

**TREE.COM, INC.**  
**COMPENSATION COMMITTEE CHARTER**

**AUGUST 2008**

**PURPOSE**

The Compensation Committee (the “Committee”) is appointed by the Board of Directors of Tree.com, Inc. (the “Company”) to discharge the Board’s responsibilities relating to compensation of the Company’s Chief Executive Officer and the Company’s other executive officers (collectively, the “Executive Officers”). The Committee has overall responsibility for approving and evaluating all compensation plans, policies and programs of the Company as they affect the Executive Officers.

**COMMITTEE MEMBERSHIP**

The Committee shall consist of no fewer than two members. The members of the Committee shall meet the independence requirements of the NASDAQ Stock Market, Inc. Marketplace Rules. All members of the Committee also shall qualify as “outside” directors within the meaning of Internal Revenue Code § 162(m) and as “non-employee” directors within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended. These membership requirements shall be subject to exemptions, phase-in provisions, and cure periods permitted by the rules of NASDAQ and the Securities and Exchange Commission (the “SEC”), as in effect from time to time.

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating Committee. One member of the Committee shall be appointed as Committee Chairman by the Board. Committee members may be replaced by the Board. A Committee member may resign by giving written notice to the Board and may resign Committee membership without resigning from the Board. The Committee may delegate authority to individuals or subcommittees when it deems appropriate.

**MEETINGS**

The Committee shall meet as often as necessary to carry out its responsibilities. The Committee Chairman shall preside at each meeting. In the event the Committee Chairman is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair of such meeting.

The Compensation Committee shall have the authority to meet periodically with management and to have such other direct and independent interaction with such persons from time to time as the members of the Compensation Committee deem necessary or appropriate. The Committee may request any officer or employee of the Company or the Company’s inside or outside counsel or independent accounting firm to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Written minutes of Committee minutes shall be maintained.

## **COMMITTEE AUTHORITY AND RESPONSIBILITIES**

1. The Committee shall, at least annually, review and approve the annual base salaries and annual incentive opportunities of the Executive Officers. The Chief Executive Officer shall not be present during any Committee deliberations or voting respecting his or her compensation.
2. The Committee shall, periodically and as and when appropriate, review and approve the following as they affect the Executive Officers: (a) all other incentive awards and opportunities, including both cash-based and equity-based awards and opportunities; (b) any employment agreements and severance arrangements; (c) any change-in-control agreements and change-in-control provisions affecting any elements of compensation and benefits; and (d) any special or supplemental compensation and benefits for the Executive Officers and individuals who formerly served as Executive Officers, including supplemental retirement benefits and the perquisites provided to them during and after employment.
3. The Committee shall review and discuss the Compensation Discussion and Analysis (the “CD&A”) required to be included in the Company’s proxy statement and annual report on Form 10-K by the rules and regulations of the SEC with management, and, based on such review and discussion, determine whether or not to recommend to the Board that the CD&A be so included.
4. The Committee shall produce the annual Compensation Committee Report for inclusion in the Company’s proxy statement in compliance with the rules and regulations promulgated by the SEC.
5. The Committee shall monitor the Company’s compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to 401(k) plans and loans to directors and officers, and with all other applicable laws affecting employee compensation and benefits.
6. The Committee shall oversee the Company’s compliance with the requirement under the NASDAQ rules that, with limited exceptions, shareholders approve equity compensation plans.
7. The Committee shall receive periodic reports on the Company’s compensation programs as they affect all employees.
8. The Committee shall make regular reports to the Board.
9. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist it in the evaluation of Executive Officer compensation, and shall have sole authority to approve the consultant’s fees and the other terms and conditions of the consultant’s retention.
10. The Committee may form and delegate authority to individuals and subcommittees as it deems appropriate.