

NEW FRONTIER MEDIA, INC. COMPENSATION COMMITTEE CHARTER

1. PURPOSE

The function of the New Frontier Media, Inc. Compensation Committee is to assist the Board of Directors in fulfilling its oversight responsibilities relating to executive compensation and to produce the Committee report included in the annual proxy statement in accordance with applicable SEC rules and regulations.

2. RESPONSIBILITIES

The Compensation Committee's primary responsibilities include:

- Determining the compensation of the Company's Chief Executive Officer, including award of stock options, bonuses and other incentives and discussing their determination with the Board in executive session. In determining the appropriate compensation to be awarded to the CEO, the Compensation Committee will consider:
 - An evaluation of the CEO's performance;
 - The Company's performance, including the level of achievement of quantitative objectives;
 - The recommendations of independent consultants;
 - Reviews of compensation paid to CEOs at companies determined by the Compensation Committee.

In addition, in determining the long-term incentive compensation of the CEO, the Compensation Committee will consider, among other factors, the Company's performance and relative shareholders return, the value of similar incentive awards to CEOs at comparable companies and the awards given to Company's CEOs in past years.

- Reviewing and approving goals and objectives relevant to the compensation of the Company's Executive Officers (other than the Chief Executive Officer), evaluating such Executive Officers' performance in light of those goals and objectives and determining such Executive Officers' compensation based on this evaluation.
- Reviewing succession planning and management development for senior management, including the CEO, on at least an annual basis. This succession planning includes the development of policies and principles for the succession of the Chief Executive Officer, including succession in the event of retirement or emergency.

- Recommending to the Board the compensation for Board members (including retainer, committee and committee chair's fees, stock options and other similar items as appropriate).
- Reviewing appropriate insurance coverage for directors and officers.
- Reviewing the competitive position of, and approving changes to, the plans, systems and practices of the Company relating to the compensation and benefits.
- Reviewing the financial performance and the operations of the major benefit plans based on the recommendations of management.
- Making recommendations to the Board with respect to incentive compensation plans and equity-based plans.
- Administering the Company's stock plan, stock equivalent unit plan and other executive incentive plans, with authority to grant, or to approve or disapprove participation of individual employees in those plans.
- Making such changes to the Company's executive incentive plans that do not require stockholder approval as they deem appropriate.
- Reviewing and reassessing this charter and submitting any suggested changes to the Board for review.

3. MEMBERSHIP AND ORGANIZATION

- The Compensation Committee shall consist of at least two members of the Board of Directors, as the Board shall from time to time determine.
- Each member shall be: (a) "independent" as that term is defined from time to time by the listing standards of the Nasdaq Stock Market, Inc.; (b) a "non-employee director" as that term is defined under Securities and Exchange Commission Rule 16b-3; and (c) an "outside director" as that term is defined for the purposes of the Internal Revenue Code, section 162(m). In addition, at least one member shall be, or within such period after his or her appointment determined by the Board shall become, financially literate as determined by the Board in its business judgment, as that term is defined from time to time by the listing standards of the New York Stock Exchange and as determined by the Board in its business judgment.
- The Board of Directors shall elect the members of the Committee at its first meeting following the Annual Meeting of Stockholders and these members shall serve until their successors are elected or until their earlier death, resignation or removal, with or without cause, in the discretion of the Board. Unless a Chair is elected by the Board of Directors, the members of the Committee shall designate a Chair by a majority vote of the full Committee membership.

- The Committee may delegate its authority to a subcommittee or subcommittees.
- The Committee shall promptly inform the Board of the actions taken or issues discussed at its meetings. This will generally take place at the Board meeting following a committee meeting.

4. MEETINGS

- The Committee shall meet at least four times annually, or more frequently if circumstances dictate. Any member of the Committee may call a meeting of the Committee upon due notice to each other member at least forty-eight hours prior to the meeting. Two members shall constitute a quorum. A majority of the members present shall decide any question brought before the Committee.

5. ADVISORS

- The Committee shall have the exclusive authority, at the expense of the Company, to retain (including authority to approve fees and other retention terms) any compensation consultants to be used to assist the Committee in the evaluation of director, CEO or senior executive compensation, and such independent consulting, legal and other advisors as it shall deem appropriate without management approval.

6. PERFORMANCE REVIEW

- The performance of the Committee shall be evaluated annually which evaluation may be included as part of the Board surveys.

The Compensation Committee's responsibilities and powers as delegated by the Board of Directors are set forth in this Charter. The Committee relies to a significant extent on information and advice provided by management and independent advisors. Whenever the Committee takes an action, it exercises its independent judgment on an informed basis that the action is in the best interests of the Company and its stockholders.