

SECURITIES INVESTOR PROTECTION CORPORATION

COMPENSATION COMMITTEE CHARTER

Section 1. Establishment of Committee

The Compensation Committee (“Committee”) of the Board of Directors (“Board”) of the Securities Investor Protection Corporation (“SIPC”) is a committee established by action of the SIPC Chairman and the Board pursuant to Article 3, Section 1, of the SIPC Bylaws.

Section 2. Purposes

The purposes of the Committee are to assist the Board in determining the appropriate compensation for SIPC personnel, and to formulate and oversee implementation of a total compensation strategy for SIPC.

Section 3. Composition

As set forth in SIPC Bylaw Article 3, Section 1, the Committee shall be composed of three directors, one from each of the three classes of director. One member shall be designated by the Chairman of the Board to serve as the Committee chairman.

Section 4. Meetings

The Committee shall meet as needed to fulfill its responsibilities, but will meet at least once annually to discuss appropriate compensation for SIPC personnel and the proposed annual compensation plan prepared by management. A majority of the incumbent Committee members shall constitute a quorum for the transaction of business.

Section 5. Authority and Responsibilities

The Committee shall have the following authority and responsibilities:

1. To inquire into any matter it considers appropriate to carry out its purposes and responsibilities, with access to all books, records, facilities, and personnel of SIPC;
2. With Board approval, to retain experts, advisors, and consultants, as appropriate, to assist it in carrying out its duties regarding the compensation of SIPC personnel and compensation strategy;
3. To establish, review, and update the compensation strategy and structure for approval by the Board;
4. To recommend to the Board strategies and plans for merit pay/incentives/severance pay and other unusual compensation arrangements that may arise;

5. To oversee the development and administration of SIPC's Human Resource programs and policies including talent management, staffing, performance management, benefits, and succession planning; and
6. To periodically review the Committee's responsibilities as set forth in this Charter and to recommend any changes to the Board for consideration.