

# Investors Title

INNOVATIVE BY INSTINCT

<b>COMPENSATION COMMITTEE CHARTER</b>
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- I. **Purpose of Committee.** The Compensation Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Investors Title Company (the "Company") for the primary purposes of reviewing and overseeing compensation policies and their application to members of the Board and the executive officers of the Company (the "Executive Officers").
- II. **Committee Membership.** The composition of the Committee must meet the following requirements:
- A. The Committee will be composed of at least three directors.
  - B. Except as otherwise permitted under applicable Nasdaq rules, each member of the Committee must be independent as determined by the Board in accordance with Nasdaq listing standards and the rules and regulations of the Securities and Exchange Commission.
  - C. At least two members of the Committee must qualify as "non-employee" directors as defined by Rule 16b-3 under the Securities and Exchange Act of 1934;
  - D. Except for director's fees, each Committee member, members of his or her immediate family and entities of which he or she is a partner, member, officer, director, or significant (greater than 10%) shareholder must not receive any compensation from the Company or any subsidiary of the Company including, but not limited to, fees paid for accounting, consulting, legal, investment banking, or financial advisory services; and
  - E. A Committee member must not have any affiliations with the Company, a subsidiary of the Company or any affiliate of a subsidiary of the Company that would impair, as determined by the Board, his or her judgment as a member of the Committee.

III. **Authority and Responsibilities.** The Committee's authority and responsibilities are set forth below.

A. **General.** In general, the Committee is responsible for:

1. approving compensation principles that apply to Company employees;
2. making recommendations to the Board with respect to incentive compensation plans and equity-based plans;
3. administering and otherwise exercising the various authorities prescribed for the Committee by the Company's stock option and restricted stock plans;
4. assisting the Board in its oversight of the evaluation and management of any material risks related to the Company's compensation policies and practices;
5. monitoring compliance with and enforcing the policy for the recovery of erroneously awarded compensation (the "Claw back Policy") applicable to the Executive Officers, in each case as required by the Claw back Policy, applicable Nasdaq listing rules, or the rules and regulations of the Securities and Exchange Commission, and periodically reviewing the Claw back Policy and recommending any changes to the Board;
6. performing any other activities that the Committee deems appropriate, or that are requested by the Board, consistent with this Charter, the Company's By-laws, and applicable laws and regulations; and
7. reviewing this Charter at least annually to ensure that it is effective and in compliance with applicable laws and regulations and recommending any changes to the Board.

B. **Executive Officers.** With respect to the Company's Executive Officers, the Committee is responsible for:

1. reviewing and approving corporate goals and objectives relevant to the compensation of the Executive Officers;
2. evaluating the performance of the Executive Officers in light of the approved corporate goals and objectives;
3. reviewing and determining, or recommending to the full Board for its determination, each element of compensation for the Executive Officers, provided that the Chief Executive Officer of the Company may not be present during voting or deliberations with respect to his or her compensation; and

4. in reviewing and determining Executive Officer compensation, considering the results of the most recent stockholder advisory vote on executive compensation ("say on pay vote").

**C. Compensation Consultants and Advisers.** The Committee:

1. may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser as it deems necessary in the performance of its duties;
2. will be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other adviser retained by the Committee;
3. will receive appropriate funding from the Company, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Committee; and
4. will, to the extent required by applicable Nasdaq listing rules, consider the independence factors specified by Nasdaq Listing Rule 5605(d)(3)(D) *before* selecting, or receiving advice from, a compensation consultant, legal counsel (other than in-house counsel) or other adviser to the Committee.

The Committee is not required to retain its own adviser or to implement or act consistently with the advice or recommendations of any adviser. The Committee may retain, or receive advice from, any compensation adviser it prefers, including advisers that are not independent, after considering the specified independence factors. The Committee will consider the specified independence factors for each adviser to the Committee at least annually.

The Committee shall evaluate whether the work of any compensation consultant (as described in Item 407(e)(3)(iii) of Regulation S-K under the Exchange Act) has raised any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K under the Exchange Act.

**D. Disclosure of Executive Compensation.** With respect to executive compensation disclosure, the Committee is responsible for each of the following to the extent required by the Securities and Exchange Commission's rules and regulations:

1. reviewing and discussing with management the Compensation Discussion and Analysis ("CD&A") section of the Company's proxy statement; and
2. preparing a Compensation Committee Report stating that the Committee has (a) reviewed and discussed the CD&A with management, and (b) based on such review and discussions, recommended to the Board that the CD&A be included in the Company's proxy statement and Form 10-K.

#### IV. Committee Governance.

- A. **Appointment.** At the first meeting of the Board following the annual meeting of shareholders, the Board will, by resolution, appoint the members of the Committee. The Board may appoint additional Committee members throughout the year as it deems necessary or advisable.
- B. **Removal.** The Board may remove a member from the Committee at any time; provided, however, that if removing a member of the Committee would cause the Committee to have fewer than three qualified members, then the Board must at the same time appoint an additional member to the Committee so that the Committee will have at least three qualified members.
- C. **Appointment of Chair.** At the time the Board appoints members of the Committee, it will appoint one of the members to act as Chair of the Committee and may, in its discretion, also appoint a Vice Chair of the Committee. In addition to chairing meetings of the Committee, the Chair (i) will be the liaison to Company management, (ii) will be responsible for working with Company management to set meeting agendas, (iii) will report to the Board pursuant to Section IV. J. below, and (iv) will be available to answer questions at annual meetings of shareholders. The Chair may temporarily delegate his or her responsibilities to the Vice Chair or another Committee member if the Chair is not available to perform them.
- D. **Removal of Chair.** The Board may remove the Chair at any time, provided that the Board appoints a new Chair at the same time.
- E. **Quorum.** A majority of the Committee will constitute a quorum.
- F. **Voting.** Each member of the Committee will have one vote.
- G. **Required Vote.** Action may be taken with the approval of a majority of the Committee present at a duly constituted meeting. Action also may be taken with the unanimous written approval of all Committee members.
- H. **Delegation.** Except as otherwise prohibited, the Committee may delegate to the Chair or to a subcommittee the right to review and determine any issue on behalf of the entire Committee, and the Committee may also delegate administrative tasks to employees of the Company; provided, however, that no such delegation can alter the fundamental duties and responsibilities of the Committee.
- I. **Meetings.** The Committee will meet at least two times per year. The Committee will meet at the request of any member of the Committee or any two members of the Board, at the time specified in the request. Meetings may be held in person, by telephone or by other form of interactive real-time electronic communication. Notice of meetings will be given to each member, normally at least two days before the meeting. Any meeting at which all members are present will be a duly called meeting, whether or not notice was given. The Committees will meet at least once per year without the Chief Executive Officer or other employees of the Company

or its subsidiaries present to discuss any matters that the Committee deems appropriate.

- J. **Reports to the Board.** At the next meeting of the Board after any Committee meeting, the Chair or his or her nominee will provide the Board with a report on the matters addressed at the Committee meeting.