



Compensation Committee Charter

Purpose

The Compensation Committee (the "Compensation Committee") of the Board of Directors (the "Board") is responsible for assisting the Board in discharging its responsibilities relating to the compensation of the Company's directors and executive officers and the administration of the Company's employee benefit plans and practices.

The Compensation Committee is also responsible for producing the annual report on executive compensation consistent with current SEC rules to be included in the Company's proxy statement for the annual meeting of shareholders and reviewing and approving the Compensation Discussion and Analysis ("CD&A") and the supporting compensation disclosure materials that are included in the Company's proxy statement. The Compensation Committee shall discuss the CD&A with management and shall recommend to the Board that it be included in the proxy statement.

Organization

The Compensation Committee shall be composed of at least three directors. The composition of the Compensation Committee shall meet the SEC's requirements and Nasdaq's listing standards, including independence requirements. The Compensation Committee shall meet at least three times per year, or more frequently as circumstances require.

Responsibilities

The Compensation Committee shall have the following responsibilities:

- Oversee the development and implementation of the Company's compensation policies and programs for executive officers.
- Establish the annual goals and objectives relevant to compensation of the CEO and the executive officers, including the balance of the components of total compensation and to present such to the Board annually.
- Evaluate the performance of the CEO and the executive officers in light of the agreed-upon goals and objectives and set the compensation level of the CEO based on such evaluation and to present its report to the Board annually.
- To develop guidelines for the compensation and performance of the Company's executive officers and to approve the compensation of the Company's executive officers, including the balance of the components of total compensation.
- To establish appropriate performance targets, participations and levels of awards with respect to the Company's incentive compensation plans.
- To administer the Company's equity-based compensation plans, including the establishment of criteria for the granting of stock-based awards and the review and approval of such grants in accordance with the criteria.
- To establish and periodically review company policies relating to senior management perquisites and other non-cash benefits.
- To review periodically the operation of the Company's overall compensation program for key employees and evaluate its effectiveness in promoting shareholder value and company objectives.
- To consider, on least an annual basis, whether risks arising from the Company's compensation policies and practices for all employees, including non-executive officers, are reasonably likely to have a material adverse effect on the Company.
- To oversee regulatory compliance with respect to compensatory matter.
- To approve plans for managerial development and succession within the Company and to present such plans to the Board annually.

- To review, assess and recommend to the Board appropriate compensation for outside directors.
- To ensure the adequacy of and update, if necessary, this Charter annually.
- To prepare an annual performance evaluation of the Compensation Committee.

The Compensation Committee has the sole authority to engage and terminate outside consultants to assist it in discharging its responsibilities, including determining appropriate compensation levels for the CEO and other executive officers, and to set fees and retention arrangements for such consultants. It shall have full access to any relevant records of the Company and may request any employee of the Company or other person to meet with the Committee or its consultants.

The Compensation Committee shall report the results of its deliberations, actions and observations to the Board.