1ST COLONIAL BANCORP, INC. AND 1st COLONIAL COMMUNITY BANK COMPENSATION COMMITTEE CHARTER

PURPOSE

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of 1st Colonial Bancorp, Inc. is appointed by the Board to discharge the Board's responsibilities relating to compensation of the directors and officers of 1st Colonial Bancorp, Inc. and its wholly owned subsidiary, 1st Colonial Community Bank (collectively, the "Company"). The Committee has overall responsibility for approving and evaluating the director and officer compensation plans, policies and programs of the Company.

COMMITTEE MEMBERSHIP

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the Nasdaq Stock Market ("Nasdaq") independence requirements, except that if the Committee is comprised of at least three members, one director who does not meet such requirements and is not currently an executive officer or employee or a family member of an executive officer, may be appointed to the compensation committee if the Board, under exceptional and limited circumstances, determines that such individual's membership on the Committee is required by the best interests of the Company and its shareholders, provided that a member appointed under this exception may not serve longer than two years.

At least two members of the Committee shall also qualify as "outside" directors within the meaning of Internal Revenue Code Section 162(m) and as "non-employed" directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

The members of the Committee shall be appointed by the Board, which shall also designate one person as chairman. Committee members may be replaced by the Board.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

1. Subject to the requirements set forth below, the Committee shall have the sole authority to retain, terminate and oversee the work of any compensation consultant to be used to assist in the evaluation of director, CEO or senior executive compensation and shall have sole authority to approve the consultant's fees and other retention terms. The Committee shall receive the appropriate funding from the Company, as determined by the Committee, for the payment of compensation to its compensation consultants. The Committee shall also have authority to obtain advice and assistance from legal, accounting or other advisors. The compensation committee may select, or receive advice from, a compensation consultant or other adviser to the compensation committee only after taking into consideration the following factors:

    - the provision of other services to the Company by the compensation consultant or other adviser;
    - the amount of fees received from the Company by the compensation consultant or other adviser, as a percentage of the total revenue of the compensation consultant

or other adviser;

- the policies and procedures of the compensation consultant or other adviser that are designed to prevent conflicts of interest;
- any business or personal relationship of the compensation consultant or other adviser with a member of the Committee;
- any stock of the Company owned by the compensation consultant or other adviser; and
- any business or personal relationship of the compensation consultant other adviser with an executive officer of the Company.

Nothing set forth above requires a compensation consultant or other compensation adviser to be independent, only that the Committee consider the enumerated independence factors before selecting, or receiving advice from, a compensation adviser. The Committee may select, or receive advice from, any compensation adviser it prefers, including ones that are not independent, after considering the six independence factors outlined above.

The Committee is not required to conduct an independence assessment for a compensation adviser that acts in a role limited to the following activities: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for the Company or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

2. The Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and determine and approve the CEO's compensation levels based on this evaluation. The CEO shall not be present during voting or deliberations on his compensation. In determining the long-term incentive component of CEO compensation, the Committee will consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years.

3. The Committee shall review the CEO's recommendations for the base compensation of all Executive Officers of the Company, discuss same with the CEO, and approve or disapprove such compensation.

4. Establish and administer the Company's incentive compensation program for key executive and management employees, to include:

    a. Reviewing the Company's incentive bonus plan, equity incentive plan and any other incentive compensation plan from time to time adopted by the Company, recommend to the Board any changes to such plans the Committee deems necessary, and recommend and review any new incentive compensation plans the Committee deems necessary or advisable.

b. After reviewing the recommendations of the CEO, determine the participants in the Company's incentive compensation plans for key executive and management employees.

c. After reviewing operating results and individual performance and the recommendations of the CEO, determine incentive compensation payments and awards under the Company's plans.

d. After reviewing the recommendations of the CEO, grant stock options, restricted stock, restricted stock units and other awards under the Company's incentive compensation plans, and set procedures for administering such plans.

5. Review and approve employee benefits plans in addition to those set forth in paragraph 4 above, including group health and other insurance plans, profit sharing and 401(k) plans, and other employee benefit plans.

6. Review and approve executive perquisite programs.

7. Approve new employment or change in control agreements, if any, and modifications to existing employment or change in control agreements.

8. In connection with any proposed acquisitions, review and approve compensation and benefit arrangements for directors and senior executives of the acquired company, including any "golden parachute" restrictions under applicable banking regulations and state and federal tax laws.

9. Review and recommend to the Board for approval the compensation arrangements of non-employee members of the Board.

10. The Committee, and each member of the Committee, in his or her capacity as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by: (i) officers and other employees of the Company, who such member believes to be reliable and competent in the matters presented, (ii) counsel, public accountants or other persons as to matters that the member believes to be within the professional competence of such person.

11. The Committee may, when appropriate, delegate authority to one or more members or to one or more subcommittees established by the Committee.

12. The Committee shall review and reassess the adequacy of this Charter on an annual basis.

OPERATING PROCEDURES

The operating procedures for the Committee with respect to meetings, notice of meetings, quorums and records shall be the same as stipulated for the Board set forth in the Company's By-laws.

ACCOUNTABILITY

At each of the regular meetings of the Board, the Committee shall produce a summary of the actions taken at each Committee meeting for approval by the Board.

The Committee shall annually review the Committee’s own performance.