



## **Koppers Holdings Inc.**

# **Management Development and Compensation Committee Charter**

Koppers Holdings Inc. (the "Company") shall form a management development and compensation committee (the "Committee") of the Board of Directors of the Company (the "Board") which shall have the purpose, responsibilities and powers set forth below.

### **I. Purpose**

The Committee shall discharge the Board's responsibilities relating to compensation of the Company's Directors and officers and perform the duties and responsibilities set forth in this Charter. The Committee is committed to ensure that the compensation practices of the Company are in full compliance with law, in compliance with the Company's Code of Business Conduct and Ethics and commensurate with the high standards of performance expected of the Company's Directors and officers.

### **II. Composition**

The membership of the Committee shall consist of at least three directors.

Each member of the Committee must be an independent director as defined by the Sarbanes-Oxley Act of 2002, the policies, practices and procedures of the New York Stock Exchange and the Company's Corporate Governance Guidelines (the "Guidelines"). A person may serve on the Committee only if he or she is a "Non-employee Director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

Each Committee member and the Chairperson will be recommended by the Company's Nominating and Corporate Governance Committee and shall be elected by vote of the Board to serve a term of one year or until their successors are duly elected, whichever is later. Committee members and the Chairperson may serve successive one-year terms without limitation. Prior to appointment, the compensation of the Committee members shall be fixed. A Director may be removed from the Committee by the Board. A Director may resign as a member of the Committee upon notice to the Secretary of the Company and the Chairperson of the Board.

### **III. Responsibilities and Duties**

The Committee's responsibilities and duties shall be to:

- A. Review and approve corporate goals and objectives relevant to compensation of the Company's Chief Executive Officer (the "CEO"), evaluate the CEO's performance in light of those goals and objectives, and set the CEO's compensation level based on such evaluation. In

determining the incentive components of the CEO's compensation, the Committee will consider the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, the awards given to the CEO in past years and such other factors as the Committee shall determine to be appropriate. The CEO's compensation should consist of an appropriate mix of salary and incentive-based opportunities, both in a mix of cash and equity, to provide stability and promote long-term growth of the Company.

- B. Review and make recommendations to the Board with respect to (a) the compensation for all Directors periodically, but at least once every two years and (b) the evaluation process and compensation structure for all officers and key executives (other than the CEO), including incentive-compensation plans and equity-based plans. The Committee believes that its principal responsibility in compensating executives is to incentivize and reward officer and employee performance that will lead to long-term enhancement of the value of the Company. Each element of the Company's executive compensation program serves a somewhat different purpose, and the Committee endeavors to provide a combination of compensation elements that enable the Company to attract, retain, incentivize and reward executives of superior ability who are dedicated to the long-term interests of the shareholders.
- C. Review and make recommendations to the Board with respect to the adoption of incentive-compensation plans and equity-based plans of the Company or its subsidiaries. Administer the Company's incentive-compensation plans and equity-based plans. The Committee will, among other things, determine which eligible employees receive awards under such plans, determine the types of awards to be received and the conditions thereof, and shall make any other determination or take any other action that it deems necessary or desirable to administer each incentive-compensation plan and equity-based plan.
- D. Review and make recommendations to the Board with respect to the adoption of defined benefit or defined contribution pension plans by the Company or its subsidiaries.
- E. Review and make recommendations to the Board regarding a succession plan, including succession in the event of an emergency or crisis, for the CEO and other officers and key employees, after considering recommendations of Management.
- F. Prepare an annual report on Director and executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations.
- G. Regularly report its activities to the Board.
- H. Review and make recommendations to the Board regarding revisions of this Charter.

- I. Evaluate the performance of the Committee.
- J. Perform such other responsibilities as may be delegated to it by the Board or by a plan of the Company or as set forth in the Guidelines.

Except as noted above, the Committee shall perform each of its responsibilities and duties at least annually, but more often if the Committee shall determine necessary or appropriate.

#### **IV. Committee Powers**

The Committee shall have the following powers:

- A. The sole power to retain and terminate a consulting firm, including the authority to approve the firm's fees and retention terms, to evaluate compensation of the CEO and other senior executives and Directors. Any such consultant shall report directly to the Committee.
- B. To obtain advice and assistance from internal or external legal, accounting, human resource or other advisors and to have direct access to such advisors without the presence of any officer or other employee of the Company.
- C. To form and delegate authority to subcommittees.
- D. Such other powers as may be necessary or appropriate to fulfill its purposes.

#### **V. Use of Advisers**

- A. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel or any other adviser retained by the Committee.
- B. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the Committee.
- C. The Committee may select a compensation consultant, legal counsel or other adviser to the Committee only after taking into consideration all factors relevant to that person's independence from management, including the following:
  - a. The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;

- b. The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- c. The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- d. Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- e. Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- f. Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

## **VI. Meetings**

The Committee shall meet at least quarterly, or more frequently as circumstances dictate. A majority of the members of the Committee shall constitute a quorum for the transaction of business. The agenda of each Committee meeting shall be established by the Chairperson with the assistance of appropriate members of the Company's Management. Each Committee member may suggest the inclusion of items on the agenda. Each Committee member may raise at any Committee meeting subjects that are not on the agenda for that meeting.