

PROPOSED COMPENSATION COMMITTEE INDEPENDENCE STANDARDS – COMPARISON CHART

	<b>CURRENT</b>
<b>Nasdaq General Independence</b>	<p>The Compensation Committee must be comprised entirely of independent directors, subject to a limited exception to have one non-independent director under exceptional circumstances. “Independent Director” means a person other than an Executive Officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company’s board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The following persons are not independent under the Nasdaq rule:</p> <ul style="list-style-type: none"> <li>• a director who is, or at any time during the past three years was, employed by the company;</li> <li>• a director (or his family member) who accepted compensation in excess of \$120,000 in any period in 12 consecutive months in the past 3 years;</li> <li>• a director who is a family member of an individual who is an executive officer;</li> <li>• a director who is a partner or controlling shareholder of an organization to which the company made or received payments of \$200,000 or in an amount that exceeds 5% of the recipient’s gross revenue for that year (or the prior three years);</li> <li>• a director who is an executive officer of another company in which the company’s executive officers serve on the compensation committee; and</li> <li>• a director who works for the outside auditor.</li> </ul>
<b>Section 162(m)</b>	<p>Among other things, a compensation arrangement must be administered solely by two or more “outside directors” in order to qualify as “performance-based” for purposes of Code Section 162(m). Status as an outside director is tested annually. In order to qualify, the individual must:</p> <ul style="list-style-type: none"> <li>• not be a current employee of the corporation;</li> <li>• not be a former employee who receives compensation during the testing year for prior services (other than via a tax-qualified retirement plan);</li> <li>• not have ever been an officer of the corporation; and</li> <li>• not receive pay (directly or indirectly) from the corporation in any capacity other than as a director.</li> </ul>
<b>SEC Rule 16b-3</b>	<p>Certain transactions between issuers and their officers and directors are exempt from the “short swing recapture” rules under Section 16(b) if such awards are made by a compensation committee that has two or more “non-employee directors.” A “non-employee director” is:</p> <ul style="list-style-type: none"> <li>• not currently an officer of the parent or subsidiary or not currently employed by the issuer or subsidiary;</li> <li>• does not receive more than \$120,000 compensation from the issuer or subsidiaries for any service other than serving as a director; and</li> <li>• have any other reportable related-party transaction.</li> </ul>
	<b>PROPOSED (3/30/11)</b>
<b>Proposed Compensation Committee Independence Requirements</b>	<p>Pursuant to Section 952 of the Dodd-Frank Act, the SEC has proposed rules that, if adopted, would direct Exchanges to adopt listing standards regarding compensation committee independency. These standards would be in addition to the general independence requirements noted above. Under the proposed rules, each member of the compensation committee must be independent. These supplemental independence standards have yet to be defined. In adopting these standards, Exchanges are required to consider:</p> <ul style="list-style-type: none"> <li>• the sources of the director’s compensation such as consulting, advisory or other compensation paid by the company; and</li> <li>• and whether the director is affiliated with the company.</li> </ul> <p>The SEC is seeking comments on whether additional factors such as business and personal relationships with management or significant shareholders should be considered and whether there should be a look-back period. Following any SEC Rule, Exchanges would proceed with a rule proposal process that would result in final rules no later than one year after final adoption of the SEC’s Rules.</p>

## PROPOSED RULES RELATED TO COMPENSATION ADVISERS

<b>Proposed Compensation Adviser Independence Requirements and Compensation Consultant Disclosures</b>	<p>Pursuant to Section 952 of the Dodd-Frank Act, the SEC has proposed rules that, if adopted, would require Exchanges to adopt listing standards regarding the retention of compensation consultants, independent legal counsel and other advisers (collectively, “Compensation Advisers”). Under the proposed rules, the compensation committee, in its sole discretion, would be required to have the authority to retain Compensation Advisers, and be directly responsible for the appointment, retention, compensation and oversight of the adviser’s work. The company would be required to provide the appropriate funding for payment of such advisers. When hiring advisers, the compensation committee would be required to consider the following independence criteria:</p> <ul style="list-style-type: none"><li>• whether the firm employing the adviser provides other services to the company;</li><li>• the amount of compensation received by such firm as a percentage of its total revenue;</li><li>• the conflicts of interest policies that such firm has adopted;</li><li>• whether the adviser has any personal or business relationship with a compensation committee member; and</li><li>• the adviser’s ownership of the company stock.</li></ul> <p>In addition, the SEC has also proposed to amend its disclosure rules to require additional disclosure concerning the retention of compensation consultants. Additional disclosures in the proxy statement would include:</p> <ul style="list-style-type: none"><li>• identification of the consultant;</li><li>• whether the compensation committee engaged the consultant;</li><li>• the nature and scope of the consultant’s work and the instructions provided with respect to the engagement; and</li><li>• whether the consultant’s work presented a conflict of interest and, if so, how it was addressed.</li></ul>
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