



## **Compensation Committee Charter**

### **Purpose**

The purpose of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of LiveDeal, Inc. (the "Company") is to assist the Board in discharging its responsibilities relating to compensation of the Company's directors and executives, to produce an annual report on executive compensation for inclusion in the Company's proxy statement, as necessary, and to oversee and advise the Board on the adoption of policies that govern the Company's compensation programs, including stock and benefit plans.

The purposes and provisions specified in this Charter are meant to serve as guidelines, and the Committee is delegated the authority to adopt additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities. Nothing herein is intended to expand applicable standards of liability under state or federal law for directors of a Company.

### **Committee Membership**

The Committee shall consist of at least two directors, who are appointed by a majority vote of the Board and may be removed, with or without cause, by the Board in its discretion. Members shall serve until the earlier of their removal or resignation or the date upon which their successor shall be duly designated and qualified. Each member shall be free of any relationship that, in the opinion of the Board, would interfere with his or her exercise of independent judgment. Applicable laws and regulations will be followed in evaluating a member's independence, including (without limitation) NASDAQ Listing Rules 5605(a)(2) and 5605(d)(2).

Without limiting the foregoing, each member of the Committee will be both a "non-employee director" within the meaning of Rule 16b-3 issued by the Securities and Exchange Commission ("SEC") and an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code, as amended. If a Committee Chair is not designated or present, the members may designate a Chair by majority vote. Vacancies on the Committee shall be filled by majority vote of the Board at the next meeting of the Board following the occurrence of the vacancy.

The Committee may form and delegate authority to subcommittees when appropriate.

### **Operations**

The Committee shall meet at least twice annually or more frequently as circumstances require. Special meetings of the Committee may be called as needed by any member of the Committee, the Chairman of the Board or the Chief Executive Officer. A majority of the members of the Committee present in person or via teleconference or similar communications equipment shall constitute a quorum.

The Committee shall cause to be kept adequate minutes of all its proceedings, and will report its actions and recommendations to the next meeting of the Board. The written minutes shall be maintained with the books and records of the Company. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent.

## Authority and Responsibilities

The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to retain outside counsel and other experts or consultants, as it deems appropriate. The Company shall provide adequate funding, to be determined by the Committee, to compensate such outside counsel and other experts or consultants. However, the Committee may not retain the company's independent auditors for any purpose without prior approval from the Audit Committee. Any communications between the Committee and legal counsel in the course of obtaining legal advice shall be considered privileged communications of the Company and the Committee shall take all necessary steps to preserve the privileged nature of those communications.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting to provide such pertinent information as the Committee requests. Notwithstanding the foregoing, in accordance with NASDAQ Listing Rule 5605(d)(1)(C), the Chief Executive Officer shall not be present during the Committee's voting or deliberations on his or her compensation.

In carrying out its purpose, without limiting the generality of the foregoing, the Committee shall have the following specific authority and responsibilities, and such other responsibilities as from time to time may be prescribed by the Board:

- The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser.
- The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee.
- The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Committee.
- The Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the following factors:
  - the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
  - the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
  - the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
  - any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
  - any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
  - any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the

## Company.

- Review the competitiveness of the Company's executive compensation programs to ensure (a) the attraction and retention of corporate officers, (b) the motivation of corporate officers to achieve the Company's business objectives and (c) to align the interests of key leadership with the long-term interests of the Company's stockholders.
- Review trends in management compensation, oversee the development of new compensation plans and, when necessary, approve the revision of existing plans.
- Review the performance of executive management.
- Review and approve CEO goals and objectives, evaluate CEO performance in light of these corporate objectives, and set CEO compensation levels consistent with those objectives and company philosophy.
- Approve the salaries, bonus and other compensation for all corporate officers beginning with their initial employment with the company, through their tenure with the company and ending with termination of employment.
- Review and approve compensation for non-employee members of the Board, including but not limited to the following elements: retainer, meeting fees, committee fees, committee chair fees, equity or stock compensation, benefits and perquisites.
- Review and approve the awards made under any officer bonus plan, and provide an appropriate report to the Board.
- Review and discuss with the Board and senior officers plans for officer development and corporate succession plans for the CEO and other officers.
- Review and make recommendations concerning long-term incentive compensation plans. Except as otherwise delegated by the Board, the Committee will act on behalf of the Board as the "Committee" established to administer equity-based and employee benefit plans, and as such will discharge any responsibilities imposed on the Committee under those plans, including making and authorizing grants, in accordance with the terms of those plans.
- With sole and exclusive authority, make and approve equity grants and other discretionary awards under the Company's equity incentive plans to all persons who are Board members or officers within the meaning of Rule 16b-3 issued by the SEC.
- Recommend Board approval for submission to the stockholders of any stock option or other equity incentive plans or amendments thereto.
- Review periodic reports from management on matters relating to the Company's personnel appointments and practices.
- Review and discuss with the Company's management the Compensation Discussion and Analysis ("CD&A") to be included in the Company's annual proxy statement (the "Proxy"), determine whether to recommend to the Board that the CD&A be included in the Proxy, and provide the report of the Committee required to be included in the Proxy pursuant to SEC rules and regulations.
- Perform any other activities consistent with this Charter and applicable law as the Committee or the Board may deem appropriate.

- Annually evaluate the Committee's performance and present the results of such evaluation to the Board.
- Annually review the adequacy of this Charter and recommend any proposed changes to the Board for approval.

### **Compensation**

Each member of the Committee shall be entitled to compensation for meeting attendance and to reimbursement for reasonable out-of-pocket expenses.