

DATATRAK INTERNATIONAL, INC.
COMPENSATION COMMITTEE CHARTER

(As Amended and Restated March 2005)

The Board of Directors (the “Board”) of DATATRAK International, Inc. (the “Company”) has constituted and established a Compensation Committee (the “Committee”) with authority, responsibility, and specific duties as described in this Compensation Committee Charter.

Membership

The Committee shall consist of three directors who are independent of management and free from any relationship that, in the opinion of the Board, and as evidenced by its appointment of such Committee members, would interfere with the exercise of independent judgment as Committee members. Each Committee member shall meet the definitions of (i) “independent” within the meaning of the Nasdaq Stock Market listing standards, (ii) a “non-employee director” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934 (as amended), or any successor provision, and (iii) an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986 (as amended), or any successor provision, and any other applicable laws, rules and regulations, as amended from time to time.

The Board shall appoint one member of the Committee to serve as the Chairman of the Committee. The Board may fill vacancies on the Committee from time to time, and the Board may remove a Committee member from membership on the Committee at any time with or without cause.

Principle Functions

The Committee’s basic responsibility is to ensure that the Company’s senior management compensation plans adequately provide for the attraction, retention and appropriate reward of senior management, motivate senior management’s performance in the achievement of the Company’s business objectives, and align the interests of senior management with the long-term interests of the Company’s shareholders. The Committee shall also communicate to shareholders the Company’s compensation policies and the reasoning behind such policies as required by the Securities and Exchange Commission. In carrying out its responsibilities, the Committee will:

- Review from time to time and approve the Company’s equity compensation plans to ensure that those compensation plans support organizational objectives and shareholder interests, and to ensure that senior management is rewarded appropriately for its contributions to Company growth and profitability, taking into account the compensation practices in the market where the Company competes for senior management personnel.

- Review annually and recommend to the Board for determination (without the Chief Executive Officer present during voting or deliberations) the individual elements of total compensation for the Chief Executive Officer and communicate in the annual Compensation Committee Report to shareholders the factors and criteria on which the Chief Executive Officer's compensation for the last year was based, including the relationship of the Company's performance to the Chief Executive Officer's compensation.
- Review and recommend to the Board for determination the individual elements of total compensation for the senior management of the Company other than the Chief Executive Officer and communicate in the annual Compensation Committee Report to shareholders the specific relationship of corporate performance to executive compensation.
- Assure that the Company's compensation plans are administered in a manner consistent with the terms of those compensation plans as to participation, target annual incentive awards, corporate financial goals, actual awards paid to senior management, and total funds reserved for payment under the compensation plans.
- Approve, subject, where appropriate, to submission to shareholders, all new equity-related incentive plans for senior management.
- Upon the recommendation of the Nominating and Corporate Governance Committee, approve and recommend to the Board the terms and awards of stock compensation for members of the Board.
- Review with the Chief Executive Officer matters relating to senior management compensation.
- If appropriate, hire experts in the field of executive compensation to assist the Committee with its reviews.
- Report its activities to the Board at its next regularly scheduled meeting following a Committee meeting or written action, accompanied by any recommendations to the Board approved by the Committee.
- Periodically review and assess the adequacy of this Charter and recommend any appropriate changes to this Charter to the Board.
- Such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board and/or the Chairman of the Board, or as designated in plan documents.

Meetings

The Committee will meet as often as necessary to carry out its responsibilities. Meetings may be called by the Chairman of the Committee and/or management of the Company. All meetings of the Committee shall be held pursuant to the Code of Regulations of the Company with regard to notice and waiver thereof, and written minutes of each meeting shall be duly filed

in the Company's records. The Chairman shall preside at each meeting and, in the absence of the Chairman, one of the other members of the Committee shall be designated as the acting chair of the meeting. A quorum shall consist of a majority of the members of the Committee.