

**WILLAMETTE VALLEY VINEYARDS, INC.**  
**COMPENSATION COMMITTEE CHARTER**

**Purpose**

The Compensation Committee (the “Committee”) is responsible for working with management to establish appropriate compensation practices for Willamette Valley Vineyards, Inc. and its affiliated and subsidiary companies, if any (the “Company”). Specifically, the Committee, under a delegation of authority from the Company’s Board of Directors (“Board of Directors”), is responsible for determining the compensation and other benefits for “officers” (as defined in Rule 16a-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (“Executive Officers”). In addition, the Committee is responsible for management development plans and succession planning practices to ensure that the Company has sufficient management depth to support its continued growth and the talent needed to execute long-term strategies even in the event that one or more members of senior management retire or otherwise leave the Company, and for the production of an annual report on executive compensation for inclusion in the Company’s proxy statement, in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”).

**Composition**

The Committee shall be comprised of at least three (3) members, each of whom shall be a member of the Company’s Board of Directors, and each of whom will additionally (i) meet the independence requirements of The Nasdaq Stock Market, Inc., (ii) qualify as an “outside director” under Section 162(m) of the Internal Revenue Code, and (iii) qualify as a “non-employee director” under Rule 16b-3 promulgated under the Exchange Act. Members of the Committee and a Chair shall be appointed, and may be removed, with or without cause, by the Board of Directors. The Board of Directors shall appoint a new member or members in the event that there is a vacancy on the Committee, or in the event that the Board of Directors determines that the number of members on the Committee should be increased.

**Meetings**

The Committee shall meet in person or telephonically as often as may be necessary or appropriate, and may take action pursuant to unanimous written consent, at the discretion of the Chair of the Committee. Prior to each meeting, the Chair of the Committee will circulate to, or discuss the agenda for the meeting with each member of the Committee, though the Committee may consider and act upon matters not included upon such agenda. When considered appropriate by the Committee, the Committee may meet in separate executive sessions with management, employees, legal counsel, the internal auditor, and the independent auditor to discuss matters that the Committee or the other groups believe warrant Committee attention.

Members of the Committee are expected to use all reasonable efforts to attend each meeting. The Chair of the Committee may also request that members of management, legal counsel, or other advisors attend the meetings of the Committee.

## **Committee Authority and Responsibilities**

The specific authority and responsibilities of the Committee shall include, but are not limited to, the following:

1. In consultation with senior management, establish the Company's general compensation philosophy, and oversee the development and implementation of compensation programs for Executive Officers.
2. Conduct an annual review of and recommend the Company's compensation packages for Executive Officers of the Company. In connection therewith, the Committee shall review and recommend (a) the annual base salary level, (b) the annual cash bonus opportunity level, and (c) the long-term incentive opportunity level for each Executive Officer. The Committee's recommendations shall be reviewed and approved by a panel consisting of the independent directors of the Board of Directors. Directors who do not meet all of the independence requirements for Committee membership may participate in such panel discussions, but shall not be present or vote on whether to approve the Committee's recommendations.
3. Annually review the performance of the Executive Officers and conduct an annual review of and approve the Company's management development and succession planning practices and strategies.
4. Review and approve employment terms and agreements for new Executive Officers, any severance arrangements for Executive Officers, and any change of control, indemnification, or other employment or compensation-related agreements to be entered into with Executive Officers.
5. Periodically review other human resources programs and initiatives, as determined necessary or appropriate by the Committee.
6. Periodically evaluate and take steps to improve the effectiveness of the Committee in meeting its responsibilities under this Charter.
7. Prepare and issue the evaluations and reports required under "Committee Reports" below.

## **Committee Reports**

The Committee shall produce the following reports and provide them to the Board of Directors.

1. An annual Report of the Compensation Committee on Executive Compensation for inclusion in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.
2. A summary of the actions taken at each Committee meeting, which shall be presented to the Board of Directors at the next meeting of the Board of Directors.

## **Resources and Authority of Committee**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without seeking approval of the Board of Directors or management. With respect to compensation consultants retained to assist in the evaluation of Executive Officer compensation, this authority shall be vested solely in the Committee; provided that the Committee may, if it deems appropriate, use compensation consultants retained by the Company or management.

This Charter is intended to provide a set of flexible guidelines for the effective functioning of the Committee and is not intended to, and does not, obligate the Committee to take any particular actions or restrict the Committee from taking actions it deems necessary or appropriate. The Committee may modify or amend this Charter and the authority and responsibilities of the Committee set forth herein at any time.

Updated/Adopted by the Board of Directors January 2010