

# **Bidz.com, Inc.**

## **CORPORATE GOVERNANCE**

*Charter of the Compensation Committee of the Board  
of Directors*

**BIDZ.COM, INC.**

**CHARTER OF THE  
COMPENSATION COMMITTEE  
OF THE  
BOARD OF DIRECTORS**

**I. PURPOSE AND AUTHORITY:**

The Compensation Committee (the “*Committee*”) of the Board of Directors of BIDZ.com, Inc. (the “*Company*”) is appointed by the Board of Directors (the “*Board*”) to effect the Board’s responsibilities with respect to all forms of compensation of the Company’s executive officers, to oversee the Company’s equity-based compensation plans, and to produce an annual report on executive compensation for use in the Company’s proxy statement. This charter (the “*Charter*”) sets forth the authority and responsibility of the Committee for approving and evaluating executive officer compensation arrangements, plans, policies and programs of the Company, and for overseeing the Company’s equity-based compensation plans for employees, whether adopted prior to or after the date of adoption of the Charter.

**II. MEMBERSHIP:**

The Committee will consist of not less than three members of the Board, with the exact number being determined by the Board. Each of the members of the Committee will be:

- (i) an “independent director” as defined under the applicable rules and regulations of the NASDAQ Stock Market (the “*Rules*”), as may be amended from time to time;
- (ii) a “non-employee director,” as defined in Rule 16b-3 under Section 16 of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”); and
- (iii) an “outside director” under Regulation Section 1.162-27 promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended.

All members of the Committee will be appointed by the Board after consideration of the recommendations of the Governance and Nominating Committee, and shall serve at the discretion of the Board.

The Board will select members of the Committee who will be approved by a majority vote of a quorum of the Board. Committee members will serve during their respective term as a director, subject to earlier resignation or removal by a majority vote of a quorum of the Board. Unless a chair is elected by the Board, the members of the Committee may designate a chair by majority vote of the Committee membership.

**III. DUTIES AND RESPONSIBILITIES:**

The principal processes of the Committee in carrying out its oversight responsibilities are set forth below. These processes are set forth as a guide with the understanding that the

Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities.

1. The Committee will have the authority to approve the form and amount of plan and non-plan compensation to be paid or awarded to all employees of the Company. The Committee may delegate authority to subcommittees of the Committee or to the Company's "officers" as defined under Section 16 of the Exchange Act and the rules promulgated thereunder ("*Executive Officers*") with respect to compensation determinations for persons who are not executive officers of the Company.

2. The Committee will have the authority and right, as and when it shall determine to be necessary or appropriate to the functions of the Committee, at the expense of the Company, to retain and terminate compensation consultants, legal counsel and other advisors of its choosing to assist the Committee in connection with its functions. The Committee shall have the authority to approve the fees and other retention terms of such advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such advisors employed by the Committee pursuant to this charter.

3. The Committee will annually review and approve the corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("*CEO*") and evaluate the CEO's performance in light of these goals and objectives. Based on this evaluation, including the evaluation of the CEO's performance in light of these established goals and objectives and the Company's performance and shareholder returns, the Committee will make and annually review decisions respecting (i) salary paid to the CEO, (ii) the grant of all cash-based bonuses and equity-based compensation to the CEO, (iii) the entering into or amendment or extension of any employment contract or similar arrangement with the CEO, (iv) any CEO severance or change in control arrangement, and (v) any other CEO compensation matters as from time to time directed by the Board.

4. The Committee will annually review and approve the corporate goals and objectives relevant to compensation of the Executive Officers. In light of these goals and objectives, the Committee will make and annually review decisions respecting (i) salary paid to the Executive Officers, (ii) the grant of cash-based bonuses and equity-based compensation provided to the Executive Officers, (iii) the entering into or amendment or extension of any employment contract or similar arrangement with the Executive Officers, (iv) Executive Officers' severance or change in control arrangements, and (v) any other Executive Officer compensation matters as from time to time directed by the Board.

5. Unless otherwise directed by the Board, the Committee will periodically review the succession plan for the CEO and Executive Officers, and the Company's strategies to facilitate the readiness of candidates identified for these positions.

6. The Committee will annually review and make recommendations to the Board with respect to adoption and approval of, or amendments to, all cash-based and equity-based incentive compensation plans and arrangements, and the amounts and shares reserved thereunder after taking into consideration the Company's strategies with respect to short and long-term cash and equity-based compensation.

7. The Committee will: (i) approve grants of stock, stock options or stock purchase rights to individuals eligible for such grants (including grants in compliance with Rule 16b-3 promulgated under the Exchange Act to Executive Officers); (ii) interpret the equity-based

compensation plans and agreements thereunder; and (iii) determine acceptable forms of consideration for stock acquired pursuant to equity-based compensation plans. The Committee may delegate to the Company's Chief Executive Officer the authority to grant options to employees of the Company or of any subsidiary of the Company who are not directors of the Company or Executive Officers, provided that no option grant exceeds any limit established by resolution of the Board or the Committee.

8. The Committee will meet with the CEO within 90 days after the commencement of each fiscal year to discuss the incentive compensation programs to be in effect for the Company's Executive Officers for such fiscal year and the corporate goals and objectives relevant to those programs.

9. The Committee will periodically review the Company's procedures with respect to employee loans, and will not approve any arrangement in which the Company, directly or indirectly, extends or maintains credit, arranges for the extension of credit or renews an extension of credit, in the form of a personal loan to or for any director of the Company or Executive Officer (or equivalent thereof) of the Company. The Committee will assist the Board and management of the Company in complying with this prohibition.

10. The Committee will prepare an annual report on executive compensation to the Company's stockholders for inclusion in the proxy statement for the Company's annual meeting in accordance with the rules and regulations of the Securities and Exchange Commission.

11. The Committee will review this Charter as appropriate and recommend to the Board any changes it determines are appropriate.

12. The Committee will perform any other activities required by applicable law, rules or regulations, including the rules of the Securities and Exchange Commission and any exchange or market on which the Company's capital stock is traded, and perform other activities that are consistent with this charter, the Company's certificate of incorporation and bylaws, and applicable laws, rules or regulations as the Committee or the Board deems necessary or appropriate.

#### **IV. MEETINGS:**

Meetings of the Committee will be held from time to time in response to the needs of the Board or as otherwise determined by the Chair of the Committee. Meetings will be presided over by the Chair of the Committee, with the agenda for each meeting to be determined by the Chair of the Committee after consideration of suggestions from other Committee members and the Company's management. The Committee shall report to the Board from time to time, regularly and as requested by the Board and at such other times as determined by the Committee to be appropriate. In accordance with the Bylaws of the Company and in lieu of a meeting, the Committee may also act by unanimous written consent. The Committee may in its sole discretion invite persons who are not members of the Committee to attend Committee meetings, or exclude persons who are not members of the Committee from Committee meetings.

#### **V. MINUTES:**

The Committee will maintain written minutes of its meetings, and will file such minutes with the minutes of the meetings of the Board.

