

LodgeNet Interactive Corporation Compensation Committee Charter

Role

The Compensation Committee of the LodgeNet Interactive Corporation (the “Company”) Board of Directors (the “Board”) acts on behalf of, and with the concurrence of, the Board with respect to matters relating to Executive and Employee Compensation Programs, Employment Agreements, and Officer Appointments, to ensure they provide appropriate motivation for corporate performance and increased stockholder value and are fair and reasonable given contemporary standards and practices.

Composition and Independence

The Compensation Committee shall be comprised of three or more Directors, as determined by the Board, each of whom shall be independent Directors, free from any relationship that, in the opinion of the Board, would interfere with the exercise of the independent judgment of the Compensation Committee member and, further, shall satisfy any applicable independence standards of NASDAQ and any other regulatory requirements.

Members of the Committee shall be appointed by the Board in accordance with the By-laws of the Company. The Committee’s Chairperson shall be designated by the full Board or, if it does not do so, the Committee shall designate a Chair by majority vote of the full Committee membership.

The Committee may form and delegate authority to subcommittees when appropriate.

Meetings

The Compensation Committee shall meet at least two times annually, or more frequently as circumstances dictate. The Chair of the Compensation Committee will preside at each meeting and, in consultation with the other members of the Compensation Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The Chair shall ensure that the agenda for each meeting is circulated to each Compensation Committee member in advance of the meeting.

Responsibilities

The Committee’s primary responsibilities are:

1. Determine on an annual basis the base and incentive compensation to be paid to the Company’s CEO and each of the other Executive Officers of the Company and align Executive Compensation with Company performance. The Committee shall, when appropriate, survey the executive compensation practices of similarly situated companies and review trends in executive compensation.
2. Provide CEO direction concerning compensation strategy and philosophy for Executive and Employee Compensation Programs.
3. Conduct a formal annual review of the performance of the Company’s CEO and report its finding to the Board and the CEO.
4. Review and recommend to the Board changes to the compensation for outside members of the Board.
5. Review and recommend to the Board Employment and Severance Agreements.

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6. Make recommendations to the Board regarding the adoption, amendment, or termination of Equity and Incentive Compensation Plans, including Without Limitation Stock Options, Restricted Stock and Stock Appreciation Rights Plans, Deferred Compensation Plans, severance or termination arrangements, and Special or Supplemental Benefit Plans. Administer such plans as are adopted by the Board and, if required, the stockholders.
7. Advise the Board (as a whole) on Corporate Compensation matters.
8. Review and approve the Company's Compensation Philosophy.
9. Review the Company's Proxy Statement disclosures regarding Executive Compensation and the Compensation Discussion and Analysis contained therein and report on compensation policies and practices with respect to the Company's executive officers as required by SEC rules. Produce the Compensation Committee Report for the Company's annual proxy statement in compliance with any applicable rules and regulations of the SEC and relevant stock exchange.
10. Perform any other activities consistent with this Charter, the Company's By-Laws, and Governing Law as the Committee or the Board deems appropriate.
11. On an annual basis, conduct a self-assessment and review the Charter.

Resources

The Compensation Committee shall have the authority to independently obtain advice and seek assistance from internal or external legal, accounting, compensation, or other advisors. The Committee shall have the sole authority to retain and terminate any executive compensation advisory firm to be used to advise the Committee or the Board concerning compensation matters, including sole authority to approve such firm's fees and other retention terms. All fees and expenses of advisors engaged by the Committee shall be paid by the Company.