



WORLD-CLASS INVESTMENT MANAGER
®

FEDERATED INVESTORS, INC. COMPENSATION COMMITTEE CHARTER

The Board of Directors shall appoint annually the Compensation Committee (the “Committee”). The Committee shall have the responsibility and authority as described below. Members of the Committee shall serve at the will of the Board of Directors.

Composition

The Committee shall be comprised of not less than two directors. None of the members shall be a current employee of the Corporation and each shall be an “outside director” for the purposes of Section 162(m) of the Internal Revenue Code and a “non-employee director” for purposes of Rule 16b-3 of the Securities Exchange Act of 1934.

Responsibility and Functions

The responsibilities and functions of the Committee shall be to:

1. In the area of compensation and benefits, make recommendations to the Board of Directors on matters relating to the compensation of the Chief Executive Officer and the four highest compensated officers. The Committee shall have full decision-making powers with respect to compensation for executive officers to the extent such compensation is intended to be performance-based compensation within the meaning of Section 162(m) of the Internal Revenue Code;
2. Make recommendations to the Board of Directors regarding all contracts of the Corporation with the Chief Executive Officer and the four highest compensated officers for remuneration and benefits;
3. Serve as the Board Committee as defined in the Federated Investors, Inc. Stock Incentive Plan (the “Plan”) with such responsibilities as described in the Plan.

provided, however, that, unless the Board of Directors determines otherwise, the Committee shall have exclusive power and authority to exercise all powers and responsibilities with respect to all matters relating to the award or issuance of equity securities, stock options and stock-based rights of the Corporation, including the administration of stock-based compensation plans of the Corporation, as they apply to the Chief Executive Officer and the four highest compensated officers of the Corporation except that the Chief Executive Officer and the Board of Directors may make non-binding recommendations to the Committee with respect to such matters.

The Committee shall also perform such additional duties and have such additional responsibilities and functions as the Board of Directors may from time to time determine.

Meetings; Review Procedures

(a) The Committee shall hold at least one meeting each year and others as determined by the Committee or its chairperson.

(b) The Committee shall review and evaluate on at least an annual basis the performance of the Chief Executive Officer and each of the other executive officers of the Corporation and report to the Board of Directors concerning the results of its evaluation.

(c) The Committee shall at least annually review and evaluate the compensation of and benefits provided to the Chief Executive Officer and the four highest compensated executive officers and report to the Board of Directors concerning the results of its evaluation.

(d) The Committee shall at least annually review and discuss with management the Compensation Discussion and Analysis Section of the Corporation's Information Statement on Schedule 14C, and based on its review and discussions, the Committee shall recommend to the Board the Compensation Discussion and Analysis section be included in the Corporation's Information Statement on Schedule 14C.

(e) A report of all Committee meetings will be made to the Board of Directors at the next meeting of the Board of Directors.

Date adopted: October 23, 1998, revised as of December 31, 2006.