

CHARTER OF THE COMPENSATION COMMITTEE  
NEOGEN CORPORATION

2011

**MEMBERSHIP**

The Committee will consist of not fewer than three directors, all of whom must be independent directors.

Committee members are to be appointed by the Board of Directors, after considering recommendations, if any, of the Governance Committee.

**FUNCTIONS OF THE COMMITTEE**

In cooperation and after consultation with the Chief Executive Officer the Committee will:

1. Review and approve the strategy and objectives of the Company's compensation programs;
2. Approve awards of senior management base and incentive compensation, ensuring that they align with the interests of the Company's shareholders;
3. Recommend to the Board of Directors an appropriate compensation package for outside directors; and
4. From time to time recommend to the Board of Directors appropriate changes in the Company's compensation policies and programs.

**GOALS AND RESPONSIBILITIES**

To carry out its responsibilities the Committee will, in cooperation and after consultation with the Chief Executive Officer:

1. After reviewing performance on an individual basis, approve levels of base pay, incentive compensation, and benefits for all officers of the Company except the CEO.
2. Annually review the performance of the CEO in light of the goals and objectives that had been established for him or her, and make compensation recommendations to the Board of Directors which reflect the outcome of that review;
3. Approve the Company's incentive plans and, as appropriate, recommend to the Board of Directors amendments to those plans or revised interpretations of plan provisions;
4. Review annually the Company's employee benefit programs;
5. Regularly review the Company's established compensation policies and programs and, as appropriate, recommend changes to the Board of Directors for approval;
6. If considered necessary, employ outside consultants to assist in fulfilling the Committee's responsibilities;

7. In cooperation with the Governance Committee review annually this charter and submit appropriate change recommendations to the Board of Directors;
8. In cooperation with the Governance Committee self-appraise annually the performance of the Committee and adjust its charter and its work agenda accordingly;

## **STRUCTURE AND OPERATIONS**

1. The Committee chairman will be appointed by the Board of Directors.
2. The Committee membership will rotate among outside directors as recommended by the Governance Committee and approved by the Board of Directors.
3. Committee recommendations that require Board action will be presented to the Board in a timely manner.
4. At each regularly scheduled Board meeting the Committee will report on actions taken, problems or issues that demand attention, and recommendations that require Board approval.
5. If requested, a representative of management will support the Committee chairman in preparation of meeting agendas, background materials, etc. and in providing such information to Committee members in a timely way.
6. If requested, a representative of management will insure that officers or other employees of the Company are available to the Committee when it wishes to consider and deliberate a particular issue.
7. The Committee will meet at such times as it determines necessary.