



VIRGIN MOBILE USA, INC.

COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS CHARTER

I. PURPOSE

The Compensation Committee (the “Committee”) of Virgin Mobile USA, Inc. (“VMUI” or “the Company”) is established for the primary purpose of assisting the Board of Directors to:

- A. Discharge the responsibilities of the Board of Directors to the shareholders, potential shareholders and investment community with respect to VMUI’s compensation programs and compensation of VMUI’s executives.
- B. Produce an annual report on executive compensation for inclusion in VMUI’s annual proxy statement, in accordance with the applicable rules and regulations of the New York Stock Exchange, Inc. (the “NYSE”), Securities and Exchange Commission (the “SEC”) and other regulatory bodies and otherwise oversee compliance with any applicable compensation reporting requirements of the SEC.
- C. Provide governance by appropriately and effectively using compensation (which includes, for the purposes of this charter, salary, bonus and all benefits whether monetary or otherwise) to tie employee’s interests to those of the shareholders, in order to achieve the Company’s vision and goals.

II. STRUCTURE AND OPERATIONS

Composition and Qualifications

The Committee shall be comprised of three members. For as long as the Company is a “controlled company” within the meaning of corporate governance standards of the NYSE, one member of the Committee will be a director designated by Corvina Holdings Limited and one will be a director determined by the Board of Directors to be “independent” under the rules of the NYSE. When the Company is no longer eligible to utilize the “controlled company” exception under the NYSE rules, all members of the Committee will be “independent” under the NYSE rules.

No director may serve unless he or she (i) is a “Non-employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code, to the extent necessary to qualify for the performance based compensation exemption under Section 162(m).

The Committee is composed of non-employee members of the Board of Directors whose current and prior relationships with the Company would not create shareholder concerns as to the independence of the compensation decision-making.

The Committee may request that the Chief Executive Officer (“CEO”), General Counsel, Chief Financial Officer, Chief People Officer or any other executive of the Company serve as a non-voting advisor to the committee from time to time. The Chief People Officer will function as staff to the Committee.

Appointment and Removal

The members of the Committee shall be appointed by the Board of Directors and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

Chairman

Unless a Chairman is designated by the full Board of Directors, the members of the Committee shall designate a Chairman by majority vote of the full Committee membership. The Chairman shall be entitled to cast a vote to resolve any ties. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.

Delegation to Subcommittees

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

III. MEETINGS

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Chairman of the Board or any member of the Committee may call meetings of the Committee. Other VMUI executives may be called upon to attend meetings of the Committee, and may be delegated responsibilities as the Committee deems appropriate.

As part of its review and establishment of the performance criteria and compensation of designated key executives, the Committee should meet separately at least on an annual basis with the CEO, Chief People Officer and any other corporate

officers, as it deems appropriate. However, the Committee should meet regularly without such officers present, and in all cases such officers shall not be present at meetings at which their performance and compensation are being discussed and determined. All meetings of the Committee may be held telephonically.

All non-management directors who are not members of the Committee may attend meetings of the committee but may not vote. Additionally, the Committee may invite to its meetings any director, management of VMUI and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any person, or persons, as it deems appropriate in order to carry out its responsibilities.

IV. RESPONSIBILITIES AND DUTIES

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of the Committee outlined in this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that it deems appropriate and shall have the sole authority to retain outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention.

A. Setting Compensation for Executive Officers and Directors

1. Establish and review the overall compensation philosophy of VMUI which fairly rewards employees for performance and which effectively attracts and retains the resources necessary to successfully lead, manage and operate the Company.
2. Review and approve corporate goals and objectives relevant to CEO compensation, including annual performance objectives. Determine the specific details of the total compensation for the CEO and, in consultation with the Chief Executive Officer, of the other executive officers.
3. Evaluate the performance of the CEO in light of these criteria and, based on such evaluation, review and approve the annual salary, bonus, stock options and other benefits, direct and indirect, of the CEO and, in consultation with the Chief Executive Officer, of the other executive officers.

4. In connection with executive compensation programs:
 - A. Review and recommend to the full Board of Directors, or approve, new executive compensation programs;
 - B. Review on a periodic basis the operations of the Company's compensation programs for executive officers to determine whether they are properly coordinated and achieving their intended purpose(s);
 - C. Establish and periodically review policies for the administration of executive compensation programs; and
 - D. Take steps to modify any executive compensation program that yields payments and benefits that are not reasonably related to executive and corporate performance.
5. Consider policies and procedures pertaining to expense accounts of senior executives.
6. Review and recommend to the full Board of Directors compensation of directors as well as director's and officer's indemnification and insurance matters.
7. Review and make recommendations to the full Board of Directors, or approve any contracts or other transactions with current or former executive officers of the Company, including consulting arrangements, employment contracts, severance or termination arrangements and loans to employees made or guaranteed by the Company.
8. Review and consult with the CEO on the selection of officers and evaluation of executive performance and other related matters.
9. Establish and periodically review policies in the area of senior management perquisites.
10. The Committee will review and consult with the CEO on succession plans for all executive officers and other key employees.

B. Monitoring Incentive and Equity-Based Compensation Plans

1. Review and make recommendations to the Board Directors with respect to VMUI's incentive-compensation plans, deferred compensation plans for executives (including any modifications to such plans), and equity-based plans, and provide annual oversight of performance objectives for the executive incentive plans. If the Committee is authorized, it can administer stock plans and other incentive compensation plans.

2. Oversee and approve all compensation programs involving the use of company equity that are not otherwise subject to the approval by the Company's shareholders.
3. Select, retain and/or replace, as needed, compensation and benefits consultants and other outside consultants to provide independent advice to the Committee. In that connection, in the event the Committee retains a compensation consultant, the Committee shall have the sole authority to approve such consultant's fees and other retention terms.

Specific Committee Authorizations

The Committee will authorize:

1. Compensation Strategy and Structure

- A. The salary bands/ranges used for making day to day compensation decisions, including base pay, bonus targets and equity grants.
- B. All salary strategies and structures will be reviewed annually.
- C. As part of the annual review process, pay philosophy and performance against philosophy (as evidenced by incumbent pay and recruitment impact) will be reviewed.

2. Salary Management and Salary Increase Programs

- A. Plans and programs developed to adjust salaries across the enterprise will be reviewed with the Committee prior to implementation.
- B. The Committee will authorize the merit increase program funding level each year.

3. Bonus Pool Funding Levels

- A. The committee will authorize the funding level of the bonus pool in the first meeting of the new year.
- B. Funding will be based on the metrics and targets agreed at the beginning of the year.

4. Bonus Plans

- A. The plans and programs developed for distribution of bonus payments to individuals (e.g., company vs. individual components).

5. Benefit Plans

- A. Any new benefit plans or changes to existing benefit plans will be reviewed with the Committee prior to implementation. This includes changes to type and amount of benefits provided as well as costs to ensure cost saving initiatives do not negatively impact the ability to attract and retain staff.

6. Pension Plans

- A. Approving the appointment and removal of trustees and investment managers for pension fund assets

7. Termination and Retention Agreements

- A. Will be reviewed with the Committee only if they involve a material change to the standard option agreement or an option agreement previously approved by the Board of Directors.
- B. Termination agreements that provide benefits above and beyond the standard policy and practice will be reviewed by the Committee.
- C. The Committee will approve a standard termination policy.

8. Amendments to the following Company plans:

- A. Cafeteria Benefit Plans
- B. 401k Plans
- C. Equity-based incentive plans of the Company and its subsidiaries
- D. Stock Appreciation Rights Plans of the Company and its subsidiaries

9. Board Members

- A. Develop and recommend to the Board of Directors compensation for board members.

The Committee will present to the full Board of Directors the following as needed:

1. Committee Charter and other Delegation(s) of Authority as needed
2. Benefit Plan Amendments approved by the Committee
3. Bonus Pool Funding Levels
4. CEO compensation matters
5. All other employee compensation and benefit matters the Committee believes needs Board of Directors approval

Reports

1. Prepare an annual report on executive compensation for inclusion in VMUI's proxy statement, in accordance with applicable rules and regulations of the NYSE, SEC and other applicable regulatory bodies.
2. Oversee the preparation of a "Compensation Disclosure and Analysis" (the "CD&A") for inclusion in the Company's annual proxy statement and annual report on Form 10-K, in accordance with the rules of the SEC. The Committee shall review and discuss the CD&A with management each year and, based on that review and discussion, determine whether or not to recommend to the Board that the CD&A be included in the Company's annual proxy statement or annual report on Form 10-K.
3. 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 Chairman or any other member of the Committee designated by the Committee to make such report.
4. Maintain minutes or other records of meetings and activities of the Committee.

V. ANNUAL PERFORMANCE EVALUATION

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