

## **Matthews International Corporation Compensation Committee Charter**

### **Statement of Purpose**

The Compensation Committee is a standing committee of the Board of Directors. The purpose of the Committee is to discharge the Board's responsibility as the Board and Committee decide related to compensation of the Company's executive officers and such other employees as the Committee may determine and related matters. The Committee shall also produce an annual report of the Company's compensation practices for inclusion in the annual proxy statement in accordance with applicable rules and regulations.

### **Authority**

The Committee shall have the ultimate authority and responsibility to engage any outside consultant to assist in determining appropriate compensation levels for the Chief Executive Officer (CEO) or other members of management and to approve the terms of any such engagement and the fees of any such consultant. In discharging its responsibilities, the Committee shall have full access to any relevant records of the Company, and may also request that any officer or other employee of the Company, including the Company's senior compensation or human resources executives, the Company's outside counsel or any other person meet with any members of, or consultants to, the Committee.

### **Membership**

The Compensation Committee shall be comprised of not less than three nor more than five members. Each member shall (i) be a member of the Board of Directors, (ii) be independent and qualified under standards established by applicable law and stock exchange listing standards, and (iii) meet the requirements of a non-employee director for purposes of Section 16 of the Securities Exchange Act of 1934, as amended. In addition, members of the Stock Compensation Committee, which is a sub-committee of the Compensation Committee responsible to administer the 2007 Equity Incentive Plan, shall qualify as an outside director under Section 162(m) of the Internal Revenue Code, as amended. Except in any such member's capacity as a member of the Compensation Committee, the Board of Directors, or any other board committee, no member shall accept any consulting, advisory, or other compensatory fee from the Company, or be an affiliated person of the Company or any subsidiary thereof.

### **Meetings**

The Compensation Committee will meet at least three times each year, with authority to convene additional meetings as circumstances require. All Committee members are expected to attend each meeting, in person or via teleconference. Meeting agendas will be prepared and provided in advance to members, along with appropriate informational materials. Minutes of each meeting will be prepared by the appointed Secretary of the Committee. If requested by any member of the Committee, time shall be allotted for an executive session of Committee members only and any executives or outside advisors they might want to invite.

### **Quorum**

A majority of the total number of Committee members then in office shall constitute a quorum for the transaction of business at any meeting. All matters shall be decided by the affirmative vote of a majority of members present in person or by proxy at a meeting duly called and held.

## **Responsibilities**

The following shall be the principal responsibilities of the Compensation Committee:

1. Policies and Procedures on Executive Compensation. The Committee shall make recommendations to the Board and to the boards of subsidiaries on all matters of policy and procedures relating to executive compensation.
2. Compensation of CEO. The Committee shall establish the CEO's goals and objectives and compensation (including salary, annual incentives and long-term incentives) level based on the Committee's performance evaluation of the CEO. The Committee chairperson shall communicate any compensation adjustments to the CEO each year.
3. Compensation of Executive Officers and Succession Planning. The Committee shall establish the compensation of the other executive officers. The Committee will review succession planning for the executive officers annually.
4. Post-Service Arrangements. The Committee shall evaluate the post-service arrangements and benefits of the CEO and other executives and their reasonableness in light of practices at comparable companies and any benefits received by the Company in connection with such arrangements.
5. Incentive Compensation Plans. The Committee shall make recommendations to the Board of Directors with respect to the establishment and terms of the Company's incentive compensation plans and equity-based plans and shall administer such plans, including the approval of grants of options, stock appreciation rights, restricted stock and other incentives under those plans.
6. Confirmation of Performance Levels. The Committee shall timely confirm as to the meeting of applicable performance levels under the Company's incentive compensation plans.
7. Approval of Report for Proxy Statement. The Committee shall approve the annual report on executive compensation for inclusion in the Company's annual proxy statement. The Committee shall also review and discuss with management the Compensation Discussion and Analysis ("CD&A") prior to filing the CD&A in the annual proxy statement.
8. Benefit Plans. The Committee shall create, amend, and terminate, subject to shareholder approval if required, officer benefit plans and employee benefit plans, except for the authorization to issue additional shares of the Company's common stock which authority is reserved for the Board. The Committee shall have the authority to appoint and terminate the named fiduciary or fiduciaries of such plans and shall monitor their performance, unless such fiduciaries are specified in the constituent plan documents.
9. Committee Performance Evaluation. The Committee shall evaluate its performance on an annual basis and develop criteria for such evaluation consistent with the responsibilities set forth in this charter.
10. Delegation. The Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee. In addition, the Committee may delegate to Company officers or a committee of employees any of its

responsibilities with respect to non-equity based plans including, but not limited to, plans created pursuant to the Employee Retirement Income Security Act of 1974 and employment practices created consistent with the various state laws.

11. Other Delegated Responsibilities. The Committee shall also carry out such other duties that may be delegated to it by the Board of Directors from time to time.
12. Review of Charter. The Committee shall reassess and report to the Board on the adequacy of this charter on an annual basis.