

**DCB Financial Corp
Compensation Committee Charter
Adopted March 17, 2004**

Statement of Policy

The Compensation Committee shall provide assistance to the board of directors in fulfilling the board of directors' responsibilities relating to management organization, performance, compensation and succession, and establishing compensation for members of 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 Compensation Committee shall meet on the call of its chairman. The Compensation Committee has the authority to retain and terminate advisors, including compensation consultants, accountants and legal counsel, to assist in discharging its duties including the authority to approve such advisors' fees and retention terms. There will be at least three members of the Compensation Committee. 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 DCB Financial Corp Corporate Governance Guidelines. The members of the Compensation Committee shall be outside directors within the meaning of Section 162 (m) of the Internal Revenue Code. Each member of the Compensation Committee shall also be a "Non-Employee Director" as the term is defined by Rule 16b-3 of the Securities and Exchange Commission.

Powers, Duties and Responsibilities

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

- Consider and authorize the compensation philosophy for DCB Financial Corp's personnel.
- Review and evaluate chief executive officer and approve senior management performance, in light of goals and objectives set by the Compensation Committee that include DCB Financial Corp's performance and return to shareholders.
- Set the chief executive officer's and approve senior management's compensation based upon performance. The chief executive officer will not be present during the

Compensation Committee's deliberations about or voting on the chief executive officer's compensation.

- Annually review and approve perquisites for the chief executive officer and senior management.
- Consider and make recommendations to the board of directors on matters relating to organization and succession of senior management.
- Evaluate and establish director compensation.
- Consider and approve the report of the Compensation Committee for inclusion in DCB Financial Corp's proxy statement for its annual shareholders' meeting.
- Make recommendations to the board of directors with respect to incentive compensation plans, deferred compensation plans, executive retirement plans, and equity-based plans.
- Review and approve incentive, deferred compensation, and equity-based plans.
- Annually review and if necessary or appropriate, update this charter for consideration by the board of directors.
- Annually evaluate the performance and function of the Compensation Committee.
- Manage Investment alternatives and oversee administration of 401 K.
- Report the matters considered and actions taken by the Compensation Committee to the board of directors.