

**BOARD OF DIRECTORS**

**COMPENSATION COMMITTEE CHARTER**

**ORGANIZATION**

**Membership**

The Compensation Committee shall consist of two or more independent members of the Board of Directors (the “Board”) as defined by the rules of the Nasdaq Global Select Market (“Nasdaq”). The members of the Compensation Committee shall also meet the definitions of “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended. In affirmatively determining the independence of any director who will serve on the Compensation Committee, the Board shall consider all factors specifically relevant to determining whether such director has a relationship to the Company which is material to his or her ability to be independent from management in connection with the duties of a member of the Compensation Committee, including, but not limited to:

- The source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and
- Whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company, and whether any affiliation impairs his or her judgment as a member of the Compensation Committee.

Membership on the Compensation Committee shall be determined annually by the Board. Unless a Chairman of the Compensation Committee is elected by the full Board, the members of the Compensation Committee may designate a Chairman of the Compensation Committee by majority vote of the full Compensation Committee. A Secretary of the Compensation Committee shall be selected by the Chairman of the Compensation Committee. Should any member of the Compensation Committee cease to be independent as defined under applicable Nasdaq rules, such member shall immediately resign his or her membership on the Compensation Committee. The Board may remove a member of the Compensation Committee. In case of a vacancy on the Compensation Committee, the Board may appoint an independent director to fill the vacancy for the remainder of the term.

**Meetings**

The Compensation Committee shall meet at least twice each year. Additional meetings may be scheduled as needed by the Chairman of the Compensation Committee. A majority of the members of the Compensation Committee shall constitute a quorum for the transaction of business. Minutes are recorded by the Secretary of the Compensation Committee. Approval by a majority of the members present at a meeting at which a quorum is present shall constitute approval by the Compensation Committee. The Compensation Committee may also act by unanimous written consent without a meeting.

When the Compensation Committee meets to determine the compensation of the chief executive officer, the Compensation Committee shall meet in executive session without the presence of the chief executive officer. The chief executive officer may be present during deliberations to determine the compensation of all other officers, as that term is defined in Section 16 of the Exchange Act and Rule 16a-1 thereunder, but may not vote.

## PURPOSE

The Compensation Committee recommends, reviews, and oversees the salaries, benefits, and equity incentive plans for the Company's employees, consultants, directors, committee members and other individuals compensated by the Company. The Compensation Committee shall also prepare the report of the Compensation Committee and review and recommend to the Board for approval the Compensation Discussion and Analysis ("CD&A") required to be included in the Company's annual proxy statement.

## COMPENSATION PHILOSOPHY

The goals of the Compensation Committee with respect to executive officers, including the CEO, shall be to provide compensation designed to attract, motivate and retain executives of outstanding ability and potential and to align the interest of executive officers with the interests of our shareholders. The Compensation Committee shall seek to provide incentives for superior individual performance by paying competitive compensation, and to base a significant portion of compensation upon the Company's performance. To meet these goals, the Compensation Committee shall adopt a mix among the compensation elements of salary, benefits and equity grants.

The Company's executive compensation program shall be designed to link the performance of management to accomplishing both short and long-term goals, building shareholder value, and personal contribution to the business. The individual elements shall be understandable and together provide compensation that is well suited for the Company. The management team shall understand the linkage of operating performance, personal contribution to the business, and their own compensation.

## RESPONSIBILITIES

The Compensation Committee shall:

1. Review and approve the Company's goals and objectives relating to chief executive officer compensation, evaluate the chief executive officer's performance in light of such goals and objectives, and set the chief executive officer's compensation level based on this evaluation, all in keeping with the Compensation Committee's compensation philosophy set forth in this charter.
2. Review and approve the salaries, bonuses and benefits of other officers of the Company (as defined in Section 16 of the Securities Exchange Act of 1934, as amended), including incentive-compensation plans and equity-based plans, provided however, that the chief executive officer may participate in discussions regarding officer compensation, but may not vote.

3. Review annually the operation of the Company's executive compensation programs to determine whether they are properly coordinated and achieving their intended purpose(s); and establish and periodically review policies for the administration of executive compensation programs.
4. Review and recommend to the Board the appropriate amount of compensation for the directors.
5. Coordinate the Board's role in establishing performance criteria for the Company's executives and evaluate their performance annually.
6. Establish and periodically review policies in the area of senior management prerequisites.
7. Fix and determine awards to employees of restricted stock or stock options pursuant to any of the Company's employee stock option or stock-related plans now or from time to time hereafter in effect and exercise such other power and authority as may be permitted or required under such plans.
8. Review and recommend to the Board the terms of any employment agreement executed by the Company with an executive officer of the Company.
9. Produce a Compensation Committee report and review and recommend to the Board for approval the CD&A for inclusion in the Company's annual proxy statement.
10. Have the sole authority to retain, at the Company's expense, and terminate, any third party consultants to assist in the evaluation of director, chief executive officer or senior executive compensation, and shall have sole authority to approve such consultant's fees and other retention terms.
11. Have authority, in its sole discretion, to obtain advice and assistance from internal and external legal, accounting or other advisers at the Company's expense, and shall have the sole authority to approve such advisers' fees and other retention terms.
12. Have authority to delegate any of its responsibilities to subcommittees or individuals as the Compensation Committee deems appropriate.
13. Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval. Additionally, the Compensation Committee shall annually evaluate its own performance.
14. Except where otherwise provided under applicable Nasdaq rules, prior to retaining a compensation consultant, the Compensation Committee shall consider the following factors:
  - a) The provision of other services to the Company by the firm employing the compensation consultant;

- b) The amount of fees received from the Company by the firm employing the compensation consultant, as a percentage of such firm's total revenue;
- c) The policies and procedures adopted by the firm employing the compensation consultant that are designed to prevent conflicts of interest;
- d) Any business or personal relationship of the compensation consultant with a member of the Compensation Committee;
- e) The compensation consultant's ownership of the Company's stock;
- f) Any business or personal relationships between the Company's executive officers and the compensation consultant or the firm employing the compensation consultant; and
- g) Any other potential conflict of interest of the compensation consultant, in accordance with Item 407(e)(3)(iv) of Regulation S-K.

#### REPORTING RESPONSIBILITY

All action taken by the Compensation Committee shall be reported to the Board at the next Board meeting following such action.

In addition, compensation matters may be discussed in executive session with the full Board during the course of the year, provided that the compensation of the chief executive officer shall be determined by the Compensation Committee or a majority of the independent members of the Board.