

COMPENSATION COMMITTEE CHARTER

Community Shores Bank Corporation

This Charter sets forth the basic principles regarding the organization, purpose, authority and responsibilities of the Compensation Committee (the "Committee") for Community Shores Bank Corporation (the "Company"). This Charter has been approved by the Company's board of directors (the "Board of Directors").

ORGANIZATION

The Committee shall consist of at least three directors appointed by the Board of Directors. One Committee member shall be designated by the Board of Directors as Chairperson. All Committee members shall be independent of management, the Company and the Bank under applicable laws, regulations and listing requirements. Any questions concerning a Director's independence or qualification to serve on the Committee will be determined by the Board of Directors in its business judgment and in accordance with applicable rules and regulations. A Committee member may be removed for any reason by the Board of Directors. The Committee shall also serve as the Compensation Committee of the board of directors of Community Shores Bank (the "Bank").

STATEMENT OF PURPOSE

The Committee shall assist the Board of Directors in fulfilling its responsibilities relating to the compensation and benefit programs and policies of the Company and the Bank. Subject to the authority of the Board of Directors, the Committee shall determine the overall compensation philosophy of both the Company and the Bank and seek to ensure that the compensation and benefit programs of the Company and the Bank are competitive and closely related to both personal and corporate performance. Subject to the authority of the Board of Directors, it is the responsibility of the Committee to discharge the Board's responsibilities relating to compensation of the executives of the Company and the Bank.

AUTHORITY, DUTIES AND RESPONSIBILITIES

The Committee shall have the following authority, duties and responsibilities:

- Review from time to time the personnel policies and programs of the Company and the Bank, and submit recommendations to the Board of Directors;
- Administer and make recommendations to the Board of Directors with respect to the incentive and compensation plans and stock plans of the Company and the Bank;

- Review and recommend to the Board of Directors corporate and personal goals and objectives relevant to the compensation of the senior executive officer of the Company and the senior executive officer of the Bank, evaluate the performance of the senior executive officers in light of those goals and objectives, and determine the compensation of the senior executive officers based on the evaluation;
- Review and approve the individual compensation, including salaries, bonuses, stock options and other benefits, of the other executive officers of the Company and the Bank;
- Establish subcommittees of the Committee in its discretion and delegate such powers and authority as determined by the Committee;
- Engage consultants, advisors and legal counsel at the expense of the Company and the Bank to assist the Committee, as it deems necessary. The Committee shall have the sole authority to retain and terminate any consultants, advisors and legal counsel and to approve the fees and other retention terms;
- Provide the Board of Directors with regular reports regarding the Committee's decisions, actions and recommendations;
- Prepare an annual report to be submitted to the Company's shareholders concerning the compensation policy of the Company and the Bank and the compensation decisions of the Committee and the Board of Directors during the previous fiscal year, as required by applicable rules and regulations;
- Make recommendations to the Board of Directors regarding compensation of the Board; and
- Undertake such other responsibilities as required by applicable rules and regulations.

AMENDMENT

The Committee shall review and assess this Charter from time to time, at least annually. Amendments to this Charter shall be approved by the Board of Directors.