

Compensation Committee Charter

Purpose

The purpose of the Compensation Committee "Committee" is to assist the Board of Directors in the discharge of its responsibilities relating to compensation of the company's executive officers and directors; to oversee the evaluation of the Chief Executive Officer; to oversee the administration of the Company's executive and other compensation plans relating to cash compensation, incentive compensation, equity-based awards and other benefits and prerequisites; and to produce an annual report on applicable rules and regulations.

In discharging its role, the Committee is empowered to investigate any matter brought to its attention with access to all books, records, facilities, and personnel of the company. The Committee has the power to retain outside counsel, compensation consultants, or other experts and will receive adequate funding from the Company to engage such advisors. The Committee, in its sole discretion, may retain, compensate, terminate, and oversee its executive compensation consultants, who shall be accountable ultimately to the Committee. The following guidelines are applicable should the Committee engage an outside consultant::

- The Compensation Committee must be directly responsible for the appointment, compensation and oversight of the work of any compensation adviser retained by the Committee;
- The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation adviser retained by the Committee;
- Before selecting, or receiving advice from, a compensation adviser, other than in-house legal counsel, the Committee must conduct an independence assessment by considering the following six factors:
 - The provision of other services to the Company by the person that employs the compensation adviser;
 - The amount of fees received from the Company by the person that employs the compensation adviser, as a percentage of the total revenue of the person that employs the compensation adviser;
 - The policies and procedures of the person that employs the compensation adviser that are designed to prevent conflicts of interest;
 - Any business or personal relationship of the compensation adviser with a member of the compensation committee;
 - Any stock of the company owned by the compensation adviser; and
 - Any business or personal relationship of the compensation adviser or the person employing the adviser with an executive officer of the company.

The compensation committee must conduct the independence assessment with respect to any compensation consultant, legal counsel or other adviser that provides advice to the compensation committee, other than (1) in-house legal counsel or (2) an adviser whose role is limited to (i) consulting on any plan that does not discriminate in favor of executive officers or directors and that is available generally to all salaried employees or (ii) providing information that either is not customized for the company or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice. An independence assessment

would be required for the company's outside legal counsel if it provides advice to the compensation committee. Independence assessments should be conducted annually.

Membership

The Committee shall be comprised of at least three directors, each of whom shall satisfy all the "independence" tests of applicable law, rules or regulations, including those of The Nasdaq Stock Market, Inc. ("outside independent directors".) In addition to being an "independent director" under the general definition of that term in the NASDAQ rules, a Committee member may not, while serving on the compensation committee, accept directly or indirectly any "consulting, advisory or other compensatory fee" from the company, other than fees for the board or committee service or fixed amounts under a retirement plan for the prior service with the company.

Areas of Responsibility

The Committee shall:

- Develop executive compensation to determine appropriate levels of executive officer compensation, including the mix between fixed and incentive compensation, and the mix between short-term and long-term incentive compensation, all of which discourage excessive risk-taking.
- Review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in the light of those goals and objectives, and recommend for Board approval the CEO's compensation based on this evaluation.
- Review and recommend for Board approval the compensation level of the second most senior executive officer of the Company (other than the CEO) as recommended by the CEO.
- Review and determine or ratify the compensation of the Company's Section 16 executive officers as recommended by the CEO, and review the compensation of the COO's direct reports who are not under Section 16 officers. The Committee's review may include a review of competitive market data for these individuals and consideration of market conditions, and other factors, as deemed necessary.
- Oversee administration of executive and management incentive plans, long-term incentive compensation plans for employee and directors, employee stock purchase plans, and other executive and director compensation arrangements.
- Approve all officer long-term incentive compensation awards.
- Approve awards for executive officers under executive incentive plans.
- Ratify all subsidiary bonus awards prior to payout.
- Review/recommend or approve employment agreements, severance agreements or change in controls agreements between the Company Section 16 executive officers.
- Recommend for Board approval on an annual basis the compensation of non-employee directors, including appropriate levels of compensation for the service on Board committees and reimbursement of expenses incidental to a director's service. No employee of the Company or any of its subsidiaries may receive compensation as a director or committee member.

- Review and approve Company's disclosure of executive compensation in the Company's proxy statements.
- Oversee the Company's compliance with the regulatory requirements associated with the compensation of its officers, including Federal Reserve Bank requirements.

Meetings

The Committee shall meet as frequently as circumstance may require for it to carry out its duties.