

CIB MARINE BANCSHARES, INC.
BOARD OF DIRECTORS

Compensation & Stock Option Committee
Charter

Purpose

The Compensation and Stock Option Committee (the “Committee”) shall discharge the Board’s responsibilities in respect of compensation of the executive officers and certain other employees of CIB Marine Bancshares, Inc. (“CIB Marine”) as herein provided, and to administer the CIB Marine Bancshares, Inc. 1999 Stock Option and Incentive Plan, as amended (the “Plan”).

Quorum and Voting Requirements

A majority of the committee shall constitute a quorum, and a majority of the quorum shall be necessary for Committee action. The Committee may act by unanimous consent in writing without a meeting.

Composition of Committee

The Committee shall be appointed by the Board of Directors and shall consist of not less than three members of the Board of Directors, none of whom are officers or who hold any other non-director position in CIB Marine or its subsidiaries and all of whom are “non-employee directors” within the meaning of Rule 16(b)-3 under the Securities and Exchange Act of 1934 and “outside directors” within the meaning of Section 162(m) of the Code. The Committee shall appoint one of its members as Chair. The Committee members shall serve until their death, resignation or removal by the Board of Directors.

Vacancies

Vacancies on the Committee shall be filled by the Board of Directors.

Committee Meetings

The Committee shall meet at least twice a year, regularly throughout the year as necessary and at any additional time the Committee Chair deems necessary. The Committee may request that members of management of CIB Marine or its subsidiaries be present as needed at any meeting in order to perform its duties and responsibilities. The Committee shall appoint a Secretary for its meetings and keep regular minutes of its proceedings and such minutes shall be presented to the Board of Directors for its review. Meetings may be held by conference call or similar communication equipment by which all members participating in the meeting can hear and speak with each other.

Duties and Responsibilities

- A. Management Compensation.
 - 1. Review and approve CIB Marine’s compensation goals and objectives, and the programs implementing same, with respect to the executive officers of

CIB Marine, including the Chief Executive Officer (“CEO”), and other employees of CIB Marine and its subsidiaries as provided herein.

2. Assess the competitiveness of CIB Marine’s overall compensation practices and programs.
 3. Annually review and evaluate the performance of the executive officers of CIB Marine and make recommendations to the Board of Directors relative to the compensation and incentive rewards of such executive officers.
 4. Review with the President and CEO the performance, compensation and incentive rewards of any other officers or employees of CIB Marine whose salary is equal to or greater than \$125,000.
 5. Make recommendations to the applicable Boards of Directors of CIB Marine’s subsidiaries with respect to the compensation and incentive rewards of the President, Chief Executive Officer and any other employees whose salary is equal to or greater than \$125,000 of each subsidiary.
 6. Review and make recommendations to the Board of Directors with respect to all of the CIB Marine executive compensation plans, including incentive compensation plans and stock option plans.
 7. Review recommendations of CIB Marine management for significant changes in compensation, benefit and retirement plans which would have application to a substantial number of the total employees of CIB Marine and its subsidiaries and which require review and approval of the Board of Directors.
 8. In consultation with management, oversee regulatory compliance with respect to compensation matters, including overseeing CIB Marine’s policies and procedures on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.
 9. Develop, and review periodically, CIB Marine’s plans for management development and management succession.
- B. Stock Options.
1. Administer the Plan pursuant to the terms of the Plan.
 2. Regularly review, on at least an annual basis, the Plan and report to the Board of Directors thereon.

3. Make recommendations to the Board of Directors in respect of changes to the Plan.
4. Determine with respect to options to be granted to officers and employees of CIB Marine and its subsidiaries, including non-employee directors, the number of shares of common stock to be subject to each such option, the duration of the option, the exercise price under each option, the time or times within which (during the term of the option) all or portions of each option may be exercised, whether cash, common stock, or other property may be accepted in full or partial payment upon exercise of an option, any other terms and conditions of such options; and the type of such options. The determinations of the Committee in respect hereof shall be subject to approval of the Board of Directors. In making such determinations, the Committee may take into account the nature of the services rendered by the optionee, his or her present and potential contributions to the success of CIB Marine and its subsidiaries, and such other factors as the Committee shall, in its discretion, deem relevant.

C. Reporting Responsibilities

1. Prepare an annual report of the Committee on Executive Compensation for inclusion in CIB Marine's annual proxy statement.
2. Report to the Board of Directors all significant items and matters coming before the Committee.
3. Report to the Board of Directors, no less often than annually, the status of CIB Marine's management succession plan.

Other Duties and Responsibilities

Perform any other duties or responsibilities expressly delegated to the Committee by the Board of Directors from time to time relating to CIB Marine's compensation programs.

Performance Evaluation

The Committee shall prepare and review with the Board of Directors an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with requirements of this Charter. The performance evaluation shall also recommend to the Board of Directors any improvements to the Committee's Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such a manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair of the Committee or any other member of the Committee designated by the Committee to make this report.

Consultants

The Committee shall have the resources and authority to appropriate to designate its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special counsel or other experts or consultants as it deems appropriate, without seeking approval of the Board or management.