

Charter of the Compensation Committee of the Board of Directors of SVB&T Corporation

Purpose of the Compensation Committee

The purpose of the Committee shall be to assist the Bank in attracting, retaining and motivating a sufficient number and quality of people to execute the Bank's strategy. The Committee shall review and provide guidance on policy and general direction of all Human Resources practices, including but not limited to employee salaries and benefits, executive compensation and Directors' fees.

Membership

The Compensation Committee ("Committee") shall consist of a minimum of three (3) Directors, as determined by the Board. The Human Resources Manager shall act as advisory member (non-voting). Both Committee Chair and membership shall be nominated by the Board chair and approved or removed by the Board as a whole. Members of the Committee are independent and unencumbered by conflicts of interest that may interfere with their ability to objectively carry out their duties.

Duties and Responsibilities

The Committee shall have the following authority and responsibilities:

1. Reviewing the strategy, goals and objectives of the Company;
2. Reviewing and recommending the Chief Executive Officer's and executive officers' compensation including base salary, incentive compensation, and long-term incentive compensation in relevant market terms (e.g., as compared to peers);
3. Reviewing Management's annual assessment of the Company's variable incentive compensation arrangements and ensuring that the following principles of sound compensation systems are adhered to: 1) balancing risk taking in any incentives (identifying and managing any risks involved); 2) ensuring that all plans are compatible with effective controls and risk management processes; 3) providing strong Corporate governance on all plans;
4. Approving compensation programs by establishing performance goals and confirming that performance goals have been attained;
5. Reviewing recommendations from the Chief Executive Officer and Human Resources Manager concerning compensation plans, offerings and adjustments, and making its recommendations to the Board;
6. Approving the annual award totals under the Company's compensation plans; approving the terms and conditions for the types of award under such Plans; reviewing and recommending payouts under compensation plans to the board; and approving the overall bonus pool for any cash- or stock-based incentive compensation to the employees of the Company. The Chief

Executive Officer, with the concurrence of a majority of the members of the Committee, is authorized to approve awards under Company equity-like Plans to prospective hires and to current officers (other than the Chief Executive Officer) for retention purposes;

7. Reviewing and approving fees, retention compensation, and long-term incentive awards for members of the Board of Directors (subject to ratification by the full Board) on an annual basis, to determine if it is commensurate with the Directors' duties and responsibilities. The Committee shall make recommendations to the full Board as to any changes in Director compensation in order to ensure the Bank and Corporation retain and attract the highest quality individuals;
8. Reviewing and approving recommended executive and senior officers special compensation offers including employment agreements, severance arrangements, and Change in Control agreements and provisions when and if appropriate, as well as any special supplemental plans (such as SERP, BOLI) and extensions thereof;
9. Reviewing and approving changes by Management in the Company's qualified benefit plans that result in a material change in costs or the benefit levels provided;
10. Providing oversight and guidance on the Bank's 401(k) process and the selection of Trustees, including periodic review of performance inside the Plan;
11. Reviewing and assessing the Committee's performance and charter at least annually, and recommending any proposed changes in its charter to the Board, as required under "Performance Evaluation," below (this Charter may be amended by vote of a majority of the members of the Committees; any amendment to this Charter is subject to ratification by the full Board of Directors of the Holding Company and the Bank, respectively);
12. Carrying out other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the compensation plans and programs of the Company.

Committee Structure and Operations

A majority of the Committee shall constitute a quorum. The Board shall designate a member of the Committee as its chairperson. The Committee may take action as determined by a majority of the members present at a meeting of the Committee.

The Committee may delegate some or all of its duties to a subcommittee comprising one or more members of the Committee. The Committee may ask members of Management or others whose advice and counsel are relevant to the issues then being considered by the Committee to attend any meetings and to provide such pertinent information as the Committee may request. If additional funding or resources are required to Executive Committee Charter, such request may be brought before the Board per Committee vote.

The Committee shall meet at least annually, or more frequently as circumstances dictate. Current schedule is for two (2) regular meetings (spring and fall). The Committee

Chairperson shall preside at each meeting and, in consultation with the other member of the Committee, will set the frequency and length of each meeting and the Agenda of items to be addressed at each meeting. The Chairperson of the Committee shall ensure that the Agenda for each meeting is circulated to each Committee member in advance of the meeting. The Committee shall maintain minutes of its meetings and records relating to those meetings. When issues of great sensitivity are deliberated, committee is authorized to enter into executive session and dismiss management as required or prudent. Committee shall re-enter regular session in order to finalize decisions deliberated in executive session. It is typical that minutes are not taken in executive session in order to protect the privacy of such discourse.

The Committee shall formally report to the Board at least once a year on budget-related, human resources items that Committee is charged with evaluating.

Performance Evaluation

Each year, the Committee shall compare its performance with the requirements of this charter, set forth its objectives for the next year, and recommend changes in this charter, if any, considered appropriate by the Committee. Such evaluation shall be reported to the Board in such manner as the Committee from time to time determines.

Resources and Authority of the Committee

The Committee shall have the resources and authority to discharge its duties and responsibilities, including the authority to retain counsel and other experts or consultants. If it is deemed desirable to retain an independent consulting firm to assist in determining executive compensation, the committee shall have sole authority to retain and terminate any such firm, including the approval of fees and other terms of such retention.

Nothing contained in this charter is intended to, or should be construed as, creating any responsibility or liability of the members of the Committee except to the extent otherwise provided under applicable Indiana law which shall continue to set the legal standard for the conduct of the members of the Committee.