

Ballantyne of Omaha, Inc.

Compensation Committee Charter

Purpose of the Committee

The Compensation Committee is appointed by the Board to establish policies with respect to the compensation of the Company's officers. The Committee has overall responsibilities for approving and evaluating officer compensation plans, policies and programs of the Company.

The Compensation Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company's proxy statement.

Membership on the Committee

The membership of the Committee shall consist of at least three (3) members, comprised solely of members who are: (i) "independent directors" as defined under AMEX rules, as amended; (ii) "non-employee directors" as defined in Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended; and (iii) "outside directors" under Section 162(m) of the Internal Revenue Code of 1986, as amended. The Board shall appoint the members of the Committee and the Chairperson. The Board may remove any member from the Committee at any time, with or without cause.

Committee Authority and Responsibilities

1. The Compensation Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, Chief Executive Officer or senior executive compensation and shall have the sole authority to approve the consultant's fees and other retention terms. The Compensation Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
2. The Compensation Committee shall on an annual basis conduct an evaluation of the Chief Executive Officer's performance and report to the Board on the results of such evaluation. In addition, the Committee shall, with the input of the Chief Executive Officer, conduct an annual assessment of the Company's other Senior Management.
3. With respect to the Chief Executive Officer and all other executive officers, the Compensation Committee shall annually review and approve corporate goals and objectives relevant to compensation, evaluate performance in light of those goals and objectives, and determine and approve compensation levels and any bonuses based on this evaluation.
4. The Compensation Committee shall make recommendations to the Board with respect to incentive compensation and equity-based plans. To the extent directed

or authorized by the Board, the Compensation Committee shall adopt or administer such plans on behalf of the Board and the Company.

5. The Compensation Committee shall periodically review the compensation of non-employee directors as established by the Board, and if deemed advisable by the Committee, make recommendations to the Board for changes thereto.
6. The Compensation Committee shall annually review each director's stock ownership to determine satisfaction of the director stock ownership expectation as set forth in the Company's Corporate Governance Principles or reasonable progress towards its satisfaction.
7. The Compensation Committee may periodically reevaluate the director stock ownership expectation from time to time, including when there are significant changes in the Company's capital structure.
8. The Compensation Committee shall produce the compensation committee report on executive compensation required to be included in the Company's proxy state for its annual meeting of stockholders.
9. The Compensation Committee may form and delegate authority to subcommittees when appropriate.
10. The Compensation Committee shall make regular reports to the Board.
11. The Compensation Committee shall, as and when it deems appropriate, review and reassess the adequacy of this Charter.
12. The Compensation Committee shall meet as often as it determines is appropriate to carry out its responsibilities under this Charter, but not less than two (2) times a year.
13. The Compensation Committee shall annually review and reassess the adequacy of its Charter and recommend any proposed changes to the Board for approval.
14. The Compensation Committee shall annually review and evaluate its own performance.