

## **BIOLASE TECHNOLOGY, INC.**

### **COMPENSATION COMMITTEE CHARTER**

#### **Purpose**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of BIOLASE Technology, Inc. (the “Corporation”) is to:

1. Carry out the Board’s overall responsibility relating to compensation of executive officers of the Corporation;
2. Assist the Board in establishing the appropriate incentive compensation and equity-based plans for the Corporation’s executive officers and to administer such plans;
3. Produce an annual report on executive compensation for inclusion in the Corporation’s annual proxy statement; and
4. Perform such other duties and responsibilities enumerated in and consistent with this Charter.

#### **Membership and Procedures**

*Membership and Appointment.* The Committee shall consist of not fewer than three members of the Board, with the exact number being determined by the Board. Members of the Committee shall be appointed from time to time by the Board based upon the recommendations of the Nominating and Corporate Governance Committee of the Board, if any.

The Committee shall be composed of at least two directors as determined by the Board, none of whom shall be an employee of the Corporation and each of whom shall (1) satisfy the independence requirements of the Nasdaq Stock Market, (2) be a “non-employee director” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended, and (3) be an “outside director” under the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”).

*Removal of Members.* The entire Committee or any individual Committee member may be removed from the Committee with or without cause by the affirmative vote of a majority of the Board. Any Committee member may resign from the Committee effective upon giving oral or written notice to the Chairman of the Board, the Corporate Secretary or the entire Board (unless the notice specifies a later time for the effectiveness of such resignation). The Board may appoint a qualified successor to take office when such resignation becomes effective.

*Chairperson.* A chairperson of the Committee (the “Chairperson”) may be designated by the Board. In the absence of such designation, the members of the Committee may designate the Chairperson by majority vote of the full Committee membership. The Chairperson shall determine the agenda, the frequency and the length of meetings and shall have unlimited access to management and information. Such Chairperson shall establish such other rules as may from time to time be necessary and proper for the conduct of the business of the Committee.

*Secretary.* The Committee may appoint a Secretary whose duties and responsibilities shall be to keep full and complete records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board and to perform all other duties as may from time to time be assigned to him or her by the Committee, or otherwise at the direction of a Committee member. If no Secretary is appointed, any member of the Committee may serve as Secretary of a meeting. The Secretary need not be a Director.

*Delegation.* The Committee may, by resolution passed by a majority of the Committee, designate one or more subcommittees, each subcommittee to consist of one or more members of the Committee. Any such subcommittee, to the extent provided in the resolutions of the Committee and to the extent not limited by applicable law or listing standard, shall have and may exercise all the powers and authority of the Committee. Each subcommittee shall have such name as may be determined from time to time by resolution adopted by the Committee. Each subcommittee shall keep regular minutes of its meetings and report the same to the Committee or the Board when required.

*Authority to Retain Advisors.* In the course of its duties, the Committee shall have the sole authority, at the Corporation's expense, to retain and terminate compensation consultants and other advisor as the Committee may deem appropriate, including the sole authority to approve any such advisor's fees and other retention terms.

*Evaluation.* The Committee shall undertake an annual evaluation assessing its performance with respect to its purposes and its duties and tasks set forth in this Charter, which evaluation shall be reported to the Board. The Committee shall periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board.

### **Duties and Responsibilities**

The Committee shall meet on a regularly scheduled basis at least two times per year and more frequently as the Committee deems necessary or desirable.

The following shall be the common recurring duties of the Committee in carrying out its oversight functions. The duties and responsibilities are set forth below as a guide to the Committee with the understanding that the Committee may alter or supplement them as appropriate under the circumstances, to the extent permitted by applicable law, regulation or listing standard.

The Committee shall:

1. At least annually review the compensation philosophy of the Corporation.
2. Review and approve corporate goals and objectives relevant to the compensation of the Corporation's chief executive officer (the "CEO") and other officers who are reporting persons under Section 16 of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder ("Officers").
3. Evaluate the CEO's and Officers' performance in light of such goals and objectives at least annually and communicate the results to the CEO and the Board.
4. Based on the evaluation in paragraph 2 above, establish and approve annually for the CEO and Officers, the compensation levels for those persons, including, as applicable, (a) base salary, (b) bonus, (c) long-term incentive and equity compensation, and (d) any other compensation, perquisites, and special or supplemental benefits. The Committee shall have sole authority to determine the CEO's compensation.
5. In determining the long-term incentive component of the CEO's and Officers' compensation, consider, among other items, the Corporation's performance and relative stockholder return, the value of similar incentive awards to chief executive officers and other executive officers at comparable companies, and the compensation provided to the CEO and Officers in the past.
6. In consultation with the CEO, review and make recommendations to the Board regarding guidelines for review of the performance and the establishment of compensation policies for all other employees of the Corporation and for the delegation to executive officers of the Corporation of the determination of compensation for all employees of the Corporation who are not executive officers.

7. Establish and modify the terms and conditions of employment of the CEO and Officers, by contract or otherwise.

8. Determine, within parameters that may be established by the independent and disinterested members of the entire Board, the provisions of any contracts for the CEO and Officers that will govern the situation in which severance payments will be due upon change in control situations.

9. Make recommendations to the full Board regarding the fees and other compensation to be paid to members of the Board for their service as directors and as members of committees of the Board.

10. Provide oversight of management's decisions concerning the performance and compensation of other officers of the Corporation.

11. Assist the Board in developing and evaluating potential candidates for executive positions, including the position of chief executive officer, and oversee the development of executive succession plans.

12. Administer the stock plans of the Corporation in accordance with the terms of such plans.

13. Oversee the administration of the Corporation's other employee benefit plans.

14. Maintain sole discretionary authority to interpret provisions of the Corporation's executive compensation plans.

15. Periodically review the need for a Company policy regarding compensation paid to the Company's executive officers in excess of limits deductible under Section 162(m) of the Code.

16. Manage and review executive officer and director indemnification and insurance matters.

17. Manage and review any employee loans in an amount equal to or greater than \$10,000.

18. Establish all rules necessary or appropriate for implementing and conducting the Corporation's executive compensation plans.

19. Determine, as applicable, in connection with the Corporation's stock plans, such matters as eligibility for participation; persons to receive awards; the amount, form and other terms and conditions of awards; the form of agreements pertaining to such awards; the manner and form of deferral elections; or, when appropriate, the authorization of the Corporation's purchase of its stock for allocation to the accounts of persons to whom awards have been made under such plans. The Committee may delegate to the Corporation's CEO the authority to carry out all of the powers of the Committee to grant options and issue awards under the Corporation's stock plans to employees or consultants of the Corporation or any subsidiary thereof who are not members of the Board, the CEO or Officers; provided, that no such grant or award shall exceed the maximum number of shares that may be awarded to individuals and/or in the aggregate in any fiscal quarter or year as the Committee shall direct from time to time, and all grants or awards shall be at an exercise or grant price per share at least equal to fair market value of the Corporation's stock on the date of such grant or award.

20. Review the Corporation's incentive compensation and other equity-based plans and practices and recommend changes in such plans and practices to the Board.

21. Administer the other equity-based compensation plans that may be adopted from time to time by the Board.

22. Approve equity compensation plans and the grant of equity awards not subject to stockholder approval under applicable listing standards.

23. Prepare the Committee report on executive compensation as required by the Securities and Exchange Commission ("SEC") rules for inclusion in the Corporation's annual proxy statement or annual report on Form 10-K filed with the SEC.

24. Perform such other activities and functions related to executive compensation as may be assigned from time to time by the Board.

#### **Amendment**

This Charter, and any provision contained herein, may be amended or repealed by the Board.