

STARTEK, INC.

COMPENSATION COMMITTEE CHARTER

(Adopted as of June 14, 2005)

Purpose

The Board of Directors (the “Board”) of StarTek, Inc. (the “Company”) has established and appointed members to the Compensation Committee (the “Committee”). The purpose of the Committee is to (i) assist the Board by discharging the Board’s responsibilities relating to compensation of the Company’s executive officers (as defined pursuant to Section 16 of the Securities Exchange Act of 1934 and the rules promulgated thereunder), (ii) produce an annual report on executive compensation for inclusion in the Company’s proxy statement and (iii) provide general oversight of the Company’s compensation philosophy and objectives.

The Committee has the authority and responsibilities described in this Charter. This Charter has been adopted by the Board. The Committee will review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board.

Organization

The Committee shall consist of at least three directors. Each member of the Committee shall satisfy the independence requirements under applicable New York Stock Exchange (“NYSE”) rules and regulations. Additionally, at least two members shall meet the definition of “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the definition of “non-employee director” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended.

The Board shall appoint the Chairman and the members of the Committee upon recommendation of the Governance and Nominating Committee, and shall have the power to fill vacancies on the Committee. The Board shall have the power to remove any member at any time with or without cause.

Responsibilities and Duties

To carry out its primary purposes, the Committee shall:

1. Develop and establish without further Board approval corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate the Chief Executive Officer’s performance in light of these goals and objectives, and set without further Board approval the Chief Executive Officer’s compensation (including salary, bonus and incentive or equity-based compensation) based on this evaluation.
2. Develop guidelines, review the performance of and set without further Board approval the compensation (including salary, bonus and incentive or equity-based compensation) of the other executive officers of the Company, including compensation packages for new executive officers and severance packages for executive officers, as necessary.

3. Develop and recommend to the Board for approval the terms of any bonus or short-term cash incentive compensation plans for officers or employees.

4. Develop and recommend to the Board for approval the terms of any long-term incentive compensation or employee benefit plans for officers or employees, including stock option and other equity-based plans. Except as otherwise delegated by the Board, the Committee will act on behalf of the Board as the “Committee” established to administer any such long-term incentive compensation or employee benefit plans, and as such will discharge any responsibilities imposed on the Committee under those plans, including making and authorizing grants of stock options, restricted stock or other equity-based incentives to the Chief Executive Officer and other executive officers of the Company in accordance with the terms of the plans. Making and authorizing grants of stock options, restricted stock and other equity-based incentives in accordance with the terms of any such plans to persons other than the Chief Executive Officer and other executive officers of the Company will require Board approval.

5. Review and monitor compensation policies and practices, perquisites and other fringe benefits.

6. Review and approve without further Board approval for the Chief Executive Officer and other executive officers of the Company, any employment agreements, severance arrangements, change in control agreements, and any special or supplemental benefits, in each case as, when and if appropriate.

7. Develop and recommend to the Board for approval a succession plan for executive officer positions and monitor the succession planning process for other members of management.

8. Submit the Committee’s report on executive compensation included in the Company’s annual proxy statement and generally oversee compliance with the compensation reporting requirements of the U.S. Securities and Exchange Commission.

9. Periodically report on its activities to the Board and make such recommendations and findings as it deems appropriate.

10. Perform any other activities consistent with this Charter, the Company’s Certificate of Incorporation and Bylaws and applicable law, as the Committee deems appropriate or as requested by the Board.

Meetings and Resources

The Committee shall meet as often as it determines necessary or appropriate in its judgment. Meetings may be called on twenty-four hours notice by the Committee Chairman and shall be called by the Committee Chairman at the request of the Chairman of the Board, any member of the Committee or the Chief Executive Officer, and the notice of the meeting may be by telephone, facsimile transmission, or email. A majority of the Committee shall constitute a quorum, and the Committee shall act only on the affirmative vote of the majority of the members voting at the meeting. The Committee may also act by unanimous written consent. The Committee Chairman, in consultation with appropriate members of the Committee and with management, shall set the length of each meeting and the meeting agenda. The Committee may form one or more

subcommittees, each of which may take such actions as may be delegated by the Committee.

The Committee shall report periodically to the Board through presentations at Board meetings or by submission of the minutes of the Committee meetings to the Board.

The Committee shall have the authority to investigate any matter within its scope of responsibilities with full access to all Company books, records, facilities and personnel.

The Committee shall have the sole authority to retain and terminate any compensation consultant to assist in the evaluation of Chief Executive Officer or other executive officer compensation and shall have sole authority to approve the compensation consultant's fees and retention terms. The Committee shall also have the authority, to the extent it deems necessary and appropriate, to retain independent legal or other advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to outside consultants and advisors employed by the Committee.