

# **World Acceptance Corporation**

## **COMPENSATION AND STOCK OPTION COMMITTEE CHARTER**

(NASDAQ Listed Company)

### **Purpose**

The Compensation and Stock Option Committee is appointed by the Board to discharge the Board's responsibilities relating (1) to compensation of the Company's directors and officers and (2) to the granting of stock options under the Company's stock option plans as same may now or hereafter exist. The Committee has overall responsibility for approving and evaluating the director and officer compensation plans, policies and programs of the Company and for formulating, revising and administering the Company's stock option plans.

The Committee is also responsible for producing annual reports on executive compensation and on stock option programs for inclusion in the Company's proxy statement.

### **Committee Membership**

The Committee shall consist of no fewer than three members each of whom shall meet the independence requirements of Section 1 OA(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act"), the rules and regulations of the Commission and any other requirements applicable to the Company..

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating & Corporate Governance Committee. The terms of appointments shall be for the Company's fiscal year. Vacancies on the Committee due to death, resignation or for any other reason may be filled by the Board with such replacement members serving for the balance of the vacancy's term.

### **Committee Authority and Responsibilities**

#### **A. Compensation:**

1. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, CEO or senior executive compensation and shall have sole authority to approve the consultant's fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
2. The Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objective, and recommend to the Board the CEO's compensation levels based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee will consider the Company's performance and relative shareholder return, the

value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years.

3. The Committee shall annually review and make recommendations to the Board with respect to the compensation of all directors, officers and other key executives, including incentive-compensation plans and equity-based plans.
4. The Committee shall annually review and approve, for the CEO and the senior executives of the Company, (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) employment agreements, severance arrangements, and change in control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits.

B. Stock Option Programs:

The Committee shall have sole and complete authority to

1. Interpret all terms and provisions of the Company's stock option plans consistent with law;
2. Select from the group of officers and key employees eligible to participate in the Plan the officers and key employees to whom options shall be granted;
3. Within the limits established by the applicable plan, determine the number of shares to be subject to, the exercise price of, and the term of each option granted to each of such officers and key employees;
4. Prescribe the form of instrument(s) evidencing options granted under the plan;
5. Determine the time or times at which options shall be granted to officers and key employees;
6. Make special grants of options to officers and key employees when determined to be appropriate;
7. Provide, if appropriate, for the exercisability of options granted to officers and key employees in installments or subject to specified conditions;
8. Determine the method of exercise of options granted to officers and key employees under the Plan;
9. Adopt, amend, and rescind general and special rules and regulations for the plan's administration; and
10. Make all other determinations necessary or advisable for the administration of the plan.

C. Administrative Powers and Functions:

1. The Committee may form and delegate authority to subcommittees when appropriate.
2. The Committee shall make regular reports to the Board.
3. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review its own performance.

Approved and adopted at the regularly scheduled meeting of the Board of Directors of World Acceptance Corporation on October 24, 2002.

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Judson K. Chapin, III  
Secretary and General Counsel