

## **Communication Intelligence Corporation** **The Compensation Committee Charter**

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### **Status**

The Compensation Committee is a committee of the Board of Directors.

### **Membership**

The Compensation Committee shall consist of three or more directors all of whom in the judgment of the Board of Directors shall be independent in accordance with the listing requirements of the principal market or exchange on which the Company's shares are traded and if no such standards are prescribed, then in accordance with applicable rules and regulations of the Securities and Exchange Commission. In addition, a person may serve on the Compensation Committee only if the Board of Directors determines that he or she (i) is a "Non-employee Director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code.

### **Purposes**

The purposes of the Compensation Committee are (i) to discharge the responsibilities of the Board of Directors relating to compensation of the Company's CEO and other executives, and (ii) if required to do so under the rules and regulations of the Securities and Exchange Commission, to review and discuss with the Company's management the Compensation Discussion and Analysis required by Item 402 of Regulation S-K, to make recommendations to the Board of Directors regarding the inclusion of the Compensation Discussion and Analysis in the Company's annual report on Form 10-K or annual proxy statement on Schedule 14A, and to produce a report with regard to the preceding matters for inclusion in the Company's annual report on Form 10-K or annual proxy statement on Schedule 14A that complies with the rules and regulations of the Securities and Exchange Commission. Except as otherwise required by applicable laws, regulations or listing standards, all major decisions are considered by the Board of Directors as a whole.

### **Duties and Responsibilities**

The Compensation Committee is directly responsible for establishing annual and long-term performance goals and objectives for our elected officers. This responsibility includes:

1. evaluating the performance of the CEO and other elected officers in light of the approved performance goals and objectives;
2. setting the compensation of the CEO and other elected officers based upon the evaluation of the performance of the CEO and the other elected officers, respectively;
3. making recommendations to the Board of Directors with respect to new cash-based incentive compensation plans and equity-based compensation plans; and
4. administering the Company's stock option plans

In determining the long-term incentive component of the Company's CEO and other elected officers, the Compensation Committee may consider: (i) the Company's performance and relative shareholder return; (ii) the value of similar incentive awards to chief executive officers and elected officers at comparable companies; and, (iii) the total compensation required to attract and retain qualified executives.

The Compensation Committee may, in its sole discretion, employ a compensation consultant to assist in the evaluation of the compensation of the Company's CEO or other elected officers. The Compensation Committee shall have the sole authority to approve the fees and other retention terms with respect to such a compensation consultant. The Compensation Committee also has the authority as necessary and appropriate, to consult with other outside advisors to assist in its duties to the Company.

### **Meetings**

The Compensation Committee shall meet at least annually and at such other times as it deems necessary to fulfill its responsibilities.