

**UPFC**  
**Compensation Committee Charter**  
**Approved by the Board 01/24/2008**

**I. Purpose**

The purpose of the Committee is to assist the Board in discharging its duties relating to compensation and benefits of the Company's Chief Executive Officer (CEO), and Executive Officers (as designated from time to time by the Board.) The Committee is responsible for establishing the overall compensation strategy for the Company, with supportive involvement from management and consultants. In carrying out these responsibilities, the Committee shall review all components of CEO and Executive Officer compensation for consistency with the Company's compensation philosophy, business strategy, competitive practices and the requirements of applicable regulatory authorities.

In addition, the Committee shall serve as the Stock Option Committee or other authorized committee having authority to administer the Company's equity compensation plans.

**II. Membership**

The Committee shall consist of not fewer than three Directors, each of whom shall be appointed by the Board to serve until the next annual meeting of the Board or until his or her successor shall be duly appointed. If the Board does not designate a Chairperson of the Committee, the members of the Committee may designate a Chairperson by majority vote of the Committee membership.

All Committee members serve at the pleasure of the Board and the Board may remove any member with or without cause.

All members of the Committee shall meet the definitions of (a) a "non-employee director" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (b) an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and (c) an "independent director" as determined by the Board in accordance with the rules of The Nasdaq Stock Market.

The Committee shall keep written minutes of its meetings or written action taken without meetings, which minutes and actions shall be maintained with the books and records of the Company.

The Committee shall have the authority to obtain advice or assistance from consultants, legal counsel, accounting or other advisors as appropriate, to perform its duties hereunder and to determine the terms, costs and fees for such engagements. Without limitation, the Committee shall have the sole authority to retain or terminate any consulting firm used to evaluate CEO or Executive Officer compensation, and to determine and approve the terms of engagement and the fees and costs for such engagements. The fees and costs of any consultant or advisor engaged by the Committee to assist in performing any duties hereunder shall be borne by the Company.

### **III. Meetings and Procedures**

The Committee shall determine its own rules of procedure with respect to the scheduling, location and frequency of its meetings. In the absence of such rules, the Committee shall meet at the call of its Chairperson as appropriate to accomplish the purposes of the Committee, but it is expected that the Committee meet at least four times each year. The Committee may appoint and delegate authority to subcommittees as it deems appropriate.

In the absence of the Chairperson, the majority of the members of the Committee present at a meeting shall appoint a member to preside at the meeting. A majority of the members of the Committee shall represent a quorum of the Committee, and any action approved by at least a majority of the members shall represent the valid action of the Committee. The Committee Chairperson shall make regular reports to the Board.

Directors who are not members of the Committee may attend and observe meetings of the Committee, but shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of management, consultants or any other person whose presence the Committee believes to be desirable and appropriate. Notwithstanding the foregoing, the Committee may exclude from its meetings any non-member who it deems appropriate to exclude and the CEO shall not be present during voting or deliberations relating to final recommendation of the CEO's compensation to the Board for approval.

### **IV. Authority and Responsibility**

The Committee shall have authority for and undertake the following responsibilities:

1. The Committee shall review and recommend for approval by the Board employment agreements, salaries, incentive plans, severance agreements, change in control agreements, equity compensation and employee benefit plans for the CEO and the Executive Officers.

2. The Committee shall annually (i) review the corporate goals and objectives relevant to the compensation of the CEO, (ii) evaluate the performance of the CEO in light of those goals and objectives, and (iii) recommend to the members of the Board the annual compensation package for the CEO based on the Committee's evaluation. In making its recommendation, the Committee shall consider the CEO's performance, the Company's performance and relative stockholder return, the compensation levels of CEOs at comparable companies and the incentive awards given to the CEO in past years.

3. The Committee shall, with the assistance of the CEO, annually (i) review and approve corporate goals and objectives relevant to the compensation of the Executive Officers other than the CEO, (ii) evaluate the performance of the Executive Officers in light of those goals and objectives, (iii) determine the appropriate compensation levels of the Executive Officers based on such evaluation, and (iv) report to the Board of Directors regarding such review, evaluation and determination. In making its recommendations regarding the compensation of the Executive Officers, the Committee shall consider the performance of the Executive Officers, the Company's performance and relative stockholder return, the compensation levels of Executive Officers at comparable companies and the incentive awards given to the Executive Officers in past years. In addition, the Committee shall review any major changes in the responsibilities of the Executive Officers that may be recommended by the CEO, and make recommendations to the Board on any changes that may be necessary with respect thereto.

4. The Committee shall review and make recommendations to the Board of Directors with respect to amendments to the provisions of the Company's equity compensation plans, employee benefit plans and other compensation arrangements.

5. Subject to the provisions of the Company's compensation and benefit plans, the Committee shall have the authority with respect to the issuance of the Company's common stock, options and other awards to all employees other than the CEO. Equity compensation awards for the CEO shall be recommended by the Committee for approval by the Board of Directors. The Committee shall make such determinations under Section 162(m) of the Internal Revenue Code as may be required with respect to any performance-based remuneration provided for under the Company's compensation and benefit plans.

6. The Committee shall review and discuss with management the Compensation Discussion and Analysis and related disclosures required by applicable rules and regulations under the Exchange Act. Based on such review and discussion, the Committee shall determine whether to recommend to the Board of Directors of the Company that the Compensation Discussion and Analysis be included in the Company's annual report and proxy statement for the annual meeting of stockholders. The Committee shall provide, over the names of the members of the Committee, the required Compensation Committee report for

the Company's annual report and proxy statement for the annual meeting of stockholders.

7. The Committee shall annually review with the Board of Directors succession planning with respect to the CEO and the Executive Officers.

8. The Committee shall annually review and assess the adequacy of this Charter and recommend it to the Board of Directors for approval.

9. The Committee shall annually review its own performance and assess the effectiveness of the Committee.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities from time to time delegated to it by the Board of Directors.

The powers and responsibilities delegated to the Committee may be exercised in any manner the Committee deems appropriate (including delegation to subcommittees) and without any requirement for Board approval except as otherwise specified in this Charter or the Board's delegation. Any decision by the Committee, including any decision to exercise or refrain from exercising any of its delegated powers, is at the Committee's sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee may exercise all the powers and authority of the Board of Directors and, to the fullest extent permitted by law, has the authority to determine which matters are within the scope of its delegated authority.