

**MBT FINANCIAL CORP.
MONROE BANK & TRUST AND SUBSIDIARIES
(MBT)
COMPENSATION COMMITTEE CHARTER**

STATEMENT OF POLICY

The Compensation Committee shall provide assistance to the Board of Directors in fulfilling the Board's responsibilities relating to the organization, performance, compensation and succession of Management. The Compensation Committee shall also establish compensation guidelines for the Board of Directors.

ORGANIZATION

The members of the Compensation Committee shall be appointed by the board of directors and may be removed by the Board of Directors. The Committee shall consist of no fewer than three members, each of whom is a member of the Board. The Board of Directors shall appoint one member as the Committee Chairperson. The Compensation Committee shall meet at the call of its Chairperson. A majority of the members of the Compensation Committee shall be a quorum to transact business.

QUALIFICATIONS

The Compensation Committee shall be composed of independent directors, determined by the Board of Directors under the MBT Corporate Governance Guidelines & Directors' Policy. Each member of the Committee shall satisfy the independence requirements established by the Board of Directors and by NASDAQ, the Securities and Exchange Commission (the "SEC") and any applicable regulatory authority.

POWERS, DUTIES AND RESPONSIBILITIES

In discharging its responsibilities for the organization, performance, compensation, and succession of Management, the Compensation Committee shall:

- Review, evaluate, and establish, with the Chief Executive Officer, the compensation philosophy for MBT executives and employees.

- Have the authority to retain and terminate advisors to assist in discharging its duties including the authority to approve such advisors' fees and retention terms.
- Review and evaluate the performance of the Chief Executive Officer, in light of goals and objectives set by the Board of Directors that include MBT's performance and return to stockholders.
- Annually review and approve perquisites for the Chief Executive Officer and executive management.
- Set the Chief Executive Officer's and executive management's compensation based upon performance. The Chief Executive Officer may not be present during any deliberations regarding his or her compensation or any voting thereon.
- Consider and approve the Compensation Committee's report on executive compensation for inclusion in the MBT proxy statement or Annual Report on Form 10-K.
- Make recommendations to the Board of Directors with respect to incentive compensation plans, deferred compensation plans, executive retirement plans, and equity based plans.
- Annually review incentive compensation plans covering any employee that may expose the Bank to material risks, and identify with management action needed to manage such risk.
- Evaluate and establish Director Compensation.
- Administer incentive, deferred compensation and equity based plans.
- Annually review and update this charter for consideration by the Board of Directors.
- Annually evaluate performance and function of the Compensation Committee.
- Report the matters considered and actions taken by the Compensation Committee to the Board of Directors.