

# **ACTUANT CORPORATION BOARD OF DIRECTORS**

## **COMPENSATION COMMITTEE**

### **CHARTER**

#### **STATUS**

The Compensation Committee is a committee of the Board of Directors.

#### **PURPOSE**

The Compensation Committee will discharge the responsibilities of the Board of Directors relating to leadership development, management succession, and compensation of the Company's executive officers and produce an annual report on executive compensation for inclusion in the Company's proxy statement in accordance with applicable rules and regulations.

#### **MEMBERSHIP**

The Compensation Committee will consist of members of the Board of Directors, as the Board will from time to time determine. Each member will be (1) a "non-employee director" as that term is defined for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended; (2) an "outside director" as that term is defined for purposes of Section 162(m) of the Internal Revenue Code, as amended; and (3) "independent" as that term is defined by the listing standards of the New York Stock Exchange, as amended and satisfy the additional independence requirements specific to compensation committee membership set forth in such Listing Standards.

#### **APPOINTMENT AND REMOVAL**

Based on recommendations of the Nominating and Governance Committee, the Board of Directors will elect the members of the Committee at its first meeting following the Annual Meeting of Stockholders. Unless the Governance Committee appoints a Chair, the members of the Committee will designate a Chair by a majority vote of the full Committee membership. A Committee member may resign by delivering his or her written resignation to the Chairman of the Board of Directors, or may be removed by majority vote of the Board of Directors and delivery to such member of written notice of removal, to take effect at a date specified therein, or upon delivery of such written notice to such member if no date is specified.

#### **DUTIES AND RESPONSIBILITIES**

The Compensation Committee will have the following duties and responsibilities:

(1) To review and approve an executive compensation philosophy for the Company that is consistent with the Company's long term strategy and annual operating plans;

(2) To review and approve corporate goals and objectives relevant to the compensation for executive officers, evaluate the performance of executive officers in light of those goals and objectives, and approve the compensation level of executive officers based

on this evaluation; provided, however, that CEO compensation and performance will be reviewed with and subject to approval by the Board of Directors.

(3) To administer executive incentive-compensation plans and equity-based plans established or maintained by the Company from time to time (the “Plans”).

(4) To make recommendations to the Board of Directors with respect to the amendment, termination or replacement of the Plans.

(5) To review employee benefit plans, as well as supplemental benefit plans/perquisites for corporate officers.

(6) To review leadership development and succession plans for corporate and subsidiary officers.

(7) To recommend to the Board the compensation for Board members, including director fees, committee member fees, lead director and chairperson fees, restricted stock and/or stock options, D&O insurance and other compensation elements as appropriate.

(8) To conduct an annual evaluation of the performance of the Committee.

(9) To review and reassess the adequacy of this charter on an annual basis and receive approval of changes from the Board.

## **POWERS AND AUTHORITY**

The Board of Directors delegates to the Compensation Committee all powers and authority that are necessary or appropriate to fulfill its duties and obligations hereunder, including without limitation:

(1) To interpret the provisions of the Plans,

(2) To establish rules it finds necessary or appropriate for implementing or conducting the Plans.

(3) To grant or to approve or disapprove participation (or qualifications therefor) of individual employees in incentive compensation plans and equity based plans established or maintained by the Company. The Committee may delegate to management the authority to grant options or other incentive compensated in designated circumstances.

(4) To make all other decisions and determinations required of the Compensation Committee by the terms of the Plans or as the Committee considers appropriate for the operation of the Plans and the distribution of benefits thereunder.

(5) To establish subcommittees for the purpose of evaluating special or unique matters.

## **ADVISERS**

The Compensation Committee has the authority and right, in its sole discretion and at the expense of the Company, to retain or obtain the advice of a compensation consultant, independent legal counsel, accountant, or any other consultant or adviser (collectively, "Advisers") in connection with the Compensation Committee's functions and responsibilities. The Compensation Committee shall be directly responsible for the appointment, compensation, oversight and termination of any Adviser retained by the Compensation Committee. The Compensation Committee shall have the sole authority to approve the fees and other retention terms of such Advisers. The Company shall provide for appropriate funding, as determined by the Compensation Committee, for:

- (1) payment of reasonable compensation to any Advisers retained by the Compensation Committee; and
- (2) ordinary administrative expenses of the Compensation Committee that are necessary and appropriate in carrying out its functions and responsibilities.

The Compensation Committee may retain or obtain advice from an Adviser only after taking into consideration all factors relevant to the Adviser's independence from management, including the following:

- (1) the provision of other services to the Company by the person that employs the Adviser;
- (2) the amount of fees received from the Company by the person that employs the Adviser, as a percentage of the total revenue of the person that employs the Adviser;
- (3) the policies and procedures of the person that employs the Adviser that are designed to prevent conflicts of interest;
- (4) any business or personal relationship of the Adviser with a member of the compensation committee;
- (5) any stock of the Company owned by the Adviser; and
- (6) any business or personal relationship of the Adviser or the person employing the Adviser with an executive officer of the Company.

While the Compensation Committee is required to consider the independence of any Adviser, the Compensation Committee is not precluded from retaining or obtaining advice from any Adviser that is not independent. In addition, the Compensation Committee is not required to conduct the independence assessment outlined above with respect to any Adviser that consults on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors of the Company and that is generally available to all salaried employees or any Adviser that does not provide customized or Company-specific information to the Compensation Committee."

## **MEETINGS**

The Compensation Committee will meet quarterly and at such other times as it deems necessary to fulfill its responsibilities. The Compensation Committee will keep minutes of all

meetings and regularly report to the Board of Directors on its activities.

## **COMMITTEE ACTION**

A majority of the members present will decide any question brought before the Compensation Committee. The actions by the majority may be expressed either by a vote at a meeting or in writing without a meeting. A majority of the members will constitute a quorum.

## **PROCEDURES**

The Chairman of the Compensation Committee will work with the Committee to establish an annual calendar and rules of governance that are appropriate for the conduct of the business of the Committee. The Chairman will appoint as secretary a person who may, but need not, be a member of the Committee. A certificate of the secretary of the Committee setting forth the names of the members of the Committee, or actions taken by the Committee will be sufficient evidence at all times as to the persons constituting the Committee, or such actions taken.

## **REPORTING**

The Committee shall do the following with respect to the Company's SEC reporting obligations:

- (1) Review and discuss among the Committee and with management the Compensation Discussion and Analysis required to be included in the Company's SEC filings;
- (2) Based on its review and discussions, determine whether to recommend to the board of directors that the Compensation Discussion and Analysis be included in the Company's SEC filings; and
- (3) Review and approve the Committee's report that is required to be made in the Company's SEC filings.