



GTN
GLOBAL TRAFFIC NETWORK

Compensation Committee Charter (as adopted February 7, 2006)

Purpose:

The primary purpose of the Compensation Committee (the “**Committee**”) is to assist the Board of Directors (the “**Board**”) of Global Traffic Network, Inc. (the “**Company**”) by (a) approving the compensation of the Chief Executive Officer, (b) developing policies and programs governing the compensation of all Company’s executives that support corporate objectives and the long-term interests of stockholders, and (c) administering the Company’s equity compensation plans.

Membership and Procedures:

The Committee shall be comprised of two or more directors as determined by the Board, or such greater number if so required by applicable law, rule or regulation, each of whom shall be an “independent director” (as such term is defined by all applicable rules and regulations of the Securities and Exchange Commission and any other appropriate body, including of any applicable stock market or exchange), and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

The members of the Committee shall be elected annually by the Board or a corporate governance or nominating committee thereof. Unless a Chairperson is elected by the Board or, if applicable, by a corporate governance or nominating committee thereof, the member is the Committee may designate a Chairperson by majority vote of the full Committee membership. Committee members may be removed for any reason or no reason at the discretion of the Board, and the Board may fill any Committee vacancy that is created by such removal or otherwise.

It is expected that the Committee will evaluate the performance of the Company’s long-term goals and its stated objectives. Because of this responsibility, it is the Board’s expectation that the Committee meet at least once annually, or more frequently as circumstances dictate. The Committee shall also have the resources and authority to accomplish its responsibilities, including the authority to retain (with funding provided by the Company) experts in the field of executive compensation. The Committee shall have the sole authority to retain and terminate such experts, and to approve the fees and other retention terms. In addition, the Committee have the authority to obtain advice and assistance from the internal or external legal, accounting, human resource or other advisers; *provided, however*, that services, if any, to be rendered by the Company’s independent accountants shall be pre-approved by the audit committee of the Board if required under the Company’s policy regarding pre-approval of such services.

Key Responsibilities:

The Committee is responsible for ensuring that executive compensation is designed to provide competitive levels of compensation that link pay, directly and objectively, with the Company's annual goals and the long-term interests of stockholders; reward outstanding corporate performance; recognize individual initiative and achievements and assist the Company in attracting and retaining qualified executives. The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities. These functions are set forth as a guide with the understanding that the Committee may diverge as circumstances require.

- Annually review and approve Company goals and objectives relevant to the compensation level of the Chief Executive Officer. Evaluate the Chief Executive Officer's performance in light of approved goals and objectives and recommend to the Board the Chief Executive Officer's compensation package based on its evaluation. In determining the Chief Executive Officer's compensation package, the Committee shall consider the Company's performance and relevant stockholder return, compensation paid at comparable companies, the size and financial condition of the Company, the then current market conditions and economic outlook and other matters deemed relevant by the Committee.
- Annually review the Chief Executive Officer's recommendations regarding compensation of executive officers and other members of senior management and make recommendations to the Board for approval.
- Review and approve employment agreements and, where applicable, severance agreements between the Company and its executive officers.
- Administer the Company's equity compensation plans and grant awards under each such plan in a manner consistent with such plan's purpose.
- Annually evaluate the Chief Executive Officer's performance and communicate such evaluation to the Board. The evaluation should be based on objective criteria including performance of the business, accomplishment of long-term strategic objectives, development of management, etc. The evaluation will be used when considering the compensation of the Chief Executive Officer.
- Ensure that all compensation plans and programs comply with applicable laws as well as FASB, SEC, IRC and Nasdaq rules and regulations.
- Prepare and issue an annual report on executive compensation for inclusion in the Company's annual meeting proxy statement in accordance with applicable rules and regulations of the SEC and Nasdaq.

The Committee shall review the adequacy of this Charter on an annual basis and submit recommendations for charter amendments to the Board.