

Compensation Committee Charter

Statement of Purpose

The purpose of the Compensation Committee (the “Committee”) is to oversee the Company’s compensation philosophy generally; seek to ensure that compensation decisions both represent sound fiscal policy as well as enable the Company to attract and motivate qualified personnel; and advise the Board of Directors (the “Board”) on, and facilitate the Board’s oversight of, the compensation of the Board, the Company’s Chief Executive Officer (“CEO”) and the other executive officers of the Company.

Organization

The Committee shall be comprised of at least three members of the Board who shall satisfy the independence requirements of The NASDAQ Stock Market and be appointed by the Board on the recommendation of the Governance and Nominating Committee. In addition, each member of the Committee shall be a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934. The Board may remove members of the Committee from such Committee, with or without cause.

Duties and Responsibilities

The following functions shall be the recurring activities of the Committee in carrying out its responsibilities. The functions are set forth as a guide and may be varied from time to time as appropriate under the circumstances.

1. **Executive Officer Compensation.** The Committee shall review and approve corporate goals and objectives relevant to executive officer compensation and shall evaluate the performance of executive officers in light of those goals and objectives. Based on this evaluation, the Committee shall review and approve, or recommend for approval by the independent directors (as directed by the Board), executive officer compensation, including salary, bonus and incentive compensation, deferred compensation, perquisites, equity compensation, benefits provided upon retirement, severance or other termination of employment, and any other forms of executive compensation.
2. **CEO Compensation.** The Committee shall annually review and approve, or recommend for approval by the independent directors (as directed by the Board), the CEO’s compensation based on the Committee’s evaluation of the CEO’s performance. The Committee will deliberate and vote on the CEO’s compensation outside the presence of the CEO.
3. **Plan Recommendations and Approvals.** The Committee shall make recommendations to the Board regarding the adoption of new incentive compensation plans and equity-based plans, as well as the Company’s 401(k) plan, and administer the Company’s existing incentive compensation plans and equity-based plans, including reviewing and approving stock option grants and any outside valuations of the common stock of the

Company underlying such grants. To the extent permitted by applicable law and the provisions of a specific equity-based plan, the Committee may delegate to one or more executive officers of the Company the power to grant options or other equity awards, and amend the terms of such awards, pursuant to such equity based plan to employees of the Company or any subsidiary of the Company who are not directors or executive officers of the Company, such power to be limited to the parameters set forth in the applicable resolutions adopted by the Compensation Committee.

4. **Director Compensation.** The Committee shall make recommendations to the Board regarding compensation of members of the Board and Board committees.
5. **Filings.** The Committee shall:
 - a. review and discuss with Company management the compensation discussion and analysis required by applicable rules and regulations to be included in the Company's filings with the Securities and Exchange Commission and, based on such review and discussion, in the case of compensation discussion and analysis proposed to be included in the Company's annual proxy statement or annual report on Form 10-K, recommend to the Board of Directors whether the compensation discussion and analysis should be included in such proxy statement or annual report; and
 - b. prepare an annual compensation committee report for inclusion in the Company's annual proxy statement as required by applicable rules and regulations.
6. **Succession Planning.** The Committee shall oversee the maintenance, and presentation to the Board, of management's plans for succession to senior management positions in the Company, including the position of CEO.
7. **Generally.** The Committee shall review such other matters as the Board or the Committee shall deem appropriate.

Procedures and Administration

1. **Meetings.** The Committee shall hold regularly scheduled meetings and such special meetings as circumstances dictate. The Committee shall report regularly to the Board on its activities.
2. **Action.** Action may be taken by the Committee (or any subcommittee of the Committee) upon the affirmative vote of a majority of the members of the Committee (or subcommittee). Action may be taken by the Committee without a meeting if all of the members of the Committee indicate their approval thereof in writing.
3. **Notice.** Any member of the Committee may call a meeting of the Committee upon due notice to each member at least twenty-four hours prior to the meeting (provided that participation in any meeting shall be deemed to constitute waiver of any deficiency on

such notice).

4. **Charter.** The Committee will review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval on an annual basis.
5. **Independent Advisors.** The Committee may, in its sole authority and discretion, as it deems necessary, retain and obtain the advice of, set compensation and retention terms for, and terminate a compensation consultant, independent legal counsel or other adviser and shall be directly responsible for the oversight of the work of any compensation consultant, independent legal counsel or other adviser retained by the Committee to assist it in the performance of its duties. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the compensation committee. The Committee may select a compensation consultant, legal counsel or other adviser to the compensation committee only after taking into consideration all factors relevant to that person's independence from management, as well as any other factors required by applicable Securities Exchange Act of 1934 and/or NASDAQ Stock Market rules, including the following: (i) the provision of other services to the Company by the person or entity that employs the compensation consultant, legal counsel or other adviser; (ii) the amount of fees received from the Company by the person or entity that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser; (iii) the policies and procedures of the person or entity that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest; (iv) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee; (v) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and (vi) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person or entity employing the adviser with an executive officer of the Company. The Committee is required only to consider the enumerated independence factors before selecting, or receiving advice from, a compensation adviser and may select, or receive advice from, any compensation adviser it prefers, including ones that are not independent, after considering the six independence factors outlined above. The Committee is not required to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other adviser to the Committee.
6. **Sub-Committees.** The Committee shall have the authority to delegate to subcommittees of the Committee any responsibilities of the full Committee.
7. **Expenses.** The Committee is empowered, without further action by the Board, to cause the Company to pay the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
8. **Committee Self-evaluation.** The Committee shall review its performance against the requirements of this Charter annually and shall report to the Board on the results of such

evaluation. The Committee's performance evaluation shall be conducted in such manner as the Committee deems appropriate