance Committee. Compensation Committee members may be removed or replaced by the Board from time to time in its discretion.

A Compensation Committee chair shall be elected by the Committee after taking into account the recommendation of the Governance Committee and shall be responsible for reporting to the full Board activities and decisions of the Committee.

## Responsibilities

The Compensation Committee shall:

1. Assist the Company in defining a total compensation policy for Section 16(b) officers ("executives" or "executive") which (1) supports the Company's overall strategy and objectives; (2) attracts and retains executives; (3) links total compensation to financial performance and the attainment of strategic

objectives; (4) provides competitive total compensation opportunities at a reasonable cost while enhancing shareholder value creation; and (5) takes into consideration the impact of such compensation policy in relation to the Company's risk management objectives.

2. Act on behalf of the Board of Directors in setting compensation policy, administering compensation plans and making decisions on the compensation of Company executives, including the review and approval of merit and other compensation budgets and payouts under incentive plans. With respect to compensation of the chief executive officer ("CEO"), the Committee will make recommendations to the Executive Committee, which shall make the final decision regarding CEO compensation matters.
3. Review and approve executive perquisites, employment agreements (*including management agreements*), and supplemental benefits (*e.g., Profit Sharing Plans, and Non-Qualified Deferred Compensation Plans, etc.*) of the CEO and executives of the Company.
4. Annually evaluate CEO and other executives' compensation (*including base pay, Executive Officer Cash Incentive Plan, and LTIP*) levels and payouts against (1) pre-established, measurable performance goals and objectives; and (2) an appropriate comparable group. In recommending to the Board the long-term incentive component of the CEO's compensation, the Compensation Committee should consider the Company's performance and relative shareholder return, the value of similar awards to CEO's of comparable companies, and the awards given to the CEO in past years.
5. Review and approve new hire offer packages for executives.
6. Review and comment on the Company's strategic and financial plans to determine their relationship to the compensation program.
7. Review, and approve and administer new executive compensation plans and any other plans that require committee oversight that are consistent with the compensation policy, and monitor the appropriateness and effectiveness of such plans.
8. Discuss with management whether the Company's compensation policies and practices create risks, including risks that are reasonably likely to have a material adverse effect on the Company.
9. Review the performance evaluation of the CEO and, when appropriate, the evaluation of executives of the organization in connection with the Committee's evaluation of their compensation levels and payouts.
10. Review and discuss with management the Compensation Discussion and Analysis and recommend to the Board of Directors whether it should be included in the Company's proxy statement.

11. In coordination with the Audit Committee (or other appropriate committee(s)), review and approve, where required, in advance the contents of SEC and other regulatory filings relating to compensation matters. This includes oversight of the compensation disclosure in the proxy statement, including the compensation tables, narrative disclosures and the corresponding Compensation Discussion and Analysis, and preparation of the Compensation Committee Report.
12. Oversee the total executive compensation program and practices to determine whether they are designed with full consideration of all tax, accounting, legal and regulatory requirements.
13. Recommend pay levels for Board members including retainers, fees, benefits and perquisites for vote by the full Board. Given the inherent conflict of directors setting their own pay levels, these recommendations will be reviewed by third parties such as the Company's human resources department or outside consultants.
14. After taking into account its purpose and responsibilities as outlined in this Charter, make an annual assessment of the manner in which it has met such responsibilities (including the number of meetings held, an overall review of matters considered and approved, and the number of meetings attended by each Committee member), and its overall performance.
15. Establishment and administration of any policies related to the clawback of compensation, including approval of any amendments to such policies.
16. The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser (collectively, the "Advisers"). The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Adviser retained by the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to an Adviser retained by the Committee. The Committee may select an Adviser to the Committee only after taking into consideration all factors relevant to the Adviser's independence, including the factors set forth in Section 303A.05(c) of the NYSE Listed Company Manual.
17. Conduct all meetings in accordance with the Company's by-laws and file all minutes and written actions in the Company's records.
18. The Committee will meet four times a year, with the option to meet additional times on an as needed basis, called either by the chair or management.
19. Prior to all sessions, the Committee chair will review agendas and materials. Committee members will also have the right to request that items be added to an agenda at a future meeting.

20. Perform such other duties and responsibilities as may be assigned to the Committee from time to time by the Board. The Committee may form and delegate authority to subcommittees when appropriate. The Committee shall make regular reports to the Board.
21. Each regular Committee meeting will include an executive session without the presence of Tennant management.
22. The Committee shall report regularly to the Board through presentations at Board meetings, reports made during Executive Committee meetings or by submission of the minutes of the Committee meetings to the Board.