

PHI, INC.
Charter of the Compensation Committee

Composition

The Compensation Committee (the “Committee”) will be composed of at least three directors selected by the Board of Directors (the “Board”), and the Board will also select the Committee’s Chairman. The directors serving on the Committee will meet the independence requirements of the NASDAQ Global Market and the Securities and Exchange Commission. In addition, at least two members of the Committee will qualify as “outside” directors within the meaning of Internal Revenue Code Section 162(m) and as “non-employee” directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

Purpose

The Committee will discharge the Board’s responsibilities relating to establishing the Total Compensation (defined as compensation, benefits and perquisites) of the Company’s Chairman of the Board (the “Chairman”), the Chief Executive Officer (the “CEO”), the Company’s other Executive Officers (defined as any persons required to be listed as an executive officer in the Company’s Form 10-K) and any other employees whose Total Compensation exceeds in value 80% of the Total Compensation of the CEO (together with the Chairman, the CEO, and Executive Officers, the “Covered Employees”).

Committee Authority and Responsibilities

The authority and responsibilities of the Committee will be to:

1. Review and approve all key elements of Total Compensation for the Chairman and the CEO.
2. Review and consider for approval proposals made by the Chairman and the CEO with regard to the Total Compensation of each other Covered Employee.
3. Review and consider for approval any proposed employment, severance or change in control contract with any Covered Employee, or any proposed extension or significant amendment thereto.
4. Make recommendations to the Board with respect to incentive compensation and equity-based incentive plans that require shareholder approval, and administer the Company’s equity- and cash-based incentive plans to the extent provided in the applicable plan, including granting awards, establishing performance goals, and delegating authority thereunder.

5. Review, administer, and make recommendations to the Board with respect to the Company's outside director compensation program.
6. Receive periodic reports on the Company's broad-based compensation programs and succession planning.
7. Periodically assess risks arising out of the Company's compensation of the Covered Employees.
8. Review and consider for approval an annual report on executive compensation for inclusion in the Company's proxy statement in accordance with all applicable rules and regulations.
9. Delegate authority to subcommittees as it deems appropriate.
10. Perform such other duties and responsibilities as may be assigned to the Committee from time to time by the Board or its Chairman, including, without limitation, reviewing and approving the cash compensation budget for all Company employees, if requested.

Meetings

In consultation with the other members of the Committee and with management, the Chairman of the Committee will set the frequency of, and the agenda for, each Committee meeting. A majority of the members will constitute a quorum. To assist it in discharging its responsibilities, the Committee may invite to its meetings other directors or representatives of management, counsel, advisers, and any other persons whose pertinent advice or counsel is sought by the Committee.

Periodic Review of the Charter and Performance

This Charter will be reviewed periodically and revised as appropriate. The Committee will endeavor to conduct periodic evaluations of Committee performance.

Reports to the Board of Directors

The Committee will make regular reports to the Board, unless waived by the Board.

Outside Consultants

The Committee has sole authority to retain and terminate consulting firms, if any, used to assist in fulfilling its responsibilities in determining the compensation of Covered Employees and outside directors.

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As originally adopted by the Compensation Committee and the Board of Directors on March 10, 2004, and amended on March 4, 2008, November 4, 2014, August 4, 2016, and August 3, 2017.