

**CHARTER FOR THE  
COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
SELECTICA, INC.**

(As amended on June 28, 2009)

**PURPOSE**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Selectica, Inc. (the “Company”) is to discharge certain responsibilities of the Board relating to executive compensation policies and programs, including developing compensation policies, providing oversight of the implementation of the policies and benefit plans, administering the Company’s various stock plans and the issuance of stock options and other stock-related awards not granted pursuant to a plan, and to make recommendations to the Board regarding its remaining responsibilities relating to executive compensation.

**MEMBERSHIP**

The members of the Committee are appointed by the Board, considering the recommendation of its Corporate Governance Committee. The members of the Committee may be removed by the Board on its own motion or on the recommendation of its Corporate Governance Committee.

The Committee consists of two or more members of the Board. Each member of the Committee will meet the following requirements:

1. Any listing standards prescribed by the principal securities market on which the Company’s securities are traded (e.g., The Nasdaq National Market (“Nasdaq”)),
2. Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations adopted by the Internal Revenue Service under such section,
3. Rule 16b-3 adopted by the Securities and Exchange Commission (the “SEC”) under Section 16 of the Securities Exchange Act of 1934, and
4. Any other requirements imposed by applicable law, regulations or rules.

The Board may appoint the Chairperson of the Committee (the “Chairperson”). Alternatively, the Board may direct that the members of the Committee elect the Chairperson.

**RESPONSIBILITIES AND AUTHORITY**

The responsibilities and authority of the Committee shall include:

1. Reviewing and approving the corporate objectives that pertain to the determination of the compensation of the Company's Chief Executive Officer (the "CEO");
2. Evaluating the CEO's performance;
3. Determining the CEO's salary and contingent compensation, based on evaluating his or her performance and other relevant criteria as determined by the Committee;
4. In consultation with the CEO, determining the salaries and contingent compensation of the other individuals who are deemed to be "officers" of the Company under Rule 16a-1(f) of the SEC (the "Executive Officers"), including establishing incentive compensation plans for such individuals, establishing targets and incentive awards under such plans and making any determinations required to be made by the Board or a committee of the Board under such plans;
5. Making recommendations to the Board regarding the compensation of members of the Board;
6. Reviewing and approving the terms of offer letters, employment agreements, severance agreements, change-in-control agreements, indemnification agreements and other material agreements between the Company and its Executive Officers;
7. Approving any loans and other extensions of credit by the Company to an Executive Officer of the Company (if permitted in accordance with the applicable rules of the SEC);
8. Making recommendations to the Board regarding the adoption or amendment of equity and cash incentive plans, and approving amendments to such plans (including changes in the number of shares reserved for issuance thereunder) to the extent authorized by the Board;
9. Administering the Company's stock plans, granting stock option, restricted stock and other equity awards and approving modifications of such awards, provided that the Board may delegate to another committee of the Board the concurrent authority to make such awards to individuals other than Executive Officers;
10. Overseeing the administration of other material employee benefit plans of the Company, including the Company's 401(k) plan;
11. Reviewing and approving policies and procedures relating to the perquisites and expense accounts of the Company's Executive Officers;
12. Prepare a compensation discussion and analysis for publication in the Company's annual report on Form 10-K and proxy statement, if required by the rules of the SEC, and any other Committee report required by applicable securities laws or other regulations;
13. Report the activities of the Committee to the Board on a regular basis and review issues with the Board as the Committee deems appropriate;

14. Preparing an annual report on executive compensation for publication in the Company's proxy statement, as required by rules of the SEC;
15. Conducting a review of Executive Officer succession planning, as necessary, reporting its findings and recommendations to the Board, and working with the Board in evaluating potential successors to Executive Officer positions;
16. Making recommendations to the Board regarding amendments to this Charter; and
17. Carrying out any other duties and responsibilities assigned to it by the Board, to the extent permitted by law and the Company's Bylaws.

## **INVESTIGATIONS, STUDIES AND OUTSIDE ADVISERS**

The Committee may conduct or authorize investigations into, or studies of, matters within the Committee's scope of responsibility, with full access to all books, records, facilities and personnel of the Company.

The Committee has the exclusive authority to select, retain and terminate counsel, consultants, accountants and other advisers to assist the Committee in carrying out its duties. The Committee also has the exclusive authority to determine its advisers' compensation and the other terms of their retention.

## **MEETINGS**

The Chairperson will determine how often the Committee meets. However, the Board expects that the Committee will meet at least twice per year. The Chairperson, in consultation with the other members of the Committee, will also schedule the Committee meetings and establish the agenda for each meeting. The Chairperson will designate a secretary for each meeting, who need not be a member of the Committee. In lieu of holding a meeting, the Committee may act by circulating a written consent to each member of the Committee. The written consent constitutes a valid action of the Committee if it has been executed by each Committee member. The written consent will be filed with the minutes of Board meetings.

## **MINUTES**

The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of meetings of the Board.

## **REPORTS**

The Chairperson will periodically report to the Board on the Committee's deliberations and actions. The minutes of Committee meetings and actions by the unanimous written consent of the Committee members will be made available to all Board members.

## **ANNUAL REVIEW OF COMMITTEE PERFORMANCE**

The Committee, at least annually, will review its operations and performance and make such changes as it deems appropriate.

## **COMPENSATION**

Members of the Committee will receive such fees, if any, for their service as Committee members as may be determined by the Board. Such fees may include retainers or per-meeting fees and will be paid in such form of consideration as is determined by the Board in accordance with the applicable rules of Nasdaq and the SEC.

## **DELEGATION OF AUTHORITY**

The Committee may, to the extent permitted under applicable law, the rules of Nasdaq and the SEC, and the Company's Certificate of Incorporation and Bylaws, form and delegate authority to subcommittees when appropriate.