



COMPENSATION COMMITTEE CHARTER

I. COMPOSITION AND QUALIFICATIONS

The Compensation Committee (the “Committee”) of the Board of Directors shall be composed of three or more independent (non-executive) members of the Board of Directors.

II. APPOINTMENT AND REMOVAL

The members of the Committee shall be appointed by the Board of Directors. Each member shall serve until such member’s successor is duly appointed and qualified or until such member’s earlier resignation or removal by the Board of Directors.

III. RESPONSIBILITIES

The scope of responsibilities of the Compensation Committee of the Board of Directors is as follows:

1. Discharge the Board of Directors’ responsibilities to the Company’s stockholders relating to the compensation of the Company’s Chief Executive Officer (“CEO”) and other executive officers.
2. Review and approve corporate goals and objectives relevant to the compensation of the CEO and other executive officers.
3. Review and evaluate the performance of the CEO and other executive officers in light of the goals and objectives of the Company and determine their annual compensation packages, including base salaries, stock options and other stock-based incentives, variable pay amounts and variable pay metrics, based on these evaluations.
4. Monitor the effectiveness of CEO and other executive officer benefit plan offerings and approve changes where appropriate.
5. Make an annual report on executive compensation in the Company’s annual proxy statement, as required by the rules of the NASDAQ, U.S. Securities and Exchange Commission and other regulatory bodies.
6. Review and approve, or recommend to the full Board of Directors, executive incentive compensation plans and equity-based plans in which the CEO and other executive officers are eligible to participate.
7. Report regularly to the Board of Directors (a) following meetings of the Committee, (b) with respect to those matters that are relevant to the Committee’s discharge of its responsibilities, and (c) with respect to those recommendations that the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Chairman of the Committee or any other member of the Committee designated by the Committee to make such report.

IV. MANNER OF CARRYING OUT RESPONSIBILITIES

1. The Committee shall have authority, in its sole discretion, to retain and terminate executive compensation consultants, including the fees and other terms of their engagements, to advise on the evaluation and compensation of the CEO and other executive officers of the Company. Such consultants may also be retained for other purposes, such as advising on compensation of the Company's non-executive directors. The Committee may also retain and obtain the advice of legal counsel or other advisors. The Company must provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to such consultants, counsel and advisors.
2. When considering the selection of a consultant, counsel or other advisor, the Committee shall take into account the following factors: (a) whether the consultant, counsel or advisor provides other services to the Company; (b) the amount of fees received from the Company by such consultant, counsel or advisor as a percentage of total revenue of such consultant, counsel or advisor; (c) the policies and procedures of such consultant, counsel or advisor to prevent conflicts of interest; (d) any business or personal relationship between such consultant, counsel or advisor and a member of the Committee; (e) whether such consultant, counsel or advisor owns stock of the Company; and (f) any business or personal relationship between such consultant, counsel or advisor and an executive officer of the Company. These independence factors must be considered, although the Committee may engage such consultant, counsel or other advisor the Committee prefers after considering the factors above.
3. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any such compensation consultant, legal counsel or any other advisor retained by the Committee.
4. The CEO and other executive officers shall not be present during deliberations or voting on their compensation.
5. The Committee shall review and reassess annually the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such review in the manner it deems appropriate. The Committee's performance will be evaluated within the Self Evaluation that will be performed annually by the Board of Directors.