

RTW, INC.
CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS

Effective
July 26, 2006

PURPOSE

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of RTW, Inc. has been established to oversee all significant aspects of the Company’s compensation policies, plans and programs, and to prepare and review the Committee report included in the Company’s annual proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission (the “SEC”). The term “compensation” includes salary, long-term incentives, bonuses, perquisites, equity incentives, severance arrangements and other related benefits and benefit plans.

COMPOSITION

The Committee will consist of at least two members of the Board of Directors. All members of the Committee must satisfy the independence requirements applicable to compensation committee members set forth in (1) the listing standards of the Nasdaq National Market (“Nasdaq”), (2) Section 16b-3 of the Exchange Act, and (3) Section 162(m) of the Internal Revenue Code of 1986, all as amended from time to time.

The members of the Committee will be recommended by the Governance/Nominating Committee, and appointed by and serve at the discretion of the Board. The Board has the power to fill vacancies occurring on the Committee. Unless the chairman is elected by the full Board, the members of the Committee will elect a Chair.

MEETINGS AND MINUTES

The Committee will hold such meetings as its members deem necessary or appropriate, but in any event not less than twice annually. Minutes of each meeting will be prepared and distributed to each member of the Board and the Secretary of the Company. The Chairman of the Committee will report to the Board from time-to-time, or whenever so requested by the Board.

Other Board members, including non-independent Board members, will be invited to attend Compensation Committee meetings, as non-voting attendees. The Compensation Committee will go into executive session as appropriate.

RESPONSIBILITIES

The Committee is charged with the following duties and responsibilities:

1. Overall Compensation Strategy. The Committee must review, modify as needed, and approve the overall compensation strategy and policies for the Company.

2. Compensation of the Chief Executive Officer and Other Officers. The Committee must review and approve the compensation and other terms of employment of the Company's Chief Executive Officer ("CEO"), evaluate the CEO's performance in light of relevant corporate performance goals and objectives, and implement any CEO evaluation process as established by the Governance/Nominating Committee. In determining the long-term incentive component of the CEO's compensation, the Committee will consider the Company's performance and relative shareholder return, the value of similar incentive awards given to chief executive officers of comparable companies, the awards given to the Company's CEO in past years, and other criteria the Committee deems advisable. The CEO may not be present during deliberations on CEO compensation. Additionally, the Committee will oversee the establishment of performance goals and objectives of the Company's other executive officers and determine and approve the compensation and the other terms of employment of these officers. The CEO may be present, but may not vote, during deliberations on the compensation of all other officers. The Committee must determine, or recommend to the full Board for determination, the compensation of the CEO and all other officers.

3. Directors Fees. The Committee will make recommendations to the Board regarding the amount of directors' fees for Board members, including retainer, Board meeting, committee and committee chair fees and stock option grants or awards.

4. Incentive and Equity Based Compensation. The Committee will perform any duties it may be assigned under any of the Company's incentive- or equity-based compensation plans, or employee benefit plans. These duties may include approval and administration of the plan, and review and approval of any grants or awards there under. The Committee may instruct management to deliver to it annually a report concerning the Company's 401(k) Plan, including such matters as available investment options, performance, participation and administration. The Committee will review generally the cost and scope of the Company's employee benefits.

5. Succession Planning. The Committee will annually review and approve the Company's organizational structure; succession plans for executive officers and programs to encourage the development of individuals to assume positions of higher responsibility.

6. Proxy Statement Report. The Committee will prepare and review any report required by the applicable SEC rules and regulations to be included in the Company's annual proxy statement.

7. Committee Self-Assessment. The Committee must review, discuss and assess at least annually its own performance under this Charter. In addition, the Committee must evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee will deliver to the Board the results of its evaluation, including any recommended amendments to this Charter.

OUTSIDE ADVISERS

The Committee may retain, at the Company's expense, such independent counsel or other advisers as it deems necessary to carry out its responsibilities.

Adopted on March 10, 2004

Updated on April 27, 2005 and July 26, 2006.