

BOARD OF DIRECTORS
COMPENSATION COMMITTEE CHARTER

ORGANIZATION

Membership

The Compensation Committee consists of at least three directors, each of whom shall be independent, as such term is defined in the Corporate Governance Principles of the Board of Directors (the “Board”), and also shall be “Non-Employee Directors” as defined in Rule 16(b)-3 promulgated under the Securities Exchange Act of 1934, as amended, and “Outside Directors” as defined under the treasury regulations promulgated under Section 162(m) of the Internal Revenue Code. Membership on the Compensation Committee is determined by the Board upon the recommendation of the Corporate Governance Committee. The Compensation Committee Chairman is appointed by the Board. Should any member of the Compensation Committee cease to be independent, such member shall immediately resign his or her membership on the Compensation Committee.

Meetings

The Compensation Committee meets at least twice each year. Additional meetings are scheduled as needed. A majority of the members of the Compensation Committee shall constitute a quorum for the transaction of business. Minutes are recorded by the Secretary to 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.

PURPOSE

The Compensation Committee is appointed to perform the responsibilities of the Board relating to the compensation of the Company’s executive officers. It performs this function by:

- establishing and overseeing compensation programs for officers of the Company;
- administering the Company’s equity-based plans, both those in existence at the time of the adoption of this Charter and those created hereafter; and
- performing general oversight and investigation functions related to Company compensation consistent with the responsibilities delegated herein or set forth in future resolutions of the Board.

COMPENSATION PHILOSOPHY

The goal of the Company's compensation policy is to attract, motivate and retain the highly talented individuals the Company needs to develop technology and proprietary products and provide services to its customers. The Company's compensation philosophy is to provide competitive compensation levels, but to tie compensation to individual and Company performance. Particularly with respect to senior executives, the Company seeks to leverage compensation by increasing the variable component, so that these executives will be rewarded based on the achievement of corporate and individual goals. With respect to all employees, the Company's compensation program includes an equity-based component.

RESPONSIBILITIES

The Compensation Committee shall:

1. Review and approve the Company's goals and objectives.
2. Evaluate the chief executive officer's performance in light of the Company's goals and objectives, and set the chief executive officer's compensation based on this evaluation and the Company's compensation philosophy.
3. Based on the recommendations of the Chief Executive Officer, review and approve the compensation of the other officers of the Company.
4. Fulfill the responsibilities of the "Committee" under the Company's 1995 Stock Option/Stock Issuance Plan, and any successor plan, except to the extent that such responsibilities are reserved to the full Board or delegated to the Non-Section 16(b) Committee.
5. Fulfill the responsibilities of the "Plan Administrator" under the Company's Employee Stock Purchase Plan, and any successor plan.
6. Review annually the operation of the Company's compensation programs, including incentive compensation programs and equity-based plans, to determine whether they are properly coordinated and achieving their intended purposes.
7. Make recommendations to the Board with respect to incentive compensation programs, equity-based plans and other compensation programs.
8. Coordinate the Board's role in establishing performance criteria for the Company and its officers, and in evaluating their performance.
9. Review and approve the terms of all employment agreements, offers of employment and terms of promotion proposed to be executed or put into effect by the Company with respect to any officer or prospective officer.
10. Provide a report on executive compensation for inclusion in the Company's annual proxy statement.

11. Have the sole authority to retain, and terminate, any third party consultants to assist in the evaluation of executive compensation, including the sole authority to approve such consultant's fees and other retention terms.
12. 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.

REPORTING RESPONSIBILITY

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