



Numerex Corp

Compensation Committee Charter

- I. The Committee shall be comprised solely of directors who are “independent” of the management of the Corporation defined by the Securities and Exchange Commission and NASDAQ Stock Market rules applicable to the Corporation and any securities exchanges on which the Corporation’s securities are listed.

The purposes of the Committee are to discharge the board’s responsibilities relative to the compensation of the Company’s executives and directors, including without limitation, direct responsibility to review and approve corporate goals and objectives relevant to compensation.

- II. The Committee meets for regular standing meetings twice per annum for policy and review discussions, and other times as required to review and report to the board on the compensation and personnel policies, programs and plans.

III. **Policy Meeting**

The Committee receives the management’s appraisal on the current market situation as it relates to compensation and their recommendation of the overall aggregate adjustments that should be made.

The Committee gives its instructions to the management as to the overall aggregate adjustments that the Committee agrees to, based on the above.

IV. **Review Meeting**

The Committee receives the advice of consultants, if any, appointed under their sole authority.

The Committee also receives the recommendation of the Chairman as it relates to the compensation of the CEO, the COO and the CFO. The CEO in turn makes recommendations for the other senior executives for approval by the Committee. The Committee from time-to-time will decide who it wishes to review.

The CEO also presents overall compensation information including anticipated incentive payments for the company as a whole.

The Committee in turn recommends to the board compensation figures where it has reserved the right to a review, and also approves the total overall compensation as it relates to the agreed aggregate increase.

When deliberating or voting on the Committee's recommendations to the board with respect to the CEO's compensation, the CEO may not be present during such deliberations or voting.

V. **Other Meetings**

Held from time-to-time as the need arises.

VI. **Other Duties**

- Compensation strategy
- Compensation levels of directors
- To ensure an appropriate structure for management succession and development

VII. **General Mandate**

The Committee has the responsibility of recommending to the Board of Directors the compensation of certain named individuals who can be varied from time-to-time, and the duty to inform the board on all other compensation issues. These without limitation include compensation theory and practice, best practice as it relates to non-cash compensation and trends in our industry and other industries.

The philosophy of the Compensation Committee is that the company's Executive Compensation Program should be an effective tool for fostering the creation of stockholder value. While the Compensation Committee believes that the base compensation of the company's executive officers should be competitive, the Committee believes strongly that a substantial portion of the executive officers compensation should be contingent upon financial performance.