



## **HUDSON HIGHLAND GROUP, INC.**

### **COMPENSATION COMMITTEE CHARTER**

**(Revised February 6, 2007)**

The Board of Directors (the “Board”) of Hudson Highland Group, Inc. (the “Company”) delegates to the Compensation Committee strategic and administrative responsibility on a broad range of issues. The Committee’s basic responsibility is to assure that the outside members of the Board, the Chief Executive Officer, other executive officers and key management of the Company are compensated effectively in a manner consistent with the stated compensation strategy of the Company, internal equity considerations, competitive practice, and the requirements of the appropriate regulatory bodies.

#### **Members**

The Committee shall consist of at least three members of the Board of Directors, each of whom shall meet the independence requirements of The Nasdaq Stock Market, Inc. Additionally, no director may serve on the Committee unless he or she (i) is a “Non-Employee Director” under the qualifications set forth in Rule 16b-3 of the Securities Exchange Act of 1934 and (ii) satisfies the requirements of an “outside director” for purposes of Section 162(m)(4)(C) of the Internal Revenue Code.

#### **Appointment and Removal of Committee Members**

The members of the Committee shall be appointed by the Board of Directors annually or as necessary to fill vacancies on the recommendation of the Company’s Nominating and Governance Committee. Each member shall serve until his or her successor is duly elected and qualified or until such member’s earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

#### **Chairperson**

The Chairperson of the Committee shall be appointed by the Board of Directors upon recommendation of the Nominating and Governance Committee in consultation with the Chairman of the Board of Directors. The Chairperson will chair all regular sessions of the Committee and, in consultation with the Chairman of the Board of Directors, set the agendas for Committee meetings.

#### **Responsibilities**

In order to meet ongoing needs, the Compensation Committee must remain flexible and open to new issues as they may arise. More specifically, the Committee shall be responsible for the following:

- Review and approve annually the Company's stated compensation strategy to ensure that management are rewarded appropriately for their contributions to Company growth and profitability, and that executive compensation strategy supports organization objectives and shareholder interests.
- Review, determine, and approve annually the individual elements of total compensation for the Chief Executive Officer.
- Oversee an annual evaluation of the performance of the Chief Executive Officer and report to the Board of Directors the results of that evaluation.
- Review and approve the individual elements of total compensation for the executive officers and key management other than the Chief Executive Officer.
- Assure that the annual incentive compensation plan for senior management is administered in a manner consistent with the Company's compensation strategy and the terms of the plan as to the following:
  - \* Participation
  - \* Corporate and/or division financial goals
  - \* Total funds reserved for payment under the plan
  - \* Target annual incentive awards
  - \* Actual awards paid to senior management
- Approve for submission to shareholders all new equity-related incentive plans for management and exercise the authority of the Board of Directors with respect to the administration of the Company's long-term incentive programs, including the Company's stock option plan, in a manner consistent with the terms of the plans.
- Fix the terms of compensation for outside members of the Board, including payments for: (a) attendance at Board meetings, (b) participation in board committees and (c) the issuance of any awards of stock and stock options, all in accordance with the applicable state and federal rules.
- Review with the Chief Executive Officer matters relating to management succession.
- Review the Company's employee benefit programs and approve changes subject, where appropriate, to shareholder or Board approval.
- Review and recommend to the Board of Directors in connection with directors' and officers' indemnification and insurance matters.

- Review and recommend to the Board of Directors, or approve, any contracts or other transactions with current or former executive officers of the Company, including consulting arrangements, employment contracts and severance or termination agreements.
- Review and discuss with management the Compensation Discussion and Analysis required to be included in the Company's annual proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission, and recommend to the Board of Directors whether to include such Compensation Discussion and Analysis in the Company's Annual Report on Form 10-K and proxy statement.
- Produce the annual Compensation Committee report for inclusion in the Company's annual proxy statement, in accordance with applicable rules and regulations of the Securities and Exchange Commission.

### **Meetings**

The Committee shall meet at least two times annually, or more frequently as circumstances dictate. It is anticipated that a Compensation Committee meeting will usually be held in conjunction with Board meetings. Any member of the Committee may call meetings of the Committee.

The Committee shall meet regularly in executive session, without Company management present. The Executive Vice President of Human Resources and the Director of Global Compensation and Benefits may be invited to attend meetings of the Committee. Executive officers and other Board members may attend, except for portions of the meetings where their presence would be inappropriate, as determined by the Chairperson of the Compensation Committee.

### **Reporting**

The Committee shall report regularly to the Board of Directors (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Committee's Chairperson or any other member of the Committee designated by the Committee to make such report.

The Committee shall maintain minutes or other records of meetings and activities of the Committee.

### **Studies and Investigations**

The Committee shall have the power and authority to conduct or authorize studies and investigations into any matter of interest or concern within the scope of its responsibilities that the Committee deems appropriate, and shall have the authority to retain independent counsel, compensation consultants, accountants or other experts to assist in the conduct of any such study or investigation, including the authority to approve fees payable to such experts and any other terms of retention.

### **Annual Performance Evaluation**

The Committee shall perform a review and evaluation, as appropriate or required, of the performance of the Committee, including by reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, as appropriate or required, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or appropriate. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.