

**BOARD OF DIRECTORS
COMPENSATION COMMITTEE
CHARTER**



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The Board of Directors of the Company (the “Board”) has renamed the Compensation and Organization Committee to be the Compensation Committee (the “Committee”) and revised its Charter to ensure continued compliance with applicable NYSE and SEC rules and requirements.

I. Purpose

The Committee shall (1) discharge the responsibilities of the Board of Directors relating to compensation of the Company’s executives, (2) produce an annual report on executive compensation for inclusion in the Company’s annual proxy statement in accordance with applicable rules and regulations, and (3) carry out certain other functions identified below.

II. Composition, Qualifications and Other Matters

The Compensation Committee shall consist of no fewer than three members. Each member of the Committee shall satisfy the independence requirements of the New York Stock Exchange and, if deemed appropriate, meet the definition of “non-employee director” under Rule 16b-3 under the Securities Exchange Act of 1934 and “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986. Nomination, appointment and removal of Committee members and operations of the Committee, shall be in accordance with the Company’s Committee Guidelines.

III. Committee Authority and Responsibilities

1. Review and monitor matters related to management development and succession.
2. Review and approve executive compensation policies, and pay for performance criteria for the Company.
3. Review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate the Chief Executive Officer’s performance in light of those goals and objectives, and set the Chief Executive Officer’s compensation level based on this evaluation.
4. In determining the long-term incentive component of the Chief Executive Officer’s compensation, the Committee should consider the Company’s performance and relative shareholder return, the value of similar incentive awards to chief executive officers at similar companies, and the awards given to the Company’s Chief Executive Officer in past years.

5. Review and approve the initial and annual base salaries, annual incentive bonus and all long-term incentive awards of all Executive Officers, Executive Managing Directors and other key employees; and review, as appropriate, compensation arrangements for other officers and employees.
6. Administer, interpret and apply, and determine benefits and grant stock-related incentives under the Company's existing stock incentive and executive compensation plans (including the Management Incentive and Executive Benefit Plans), and exercise all powers of the Board of Directors of the Company under those plans other than the power to amend those plans.
7. Review and approve material matters concerning the employee compensation and benefit plans of the Company and its affiliates.
8. Make recommendations to the Board of Directors regarding new or revised incentive-compensation plans and equity-based plans.
9. Review, before publication, the annual proxy statement and produce an annual report on executive compensation for inclusion in such annual proxy statement in accordance with applicable rules and regulations.
10. Review and approve general principles for determining the form and amount of Director compensation, taking into account among other relevant factors the need for actual and perceived Director independence, and set Directors' compensation level based on a critical evaluation of such factors.
11. Retain, as appropriate, compensation consultants to assist in the evaluation of compensation issues for Directors, the Chief Executive Officer and other senior executives, including sole authority to retain, terminate and approve the fees and other retention terms for any such compensation consultant.
12. Carry out such responsibilities as have been delegated to it under various compensation and benefit plans of the Company and such other responsibilities with respect to compensation and organization matters of the Company as may be referred to it by the Board of Directors or the management of the Company.
13. Annually review and report to the Board of Directors concerning its own performance, and also render reports and advice to the Board of Directors and to senior management of the Company upon all matters that it has been specifically requested to consider.
14. The Committee may form and delegate authority to subcommittees when appropriate.

Document last updated and approved by the Navigant Consulting Board of Directors on February 17, 2004