

KANBAY INTERNATIONAL, INC.
COMPENSATION COMMITTEE CHARTER

Statement of Purpose

The purpose of the Compensation Committee (the “Committee”) is to review and report to the Board of Directors (the “Board”) of Kanbay International, Inc. (the “Company”) on compensation and personnel policies, programs and plans, including management development and successions plans, and to approve and administer employee compensation and benefit programs.

The Committee shall provide assistance to the Board in fulfilling its responsibilities regarding the following: (a) the compensation of the Chief Executive Officer (the “CEO”); (b) the compensation of the Company’s senior management team and other executive officers, including overseeing the administration of the Company’s employee benefit and equity incentive plans, policies, practices and programs; (c) the compensation of the directors; and (d) such other duties, responsibilities and activities as may be set forth in this Charter or directed by the Board.

Composition and Membership

The Committee shall consist of at least three (3) directors. Each member of the Committee shall within one (1) year of the date hereof be (i) “independent” under the applicable requirements of The Nasdaq Stock Market (“Nasdaq”) or otherwise eligible to serve on the Committee in accordance with the transition periods or exceptions provided by Nasdaq (including the transition periods set forth in Marketplace Rule 4350(a)(5) and the exception set forth in Marketplace Rule 4350(c)(3)(C)), in each case, as interpreted by the Board, (ii) a “non-employee director” as defined under Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (iii) an “outside director” as defined in Internal Revenue Code Section 162(m). It shall be the responsibility of the Board to determine, in its judgment, whether a member is independent of management and free from any relationship or service to the Company that might interfere with his or her exercise of independent judgment in carrying out his or her responsibilities as a Committee member.

It shall be the responsibility of each member of the Committee to immediately disclose to the Chairman of the Committee any relationship that, either in fact or in appearance, might impact the independent judgment of such member in his or her service as a member of the Committee.

Notwithstanding the above independence requirements, one director who is not a current officer or employee or a family member of a current officer or employee may be appointed to the Committee for a period not to exceed two (2) years if the Board, under exceptional and limited circumstances, determines that membership on the Committee by the director is required by the best interests of the Company and its stockholders. If such a director is appointed to the Committee, the Company shall disclose the nature of the director’s relationship and the reasons for the Board’s determination in the next annual proxy statement subsequent to such determination.

Appointments to the Committee, including the Chairman of the Committee, shall be made by the Board, and shall conform to the Company’s bylaws, this Charter and applicable legal and regulatory criteria, as appropriate under the circumstances. Members shall serve at the discretion of the Board and be appointed annually for a term of one (1) year. The Chairman shall preside over the meetings of the Committee and

may call special meetings, in addition to those regularly scheduled, and will report to the Board the actions and recommendations of the Committee.

The Committee may have in attendance such representatives of senior management, consultants, advisors or others as it may deem necessary to provide the necessary information to carry out its duties; provided that the CEO may not be in attendance during any discussion of the compensation of the CEO.

Responsibilities and Authorized Actions

In fulfilling its responsibilities, the Committee shall be responsible for and authorized to carry out the following functions:

1. In consultation with senior management, to approve the Company's executive compensation philosophy and to oversee and monitor the Company's executive compensation policies, plans and programs for the senior management team and any other executive officers of the Company to ensure that they are consistent with the Board's compensation philosophy and objectives, as well as the long-term interests of the Company's stockholders.
2. To annually review and approve the corporate goals and objectives relevant to the compensation of the CEO.
3. To approve the compensation, including any incentive compensation, of the CEO and, with respect to any incentive compensation, consider all relevant factors, including the Company's performance based on certain financial measures chosen by the Committee, relative stockholder return, the value of similar awards to chief executive officers of comparable companies, the awards given to the CEO in past years and such other factors as the Committee deems appropriate.
4. To annually review and approve, in consultation with the CEO as appropriate, the compensation, including incentive compensation, for the senior management team and any other executive officers (other than the CEO) of the Company.
5. To provide and approve the annual report of the Committee for inclusion in the Company's annual proxy statement in accordance with applicable rules and regulations.
6. To review, approve and recommend to the Board, as appropriate, any new incentive compensation plans, including equity-based plans and, as may be required, any amendments to existing plans relative to the senior management team or any other executive officers of the Company.
7. To act as the administrative committee for the Company's employee stock option, stock incentive and stock purchase plans, with the authority delegated to it under the terms of the plan(s).
8. To review and approve, as appropriate, any contractual commitments between the Company and any member of the senior management team or any other executive officer of the Company.

9. To review and approve the peer groups used for the stock performance graph included in the Company's proxy statements.
10. To review and make policy recommendations from time to time with respect to various benefit plans, including health and welfare and retirement plans.
11. To review and evaluate the compensation of the Board, including the appropriate mix of cash compensation and equity compensation, and to recommend any changes in Board compensation.
12. To review and assess the adequacy of this Charter.
13. To discharge any other duties, responsibilities or activities delegated to the Committee by the Board from time to time or by any of the Company's benefit and incentive plans.

The Committee will have access to information necessary to evaluate and administer the compensation and benefit programs of the Company. Information includes compensation and benefits histories, competitive data, competitive performance data and technical summaries of relevant tax, accounting and legal codes.

In order to carry out its duties under this Charter, the Committee is authorized to select, retain, terminate and approve the fees and other retention terms of counsel, experts or consultants, as the Committee deems appropriate, without seeking the approval of management or the Board. The Company shall provide for appropriate funding for the payment of any such fees.

The Committee may, at its discretion and only to the extent consistent with applicable law, regulations and the Company's benefit and incentive plans, delegate certain of its authority to a subcommittee of the Committee, the CEO or another executive officer, including with respect to matters relating to the compensation and election as officers of the Company's employees other than the Company's CEO and executive officers.

Meetings

The Committee shall hold regular meetings as frequently as the Committee in its discretion deems desirable. The Committee may also hold special meetings that may be called by telephone or written notice by the Chairman of the Committee.

A majority of all of the members of the Committee shall constitute a quorum for the transaction of business. Approval by a majority of the members present at a meeting at which a quorum is present shall constitute approval by the Committee. The Committee shall keep a written record of its proceedings. The Committee may require officers and employees of the Company to produce such information and reports, including reports to be provided annually or on other regular bases, as the Committee may deem appropriate.

The Committee shall have the authority to cause investigations to be made of such matters within the scope of the Committee's purposes and responsibilities as the Committee may deem appropriate. Such investigations may be made by the Company's employees or such other persons or firms as the Committee may direct.

Reporting to Board of Directors

The Committee shall report as to its activities to the Board and, where appropriate, its recommendations for action by the Board at their next meeting subsequent to that of the Committee. Certain action by the Committee may be similarly reported to the Board for approval or ratification.

This Charter may be amended or modified only by the Board.

Established this 7th day of June, 2004.