

Compensation Committee Charter

Overall Roles and Responsibilities

The Compensation Committee is responsible for overseeing and reporting to the Board of Directors on policies and processes for the regular and orderly review of the compensation of the chief executive officer and other senior executive management personnel. The Committee also is responsible for conducting, on an annual basis, the process of establishing, or recommending to the Board for determination, the compensation of the CEO and executive management personnel, in accordance with the Board's policy. The Committee believes that the primary goal of the Company's compensation program should be related to fairly compensating the CEO and executive management for their success in creating shareholder value, as reported in the annual report of the Committee to shareholders included in the company's Proxy Statement.

Specific Responsibilities

The specific responsibilities of the Compensation Committee include:

- Monitoring and approving management's implementation of a policy and process for carrying out compensation review. The policy should include provisions for obtaining input from the full Board and reporting to the Board on the results of the compensation review.
- Monitoring and approving the compensation structure for Company employees, including bonus plans and stock compensation. The Committee seeks to ensure that management is maintaining employee compensation at competitive levels, based upon personal performance, the financial performance of the Company and the employee's contribution to that performance.
- Determining or recommending to the Board for determination a compensation program for the Company's Chief Executive Officer and executive management personnel that is designed to allow the organization to recruit and retain superior talent that contributes to the Company's long-term success.
- Engaging independent consultants to provide comparative information on compensation and benefits as well as to advise the Committee on compliance issues involving federal and state laws and regulations concerning compensation of executives.
- Receiving an annual report from management regarding compensation review recommendations for the CEO and executive management personnel. The Committee uses management's report to become aware of the CEO's and management's evaluation of the capabilities of the executive team, as a basis for determining or recommending to the Board for determination a compensation program for the CEO and executive management personnel. The Committee makes its own determination of

the performance of the CEO and executive management in determining whether the program submitted by management is reasonable and appropriate.

- Conducting the executive compensation review process in a manner that promotes trust and communication between the Board and the CEO.
- Reporting annually to shareholders on executive compensation matters.
- Undertaking an annual evaluation of the Committee's performance

Meetings

The Committee will meet at least twice a year or when necessary at the call of the Committee chairperson. Meetings may be devoted to: evaluating and sharing feedback with the CEO and establishing the CEO's compensation, based on performance; determining or recommending to the Board for determination the compensation structure for executives and reviewing the compensation structure for the Company's general employee population; a report from an outside consulting firm or the Company's Human Resources Department on comparative compensation and benefits; education on current compliance requirements.

Annual Committee Goals

Annually, the Committee will consider whether there is a particular goal or focus area on which it should concentrate its work in the forthcoming year, in addition to its ongoing responsibilities. Goals for the Committee might include:

- Conducting a redesign of the executive compensation review policy and processes, when and if necessary.
- Educating the Committee and the Board on current compliance and other legal requirements.
- Studying and developing policies for compensation of other categories of senior personnel, beyond the executive ranks.

Reports

The Committee will review the following reports:

- Quarterly report of stock options granted to employees other than officers and Directors
- Executive Compensation Analysis
- Annual Focal Review and Merit Raise Update

Members

Members of the Compensation Committee will include independent members of the Company's Board of Directors, persons who have experience with businesses and other organizations of comparable size and familiarity with human resource issues. Compensation Committee Members will understand and respect the confidential and sensitive nature of discussions with regard to compensation and performance evaluation.