



**Board of Directors of Altabancorp**

**COMPENSATION AND MANAGEMENT  
DEVELOPMENT COMMITTEE  
CHARTER**

**BOARD APPROVED JANUARY 28, 2020**

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**1. PURPOSES**

The primary purposes of the Compensation and Management Development Committee (the "Committee") of the Board of Directors (the "Board") of Altabancorp™ and its affiliate, Altabank™, collectively (the "Company"), are to: (a) recommend to the Board the cash and non-cash compensation of the Company's executive officers (as defined in the rules promulgated under Section 16 of the Securities Exchange Act of 1934, as amended, and referred to as executive officers ("EOs")); (b) evaluate the performance of the Company's Chief Executive Officer ("CEO"); (c) recommend to the Board, the cash and non-cash compensation of the Company's Board of Directors; (d) make recommendations to the Board with respect to the administration of the Company's equity-based and other incentive compensation plans; (e) recommend to the Board the total bonus pool for Company employees; (f) recommend to the Board the bonus pool for EOs; and (g) oversee the preparation of the "Compensation Disclosure and Analysis" and the related

Compensation Committee Report for inclusion in the Company's annual proxy statement, as the Company becomes subject to such requirements.

## **2. COMPOSITION**

- (a) At Least Three Members. The Committee shall consist of a minimum of three independent directors as defined in Section 2(b) below. The Board shall designate a Committee member as the Chair of the Committee, or if the Board does not do so, the Committee members shall appoint a Committee member as Chair by a majority vote of the authorized number of Committee members.
- (b) Independence. All of the members of the Committee shall be "independent" as determined by the Board and as defined in the listing standards of The NASDAQ Stock Market or such other national securities exchange on which the Company's securities are then listed, as the same may be amended from time to time (the "listing standards"), the rules and regulations of the Securities and Exchange Commission (the "SEC"), and any other laws applicable to the Company. In addition, at least two members of the Committee shall qualify as "non-employee directors" within the meaning of SEC Rule 16b-3, as promulgated under the Securities Exchange Act of 1934, amended, and as "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, or such successor provisions.
- (c) Appointment. Subject to the requirements of the listing standards and the bylaws of the Company, the Board shall annually appoint Committee members. Members of the Committee shall serve until their successors are appointed and qualified, or until their earlier retirement, resignation, or removal. The Board may fill any vacancies on the Committee and may remove any member of the Committee at any time, with or without cause.

## **3. MEETINGS, REPORTS, AND RESOURCES OF THE COMMITTEE**

- (a) Meetings. The Committee shall meet as often as it determines necessary or advisable, but not less than twice a year. Either the Chair or a majority of the Committee members may call meetings of the Committee. The

Committee may also hold special meetings or act by unanimous written consent as the Committee may decide. The meetings may be in person or by telephone. The Committee shall keep written minutes of its meetings. The Committee may meet in separate executive sessions with other directors, the CEO and other Company employees, agents, or representatives invited by the Committee, provided, however, that the Company's CEO is not permitted to be present during any Committee or Board meetings during the deliberations or voting on his or her compensation.

- (b) Procedures. The Committee may establish its own procedures, including the formation and delegation of authority to subcommittees, in a manner not inconsistent with this charter, the bylaws, applicable laws or regulations, or the listing standards. A majority of the authorized number of Committee members shall constitute a quorum for the transaction of Committee business, and the vote of a majority of the Committee members present at the meeting at which a quorum is present shall be the act of the Committee, unless in either case a greater number is required by this charter, the bylaws, applicable laws or regulations, or the listing standards.
- (c) Reports. The Committee shall provide to the Board, at an appropriate time prior to preparation of the Company's proxy statement for its Annual Meeting of Stockholders, a report of the Committee, which report shall be included in such proxy statement. The report shall include a discussion of the Committee's compensation policies applicable to the Company's executive officers, and such other information as may be required under the SEC's rules and regulations and the listing standards. The Committee shall also report to the Board on the major items covered by the Committee as it may determine to be appropriate.
- (d) Committee Access and Resources. The Committee is at all times authorized to have direct, independent, and confidential access to the Company's other directors, management, and personnel to carry out the Committee's purposes. The Committee shall have the sole authority to

retain and terminate, at the Company's expense, any compensation-consulting firm to assist in evaluating director, executive-officer, or CEO compensation, to oversee the work of the consulting firm, and to approve the consulting firm's fees and other retention terms. The Committee is also authorized to retain at the Company's expense, internal or external legal, accounting, or other advisers selected by the Committee for matters related to the Committee's purposes (and to terminate any such external advisers so retained). The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, outside legal counsel, and other advisors. In retaining or seeking advice from compensation consultants, outside counsel, and other advisors (other than the Company's in-house counsel), the Committee must take into consideration the factors specified in Rule 5605(d) of The NASDAQ Stock Market Rules. The Committee may retain, or receive advice from, any compensation advisor they prefer, including ones that are not independent, after considering the specified factors. The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms, or operation in favor of executive officers or directors, and that is generally available to all salaried employees or provides information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice. The Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel, or other advisor to the Committee, and the authority granted in this charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this charter. The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

#### **4. AUTHORITY AND RESPONSIBILITY**

In furtherance of its purposes, the Committee shall have the following authority and responsibilities:

- (a) Altabancorp CEO's Compensation. To annually review, evaluate, and approve corporate goals and objectives relevant to the CEO's compensation, evaluate his or her performance in light of those goals and objectives, and recommend to the Board the compensation levels based on this evaluation. In determining any long-term incentive component of the compensation, the Committee should consider factors that the Committee deems appropriate, including the Company's performance and relative shareholder return, the value of similar incentive awards provided to CEO(s) at comparable companies, and the awards given to the CEO in past years. The CEO may not be present during any voting or deliberations by the Committee on his or her compensation, but may be present in all other discussions. The Committee's decisions regarding performance goals and objectives and the compensation of the CEO shall be reviewed and ratified by all independent directors on the Board.
- (b) EO's Compensation. To annually review, evaluate, and make recommendations to the Board for approval with respect to the EOs of the Company: (i) the annual base salary level; (ii) the annual and/or quarterly incentive opportunity level, if any; (iii) the long-term incentive opportunity level, if any; (iv) employment agreements, severance arrangements, and change of control agreements/provisions, in each case as, when, and if appropriate; and (v) any special or supplemental perquisites and benefits. The Altabancorp CEO may be present at any meeting of the Committee at which the Committee deliberates or votes on executive compensation other than his or her compensation.
- (c) Oversight of Compensation Trends and Programs. To periodically review trends in management and Board compensation and the competitiveness of the Company's executive and director compensation programs: (i) to ensure the attraction and retention of director and corporate officers; (ii) to ensure the motivation of the EOs to achieve the

Company's bonus objectives; and (iii) to align the interest of the Company's management with the short- and long-term interests of the Company and its stockholders.

- (d) Benefits for New EOs. With input from the CEO, to review and recommend to the Board the terms and conditions of the compensation and benefits packages for the Company's new EOs.
- (e) Director Compensation. To evaluate annually and to recommend to the Board the appropriate level of cash and non-cash compensation for Board and committee service by non-employee members of the Board.
- (f) Officer Evaluations. To oversee the evaluation of the Company's CEO.
- (g) Oversight of Equity and Incentive Plans. Periodically review and make recommendations to the Board concerning the Company's equity and other incentive-compensation plans, including the need to amend existing plans or adopt new plans or arrangements.
- (h) Equity-Plan Awards. Assist the Board in the administration of the Company's stock-option plans and any equity- or incentive-compensation plans of the Company, and make recommendations to the Board with respect to stock-options grants and other discretionary awards (including restrictions on such grants or awards) for the Company's executive officers. The Committee shall have all authority of the Board to administer such plans. The Committee shall recommend to the Board grants of stock, stock options, restricted stock units, stock appreciation rights, or similar awards to individuals eligible to receive such awards under the Company's equity or incentive-compensation plans.
- (i) Retirement Plans. The Committee shall review at least annually the Company's retirement plans, including any supplemental executive retirement plans, and make recommendations to the Board regarding the need to amend existing plans or adopt new ones for the purpose of implementing the Committee's strategy regarding retirement benefits.

- (j) Compensation Discussion and Analysis. Oversee the preparation of a “compensation discussion and analysis” and a related “compensation committee report” for inclusion in the Company’s annual proxy statement and Form 10-K, in accordance with the rules of the SEC. The Committee shall review and discuss the compensation discussion and analysis with management each year prior to preparing the compensation committee report.
- (k) Annual Review of Charter and Performance Evaluation. Review this charter annually and recommend to the Board any changes it considers to be appropriate. The Committee shall conduct an annual evaluation of the Committee’s performance and shall present its findings and conclusions to the Board.
- (l) Compliance with Legal Requirements. Perform any other functions required by applicable law, rules, or regulations, including the rules of the SEC and the rules of any exchange or market on which the Company’s securities are traded. The Committee also shall perform such other functions as may be delegated to it by the Board from time to time.
- (m) Compensation Practices. Review the Company’s compensation practices and the relationship among risk, risk management, and compensation in light of the Company’s objectives and applicable regulatory guidance, including safety and soundness and the avoidance of practices that would encourage excessive risk.
- (n) Employment Agreements. Review any employment agreement entered into between the Company and an employee. Review and recommend for consideration and approval to the Board employment agreements entered into between the Company and any EO. Employment agreement(s) between the Company and the CEO will be overseen, and, as determined by the Committee, negotiated by the Committee or as delegated by the Committee.
- (o) Top Performers Review. Review periodically the Company’s reports on and retention efforts for identified top performers and report to the Board regarding same.

