

Pegasus Solutions, Inc.
Corporate Governance Committee Charter

The Corporate Governance Committee (the “Committee”) shall have the responsibility to assist the Board of Directors (the “Board”) and advise and counsel the Board and management regarding the Company’s governance, including matters relating to the selection of directors and the Board’s practices and effectiveness. In discharging these responsibilities, the Committee shall:

1. Recommend to the Board nominees for election as directors;
2. Search for, recruit, screen, interview and select candidates for new directors as necessary to fill vacancies or the additional needs of the Board, and consider management’s and stockholder’s recommendations for director candidates;
3. Evaluate the qualifications and performance of incumbent directors and determine whether to recommend them for re-election to the Board;
4. Establish and periodically reevaluate criteria for Board membership and selection of new directors, including independence standards, and determine as necessary the portfolio of skills, experience, perspective and background required for the effective functioning of the Board considering the Company’s strategy, and its regulatory, geographic and market environments;
5. Monitor non-Board services provided by directors to the Company and its subsidiaries;
6. Recommend to the Board removal of a director where appropriate;
7. Periodically make recommendations to the Board with respect to the size of the Board;
8. Recommend to the Board the membership of the committees of the Board;
9. Review and report to the Board as to whether or not an individual is independent, taking into account any applicable regulatory requirements and such other factors as the Committee may deem appropriate;
10. Review periodically with the Company’s General Counsel, in light of changing conditions, new legislation and other developments, the Company’s Code of Ethics and make recommendations to the Board for such changes to the code as required by applicable law, regulation, rule or as the Committee shall deem appropriate;
11. Initiate and oversee a periodic evaluation of (a) the quality, sufficiency and currency of information furnished by management to the directors in connection with the Board and Committee meetings and other activities of the directors, (b) the Board’s effectiveness, and (c) the composition, organization

- (including its Committee structure, membership and leadership) and practices of the Board;
12. Develop, periodically review, and recommend to the Board a set of corporate governance principles applicable to the Company;
 13. Monitor the orientation and training needs of directors and recommend action to the Board, individual directors, and management where appropriate;
 14. Subject to Delaware corporate law, review and recommend the Company's policies on and responses to important stockholder issues and proposals, and recommend to the Board the placement of stockholder proposals, and the Board's response thereto, in the proxy statement;
 15. Review and approve, prior to acceptance, the Chief Executive Officer's service on any other public company Board;
 16. Perform other functions within the scope of the foregoing, which the Committee deems appropriate to undertake from time to time;
 17. Conduct an evaluation of the Committee's performance and charter at least annually, and recommend to the Board such Committee charter changes as the Committee deems appropriate.
 18. Review and approve the "Statement of Corporate Governance" for inclusion in the Company's proxy statement.

Committee Composition and Protocol

The Committee shall be comprised solely of independent directors according to independence standards established by applicable statutes, regulations, and Nasdaq National Market rules (as amended or supplemented).

A majority of the members of the Committee shall constitute a quorum for the transaction of business. The vote of a majority of the members present at any meeting at which a quorum is present shall be the act of the Committee. The Committee shall meet at least three (3) times each year. The Chief Executive Officer or the Committee Chairman shall have the authority to call a special meeting of the Committee whenever they deem such meeting necessary or desirable. The Chairman shall regularly make a report to the Board regarding the Committee's activities.

The Committee shall have the authority to designate, and delegate duties to, such standing and ad-hoc sub-committees as it deems necessary or desirable.

This Charter has been adopted by the Board, as amended, on the 7th day of December, 2004.