

## **GEHL COMPANY**

### **CHARTER OF THE COMPENSATION COMMITTEE**

#### **Statement of Purpose**

The Compensation Committee (the “Committee”) shall discharge the responsibilities of the Board of Directors of Gehl Company (the “Company”) with respect to the Company’s compensation programs and compensation of the Company’s executives and directors. The Committee has overall responsibility for establishing, approving and evaluating the director and officer compensation plans, policies and programs of the Company.

The Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company’s annual proxy statement, in accordance with applicable rules and regulations of the Securities and Exchange Commission.

#### **Committee Membership and Qualifications**

The Committee shall consist of not less than three members of the Board of Directors, each of whom shall meet the independence requirements of the NASDAQ Stock Market, Inc. (NASDAQ). Additionally, no director may serve on the Committee unless he or she (i) is a “Non-Employee Director” under the qualifications set forth in Rule 16b-3 of the Securities Exchange Act of 1934 and (ii) satisfies the requirements of an “outside director” for purposes of Section 162(m)(4)(C) of the Internal Revenue Code.

#### **Appointment and Removal of Committee Members**

The members of the Committee shall be appointed by the Board of Directors annually or as necessary to fill vacancies on the recommendation of the Company’s Nominating and Corporate Governance Committee. Each member shall serve until his or her successor is duly elected and qualified or until such member’s earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

#### **Chairperson**

The Chairperson of the Committee shall be appointed by the Board of Directors in consultation with the Chairman of the Board of Directors. The Chairperson will chair all regular sessions of the Committee and, in consultation with the Chairman of the Board of Directors, set the agendas for Committee meetings.

#### **Meetings**

The Committee shall meet at least two times annually, or more frequently as circumstances dictate. Any member of the Committee may call meetings of the Committee.

The Committee shall meet regularly in executive session, without Company management present. The Committee may invite to its meetings any officer, employee or director of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. A member of management shall not, however, be present at any discussion or review where his or her performance and compensation is being determined.

### **Responsibilities and Duties**

In furtherance of its purpose, the Committee shall have the following responsibilities and duties:

#### *Setting Compensation for Executive Officers and Directors*

1. The Committee shall review the overall compensation philosophy of the Company.
2. The Committee shall review and approve corporate and individual goals and objectives relevant to the Chief Executive Officer and other executive officer compensation.
3. The Committee shall evaluate the performance of the Chief Executive Officer and other executive officers in light of those criteria and, based on such evaluation, shall have sole authority to determine (while meeting in Executive Session) the annual salary, bonus, stock options and other benefits, direct and indirect, of the Chief Executive Officer and shall review and approve the annual salary, bonus, stock options and other benefits of the other executive officers.
4. In determining the long-term component of compensation of the Chief Executive Officer and the other executive officers, the Committee will consider various evaluation criteria, including the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers and other executive officers at comparable companies, and the awards given to the Company's Chief Executive Officer and other executive officers in past years.
5. In connection with executive compensation programs, the Committee shall:
  - a. Review and recommend to the Board of Directors, or approve, new executive compensation programs;
  - b. Review on a periodic basis the operations of the Company's executive compensation programs to determine whether they are properly coordinated and achieving their intended purpose(s); and
  - c. Establish and periodically review policies for the administration of executive compensation programs.
6. The Committee shall periodically review the perquisites offered to senior management personnel.

7. The Committee shall review and recommend to the Board of Directors the compensation of directors as well as review and make recommendations in connection with directors' and officers' indemnification and insurance matters.
8. The Committee shall review and recommend for approval to the Board of Directors any contracts or other transactions with current or former executive officers of the Company, including consulting arrangements, employment contracts, and severance or termination agreements.

#### *Monitoring Incentive and Equity-Based Compensation Plans*

9. The Committee shall review and make recommendations to the Board of Directors with respect to the Company's incentive-compensation plans and equity-based plans. The Committee shall have and shall exercise all the authority of the Board of Directors with respect to the administration of such plans.
10. The Committee shall make recommendations to the Board of Directors with respect to the establishment of new incentive compensation plans and equity-based plans.
11. The Committee shall review and approve all equity compensation plans of the Company that are not otherwise subject to the approval of the Company's shareholders.
12. The Committee shall review and make recommendations for approval to the Board of Directors all awards pursuant to the Company's equity-based plans.
13. The Committee shall monitor compliance by executive officers with the rules and guidelines of the Company's equity-based plans.
14. The Committee shall review employee pension, profit sharing and benefit plans applicable to senior management personnel.

#### *Reporting and Review Procedures*

15. The Committee shall prepare annually a report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations of the Securities and Exchange Commission.
16. The Committee shall report regularly to the Board of Directors (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Committee's Chairperson or any other member of the Committee designated by the Committee to make such report.
17. The Committee shall maintain minutes or other records of meetings and activities of the Committee.

### **No Delegation to Subcommittees**

The Committee shall not delegate any of its responsibilities to a subcommittee of the Committee.

### **Studies and Investigations**

The Committee shall have the power and authority to conduct or authorize studies and investigations into any matter of interest or concern within the scope of its responsibilities that the Committee deems appropriate, and shall have the sole authority to retain independent counsel, compensation consultants, accountants, or other experts to assist in the conduct of any such study or investigation, including the authority to approve fees payable to such experts and any other terms of retention.

### **Annual Evaluation**

The Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or appropriate.