



CHARTER OF THE COMPENSATION COMMITTEE

GENERAL

This Charter sets forth the authority and duties of the Compensation Committee (the “Committee”). The Committee shall serve as the Compensation Committee for VantageSouth Bank (the “Bank”). The Board of Directors of the Bank (the “Board”) has delegated to the Committee responsibility on a range of compensation and benefit issues.

The Committee will discharge the Board’s responsibility in matters relating to:

- executive compensation,
- administration of the Company’s incentive compensation and equity-based plans, retirement plans, and
- production of an annual report on executive compensation for inclusion in the Bank’s Proxy Statement, in accordance with applicable rules and regulations.

The principal responsibility in compensating executives is to align the incentives of the executives with actions that will enhance long-term shareholder value.

The Committee will report its activities to the Board on a periodic basis.

The Committee will have the resources and authority appropriate to discharge its responsibilities, including authority to retain and terminate any experts.

This charter will be published on the Bank’s Website, available in written form upon request, and referenced in the Bank’s Annual Proxy Statement.

The Committee will review and assess the adequacy of this charter annually and recommend changes to the Board of Directors when necessary.

MEMBERSHIP

The Committee members and Chairman will be appointed by the Bank’s Board each year.

Committee members will serve at the pleasure of the Board and may be removed by the Board of Directors in its discretion at any time. The Chairman will chair all regular sessions of the Compensation Committee and set the agendas for the Committee meetings. Meetings of the Compensation Committee may be conducted by telephonic means when necessary.

The Committee will consist of five members, each of whom will satisfy, as determined by the Board of Directors, compliance issues as set forth by the Corporate Governance Committee. The composition of the Committee and the independence of its members will be reviewed annually by the Board of Directors.

MEETINGS

The Committee will meet as often as necessary to fulfill its duties and responsibilities.

Minutes of meetings will be approved by the Committee and will be filed with the Bank's Secretary for future reference.

The Committee may request any officer or employee of the Bank or the Bank's outside advisors, or any special counsel or advisors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

DUTIES AND RESPONSIBILITIES

The Committee will:

- 1) At least annually, review and approve corporate goals and objectives relevant to the compensation of the Bank's Chief Executive Officer ("CEO"), evaluate the CEO's performance in light of those goals and objectives, and recommend to the Board for action at an executive session the CEO's compensation level based on this evaluation (the CEO may not be present during voting or deliberation on the CEO's compensation by the Committee or at the executive session of the Board); in determining the long-term incentive component of CEO compensation, the Committee will consider various measures of the Bank's performance, including relative shareholder return, the value of similar incentive awards to CEO's at comparable banks, and the awards made to the CEO in past years.
- 2) At least annually, review and approve corporate goals and objectives relevant to the compensation of the Bank's other Executive Officers (a list of the Executive Officers is attached hereto as Exhibit A and shall be updated from time to time by the Committee to reflect any changes), evaluate their performance in light of those goals and objectives, and recommend to the Board for action at an executive session their compensation level based on this

evaluation; in determining the long-term incentive component of executive compensation, the Committee will consider various measures of the Bank's performance, including relative shareholder return, the value of similar incentive awards to other executive officers at comparable banks, and the awards made to such executive officers in past years;

- 3) Provide oversight of management's decisions concerning performance and compensation of other senior officers (other than Executive Officers) of the Bank. Senior officer compensation shall include salary, bonus, incentive and equity compensation;
- 4) Evaluate the Bank's financial performance and relative shareholder return in determining executive compensation, taking into consideration such factors as the economic environment and general market conditions;
- 5) Review and approve any severance or similar termination payments or arrangements proposed to be made presently or in the future to the CEO or any Executive or senior officer of the Bank;
- 6) Review and approve the Bank's annual salary increase budget and any policy issues related to the administration of the Bank's salary or benefit programs;
- 7) Prepare and submit an annual report on executive compensation for inclusion in the Bank's Proxy Statement, in accordance with applicable rules and regulation;
- 8) Make recommendations to the Board of Directors with respect to the Bank's incentive compensation and equity-based plans;
- 9) Serve as the stock option committee, and or deferred compensation committee for the various plans of the Bank.
- 10) Evaluate management succession plans; and
- 11) Annually evaluate the performance of the Committee and submit a written report to the Board of Directors; such evaluation will include a review of accomplishments of the Committee during the year and a comparison of actual performance to duties of the Committee.