

**CHARTER FOR THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS  
OF LOOKSMART, LTD.**

**PURPOSE:**

The purpose of the Compensation Committee established pursuant to this charter is to review and approve all forms of compensation for the officers and employees of LookSmart, Ltd. (the "Company") and to administer the Company's equity incentive plans.

The Compensation Committee has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake such other specific duties as the Board of Directors from time to time prescribes.

**STATEMENT OF PHILOSOPHY:**

It is the objective of the Compensation Committee to provide a compensation structure that is designed to attract and retain key personnel and is structured to include the following:

1. Ensure that an appropriate relationship exists between executive performance and the creation of sustainable shareholder value;
2. Ensure that the executive compensation program in its totality attracts and motivates executives of exceptional ability, and
3. Ensure that the Company's compensation plans and practices are competitive within the Company's peer group companies and the technology industry in general.

**MEMBERSHIP:**

The Compensation Committee shall consist of two (2) or more members. The members of the Compensation Committee are appointed by and serve at the discretion of the Board of Directors.

Each member of the Committee will be: (1) "independent" as defined under applicable Nasdaq (or applicable stock exchange) rules (except as otherwise permitted under such rules), (2) a "non-employee director" under Rule 16b-3(b)(3)(i) promulgated under the Securities Exchange Act of 1934, and (3) an "outside director" under the rules promulgated under Section 162(m) of the Internal Revenue Code of 1986.

**RESPONSIBILITIES AND AUTHORITY:**

The responsibilities and authority of the Compensation Committee include:

1. Reviewing and approving the general compensation policy for officers (including the Chief Executive Officer), employees and directors of and consultants to the Company including cash, bonus incentives, executive perquisites, employment contracts, retention bonuses, and all other forms of compensation.

2. Reviewing and approving the general compensation goals and guidelines for the Company's employees and the criteria by which bonuses to the Company's employees are determined.
3. Reviewing and approving the annual compensation and bonuses for the Company's executive officers and vice presidents.
4. Reviewing and determining the reference metrics for the CEO and other officer compensation.
5. Reviewing and approving other plans that are proposed for adoption or adopted by the Company for the provision of compensation to employees, directors of, and consultants to, the Company;
6. Acting as administrator of the Company's equity incentive plans (except to the extent delegated by the Committee to the Company's Chief Executive Officer (or the Chair of the Committee if the Chief Executive Officer is unavailable)).
7. Authorizing the repurchase of shares from terminated employees pursuant to applicable law.
8. The authority to select, engage, compensate and terminate compensation consultants, legal counsel and such other advisors as the Committee deems necessary and advisable to assist the Committee in carrying out its responsibilities and functions as set forth herein. Compensation paid to such parties and related expenses will be borne by the Company and the Company will make appropriate funding available to the Committee for such purposes.
9. Preparing an annual report to the Company's stockholders on executive compensation (or other required reports) that will be included in the Company's proxy statement for its annual stockholders' meeting in accordance with the rules and regulations of the Securities and Exchange Commission.
10. The full and independent access to company personnel after first notifying the CEO and VP/HR (or persons acting in such roles) of the intention to interview personnel.

#### MEETINGS:

The Compensation Committee may establish its own schedule, which it will provide to the Board of Directors in advance.

At a minimum of two (2) meetings annually, the Compensation Committee will consider stock plans, performance goals and incentive awards, and the overall coverage and composition of the compensation packages.

#### CONSENT:

The Committee may act by unanimous written consent.

REPORTS:

The Compensation Committee will provide written or oral reports to the Board of Directors of the Company regarding its decisions, and copies of the written minutes of its meetings.

MINUTES:

The Compensation Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

AMENDMENT OF CHARTER:

This charter may be amended at any time, or from time to time, in the discretion of the Board of Directors.