

**The Pantry, Inc.**  
**Third Amended and Restated**  
**Compensation and Organization Committee Charter**  
**April, 2008**

**Purpose**

The purpose of the Compensation and Organization Committee (the “Committee”) of the Board of Directors (the “Board”) of The Pantry, Inc. (the “Company”) is to establish and administer the Company’s policies, programs and procedures for the annual and long-term executive and director compensation, including reviewing and approving any additions or changes to employee benefit programs impacting executive and director compensation, in addition to assessing the organizational structure and development of the Company’s executives.

**Composition**

*Number and Appointment*

The Committee shall be comprised of at least three (3) members, all of whom shall be appointed by the Board and may be removed by the Board in its discretion.

*Qualifications*

All members of the Committee must be independent directors and meet the applicable independence requirements of the NASDAQ Global Select Market or the listing standards of any other stock exchange or association applicable to the Company, including rules regarding interlocking compensation committees. All members shall also be “non-employee directors” as defined by Rule 16b-3 under the Securities Exchange Act of 1934, as amended and “outside directors” as defined by Section 162(m) of the Internal Revenue Code and meet any other requirements under listing standards or laws applicable to the Company.

The Board (or such other committee of the Board as the Board may authorize) shall have sole authority and responsibility for determining whether a member or proposed member of the Committee is qualified for Committee membership, based upon appropriate representations of the individual and such other inquiries as the circumstances may warrant.

*Chair*

The Board shall designate one (1) member of the Committee to chair the Committee.

## **Meetings and Procedural Matters**

### *Meetings*

The Committee shall hold regular or special meetings as the Committee determines necessary or appropriate. At least twice a year the Committee will hold regularly scheduled meetings in executive session at which only Committee members are present to discuss any matters that are required by applicable law to be discussed in executive session or that the Committee believes should be discussed privately. Attendance of non-members shall be at the invitation of the Chair or of two or more members of the Committee. The Chief Executive Officer may not be present at voting or deliberations relating to his or her compensation. The provisions of Article 2 of the Bylaws of the Company, which govern meetings of the Board, shall likewise apply to meetings of the Committee.

At a minimum of one meeting annually, the Committee will review and evaluate performance goals, incentive awards and equity based plans in assessing the overall coverage and composition of the Company's compensation system.

### *Minutes*

The Committee shall cause to be prepared minutes of each meeting of the Committee that reflect the date of the meeting, the members in attendance and all actions taken by the Committee at the meeting. Such minutes, together with any actions taken by unanimous written consent, shall be submitted to and maintained by the Secretary as part of the Company's permanent records and shall be disseminated to the Board. At each regularly scheduled meeting of the Board, the Chairperson of the Committee or the Chairperson's designee shall provide the Board with a report of the Committee's activities and proceedings since the Board's previous meeting.

### *Procedural Rules*

The Committee may establish rules of procedure not inconsistent with the Charter, the Bylaws of the Company or applicable law.

## **Responsibilities and Authority**

### *Generally*

The Committee shall have such responsibilities and authority as are expressly set forth in this Charter or are necessary or incidental to carrying out the purpose of the Committee as stated above, together with such other responsibilities and authority as may be prescribed from time to time by the Board, by rules of the NASDAQ Global Select Market or other listing standards applicable to the Company, or by rules or regulations of the Securities and Exchange Commission (the "SEC") or other applicable law.

The Committee shall have authority to retain and to terminate any compensation and/or benefits consultants, outside counsel or other advisers to be used to assist in the evaluation of director or executive compensation (including benefits), the review and development of equity compensation plans or other matters within the responsibility of the Committee, including the authority to approve any fees payable to such advisers and any other terms of retention.

The responsibilities and authority of the Committee shall also include the following:

- Review and discuss with the Board and Chief Executive Officer, the organizational structure and succession planning as it relates to executive officers and other key management executives.
- Assist the Board in developing and evaluating potential candidates for executive positions, including Chief Executive Officer, and to oversee the development of senior management executives.
- Review and determine, or recommend to the Board for determination, on an annual basis the corporate goals and objectives with respect to compensation for the Chief Executive Officer. The Committee shall evaluate at least once a year the Chief Executive Officer's performance in light of these established goals and objectives and based upon these evaluations shall determine, or recommend to the Board for determination, the Chief Executive Officer's annual compensation, including salary, bonus, incentive and equity compensation.
- Review and determine, or recommend to the Board for determination, on an annual basis the evaluation process and compensation structure for the Company's executive officers. After soliciting the recommendations from the Chief Executive Officer, the Committee shall review the performance ratings in order to evaluate the performance of the Company's other executive officers and shall determine, or recommend to the Board for determination, the annual compensation, including salary, bonus, incentive and equity compensation, for such executive officers. The Committee shall also provide oversight of management's decisions concerning the performance, promotion and compensation of other officers of the Company and its subsidiaries.
- Evaluate the need for, and provisions of, employment contracts, including severance arrangements, for the Chief Executive Officer and other executive officers. The Committee shall negotiate and approve any new employment contract or severance agreement, or negotiate the amendment of any existing such agreement, between the Company and the Chief Executive Officer and any of the other executive officers. The Committee may delegate to the Chief Executive Officer the power and authority to negotiate any of the

agreements described above between the Company and any of the other executive officers.

- Review the Company's incentive compensation and other stock-based plans and recommend changes in such plans to the Board as needed. The Committee shall have and shall exercise all the authority of the Board with respect to the administration of such plans.
- Review annually the general employee benefit plans, packages and practices of the Company for its employees (the "Benefits"), including consideration of whether actions should be taken on the Benefits or changes should be made in the Benefits and recommendation of any such actions or changes to the Board.
- With respect to the proxy statement: (i) review and discuss with management the compensation discussion and analysis (the "CD&A") to be included in the Company's proxy statement and to determine whether to recommend to the Board that the C&DA be included in the proxy statement, and (ii) to provide a Committee report for inclusion in the proxy statement, all in accordance with the applicable rules and regulation of the SEC and, if applicable, the NASDAQ Marketplace Rules or other listing standards applicable to the Company.
- Review and monitor all executive compensation matters that require disclosure in the Company's proxy statement and other filings with the SEC.
- Evaluate director compensation and recommend to the Board a compensation plan for directors serving on the Board and on committees of the board.
- Report to the Board concerning the Committee's activities (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chairman or any other member of the Committee designated by the Committee to make such report.
- Review and reassess the adequacy of the Charter, considering any requirements imposed by the NASDAQ Global Select Market or other listing standards applicable to the Company, the SEC or applicable law, as conditions dictate, but at least annually, and recommend any proposed changes to the Board for approval.

## **Compensation**

Members of the Committee shall receive such compensation for service on the Committee as may be determined from time to time by the Board. Members may not receive other compensation from the Company of any kind except compensation for service as a member of the Board or for service on a Board committee.