

Compensation Committee Charter

AUTOBYTEL INC.

COMPENSATION COMMITTEE CHARTER Amended and Restated Effective as of September 16, 2014

The Board of Directors ("**Board**") of Autobytel Inc. ("**Company**") has adopted the following Charter of the Compensation Committee ("**Charter**"). This Charter should be interpreted in the context of all applicable laws and the Company's Certificate of Incorporation and Bylaws, as amended from time to time, as well as all other corporate governance documents adopted by the Board. This Charter is subject to modification from time to time by the Board as the Board may deem appropriate in the best interests of the Company or as required by applicable laws.

1. Compensation Committee Purpose

The purposes of the Compensation Committee are to:

- Determine, or recommend to the Board for determination, the Chief Executive Officer's compensation (including, without limitation, annual salary, incentive compensation, and other compensation and benefits as well as any employment, severance or change-of-control agreements, terms or arrangements);
- Determine, or recommend to the Board for determination, the compensation of each executive officer (other than the Chief Executive Officer) and any other officer who reports directly to the Chief Executive Officer (including, without limitation, annual salary, incentive compensation, and other compensation and benefits as well as any employment, severance or change-of-control agreements, terms or arrangements);
- Administer and make recommendations with respect to the adoption, amendment and termination of the Company's stock option and other equity compensation plans;
- To review and recommend to the Board for approval the compensation to be paid to the Company's non-employee Directors; and
- Prepare and review the Compensation Committee Report, if any, required by the rules and regulations of the Securities and Exchange Commission for inclusion in the Company's proxy statements.

2. Composition

Each member of the Compensation Committee must be:

- An "independent director" as defined in Rule 5605(a)(2) of the Listing Rules of the NASDAQ Stock Market.
- A "Non-Employee Director" within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934 ("**Exchange Act**"); and
- An "outside director" within the meaning of Section 162(m) of the Internal Revenue Code and the regulations thereunder.

The Compensation Committee does not have authority to delegate its responsibilities to a subcommittee unless first approved by the Board in accordance with applicable law and the Bylaws of the Company.*

*The Board has established the Non-Executive Stock Option Committee ("**NESOC**") with authority to grant stock options under the Company's stock option or other equity-based compensation plans ("**Plans**") to persons who are eligible to receive options under the Plans and who are not then subject to Section 16 of the Securities Exchange Act of 1934, as amended. The Board has appointed one member of the Board, currently also the Company's Chief Executive Officer, as the sole member of the NESOC. The NESOC is intended to constitute a committee of the Board. The NESOC is authorized to grant a number of options that does not exceed in the aggregate 50,000 options in any fiscal year or 5,000 per grant. The NESOC may not grant options to the Chief Executive Officer.

3. Appointment to Compensation Committee

The Board appoints the members of the Compensation Committee. The Board may, from time to time, change the number of members of the Compensation Committee provided the Compensation Committee must consist of no

fewer than two Directors.

4. Removal From Compensation Committee

The Board may remove members of the Compensation Committee, with or without cause, including removal for failure to satisfy the requirements for membership on the Compensation Committee set forth in Section 2 of this Charter. A member of the Compensation Committee will automatically cease to be a member of the Compensation Committee upon his or her death or his or her resignation, removal or failure to be reelected as a member of the Board.

5. Chairperson of Compensation Committee

The Chairperson of the Compensation Committee is generally appointed by the Board. In the absence of such an appointment, the Compensation Committee may appoint a Chairperson.

- The Chairperson of the Compensation Committee must be selected from the members of the Compensation Committee.
- The Chairperson of the Compensation Committee presides at all meetings of the Compensation Committee that he or she attends. In the absence of the Chairperson, the members of the Compensation Committee may select from among themselves a chairperson *pro tempore*.

6. Compensation Committee Meetings

The Compensation Committee must hold meetings in accordance with the Bylaws of the Company.

7. Chief Executive Officer Compensation

The Compensation Committee must determine, or recommend to the Board for determination, the Chief Executive Officer's compensation based on the performance of the Chief Executive Officer.

- The Compensation Committee must develop (with input from the Chief Executive Officer) and recommend to the Board for the Board's approval the annual performance criteria to be considered in connection with the annual performance evaluation of the Chief Executive Officer (the "CEO Performance Criteria") relevant to Chief Executive Officer compensation.
- The Compensation Committee must evaluate the Chief Executive Officer's performance in light of the CEO Performance Criteria relevant to Chief Executive Officer compensation.
- The Compensation Committee must set the Chief Executive Officer's compensation level based on its evaluation of the Chief Executive Officer's performance.
- In setting the compensation level for the Chief Executive Officer, the Compensation Committee should consider what is customary or reasonable for principal executive officers of companies similar to the Company as well as other factors such as experience, skills, knowledge, expertise, characteristics and other qualifications necessary to carry out the duties of the position of Chief Executive Officer.
- The Chief Executive Officer may not be present during any voting or deliberations with respect to the Chief Executive Officer's compensation.

8. Other Officer Compensation

The Compensation Committee must determine, or recommend to the Board for determination, the compensation of each executive officer (other than the Chief Executive Officer) and any other officer who reports directly to the Chief Executive Officer (each, an "Officer" and collectively "Officers") based on the performance of those Officers.

- The Compensation Committee must develop (with input from the Chief Executive Officer) and either determine or, at the election of either the Compensation Committee or the Board, recommend to the Board for the Board's approval, the annual performance criteria to be considered in connection with the annual performance evaluation of any Officer ("**Officer Performance Criteria**"), relevant to Officer compensation.
- The Compensation Committee, with input from the Chief Executive Officer, must evaluate each Officer's performance in light of the Officer Performance Criteria, if any, relevant to Officer compensation and/or such other criteria as the Compensation Committee may determine.
- The Compensation Committee must set each Officer's compensation level based on its evaluation of such Officer's performance. The Chief Executive Officer may be present during deliberations regarding Officer compensation, but may not vote.
- In setting the compensation level for each Officer, the Compensation Committee should consider what is customary or

reasonable for similar officers of companies similar to the Company as well as other factors such as experience, skills, knowledge, expertise, characteristics and other qualifications necessary to carry out the duties of the position of such Officer.

9. Stock Options and Purchase Plans and Other Equity Compensation Arrangements

The Compensation Committee administers and makes recommendations to the Board with respect to the adoption, amendment and termination of equity compensation plans.

- The Compensation Committee has (unless otherwise specified in a plan or resolution of the Board) the authority to administer the Company's stock option and other equity compensation plans and non-equity incentive compensation plans, including without limitation the authority to approve grants and awards, determine performance goals and the attainment of those goals, interpret the plan and award agreements, and to exercise such other authority or power granted to the administrator of those plans.
- The Compensation Committee should from time to time review the Company's stock option and other equity compensation plans and non-equity incentive compensation plans and make recommendations to the Board with respect to the adoption, amendment and termination by the Company of the Company's stock option and other equity compensation plans and non-equity incentive compensation plans, and the form and substance of those plans, as and to the extent the Compensation Committee deems to be in the best interests of the Company and its stockholders.

When recommending the adoption or amendment of a stock option or other equity compensation plan pursuant to which the Company's stock may be acquired by directors, officers, employees or consultants, the Compensation Committee should consider whether approval of the plan or amendment is necessary or advisable under the listing rules of the NASDAQ Stock Market (or such other exchange on which the Company's securities are listed), the Internal Revenue Code, State securities laws, or other applicable laws and regulations.

10. Executive Compensation Disclosure Reports

The Compensation Committee has responsibility for preparing the Compensation Committee Report, if any, required by the rules and regulations of the Securities and Exchange Commission for inclusion in the Company's proxy statements.

11. Director Compensation

The Compensation Committee should periodically review the compensation paid to non-employee Directors for the service on the Board and on committees of the Board and recommend to the Board any changes considered to be advisable.

12. Reporting to the Board

The Compensation Committee must apprise the full Board of its activities on a regular basis.

- The Compensation Committee should regularly communicate to the Board regarding the Compensation Committee's activities and recommendations.
- To the extent determined necessary or desirable by the Compensation Committee, the Compensation Committee may provide each Director with interim reports to apprise and update the Board of its activities.
- The Compensation Committee must keep minutes of all of its meetings or actions by written consent, which must be available to the Board for its review.

13. Authority

- The Committee has the authority, in its sole discretion, to retain (or obtain the advice of) any adviser (i.e., compensation consultant, legal counsel or other adviser) at the expense of the Company, and to terminate any such adviser. Notwithstanding the foregoing, 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 factors specified in NASDAQ Listing Rule 5605(d)(3) (as that Listing Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by NASDAQ having substantially the same effect as that Listing Rule). The Committee is directly responsible for the appointment, compensation and oversight of the work of any adviser retained by the Committee, and shall have sole authority to approve such adviser's fees and the other terms and conditions of the adviser's retention. The Company must provide for appropriate funding, as determined by the Committee, for payment of any such adviser's fees.
- Notwithstanding anything to the contrary in this Charter, with respect to any compensation or grants or awards to any

"covered person" that are intended to be "qualified performance-based compensation," the Compensation Committee has the sole authority to award such compensation or grants to any such covered person, to establish and administer performance goals, to certify that performance goals are attained and to grant options and stock appreciation rights to any such covered person. The Board may ratify any such performance goals established by the Compensation Committee. However, the Compensation Committee, alone, has the authority and responsibility, without ratification by the Board, to certify whether such performance goals have been attained. For purposes of this Charter, the terms "covered person" and "qualified performance-based compensation" have the meanings given to those terms in Section 162(m) of the Internal Revenue Code and the treasury regulations and Internal Revenue Service guidance promulgated thereunder.

14. Annual Performance Evaluation of the Compensation Committee

The Compensation Committee should conduct a self-evaluation at least annually to determine whether it is functioning effectively.

- The Compensation Committee must review and evaluate its performance on at least an annual basis to determine whether it is functioning effectively in accordance with this Charter.
- The Compensation Committee must at least annually review and assess the adequacy of this charter and recommend to the Board any proposed changes.

Subject to applicable federal law, nothing contained in this Charter is intended to, or should be construed as, creating any responsibility or liability of the members of the Compensation Committee except to the extent otherwise provided under Delaware law.

A copy of this Charter of the Compensation Committee of the Board of Autobyte Inc. shall be posted on the Company's website, www.autobyte.com.