



Compensation Committee

I. MEMBERSHIP

The Compensation Committee shall consist of at least two non-employee Board members appointed by the Board. A non-employee Board member shall not be eligible to serve on the Compensation Committee unless he or she:

- A. Is not a current employee;
- B. Is not a former employee currently receiving compensation for prior services; and
- C. Does not receive compensation, directly or indirectly (other than certain de minimis compensation), for services in any capacity other than as a director.

II. FUNCTIONS

The Compensation Committee shall provide guidance and periodic monitoring for all corporate compensation, benefit, perquisite, and employee equity programs. Except as set forth herein, the Compensation Committee's actions will generally relate to overall considerations, policy, and strategy.

- A. The Compensation Committee shall have sole and exclusive authority to administer the Discretionary Option Grant and Stock Issuance Programs under the 1999 Stock Incentive Plan with respect to the Company's executive officers and employee Board members subject to the short-swing profit restrictions of Section 16 of the Securities Exchange Act of 1934, as amended ("Section 16").
- B. The Compensation Committee shall have sole and exclusive authority to establish the compensation payable to the Company's executive officers and employee Board members subject to the short-swing profit restrictions of Section 16, including the adjustment of base salary each year, the implementation and administration of incentive compensation programs for such individuals and the authorization of all awards to such individuals under these incentive programs.
- C. The Compensation Committee shall have overall responsibility for the administration of all of the Company's employee benefit plans.
- D. The Compensation Committee shall approve all perquisites, equity incentive awards, special cash payments or loans made or paid to executive officers and employee Board members subject to the short-swing profit restrictions of Section 16.
- E. The Compensation Committee shall assist the Board in succession planning for executive officers.
- F. The Compensation Committee shall perform any other responsibilities from time to time assigned by Board resolution.

III. FREQUENCY AND TIMING

- A. The Compensation Committee shall meet with the Chief Executive Officer prior to the start of each fiscal year to discuss the incentive compensation programs to be in effect for such fiscal year.
- B. At the end of each fiscal year, the Compensation Committee shall meet to review the performance of executive officers and employee Board members subject to the short-swing profit restrictions of Section 16 under those programs and award bonuses thereunder. At that time the Compensation Committee shall also adjust base salary levels for executive officers and employee Board members subject to the short-swing profit restrictions of Section 16 and review the overall performance of the Company's employee benefit plans.
- C. The Compensation Committee shall also meet as and when necessary to administer the Discretionary Option Grant and Stock Issuance Programs under the 1999 Stock Incentive Plan with respect to executive officers and employee Board members subject to the short-swing profit restrictions of Section 16.
- D. The Compensation Committee shall convene periodically as necessary to act upon any other matters within its jurisdiction under this charter.

IV. MINUTES

Minutes shall be kept of each meeting of the Compensation Committee and will be provided to each member of the Board of Directors. Any action of the Compensation Committee, other than equity incentive awards under the 1999 Stock Incentive Plan to executive officers and employee Board members subject to the short-swing profit restrictions of Section 16, shall be subject to revision, modification or rescission by the Board of Directors.