

Gateway, Inc.

Compensation Committee Charter

Purpose

The primary purposes of the Compensation Committee (the Committee) are (i) to assist the Board of Directors (the Board) in fulfilling its responsibility to oversee compensation of the executives of the Company and (ii) to produce an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations. The Committee has overall responsibility with respect to designing, approving, and evaluating the executive compensation plans, policies, and programs of the Company. The Committee shall be responsible for determining the Company's policy with respect to the application of Section 162(m) of the Internal Revenue Code as amended, and when compensation may be paid by the Company that is not deductible for Federal income tax purposes.

Membership

The Committee shall consist of three or more directors, each of whom must be independent of management of the Corporation and free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment as a Committee member. Members of the Committee shall be appointed by the Board annually and may be removed by a majority of the Board at any time.

Key Responsibilities

The Committee shall have the following responsibilities and powers:

- (a) With respect to the compensation of the CEO:
 - (i) annually review and approve the corporate goals and objectives with respect to the CEO's compensation,
 - (ii) annually evaluate the CEO's performance in light of the goals and objectives set by the Committee
 - (iii) set the CEO's compensation based on such evaluation
 - (iv) in connection with any long-term incentive award to the CEO, consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company's CEO in past years.

- (b) Review and approve for each executive officer of the Company:
 - (i) annual base salary
 - (ii) incentive bonus targets and amounts
 - (iii) any employment agreements, severance arrangements, and change-in-control provisions or agreements
 - (iv) any stock option, restricted stock or equity awards

- (iv) any special or supplemental benefits.

- (c) Approve the granting of stock or stock options or other equity to employees of the Company.

- (d) Approve or, if deemed appropriate or required, recommend to the Board of Directors changes in the various compensation and benefit plans that compensate the executive officers of the Company.

- (e) Periodically examine the compensation and benefit structure of the Company in respect to executive officers and key employees to determine that the Company is rewarding its executive personnel in a manner consistent with sound business practices.

- (f) Perform such other duties as are the responsibility of the Committee under the various compensation, benefit and stock option plans of the Company that are applicable to the executive officers of the Company.

- (g) Have sole authority to retain and terminate any compensation consultant to assist in the evaluation of CEO or senior executive compensation and have sole authority to approve the consultant's fees and other retention terms.

- (h) Prepare an annual report on executive compensation for inclusion in the Company's proxy statement in accordance with applicable rules and regulations.

- (i) Report back to the Board with respect to the actions of the Committee at the next regularly scheduled Board meeting.

- (j) Undertake an annual evaluation of the performance of the Committee and report the results to the Board.

- (k) Review and report annually to the Board on the Company's succession planning, including succession planning in the case of the incapacitation, retirement or departure of the CEO.

Procedures

The Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this charter. The Chair of the Committee, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this charter.

The Committee has authority to retain outside counsel or other advisors it deems necessary to carry out its responsibilities. The Committee may delegate its authority to subcommittees or the Chair of the Committee when it deems appropriate and in the best interests of the Company.