

# **BROWN-FORMAN CORPORATION**

## **Compensation Committee Charter**

### **Purpose:**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors of Brown-Forman Corporation (the “Company”) is to assist the Board of Directors in fulfilling the Board's duties relating to the compensation of the Company's directors, officers and employees, by fulfilling the responsibilities of the Committee set forth in this Charter.

### **Committee Membership:**

The Committee shall be composed of at least three directors, each of whom shall be (a) “independent” as that term is defined by the listing standards of the New York Stock Exchange; (b) a “non-employee director” as that term is defined by Rule 16b-3 of the Securities and Exchange Commission (“SEC”); and (c) an “outside director” as that term is defined by the regulations applicable to Internal Revenue Code Section 162(m). The members of the Committee and the Chairperson shall be appointed by the Board and may be removed by the Board in its discretion.

### **Meetings:**

The Committee shall meet at least three times each year. The Chairperson(s) may call additional meetings as circumstances arise. A majority of the total number of members shall constitute a quorum to conduct business with the full authority of the Committee.

### **Committee Authority and Responsibility:**

The Committee acts with the authority of the Board with respect to the areas of responsibility listed below. All employees are directed to cooperate as requested by the Committee. The Committee shall have free and unimpeded access to members of the Human Resources Department to obtain information needed to carry out its responsibilities.

The Committee endeavors to ensure that the compensation programs of the Company are designed to enable the Company to recruit, retain and motivate talented and diverse domestic and international executives, while supporting organizational objectives and shareholder interests. The Board has delegated to the Compensation Committee responsibility for assisting the Board in its oversight of risks related to the Company's compensation policies and practices.

The Committee is responsible for producing the Compensation Committee Report and reviewing and discussing with management the Compensation Discussion and Analysis included in the annual proxy statement or annual report as required by applicable SEC rules and regulations.

The Committee has the sole authority to determine the compensation and benefits of the Company's Chief Executive Officer (“CEO”), including the award of equity-based compensation, bonuses, perquisites, and other incentives. The Committee also has the authority to review and approve the compensation and benefits of the Company's Chairman and/or a presiding Chairman of the Board and other executive officers and others whose compensation and benefits it determines to be within its purview, including officers who are or may be “covered employees” under section 162(m) of the Internal Revenue Code (“Designated

Executive Officers”). In determining the appropriate compensation to be awarded to the CEO, the Company’s Chairman and/or a presiding Chairman of the Board, the Committee shall annually review and approve the corporate goals and objectives relevant to their compensation, evaluate their performance in light of those goals and objectives and determine and approve their compensation level based on this evaluation. The Committee shall report its decisions on the compensation of the CEO and Chairman and/or Presiding Chairman of the Board to the full Board in executive session.

On an annual basis, the Committee shall also review and approve the compensation for the Company’s other Designated Executive Officers based the establishment of performance goals and objectives and an evaluation of the performance of those officers in light of those goals and objectives. The Committee may also make changes to any compensation or benefit program applicable to a Designated Executive Officer to comply with legal and regulatory requirements.

The Committee has the authority to determine the benefits available to executives within its purview in the event of a termination of employment or change-in-control of the Company, including provisions contained within any individual employment agreements.

The Committee shall make and approve grants of stock options, stock appreciation rights, and other discretionary awards under the Company’s stock option, stock appreciation right, or other equity incentive plans to all persons who are Board members or executive officers, as that term is defined by SEC Rule 16a-1 (“Section 16 Officers”), and to other eligible individuals. The Committee has the authority to establish stock ownership and/or stock holding guidelines for executive officers of the Company and to recommend to the Board stock ownership and/or stock holding guidelines for Company directors.

The Committee may delegate the authority to make awards to the eligible individuals other than Board members and Section 16 Officers to the Management Compensation and Benefits Committee or to one or more officers of the Company. Any officers to whom such authority is delegated shall periodically report to the Committee the grants so made. The Committee retains the right to change or revoke any delegation at any time.

The Committee shall review and make recommendations to the Board with respect to the approval and adoption of incentive-compensation plans, including equity-based plans.

The Committee shall review and make recommendations to the Board with respect to the remuneration and benefits provided to members of the Board.

The Committee shall advise the Board on Company proposals to shareholders on executive compensation matters and on the Board’s response to shareholder proposals on matters under the Committee’s purview.

The Committee shall promptly inform the Board of the actions taken or issues discussed at its meetings. This will generally take place at the Board meeting following a Committee meeting.

The Committee shall review this Charter on an annual basis and update it, when needed, with Board approval.

**Advisors:**

The Committee, as it deems necessary, shall have the exclusive authority, at the expense of the Company and without management approval, to retain, compensate, and oversee advisors to assist the Committee in the performance of its duties and to approve any other terms and conditions of the advisors' retention.

**Performance Review:**

The Committee shall annually evaluate the Committee's own performance.

May 26, 2011