



The ADT Corporation

Compensation Committee Charter

December 2013

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Purpose

The Compensation Committee (the “Committee”) is appointed by the board of directors (the “board”) of The ADT Corporation (the “Company”) to (subject to the section captioned “Responsibilities and Duties” below):

- a. Carry out the board’s responsibilities relating to compensation of the Company’s executives;
- b. Establish and oversee the executive compensation and employee benefit programs for the Company;
- c. Evaluate the executive compensation and employee benefit programs to determine whether they are properly administered and achieving the intended purpose;
- d. Evaluate and approve the compensation policies, plans and programs for the Company’s CEO, Section 16(b) Officers and Senior Executives (“Section 16(b) Officer” and “Senior Executive” are defined under the Company’s separate Delegation of Authority);
- e. Review and approve the Company’s equity-based compensation plans; and
- f. Administer any other related responsibilities and duties delegated to it by the board from time to time.

Authority

The Committee has authority to take appropriate actions necessary to discharge its responsibilities. Such authority includes, but is not limited to, the power to:

- a. Exercise sole authority to appoint, retain, terminate or replace compensation consultants, outside counsel or other advisers that provide independent advice to the Committee, including the sole authority to approve the compensation payable and any other terms of retention, and the Company shall provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to any compensation consultants, outside counsel or other advisers retained by the Committee;
- b. Meet with the senior internal auditor, Company officers, external auditors, or outside counsel, as necessary;
- c. Seek any information it requires from employees or external parties;
- d. Form and delegate authority to subcommittees as it deems appropriate.

Composition and Qualifications

The Committee shall have at least three members, each of whom shall be a member of the board who meets the independence requirements set forth in the New York Stock Exchange (“NYSE”) listing rules in effect from time to time, such determination to be made by the board. The members of the Committee shall also qualify as “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and as “non-employee directors” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended. Committee members shall be appointed by the board

and may be removed or replaced by the board. The board shall appoint one member of the Committee to serve as the Chairman of the Committee.

Committee members shall have sufficient knowledge of executive compensation and related matters. In determining independence of Committee members, the board shall consider all factors set forth in the NYSE listing rules (and any exceptions thereto), including, without limitation, consideration of all factors specifically relevant to determining whether a Committee member has a relationship to the Company which is material to that member's ability to be independent from management in connection with the duties of a Committee member, including, but not limited to:

- (i) The source of compensation of such member of the board, including any consulting, advisory, or other compensatory fee paid by the Company to such board member; and
- (ii) Whether such board member is affiliated with the Company, a subsidiary of the Company or an affiliate of the Company.

Meetings

The Committee shall meet as often as may be deemed necessary or appropriate in its judgment, either in person or telephonically, and at such times and places as the Committee shall determine. The Committee shall make regular reports to the board with respect to its activities.

Responsibilities and Duties

The Committee shall undertake an independence assessment prior to selecting any compensation consultant, outside counsel or other advisers that will provide advice to the Committee as may be required by the NYSE from time to time. The Committee shall evaluate, on at least an annual basis, whether any work provided by the Committee's compensation consultant raised any conflict of interest.

The Committee shall:

1. Oversee the Company's overall compensation structure, policies and programs, and assess whether the Company's compensation structure establishes appropriate incentives for management and employees;
2. Establish and annually review the executive compensation philosophy ensuring that it:
 - a) supports the Company's overall strategy and objectives including the alignment of management's interests with stockholders;
 - b) links total compensation to defined performance goals;
 - c) balances the need to motivate appropriate risk taking, without encouraging or rewarding excessive risk;
 - d) attracts and retains key executives; and

- e) provides competitive total compensation opportunities at a reasonable cost while meeting the aforementioned goals.
- 3. Review and approve corporate goals and objectives relevant to CEO compensation.
- 4. Meet in executive session to annually review and evaluate the CEO's performance, in light of such goals and objectives, and based upon this evaluation, the Committee will determine, and recommend for approval by the independent directors, the compensation of the CEO, including, without limitation, the CEO's annual salary, bonus, equity-based and non-equity-based incentive compensation and other benefits, direct and indirect.
- 5. Annually review the performance of the Company's Section 16(b) Officers and Senior Executives. In addition, the Committee will review and approve the compensation of the Section 16(b) Officers and Senior Executives, including, without limitation, each individual's annual salary, bonus, equity-based and non-equity-based incentive compensation and other benefits, direct or indirect.
- 6. Review and approve the comparator group(s) (e.g., direct competitors and survey sources) for benchmarking compensation levels and pay practices, as well as performance, for the Company's CEO, Section 16(b) Officer, and Senior Executive positions.
- 7. Annually review the talent development and succession plans for Section 16(b) Officer and Senior Executive positions other than the CEO and make recommendations to the board regarding possible successors for these positions.
- 8. Review and approve benefit and perquisite programs for Section 16(b) Officers and Senior Executives.
- 9. Review and approve employment, retirement, severance and change-in-control agreements/arrangements for Section 16(b) Officers.
- 10. Review and approve the Company's incentive plans and equity incentive plans that are subject to the approval of the board, including, without limitation, the review and grant of stock option and other equity incentive grants to Section 16(b) Officers and Senior Executives.
- 11. Review and approve all equity compensation plans of the Company that are not otherwise subject to the approval of the Company's stockholders.
- 12. Review and oversee the design, participation, adequacy, competitiveness, internal equity, and cost effectiveness for the Company's broadly-applicable benefit programs, including, without limitation, defined benefit and contribution retirement plans; delegate administrative and other fiduciary functions to the appropriate fiduciary committee or officer, as appropriate; and review the Committee's findings, determinations and actions regarding the same with the board, as appropriate.
- 13. Establish, in collaboration with the Nominating and Governance Committee, compensation for directors.

14. Monitor compliance by officers and directors with the Company's stock ownership guidelines.
15. At least once a year, meet with the Company's internal and/or external auditors and management to hear a report from the auditors on management compliance with the Company's compensation and benefit programs and insider transaction policies under the Committee's jurisdiction.
16. Conduct an annual risk assessment of the Company's compensation programs for all employees, including non-executive officers, and review and discuss with management to assess whether risks arising from the Company's compensation programs are reasonably likely to have a material adverse effect on the Company.
17. Oversee and administer the Company's pay recoupment policy.
18. Review the Company's human resources strategy and controls, including, without limitation, Sarbanes-Oxley Section 404 compliance, payroll and operational matters and design of performance management and development programs across the Company.
19. Annually assess the performance of the Committee and its individual members, and report the results to the board.
20. Annually review and assess the adequacy of this Charter and recommend any proposed changes to the board.
21. Oversee the preparation of the Company's Compensation Discussion and Analysis ("CD&A") for inclusion in the Company's annual proxy statement or annual report on Form 10-K, as applicable, in accordance with the rules of the U.S. Securities and Exchange Commission ("SEC"). Review and discuss with management the CD&A, evaluate the CD&A, and, based on that review and evaluation, make recommendations to the board regarding the inclusion of the CD&A in the Company's annual proxy statement or annual report on Form 10-K, as applicable.
22. Review and recommend for approval by the board (a) the Company's approach with respect to the stockholder advisory vote on named executive officer compensation (a "say-on-pay") and (b) how frequently the Company should permit stockholders to have a say-on-pay, taking into account the results of stockholder votes on the frequency of say-on-pay resolutions of the Company. The Committee shall also review and discuss the results of the say-on-pay vote and consider any implications.
23. Prepare the annual compensation committee report on executive compensation as required by the SEC to be included in the Company's annual proxy statement or annual report on Form 10-K as filed with the SEC.