

**COMPUWARE CORPORATION
COMPENSATION COMMITTEE CHARTER**

Purpose

The Committee is responsible for determining and recommending to the full Board for its approval compensation programs for key executives that are effective in attracting and retaining key executives, link pay to performance and are administered fairly and in the shareholders' interests. This includes making recommendations regarding executive compensation policy, administering board- or shareholder-approved plans, approving benefit programs and making decisions for the Board with respect to the compensation of officers, directors and key executives.

Composition

- The Committee shall have a minimum of three directors.
- All Committee Members shall meet the definition of an "independent director" within the meaning of Rule 4200(a)(15) of the NASDAQ Stock Market Marketplace Rules.
- The Chairman may nominate the Committee members and a Chairperson, who shall be submitted to the Board for approval. The Board may remove a Committee member from the Committee at any time with or without cause.
- The Committee has the authority to retain consultants to advise it with respect to the Company's executive officer and director compensation and benefit programs.

Responsibilities and Duties

CEO Compensation

- Annually review and approve corporate goals and objectives relevant to the compensation of the CEO and evaluate the CEO's performance in light of those goals and objectives.
- Determine compensation awards for the CEO, including salary, bonus, stock awards, and, if applicable, employment agreements and any supplemental compensation or benefit arrangements. The CEO shall not be present during voting or deliberations with respect to the review and approval of CEO compensation.

Executive Officer Compensation

- Periodically review the Company's philosophy regarding executive officer compensation and consult with the CEO relative to different compensation approaches.
- Annually review market data and evaluate competitive pay levels for key executive officers and directors based on reliable industry analyses.
- Review compensation programs covering the Company's highly compensated employees with the CEO.
- Determine performance criteria and goals for measuring corporate performance in consultation with the CEO.
- Recommend compensation awards for the executive officers, including salary, bonus, stock awards, and, if applicable, employment agreements, employment-related agreements and any supplemental compensation or benefit arrangements.

Director Compensation

- Annually review market data and evaluate competitive pay levels for directors based on reliable industry analyses.
- Recommend to the Board appropriate director compensation.
- Recommend any long-term incentive compensation component of director compensation, taking into consideration the Company's performance, the value of similar incentive awards to directors at comparable companies, the awards given to directors in past years, and such other factors as the Committee deems appropriate.

Other

- Review and approve the Compensation Committee Report to the shareholders in the annual proxy statement.
- Report Committee actions to the Board of Directors.