

THE ROTHERS GROUP COMPENSATION COMMITTEE CHARTER

I. Purpose

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of The Rother's Group (the "Company") shall:

- A. discharge the responsibilities of the Board relating to the Company's overall compensation programmes;
- B. discharge the responsibilities of the Board relating to the compensation of the Company's Chief Executive Officer ("CEO") and other executive officers;
- C. administer the Company's stock option and other equity-based plans;
- D. provide advice regarding and review the Company's Compensation Analysis & Discussion ("CD&A") to be included in the Company's annual proxy statement and determine whether to recommend to the Board that the CD&A be included in the proxy statement; and
- E. provide a Compensation Committee Report for inclusion in the Company's proxy statement.

II. Committee Composition; Membership; Meetings

The Committee will be comprised of three or more members of the Board, each of whom in the judgment of the Board qualifies as an "independent director", a "non-employee director", and an "outside director". The Chairperson and members of the Committee shall be appointed by the Board upon the recommendation of the Governance and Nominating Committee and may be removed by the Board at its discretion. The Committee shall meet at least four times annually. A special meeting may be called by the Chairperson or upon the request of any two members of the Committee. The Chairperson, in consultation with the Committee members and management (if appropriate), will set the agenda for each meeting and, when practicable, circulate it to each member of the Committee prior to the meeting date. Minutes of each Committee meeting or action will be kept and distributed to each member of the Committee and to the Company's Secretary. Preliminary drafts or information given consideration by the Committee (unless included in the final minutes) need not be distributed.

III. Duties and Responsibilities

General Functions. In carrying out its purpose, the Committee will have the following duties and responsibilities:

1. Assure that the Company's compensation policies are designed to allow the Company to recruit and retain superior talent and to create a direct relationship between pay and benefit levels and performance.
2. Assure that the compensation payable to the Company's CEO and executive officers provides overall competitive pay and benefit levels, creates proper incentives to enhance the value of the Company, and rewards superior performance.
3. Make recommendations to the Board with respect to, and be responsible for the administration of, compensation arrangements of the Board and Board committee

members.

4. Make recommendations to the Board with respect to, and be responsible for the administration of, the Company's equity-based compensation plans.

5. Approve cash incentive compensation plans for the Company's executives and other employees.

6. Approve stock option grants and restrictive stock awards under the Company's equity-based compensation plans and delegate (as legally permissible) to a committee grants of such equity awards.

7. Review discussions of executive compensation to be included in the Company's periodic reports filed with the Securities and Exchange Commission.

Specific Responsibilities. The Committee shall have the sole responsibility for:

1. **Compensation Policies.** The Committee shall review, evaluate and make recommendations to the Board with respect to the Company's overall compensation policies.

2. **CEO Compensation and Goals.** The Committee annually shall consider and approve goals and objectives relevant to the CEO's compensation, evaluate the CEO's performance in light of those goals and objectives, and set the CEO's compensation level (including, but not limited to, salary, long and short-term incentive plans, retirement plans, deferred compensation plans, equity award plans, change in control or other severance plans, as the Committee deems appropriate) based on this evaluation.

3. **Other Executive Officers.** The Committee annually shall consider and establish the remuneration arrangements for the other executive officers (including, but not limited to, salary, long and short term incentive plans, retirement plans, deferred compensation plans, equity award plans, change in control or other severance plans, as the Committee deems appropriate). The Committee shall consider and establish the goals and objectives relevant to each executive officer's annual performance plan, based on recommendations from the CEO. The Committee shall receive and review periodic reports from the CEO as to the performance as compared to the plan.

4. **Board Compensation.** The Committee shall evaluate and make recommendations to the Board concerning the compensation for Board and committee members, taking into consideration similar incentive awards at comparable companies.

5. **Compensation Plans.** The Committee shall make recommendations to the Board with respect to the Company's equity-based compensation plans and approve for submission to stockholders all new stock option and equity compensation plans, including amendments or supplements thereto. The Committee, or its designee (as legally permissible), shall act as administrator of such equity incentive plans. The Committee shall approve cash incentive compensation plans for the Company's executives and other employees.

6. **Option Grants and Stock Awards.** The Committee shall consider and make stock, stock option, or similar grants to key employees, officers, and consultants of the Company under the Company's equity incentive plans. The Committee shall make recommendations to the Board concerning stock option grants and stock awards to directors of the Company. The Committee shall consider and establish the number of

shares to be covered by each stock award or option, whether the option will be an incentive stock option or a non-qualified stock option, the vesting schedules and the type of consideration to be paid to the Company upon exercise, and other terms, all of which shall be consistent with the terms and conditions of the relevant plan.

7. **Overall Review of Plans.** The Committee shall, except as otherwise determined by the Board or as otherwise set forth herein, review and approve all compensation plans of the Company in light of Company and plan objectives, needs, current benefit levels, and legal requirements.

8. **Annual Report and Proxy Statement.** The Committee will review the CD&A to be included in the proxy statement and recommend to the Board that the CD&A be included in the proxy statement and incorporated by reference into the annual report. The Committee shall produce and sign an annual report on executive compensation for inclusion in the Company's proxy statement.

9. **Succession Planning; Management Development.** The Committee shall review the CEO's annual report to the Board on succession planning and management development. The Committee shall monitor issues associated with executive officer succession and management development, and regularly report on these issues to the Board. As part of this responsibility, the Committee should monitor issues associated with preparedness for the possibility of an emergency situation involving senior management, the long-term growth and development of the senior management team, and identifying the CEO's and other executive officers' successors.

10. **Investigations.** The Committee shall investigate any matter brought to its attention within the scope of its duties. The Committee shall have the power to retain outside counsel or advisors for this purpose if, in its judgment, that is appropriate.

11. **Consultants and Advisors.** The Committee shall have the authority to retain compensation consultants, outside counsel, and other such advisors as it deems appropriate to assist in carrying out its duties. The Committee shall have the sole authority to approve the related fees, retention terms, and dismissal of such consultants, counsels, or advisors.

12. **Access to Management and Employees.** The Committee shall have full access to the Company's executives and personnel as necessary to carry out its responsibilities.

13. **Annual Review.** The Committee is responsible for implementing the process for and annually conducting a self-evaluation of the Committee and its members, in accordance with the criteria established by the Governance and Nominating Committee. The Committee annually will review and assess the adequacy of this charter and recommend any proposed changes to the Board for approval.