



**FLORIDA PUBLIC UTILITIES COMPANY**  
**COMPENSATION COMMITTEE CHARTER**

**Purpose**

The Compensation Committee is appointed by the Board of Directors to review and approve the Corporation's compensation and benefit programs.

**Committee Membership**

The Committee will be composed of at least three directors. All members of the Committee shall satisfy the definition of "independent" under the listing standards of The American Stock Exchange ("Amex") and any standards of independence that may be prescribed for purposes of the federal securities, tax or other laws relating to the Committee's duties and responsibilities. The Committee members will be appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee and may be removed by the Board in its discretion. The Chairman of the Committee will be designated by the Board upon the recommendation of the Nominating and Corporate Governance Committee. The Committee shall have the authority to delegate any of its responsibilities to one or more subcommittees as the Committee may from time to time deem appropriate. Each such subcommittee shall consist of one or more members of the Committee. The Committee shall also have the authority to delegate any of its administrative or other responsibilities to executive officers or other employees of the Corporation where such delegation is consistent with applicable law and Amex listing standards.

**Meetings**

The Committee shall meet as often as its members deem necessary to perform the Committee's responsibilities, but not less than annually.

**Committee Authority and Responsibilities**

The Committee shall:

- review and approve the goals and objectives for purposes of determining the compensation of the Chief Executive Officer and evaluate the performance of the Chief Executive Officer in light of the goals and objectives and determine the Chief Executive Officer's compensation based on this evaluation and such other factors as the Committee shall deem appropriate;
- approve all salary, bonus, and any long-term incentive awards for executive officers;

- approve the aggregate amounts and methodology for determination of any and all salary, bonus, or long-term incentive awards for all employees other than executive officers;
- review and approve material changes in the Corporation's retirement, health, welfare and other benefit programs that result in a material change in costs or the benefit levels provided;
- review director fees and retainers on a periodic basis and recommend changes to the Board of Directors where appropriate;
- approve the annual Committee report on executive compensation and recommend to the Board of Directors the CD&A for inclusion in the Corporation's proxy statement;
- review and assess the adequacy of this Charter annually and recommend to the Board of Directors any proposed changes to the Charter;
- annually review the performance of the Committee.

The Committee will have the authority to retain compensation consultants and other professional advisors to assist it in carrying out its responsibilities, to the extent it deems necessary or appropriate. The Corporation will provide for appropriate funding, as determined by the Committee, for payment of the fees and expenses of any advisors retained by the Committee.

The Committee will make regular reports to the Board and will propose any necessary action to the Board. Such reports shall provide information with respect to any delegation of authority by the full Committee to a subcommittee or to management.