

New Ulm Telecom, Inc.
Compensation Committee Charter

PURPOSE

The Compensation Committee assists the Board in carrying out its responsibilities with respect to (a) employee benefits, (b) executive compensation programs, and (c) director compensation.

MEMBERSHIP AND ORGANIZATION

- *Composition* – The membership of the Committee consists of at least three directors, each of whom shall (a) meet the independence requirements established by the Board and applicable laws, regulations and listing requirements, (b) be a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, and (c) be an “independent director” within the meaning of Section 162(m) of the Internal Revenue Code.
- *Meetings* – The Compensation Committee shall meet as often as may be deemed necessary or appropriate in its judgment, either in person or telephonically, and at such times and places as the Committee shall determine. The Committee may request the Company’s outside counsel to attend a meeting of the Compensation Committee or to meet with any members of, or consultants to, the Committee. Through minutes, the Compensation Committee shall report its activities to the Board regularly.
- *Selection and Removal* – Members of the Compensation Committee and its Chair shall be appointed by the Board Chair and ratified by the Board of Directors with input from the Corporate Governance/Nominating Committee. The Board of Directors may remove members of the Compensation Committee from such committee with or without cause.

RESPONSIBILITIES AND DUTIES

The functions of the Committee, on behalf of the Board, shall include having responsibility:

1. Utilizing input from the Board as a whole to review with the Board Chair, an annual performance evaluation of the President/CEO of the Company; provide thorough, objective feedback in the process and measure the executive’s performance against the established goals and objectives and recommend to the Board of Directors the amount of compensation for the President/CEO including salary, bonuses and other benefits.
2. To review and recommend to the Board any changes in the compensation for the Board, Board Chair and all other committee chairs.

3. Utilizing input from the Board as a whole to conduct evaluation of the Board Chair.
4. To review compensation philosophy, major compensation and benefit programs including incentive-compensation and equity-based compensation, and to administer particular programs for which the Committee is the designated administrator.
5. To review proposed new compensation and/or benefit arrangements, and review and recommend to the Board terms for any proposed employment agreements and severance arrangements for senior executive officers, including change-in-control provisions, plans or agreements.
6. To prepare the report or other such information as required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.
7. To review this Charter periodically and recommend any changes to the Board for approval.
8. To review the Compensation Committee's own performance annually.