



Charter of the Executive Compensation Committee

Purpose

The Executive Compensation Committee establishes compensation policies, plans, and performance goals, as well as specific compensation levels, for the Company's directors and executive officers. The Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to succession planning as well as overall compensation policies for all Company employees, including adequacy and competitiveness of benefits. The Committee is responsible for producing an annual report on executive compensation for inclusion in the Company's proxy statement.

Organization and Membership

1. The Committee will be comprised solely of at least three independent directors designated annually in February by the board. The board designates the committee chairman annually. Members of the Compensation Committee will be considered independent if they meet the director and committee criteria for independence required by NASDAQ. Unless otherwise determined by the Board, each member will meet the definition of "non-employee director" set forth in Rule 16b-3 under the Exchange Act of 1934, as amended, and the definition of "outside director" set forth in Section 162(m) of the Internal Revenue Code of 1986, as amended. Members of the Committee may be replaced at the discretion of the Board.
2. Each member of the Committee shall be free of any relationship or affiliation that, in the judgment of the Board, would interfere with the exercise of the director's independent judgment as a member of the Committee. Compensation for members of the Committee shall be limited to director fees. Committee members may not accept, directly or indirectly, any consulting, advisory or other compensatory fees from the Company or its subsidiaries.
3. The Committee has the sole authority to retain independent compensation consultants, counsel, accountants, and other advisors at the expense of the Company and shall have the sole authority to approve the fees and other retention terms of such advisors. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any consultants and advisors retained by the Committee.
4. The Committee may form and delegate authority to subcommittees when appropriate.
5. The Committee chairman will ensure that accurate minutes of each meeting are prepared and circulated to Committee members.

Responsibilities and Duties

In carrying out its responsibilities, the Committee believes that its policies and procedures should remain flexible in order to react to changing conditions and to ensure the effective oversight of the Company's compensation programs. Specific responsibilities and duties of the Committee include:

Compensation

1. Annually review and approve, for the CEO and the executive officers, annual base salary, annual incentive opportunity, long-term incentive opportunity, employment and severance arrangements, change in control arrangements and provisions, and any special or supplemental benefits, in each case when and as appropriate. The CEO cannot be present during any voting or deliberations on the CEO's compensation. Review and approve any officer severance agreement outside of normal practice.
2. Annually review and make recommendations to the Board with respect to the compensation of all non-management directors, including the Chairman (if different from the CEO and not a member of management), including cash compensation, expense reimbursement policies, and awards pursuant to incentive and equity-based compensation based plans. A majority of the Board's independent directors must approve any recommendation related to director compensation. It is the company's policy that directors not being paid consulting or similar fees by the Company, and any

exception to this policy shall require the approval of the Committee.

3. Annually review an assessment of any potential conflicts of interest raised by the work of compensation consultants, whether retained by the Committee or by management, that are involved in determining or recommending executive or director compensation.
4. Prior to engaging, and annually thereafter, assess the independence (taking into consideration the factors specified in NASDAQ Listing Rule 5605(d)(3)(D)(i)-(vi)) of any consultants or other outside advisors.
5. Review and approve other management participants in stock based compensation programs and the awards to be provided there under.

Stock-Based Compensation and Other Benefit Programs

1. Recommend the terms of, and any amendments to, any stock based compensation program including restricted stock awards, stock option grants, SAR's and the like.
2. Approve the terms of and participants in the SERP Plan. Approve the terms of the participants covered by Severance Agreements and/or change in Control Agreements.
3. Periodically review the Company's other major benefit plans offered to all employees, such as medical coverage and retirement plans.

General

1. Make reports to the Board.
2. Attempt to ensure that Company compensation policies comply with section 162(m) of the Internal Revenue Code, permitting deductibility of compensation to any individual in excess of \$1,000,000.
3. As a matter of policy, the Company does not loan money to officers or directors.
4. Periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
5. Annually review, edit, and approve the "Report of the Compensation Committee" for the Proxy Statement.
6. Recommend to the Board the appointment of the Employee Benefit Committee and any other-plan trustees required to be appointed by the board.