

**K-TRON INTERNATIONAL, INC.**

**CHARTER OF THE  
COMPENSATION AND HUMAN RESOURCES COMMITTEE  
OF THE BOARD OF DIRECTORS**

**Adopted March 12, 2004**

**I. Purpose**

The Compensation and Human Resources Committee (the “Committee”) of the Board of Directors (“Board”) of K-Tron International, Inc. (the “Company”) is appointed by, and generally acts on behalf of, the Board. The Committee’s purposes are:

- A. To establish and periodically review the Company’s compensation philosophy and the adequacy of compensation plans and programs for executive officers and other employees;
- B. To establish compensation arrangements for executive officers and to administer compensation plans;
- C. To review the performance of the executive officers and award incentive compensation and adjust compensation arrangements as appropriate based upon performance;
- D. To review and monitor management development and succession plans and activities; and
- E. To prepare the report on executive compensation for inclusion in the Company’s annual proxy statement in accordance with Securities and Exchange Commission rules and regulations.

**II. Membership**

- A. The Committee shall be composed of at least two directors, each of whom must be independent. A director shall qualify as independent if the Board has affirmatively determined that the director is independent within the meaning of the corporate governance rules of the Nasdaq Stock Market, Inc. In addition, for purposes of meeting the requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”), or any successor Code section, the Committee, or a sub-committee (which shall consist of at least two directors) approving the performance goals to which certain of the executive compensation is tied in making performance-based awards, shall consist solely of “outside” directors, as defined in Treasury Regulation 1.162-27(e)(3) promulgated under the Code. Moreover, for the purpose of facilitating the availability of the exemptive provisions of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Committee, or a sub-committee (which shall consist of at least two directors) approving grants and awards of Company securities (which shall be deemed to include, for purposes of this sentence, “phantom” securities),

shall consist solely of “non-employee directors,” as defined in Rule 16b-3(b)(3)(i) under the Exchange Act.

- B. The members of the Committee shall be appointed, and the Chairperson of the Committee shall be designated, by the Board (including the affirmative vote of a majority of the independent directors) for one-year terms or until their successors are duly appointed, subject to their earlier resignation, retirement, or removal. No member of the Committee shall be removed except by majority vote of the independent directors of the full Board then in office.

### **III. Meetings, Procedures and Funding**

- A. The Committee shall meet as often as it may deem necessary and appropriate in its judgment, but in no event less than two times per year. A majority of the members of the Committee shall constitute a quorum.
- B. The Chairperson of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.
- C. The Committee may request that any directors, officers, or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting to provide such information as the Committee requests.
- D. The Committee shall fix its own rules of procedure, which shall be consistent with the By-laws of the Company and this Charter.
- E. The Committee shall report to the Board on the matters discussed at each meeting of the Committee, including describing all material actions taken by the Committee at the meeting.
- F. The Committee shall keep written minutes of its meetings, as provided in the Company’s By-laws, which minutes shall be maintained with the books and records of the Company.
- G. The Committee may delegate authority to one or more members of the Committee when appropriate, but no such delegation shall be permitted if the authority is required by a law, regulation, or listing standard to be exercised by the Committee as a whole.
- H. The Committee shall have access to internal advisors and all other resources within the Company to assist it in carrying out its duties and responsibilities.
- I. The Committee shall have sole authority, and necessary funding, to retain, set compensation and retention terms for, and terminate any compensation and other consultants, legal counsel, or other advisors that the Committee determines to employ to assist it in the performance of its duties.

#### **IV. Duties and Responsibilities**

The Committee shall have the following duties and responsibilities:

##### **A. Compensation Philosophy, Plans, and Programs**

1. Periodically review, consider, and approve the philosophy for compensation of the Company's executive officers and other employees.
2. Establish compensation plans and programs for executive officers and other employees, including incentive and equity-based plans and programs, any appropriate employment contracts, special retirement benefits, and severance or change in control arrangements.
3. Annually review the adequacy of such plans and programs for the executive officers and other employees, ensuring appropriate levels of incentive to management, and aligning management's goals with the interests of shareholders, and report the results of, and recommendations resulting from, such review to the Board.
4. Administer the Company's incentive and equity-based plans and programs.
5. Monitor the requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended, and determine the extent to which the Company should comply with its provisions and any steps that the Committee must take in order to comply with such provisions.

##### **B. Specific Compensation Amounts and Incentives**

1. Establish annual base salary amounts and annual and long-term incentive awards for executive officers, in consultation with the CEO and such other advisors or the Committee deems appropriate. The CEO shall not be present during voting or deliberations regarding his or her own compensation.
2. Review and evaluate, at least annually and taking into account the views of the other members of the Board, the performance and leadership of the CEO and determine the amounts of annual and any long-term incentive awards and any adjustment to the annual salary amount, based upon such performance and such other factors as the Committee deems appropriate.
3. Review with the CEO his evaluation of the performance of the other executive officers and determine with the CEO the amounts of annual and any long-term incentive awards and any adjustments to the annual salary amounts, based upon such performance and such other factors as the Committee deems appropriate.

C. Management Development and Succession

1. Review and monitor management development plans and activities.
2. Review annually the process for identifying executive officers of the Company.
3. Review annually with the CEO the CEO's proposed succession plan for each executive officer and the CEO's evaluation of each executive officer.
4. Review with the Board the Company's succession plan for the CEO and other executive officers, including plans for emergency succession in case of the unexpected disability of the CEO.

D. Other Responsibilities

1. Annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for its approval.
2. Prepare the report on executive compensation for inclusion in the Company's annual proxy statement in accordance with Securities and Exchange Commission regulations.
3. Perform any other activities consistent with this Charter, the Company's Restated Certificate of Incorporation, the Company's By-laws, and governing law as the Committee or the Board deems necessary or appropriate.