

COMPENSATION COMMITTEE CHARTER

I. Purpose

The Compensation Committee is appointed by the Board of Directors to: (1) Oversee the development of a compensation strategy for the Company subject to approval by the Board, (2) Oversee the administration of the Company's compensation programs, (3) Evaluate the performance of and set compensation for the Chief Executive Officer, (4) Review and approve the elements of compensation for other executive officers of the Company, (5) Negotiate the terms of employment agreements with the executive officers of the Company, (6) Review the compensation of the Company's Directors and recommend changes in compensation levels to the Board of Directors, (7) Recommend equity-based incentive programs necessary to implement the Company's compensation strategy, and (8) Administer all equity-based incentive programs of the Company.

II. Organization

A. Composition of the Compensation Committee

The Compensation Committee shall consist of not less than three members. Each member of the Compensation Committee shall be appointed by the Board upon the recommendation of the Nominating and Governance Committee and shall satisfy the independence requirements for members of the Compensation Committee of the Company under the NASDAQ Stock Exchange rules.

Members of the Compensation Committee shall also qualify as "non-employee directors" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and shall satisfy any other necessary standards of independence under the federal securities and tax laws.

Vacancies on the Compensation Committee shall be filled by majority vote of the Board at the next meeting of the Board following the occurrence of the vacancy. The members of the Compensation Committee may be removed, with or without cause, by a majority vote of the Board.

B. Meetings/ Minutes/ Reports

The Compensation Committee will meet as often as necessary to carry out its responsibilities. Reports of meetings of the Compensation Committee shall be made to the Board of Directors at its next regularly scheduled meeting following the Compensation Committee meeting accompanied by any recommendations to the Board of Directors approved by the Compensation Committee.

The Board of Directors shall select a chairman (the "Chairman") who will preside at each meeting of the Compensation Committee and, in consultation with the other members of the Compensation Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting. A majority of the members of the Compensation Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum. In addition, at the first meeting of the Compensation Committee and at each first meeting held in each successive year, the Chairman, in consultation with the other members of the Compensation Committee, shall propose a list of items to be addressed by the Compensation Committee during the coming year.

The Chairman shall ensure that the agenda for each upcoming meeting of the Compensation Committee is circulated to each member of the Compensation Committee as well as to each other Director in advance of the meeting, and that the list of items to be addressed by the Compensation Committee during the coming year is circulated to each member of the Compensation Committee as well as to each other Director not later than five business days after the first meeting of the Compensation Committee each year. The Chairman, subject to the approval of a majority of the members of the Compensation Committee, shall have the authority to change the agenda to respond to any matters that warrant attention.

C. Authority

The Compensation Committee shall have the resources and authority to discharge its responsibilities. The Compensation Committee may conduct or authorize investigations into or studies of matters within the Compensation Committee's scope of responsibilities, and may retain, at the Company's expense, such independent counsel or other advisers as it deems necessary. The Compensation Committee shall have the sole authority to retain or terminate a compensation consultant to assist the Compensation Committee in carrying out its responsibilities, including sole authority to approve the consultant's fees and other retention terms, such fees to be borne by the Company.

III. Responsibilities of the Compensation Committee

A. Primary Responsibility

The Compensation Committee's primary responsibility is to assure that the senior executives of the Company and its subsidiaries are compensated effectively in a manner consistent with the compensation strategy of the Company, internal equity considerations, competitive practice, and the requirements of the appropriate regulatory bodies.

B. Reporting

The Compensation Committee shall communicate to the shareholders the Company's compensation policies and the reasoning behind such policies as required by the Securities and Exchange Commission.

C. Specific Requirements

The Compensation Committee shall:

1. In consultation with senior management, develop and review as necessary the Company's compensation strategy, including the establishment of performance goals and objectives of the Chief Executive Officer and other senior management, to ensure that management is rewarded appropriately for its contributions to Company growth and profitability and that the Company's executive compensation strategy supports Company objectives and shareholder interests.
2. Review annually and determine the individual elements of total compensation for the Chief Executive Officer consistent with the Company's compensation strategy and objectives and communicate in the annual Compensation Committee Report to the shareholders the factors and criteria on which the Chief Executive Officer's compensation for the last year was based, including the relationship of the Company's performance to the Chief Executive Officer's compensation; the Chief Executive Officer shall not be present during the voting or deliberations respecting the determination of the Chief Executive Officer's compensation.
3. Review and determine the individual elements of total compensation for the senior management of the Company other than the Chief Executive Officer and communicate in the annual Compensation Committee Report to the shareholders the specific relationship of corporate performance to executive compensation.
4. Approve the Company's annual and long-term bonus and incentive compensation plans and assure that they are administered in a manner consistent with the Company's compensation strategy as to participation, target annual incentive awards, corporate financial goals, actual awards paid to senior management, and total funds reserved for payment under the compensation plans.
5. Make recommendations to the Board with respect to incentive compensation plans and equity-based plans and approve, subject to submission to the shareholders where appropriate, all new equity-related incentive plans for senior management.
6. Administer and approve all grants of stock options and other equity awards.

7. Review and approve all related-party transactions for potential conflicts of interest.
8. Recommend, subject to the approval by the Board, compensation for the Directors.
9. Review and approve any severance or similar termination payment proposed to be made to any executive officer or other senior officer of the Company.
10. Perform such other duties and responsibilities (i) as may be assigned to the Compensation Committee, from time to time, by the Board of Directors of the Company and/or the Chairman of the Board of Directors, (ii) as set forth in the By-Laws of the Company, or (iii) as designated in the plan documents of any Company plan.

IV. Evaluation of the Compensation Committee

The Compensation Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Compensation Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Compensation Committee shall address all matters that the Compensation Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Compensation Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Compensation Committee were adequate for the Compensation Committee to complete its work in a thorough and thoughtful manner.