



**MINERALS TECHNOLOGIES INC.**  
The Chrysler Building  
405 Lexington Avenue  
New York, NY 10174-0002  
USA

**CHARTER of the COMPENSATION COMMITTEE**  
**of**  
**MINERALS TECHNOLOGIES INC.**

**I. Purpose**

The primary purpose of the Compensation Committee (the "Committee") is to assist the Board of Directors (the "Board") of Minerals Technologies Inc. (the "Company") in the discharge of its responsibilities by: (i) overseeing the executive compensation practices of the Company; (ii) making recommendations to the Board with respect to incentive-compensation plans and equity-based plans, and (iii) producing an annual report on executive compensation for inclusion in the Company's proxy statement.

**II. Composition**

The Board shall appoint (and remove) all Committee members, including its Chair. The Committee shall be composed of at least three (3) members, all of whom shall be members of the Board, and each of whom shall: (i) meet the independence requirements of the New York Stock Exchange ("NYSE"), as determined by the Board, and of Section 10A of the Securities Exchange Act of 1934 and the rules promulgated thereunder by the Securities and Exchange Commission ("SEC"), as amended from time to time (the "1934 Act"); (ii) qualify as "non-employee directors" within the meaning of Rule 16b-3 of the 1934 Act; and (iii) meet the "outside director" requirements of Section 162(m) of the Internal Revenue Code of 1986 and the rules and regulations promulgated thereunder, as amended from time to time. Members should have sufficient knowledge and familiarity in the area of compensation practices and policies to discharge the duties and responsibilities of the Committee. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings. No action of the Committee shall be invalid or void solely because of a failure of any member to meet the requirements of this paragraph.

**III. Duties and Responsibilities**

The Committee shall have and may exercise the powers of the Board in matters relating to the following duties and responsibilities, to the fullest extent permitted by law:

- **Oversight:** The Committee shall interpret and implement all aspects of compensation and benefits of all executive officers and non-employee members of the Board. In carrying out this duty, the Committee's responsibilities shall include, but not be limited to:
  - (i) Establish compensation and benefits policies, plans and programs for executive officers and non-employee members of the Board and determine eligibility requirements for, and the type, amount and timing of, such compensation and benefits provided or paid pursuant to such policies, plans and programs.
  - (ii) Monitor, on an on-going basis, such policies, plans and programs, and adopt or recommend amendments to existing policies or the establishment of new policies, plans and programs, including all incentive compensation and equity-based plans.



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- (iii) Review and approve annual and long-term performance criteria and goals at the beginning of each performance period applicable to each Company incentive plan, and certify results achieved at the end of each performance period for all executive officers of the Company.
- (iv) Make individual compensation determinations including, but not limited to, salary, annual and long-term incentive awards of cash and stock, stock option grants, other equity grants, and the totals thereof, with respect to the Company's Chief Executive Officer ("CEO") and other elected officers (collectively, the "Executive Group"). In the case of the CEO, such determination shall be presented to the Board for its ratification.
- (v) Consider, among other factors, individual, business unit and Company strategic progress and performance relative to prior years' results, economic and business conditions, annual and long-term goals, and comparative/competitive pay and performance levels in carrying out the Committee's duties hereunder.
- (vi) Review and approve all Executive Group employment contracts and other compensatory, severance or change-in-control arrangements for current and former members of the Executive Group.
- (vii) Review and recommend to the Board compensation arrangements for non-employee members of the Board on the advice of outside compensation counsel or the General Counsel, and assist the Board in developing corporate governance guidelines relating to director compensation.
- (viii) Review and recommend to the Board director and officer indemnification and insurance matters on the advice of the General Counsel.
- (ix) Annually review and appraise the performance of the CEO.
- (x) Annually review the executive performance appraisal process and program and the management development and succession planning policies and programs of the Company with the CEO and present to the Board for its review the results of such assessment.
- (xi) Establish and periodically review policies and practices relative to Executive Group perquisites and expense accounts.
- (xii) Reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- (xiii) Annually review and evaluate the performance of the Committee, including compliance by the Committee with this Charter.



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- Additional Approval Requirements: The foregoing notwithstanding, any policies, plans and programs that provide for material compensation of non-employee directors or that reserve additional equity securities for issuance in connection with options or other equity awards, and any material amendments to such programs, shall be subject to approval of the full Board, and to the extent required by law or NYSE rule, the stockholders of the Company.
- Delegation: The Committee, in its sole discretion, may delegate the authority granted hereunder, subject to applicable limitations under the Delaware General Corporation Law. Such delegation may include delegation to a subcommittee.
- CEO Compensation: With respect to the CEO, the Committee shall specifically review and approve Company goals and objectives relevant to the CEO's compensation, evaluate the CEO's performance in light of those goals and objectives, and set the CEO's compensation level based on this evaluation. In determining the incentive components of CEO compensation, the Committee shall consider, among other factors, the Company's strategic objectives and progress, Company performance and relative shareholder return, the retention, motivation, performance and contributions of the CEO, the value of similar incentive awards to CEOs at comparable companies, the awards given to the Company's CEO in past years, and general economic and business conditions.
- Compliance and Reporting: The Committee shall produce annual reports summarizing compensation policies for the Company's CEO and other executive officers for inclusion in the Company's proxy statement in accordance with SEC rules and regulations.

**IV. Meetings and Reports to the Board**

The Committee shall schedule at least three regular meetings per year, at which a Secretary, designated by the Committee members, shall keep minutes. The Committee shall meet in executive session at least annually. The Chairman of the Committee shall report regularly on the Committee's activities and actions to the full Board at the Board meeting immediately following each Committee meeting.

**V. Outside Consultants**

The Committee shall have the sole authority and discretion to retain outside compensation consultants, legal counsel or other independent third-party experts to advise the Committee in discharging its duties and responsibilities. This authority includes the power to approve such firm's fees and any other terms of retention.

(April 2003)