



CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

PURPOSE

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") has the responsibility and authority to supervise and review the affairs of the Company as they relate to the compensation and benefits of executive officers and directors of the Company. In carrying out these responsibilities, the Committee shall review all components of executive and director compensation for consistency with the Company's compensation philosophy and with the interests of the Company's stockholders.

COMPOSITION

The Committee shall be appointed annually by the Board, and shall be comprised of at least two Board members, each of whom must be determined by the Board to be "independent" under the rules of The Nasdaq Stock Market, the Company's Corporate Governance Guidelines and applicable law. In addition, no director may serve on the Committee unless he or she is both (1) a "non-employee director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, and (2) an "outside director" for purposes of Section 162(m) of the Internal Revenue Code). A Board member shall not serve on this Committee if any executive officer of the Company serves on the board of directors of an entity that employs such Board member as an executive officer.

ORGANIZATION & OPERATION

Each member of the Committee shall serve until his or her successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.

Unless a Committee Chair is elected by the Board, the members of the Committee shall designate a Chair by majority vote of the full Committee. The Chair shall preside at all regular sessions of the Committee and set the agenda for each Committee meeting.

Formal action to be taken by the Committee shall be by unanimous written consent or by the affirmative vote of a majority of the Committee members present (in person or by conference telephone) at a meeting at which a quorum is present. A quorum shall consist of at least a majority of the members of the Committee. Any actions taken by the Committee during any period in which one or more of the members fail for any reason to meet the membership requirements set forth above shall still constitute duly authorized actions of the Committee for all corporate purposes. The Committee shall make and retain complete and accurate minutes of its meetings.

In fulfilling its responsibilities, the Committee shall, to the extent permitted by law, be entitled to delegate any or all of its responsibilities to one or more subcommittees of the Committee comprised of one or more members of the Committee.

MEETINGS

The Committee shall meet as often as it deems appropriate. Meetings may be called by the Chairperson of the Board or of the Committee. The Committee may request that any employee of the Company attend any of its meetings or meet with any Committee member or consultant. The Committee should meet at least annually with the Company's chief executive officer and such other senior executives as the Committee deems appropriate; provided, however, that the chief executive officer may not be present during deliberations or voting regarding his or her compensation. The Committee should meet periodically in executive session without the presence of management.

AUTHORITY & RESPONSIBILITIES

The Committee shall have the following authority and responsibilities, subject to such modification and additional authority as the Board may approve from time to time:

- Periodically review and advise the Board concerning the Company's overall compensation philosophy, policies and plans, including a review of both regional and industry compensation practices and trends.

- Review and approve corporate and personal performance goals and objectives relevant to the compensation of all executive officers, and make recommendations to the Board regarding all executive compensation (including but not limited to salary, bonus, incentive compensation, equity awards, benefits and perquisites).
- Make recommendations to the Board regarding the establishment and terms of the Company's incentive compensation plans and equity compensation plans, and administer such plans.
- Make and approve grants of options and other awards to all executive officers and directors under the Company's compensation plans.
- Make and approve grants of options and other awards to all other eligible individuals.
- Review and make recommendations to the Board regarding compensation-related matters outside the ordinary course, including but not limited to employment contracts, change-in-control provisions, severance arrangements, and material amendments thereto.
- Review and discuss with management the disclosures in the Company's "Compensation Discussion and Analysis" and any other disclosures regarding executive compensation to be included in the Company's public filings or shareholder reports.
- Based upon its review and discussion with management, recommend to the Board whether the Compensation Discussion and Analysis should be included in the Company's proxy statement, Form 10-K, or information statement, as applicable, and prepare the related report required by the rules of the Securities and Exchange Commission.
- Report to the Board on the Committee's activities on a regular basis.

RESOURCES & AUTHORITY

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and request information from management in connection with such investigation. The Committee shall have sole authority to retain and terminate any compensation consultant to be used to assist in the performance of the Committee's duties, and shall have sole authority to approve the consultant's fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation of any such advisors.

ANNUAL REVIEW

The Committee shall review on at least an annual basis (i) this Charter and the scope of responsibilities of this Committee; and (ii) the Committee's performance of its duties. Any proposed changes to this Charter or the Committee's scope of responsibilities, where indicated, shall be referred to the Board for appropriate action.