

BLUE CALYPSO, INC.  
COMPENSATION COMMITTEE CHARTER

**Adopted October 25, 2011**

This Compensation Committee Charter (this “*Charter*”) is adopted by the Board of Directors (the “*Board*”) of Blue Calypso, Inc. (the “*Company*”) on October 25, 2011.

*This Charter is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company’s Certificate of Incorporation and Bylaws, it is not intended to establish by its own force any legally binding obligations.*

**I. PURPOSES**

The Compensation Committee (the “*Committee*”) shall: (A) assist the Board in overseeing the Company’s management compensation policies and practices, including (i) determining and approving the compensation of the Company’s Chief Executive Officer (“*CEO*”) and the Company’s other executive officers, (ii) reviewing and approving management incentive compensation policies and programs, and exercising discretion in the administration of such programs, (iii) reviewing and approving the form and amount of director compensation and (iv) reviewing and approving equity compensation programs for employees and exercising discretion in the administration of such programs; and (B) prepare the report of the Committee required by the rules of the Securities and Exchange Commission (“*SEC*”).

In discharging its role, the Committee is empowered to inquire into any matter that it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company, and, subject to the direction of the Board, the Committee is authorized and delegated the authority to act on behalf of the Board with respect to any matter necessary or appropriate to the accomplishment of its purposes. The Committee has the power to retain outside counsel, compensation consultants or other advisors to assist it in carrying out its activities. The Committee shall have the sole authority to retain, compensate, direct, oversee and terminate counsel, compensation consultants, and other advisors hired to assist the Committee, who shall be accountable ultimately to the Committee. The Company shall provide adequate resources to support the Committee’s activities, including compensation of the Committee’s counsel, consultants and other advisors.

**II. COMMITTEE MEMBERSHIP**

The Committee shall consist of three or more members of the Board, each of whom the Board has selected. No director may serve unless he or she satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, and a “non-employee director” for purposes of Rule 166-3 under the Securities Exchange Act of 1934, as amended. Each member must be independent in accordance with the applicable rules and regulations of the SEC and The Nasdaq Stock Market.

Except as otherwise directed by the Board, a director selected as a Committee member shall continue to be a member for as long as he or she remains a director or until his or her earlier resignation from the Committee. Any member may be removed from the Committee by the Board, with or without cause, at any time. The Chair of the Committee shall be appointed from among the Committee members by, and serve at the pleasure of, the Board, shall preside at meetings of the Committee and shall have authority to

convene meetings, set agendas for meetings, and determine the Committee's information needs, except as otherwise provided by action of the Committee. In the absence of the Chair at a duly convened meeting, the Committee shall select a temporary substitute from among its members to serve as chair of the meeting.

### **III. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least two times per year and additionally as circumstances dictate.

The Committee shall establish its own schedule of meetings. The Committee may also act by unanimous written consent of its members.

Notice of meetings shall be given to all Committee members or may be waived, in the same manner as required for meetings of the Board. Meetings of the Committee may be held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. A majority of the members of the Committee shall constitute a quorum for a meeting and the affirmative vote of a majority of members present at a meeting at which a quorum is present shall constitute the action of the Committee. The Committee shall otherwise establish its own rules of procedure.

The Committee shall meet at least annually with the CEO and any other corporate officers the Board and Committee deem appropriate to discuss and review the performance criteria and compensation levels of key executives.

### **IV. KEY RESPONSIBILITIES AND DELEGATION**

The following responsibilities are set forth as a guide for fulfilling the Committee's purposes, with the understanding that the Committee may undertake other and different activities, and the Committee's activities may diverge from those described below as appropriate under the circumstances.

The Committee, by resolution approved by a majority of the Committee, may form and delegate any of its responsibilities to a subcommittee so long as such subcommittee is solely comprised of one or more members of the Committee and such delegation is not otherwise inconsistent with law and applicable rules and regulations of the SEC and The Nasdaq Stock Market.

In addition, the Committee may, by resolution approved by a majority of the Committee, delegate to management the administration of the Company's incentive compensation and equity-based compensation plans, to the extent permitted by law and as may be permitted by such plans and subject to such rules, policies and guidelines (including limits on the aggregate awards that may be made pursuant to such delegation) as the Committee shall approve, provided that, consistent with paragraphs 5, 6 and 7 below, no officer shall designate himself or herself as a recipient of an award and the Committee shall at least annually review the awards made to members of senior management.

In such manner as the Committee determines is appropriate to fulfill its purposes, the Committee shall:

1. establish and review the objectives of the Company's management compensation programs and its basic compensation policies;

2. review and approve corporate goals and objectives relevant to the compensation of the Company's executive officers, including annual and long-term performance goals and objectives;
3. periodically discuss and review whether the incentive compensation arrangements for the Company's executive officers promote appropriate approaches to the management of risk and, specifically, do not encourage executive officers to take unnecessary and excessive risks that threaten the value of the Company;
4. review and authorize, subject to such further action of the Board as the Board shall determine, any employment, compensation, benefit or severance agreement with any executive officer;
5. evaluate at least annually the performance of the Company's executive officers against corporate goals and objectives including the annual performance objectives and, based on this evaluation, determine and approve, subject to such further action of the Board as the Board shall determine, the compensation (including any awards under any equity-based compensation or non-equity-based incentive compensation plan of the Company and any material prerequisites) for the executive officers based on this evaluation;
6. determine and approve the compensation level (including any awards under any equity-based compensation or non-equity-based incentive compensation plan of the Company and any material prerequisites) for other members of senior management of the Company as the Committee or the Board may from time to time determine to be appropriate;
7. review at least annually the compensation of such members of senior management, other than those whose compensation is determined and approved in accordance with paragraph 6 above, as the Committee determines to be appropriate (including any awards under any equity-based compensation or non-equity-based incentive compensation plan of the Company and any material prerequisites);
8. review on a periodic basis the Company's management compensation programs, including any management incentive compensation plans as well as plans and policies pertaining to prerequisites, to determine whether they are appropriate, properly coordinated and achieve their intended purpose(s), and recommend to the Board any appropriate modifications or new plans, programs or policies;
9. review, approve and recommend to the Board the adoption of any equity-based compensation plan for directors or employees of, or consultants to, the Company and any modification of any such plan;
10. administer the Company's equity-based compensation plans for directors, employees and consultants as provided by the terms of such plans, including authorizing all awards made pursuant to such plans, and monitor compliance by management with such rules, policies and guidelines for the issuance of awards pursuant to such plans as the Committee or the Board may establish;
11. review, approve and recommend to the Board the adoption of any non-equity-based incentive compensation plan for directors or employees of or consultants to the Company and any material modification of any such plan and review at least annually the awards made pursuant to such plans;

12. review, approve and recommend to the Board the adoption of any employee retirement plan, and other material employee benefit plan, and any material modification of any such plan;
13. review at least annually from a risk management perspective the Company's compensation policies and practices for executives, management employees and employees generally, including the incentives established for risk-taking, the manner in which any risks arising out of the Company's compensation policies and practices are monitored and mitigated and any adjustments necessary to address changes in the Company's risk profile;
14. with respect to any consultant who has been engaged by the Committee, the Company or management to provide advice on executive or director compensation, review and approve the terms of any engagement of such consultant and review at least annually the services provided by, and remuneration received by, any such consultant (including the engagement of a compensation consultant to provide any other services to the Company);
15. review and discuss with management the Company's "Compensation Discussion and Analysis" disclosure required by SEC regulations and determine whether to recommend to the Board that it be included in the Company's Annual Report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C, as applicable;
16. prepare the report of the Committee required to be included in the Company's Annual Report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C, as applicable, in accordance with applicable rules and regulations of the SEC and other applicable regulatory bodies;
17. make a recommendation to the Board regarding the frequency of the advisory vote on compensation of the Company's "named executive officers" as required by Rule 14a-21 of the Securities Exchange Act of 1934, as amended;
18. review the Company's succession planning for its executive officers and its policies and procedures for managing and developing its executive team;
19. review the form and amount of equity- and non-equity-based director compensation at least annually, and make recommendations thereon to the Board;
20. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
21. review and reassess the adequacy of this Charter annually, and recommend to the Board amendments as the Committee deems appropriate; and
22. report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board requests, and maintain minutes or other records of Committee meetings and activities.