

**Palm, Inc.**  
**Charter of the Compensation Committee**  
**of the Board of Directors**

**(Amended and Restated Effective as of April 26, 2007)**

**Purpose**

The purpose of the Compensation Committee of the Board of Directors (the “Board of Directors”) of Palm, Inc. (the “Company”) is to (a) assist the Board of Directors in discharging its responsibilities relating to compensation of the Company’s officers (as such term is defined in Rule 16a-1 promulgated under the Securities Exchange Act of 1934, as amended, the “executive officers”) and (b) administer the Company’s stock option plans, stock purchase plans, restricted stock plans and any other equity incentive plans adopted by the Company. In addition, the Compensation Committee will undertake those specific responsibilities listed below and such other duties or responsibilities as the Board of Directors may from time to time prescribe.

**Membership**

The members of the Compensation Committee shall be appointed by the Nominating and Governance Committee of the Board of Directors and shall serve at the discretion of the Board of Directors. The Compensation Committee shall be composed of at least two (2) directors of the Company. Members of the Compensation Committee shall meet the independence requirements of the Nasdaq Stock Market, as determined by the Board of Directors, and in addition, may not receive any fees from the Company other than fees for Board and committee service. Members of the Compensation Committee also shall meet (a) the non-employee director definition of Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended, and (b) the outside director definition of Section 162(m) of the Internal Revenue Code of 1986, as amended. The Compensation Committee may include up to one non-independent director under and in conformity with the “exceptional and limited circumstances” exception of the rules of the Nasdaq Stock Market.

**Responsibilities**

The responsibilities of the Compensation Committee shall include the following:

1. The Compensation Committee has overall responsibility for approving and evaluating the executive officer compensation and plans, policies and programs of the Company related thereto and overseeing the Company’s philosophy with respect to the compensation plans, policies and programs for other employees.
2. The Compensation Committee shall review and discuss with management the Company’s Compensation Discussion and Analysis (“CD&A”) and related disclosures that Securities and Exchange Commission (“SEC”) rules require to be included in the Company’s

- annual report and proxy statement, recommend to the Board of Directors based on the review and discussions whether the CD&A should be included in the annual report and proxy statement and produce the compensation committee report required by SEC rules for inclusion in the Company's annual report and proxy statement.
3. The Compensation Committee shall review and approve for the Chief Executive Officer ("CEO") and the other executive officers of the Company: (a) base salary, (b) any incentive bonus, including the specific goals (or formula) and amount and whether performance goals have been met, (c) equity compensation, (d) employment agreements, severance arrangements, and change in control agreements/provisions, and (e) any other benefits, compensation or arrangements. With respect to the compensation of the CEO, following input from the Board of Directors and other parties, such approval will be made by the Compensation Committee in "executive session" without the presence of the CEO.
  4. The Compensation Committee shall annually review and recommend to the Board of Directors for its approval the compensation, including cash, equity or other compensation, for members of the Board of Directors for their service as (a) a member of the Board of Directors, (b) a member of any committee of the Board of Directors, (c) a Chair of any committee of the Board of Directors and (d) the Chairman of the Board of Directors. The Compensation Committee may consider, among other factors, the Board of Directors' Nominating and Governance Committee's periodic reviews of the effectiveness of the operation of the Board of Directors and its committees in connection with the Compensation Committee's review and recommendations with respect to the Company's directors' compensation.
  5. The Compensation Committee shall make recommendations as appropriate to the Board of Directors on the Company's executive compensation practices and policies, including the evaluation of the performance of the Company's executive officers and issues of management succession.
  6. The Compensation Committee shall make recommendations as appropriate to the Board of Directors with respect to incentive compensation plans, including reservation of shares for issuance under employee benefit plans.
  7. The Compensation Committee shall review progress against the Company's stock ownership guidelines for executive officers and directors and update the guidelines as appropriate.

### **Annual Review**

The Compensation Committee shall annually review its own charter (including the structure, processes and membership requirements of the Compensation Committee) and recommend any proposed changes to the Board of Directors for approval. In addition, the Compensation Committee shall annually review its own performance.

### **Meetings**

The Compensation Committee will meet a minimum of twice per year and more frequently as circumstances require.

### **Outside Advisors**

The Compensation Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting, compensation or other advisors and shall receive appropriate funding from the Company, as determined by the Committee, for payment of compensation to any advisors engaged by the Committee.

### **Minutes**

The Compensation Committee will maintain written minutes of its meetings.

### **Reports**

The Compensation Committee shall make regular reports to the Board of Directors with respect to its activities.

### **Compensation**

Members of the Compensation Committee shall receive such fees, if any, for their service as Compensation Committee members as may be determined by the Board of Directors in its sole discretion. Such fees may include, without limitation, retainers, per meeting fees and fees for service as Chair of the Compensation Committee. Fees may be paid in such form of consideration as is determined by the Board of Directors.

### **Delegation of Authority**

The Compensation Committee may form and delegate authority to subcommittees when appropriate.