

**UNITED COMMUNITY BANCORP
COMPENSATION COMMITTEE CHARTER**

I. Purpose

The Compensation Committee (the “Committee”) of the Board of Directors (“Board”) of United Community Bancorp (the “Company”) is responsible for personnel policies, salaries and benefits, incentive compensation and management succession planning.

II. Organization

The Committee shall consist of three or more directors, each of whom shall satisfy the definition of independent director as defined in any qualitative listing requirements for Nasdaq Stock Market, Inc. issuers and any applicable Securities and Exchange Commission rules and regulations.

Committee members shall be elected by the Board on an annual basis. Members shall serve until their successors are appointed. The Committee’s chairperson shall be designated by the full Board or, if it does not do so, the Committee members shall elect a chairperson by vote of a majority of the full Committee. The Chief Executive Officer will meet often with the Committee, but the Chief Executive Officer will not be on the Committee or participate in all of its meetings. In no event shall the CEO or any other officer be present when the Committee makes recommendations and/or decisions or holds deliberations regarding the compensation of that officer.

The Committee may form and delegate authority to subcommittees when appropriate.

III. Structure and Meetings

The Committee shall meet at least annually, or more frequently as circumstances dictate. The chairperson of the Committee will preside at each meeting and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson of the Committee shall ensure that the agenda for each meeting is circulated to each Committee member in advance of the meeting. The Committee shall keep written minutes of all meetings.

IV. Goals and Responsibilities

In carrying out its responsibilities:

1. The Committee shall have responsibility for developing and maintaining an executive compensation policy that creates a direct relationship between pay levels and corporate performance and returns to shareholders. The Committee shall monitor the results of such policy to assure that the compensation payable to the Company’s executive officers provides overall competitive pay levels, creates proper incentives to enhance shareholder value, rewards superior performance and is justified by the returns available to shareholders.
2. The Committee shall have responsibility for approval of compensation and benefit plans, which may include amendments to existing plans, cash- and equity-based incentive compensation plans, and non-qualified deferred compensation and retirement plans.
3. The Committee shall have responsibility for overseeing the administration of the Company’s benefit programs.

4. The Committee shall establish annually subjective and objective criteria to serve as the basis for the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance in light of those criteria and determine the Chief Executive Officer's compensation based on that evaluation.
5. The Committee shall establish annually subjective and objective criteria to serve as the basis for the other executive officers' compensation, evaluate the other executive officers' performance in light of those criteria and determine the other executive officers' compensation based on that evaluation. The Committee may consult with the Chief Executive Officer with respect to the compensation of other executive officers.
6. With respect to the Company's equity-based compensation plans, the Committee shall approve grants of stock options, restricted stock, performance shares, stock appreciation rights and other equity-based incentives to the extent provided under the compensation plans. The Committee may delegate to the Chief Executive Officer all or part of the Committee's authority and duties with respect to grants and awards to individuals who are not subject to the reporting requirements and other provisions of Section 16 of the Securities Exchange Act of 1934 as in effect from time to time.
7. The Committee shall from time to time review and make recommendations to the Board of Directors regarding the compensation of non-employee directors.

V. Performance Evaluations

The chairperson of the Committee shall discuss the Committee's performance with each member of the Committee, following which discussions the chairperson shall lead the Committee in an annual evaluation of its performance. The Committee shall conduct an annual performance evaluation and review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

VI. Committee Resources

The Committee shall have the authority to obtain advice and seek assistance from internal or external legal or other advisors. The Committee shall have available to it such support personnel, including management staff, outside auditors, attorneys and consultants as it deems necessary to discharge its responsibilities. The Committee shall have the sole authority to retain and terminate any compensation consultant used to assist the Committee in evaluating executive compensation, including sole authority to approve such consultant's fees and other retention terms.