

THIRD AMENDED AND RESTATED COMPENSATION COMMITTEE CHARTER
of the Compensation Committee
of Guidance Software, Inc.

This Compensation Committee Charter was adopted by the Board of Directors (the “Board”) of Guidance Software, Inc. (the “Company”) on November 8, 2006 and last amended by the Board on July 30, 2013.

I. Purpose

The purpose of the Compensation Committee (the “Committee”) of the Board is (1) to discharge the Board’s responsibilities relating to compensation of the Company’s executives, including by designing (in consultation with management or the Board), recommending to the Board for approval, and evaluating the compensation plans, policies and programs of the Company, (2) to produce an annual report on executive compensation for inclusion in the Company’s proxy materials in accordance with applicable rules and regulations and (3) to ensure compliance with the compensation rules, regulations and guidelines promulgated by the NASDAQ Global Market, the Securities and Exchange Commission and other law, as applicable. The Committee shall ensure that compensation programs are designed to encourage high performance, promote accountability and assure that employee interests are aligned with the interests of the Company’s stockholders.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s bylaws (as in effect from time to time) and applicable law. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

II. Membership

The Committee shall be composed of at least two directors as determined by the Board, none of whom shall be an employee of the Company and each of whom shall (1) satisfy the independence and other eligibility requirements of the NASDAQ Global Market, (2) be a “non-employee director” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and (3) be an “outside director” under the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”).

The members of the Committee, including the Chair of the Committee, shall be appointed by the Board. Committee members may be removed from the Committee, with or without cause, by the Board. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein. If at any time and for so long as the Committee has fewer than two members, then all of the duties and responsibilities of the Committee set forth in this Charter shall be exercised by the directors of the Board that are independent (within the meaning of NASDAQ Marketplace Rule 5605(a)(2), including without limitation as contemplated by NASDAQ Marketplace Rule 5605(e)(1)(A))

III. Meetings and Procedures

The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Committee.

The Committee shall meet on a regularly scheduled basis at least two times per year and more frequently as the Committee deems necessary or desirable.

All non-management directors who are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the independent auditor, the internal auditor, any other financial personnel employed or retained by the Company or any other person whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Chief Executive Officer (the "CEO") may not be present during voting or deliberations concerning his or her compensation, and the Committee may exclude from its meetings any persons it deems appropriate, including but not limited to, any non-management director who is not a member of the Committee.

Consistent with applicable requirements of the Exchange Act and NASDAQ listing standards, the Committee shall (i) have the authority, in its sole discretion, to retain or obtain the advice of, and terminate, any compensation consultant, legal counsel, or other advisers ("compensation advisers"); (ii) be directly responsible for the appointment, determination of compensation and oversight of the work of any compensation advisers retained by the Committee; (iii) subject to any exceptions under NASDAQ listing standards, undertake an analysis of the independence of each compensation adviser under the independence factors specified in the applicable requirements of the Exchange Act and NASDAQ listing standards, with such analysis to occur prior to selection of such compensation adviser and as appropriate thereafter; and (iv) have such additional authority and responsibility as may be required from time to time under the rules and guidelines of the Exchange Act and NASDAQ listing standards. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the compensation advisers retained by the Committee.

The Chair shall report to the Board following meetings of the Committee and as otherwise requested by the Chairman of the Board.

IV. Duties and Responsibilities

1. The Committee shall, at least annually, review the compensation philosophy of the Company.

2. The Committee shall obtain information on market trends in executive compensation and shall review the competitiveness of the Company's executive compensation programs to ensure (a) the attraction and retention of executive officers; (b) the motivation of executive officers to achieve the Company's business objectives; and (c) the alignment of the interests of executive officers with the long-term interests of the Company's stockholders.

3. The Committee shall, at least annually, review and approve corporate goals and objectives relating to the compensation of the CEO, evaluate the performance of the CEO in light of those goals and objectives and determine and approve the compensation of the CEO based on such evaluation. The Committee shall have sole authority to determine the CEO's compensation.

4. The Committee shall, at least annually, review and approve the Board's determination of all compensation for all directors and for the following officers (the "Officers") of the Company:

- (i) the President;
- (ii) the Chief Financial Officer;
- (iii) the Chief Technology Officer; and
- (iv) the Chief Legal Officer.

5. The Committee shall review and approve all Officers' employment agreements and severance arrangements.

6. The Committee shall, in conjunction with the CEO, review the executive organization of the Company and oversee the succession planning process, including development of personnel to fill key management positions and implementation of succession planning for senior management positions. Succession plans shall be reviewed by the full Board, with the Committee's input.

7. The Committee shall periodically manage and review all annual bonus, long-term incentive compensation, stock option, employee pension and welfare benefit plans (including 401(k), employee stock purchase plan, long-term incentive plan, management incentive plan and others), and with respect to each plan shall have responsibility for:

- (i) general administration;
- (ii) setting performance targets under all annual bonus and long-term incentive

compensation plans as appropriate and committing to writing any and all performance targets for all executive officers who may be “covered employees” under Section 162(m) of the Code within the first 90 days of the performance period to which such target relates or, if shorter, within the period provided by Section 162(m) of the Code in order for such target to be “pre-established” within the meaning of Section 162(m);

(iii) certifying that any and all performance targets used for any performance-based equity compensation plans have been met before payment of any executive bonus or compensation or exercise of any executive award granted under any such plan(s);

(iv) except to the extent that Board approval of any such amendment is required by applicable law or the listing requirements of the NASDAQ Global Market, approving all amendments to, and terminations of, all compensation plans and any awards under such plans;

(v) granting any awards under any performance-based annual bonus, long-term incentive compensation and equity compensation plans to executive officers or current employees with the potential to become the CEO or an executive officer, including stock options and other equity rights (*e.g.*, restricted stock, stock purchase rights);

(vi) approving which executive officers are entitled to awards under the Company’s stock option plan(s);

(vii) imposing limitations, restrictions and conditions upon any grant or award as the Committee deems necessary or advisable; and

(viii) repurchasing securities from terminated employees.

All plan reviews should include reviewing the plan’s administrative costs, reviewing current plan features relative to any proposed new features, and assessing the performance of the plan’s internal and external administrators if any duties have been delegated.

8. The Committee shall establish and periodically review policies concerning perquisite benefits.

9. The Committee shall periodically review the need for a Company policy regarding compensation paid to the Company’s executive officers in excess of limits deductible under Section 162(m) of the Code.

10. The Committee shall determine the Company’s policy with respect to change of control, severance, or “parachute” payments.

11. The Committee shall manage and review executive officer and director indemnification and insurance matters.

12. The Committee shall monitor the Company’s compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to loans to directors and officers, and with all other applicable laws affecting employee compensation and benefits.

13. The Committee shall review and discuss with the management of the Company the Compensation Discussion and Analysis (“CD&A”), and based on such discussions, determine whether to recommend to the Board that the CD&A be included in the Company’s proxy statement and on Form 10-K.

14. The Committee shall prepare and approve the Compensation Committee report to be included as part of the Company’s annual proxy statement.

15. The Committee shall evaluate its own performance on an annual basis, including its compliance with this Charter, and provide any written material with respect to such evaluation to the Board, including any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.

16. The Committee shall review and reassess this Charter at least annually and submit any recommended changes to the Board for its consideration.

17. The Committee shall monitor the compliance of the Board’s independent directors with the independent director stock ownership guidelines set forth by the Company.

V. Delegation of Duties

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, except that it shall not delegate its responsibilities set forth in paragraphs 4 and 6 of Section IV above or for any matters that involve executive compensation or any matters where it has determined such compensation is intended to comply with Section 162(m) of the Code by virtue of being approved by a committee of “outside directors” or is intended to be exempt from Section 16(b) under the Exchange Act pursuant to Rule 16b-3 by virtue of being approved by a committee of “non-employee directors.”