

## **PHOENIX TECHNOLOGIES LTD.**

### **Charter of the Compensation Committee of the Board of Directors**

#### **Purpose**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Phoenix Technologies Ltd. (the “Company”) shall be to:

- Review and recommend to the Board all compensation arrangements relating to the Company’s Chief Executive Officer (“CEO”) and to non-employee directors;
- Review and approve all compensation arrangements relating to the other executive officers of the Company who are subject to Section 16 of the Securities Exchange Act of 1934, as amended (the “Officers”);
- Review and approve cash-based incentive compensation plans affecting certain non-Officer employees;
- Provide recommendations to the Board regarding the adoption of or amendments to any equity-based incentive compensation plans of the Company;
- Administer the Company’s equity-based compensation plans in accordance with the terms of such plans; and
- Carry out the other compensation-related responsibilities set forth below or as otherwise delegated to the Committee by the Board.

#### **Membership**

The Committee shall be comprised of at least three (3) members of the Board, each of whom shall be appointed by the Board, upon the recommendation of the Nominating and Corporate Governance Committee. Each Committee member will serve on the Committee during his or her respective term as a Board member, subject to earlier removal by a majority vote of the Board. The chairman of the Committee shall be designated by the Board.

No member of the Committee will be an employee or a former officer of the Company. Each Committee member shall be: (i) a “Non-Employee Director” under Rule 16b-3(b)(3)(i) promulgated under the Securities Exchange Act of 1934, as amended (the “34 Act”); (ii) an “outside director” under the rules promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended; and (iii) an “independent director” under NASDAQ Rule 4200(a)(15) (except to the extent that a non-independent director may qualify for membership under NASDAQ Rule 4350(c)(3)(C)).

#### **Meetings**

The Committee will meet at least two (2) times per year and as necessary to carry out its responsibilities. If one or more members of the Committee is absent from a meeting of the Committee, a majority of the remaining members of the Committee (provided there are at least two such members) shall have the power to take any action necessary, proper or advisable in

order to perform the Committee's purpose. No action of the Committee shall be valid unless taken pursuant to a resolution adopted and approved by at least two members of the Committee. The Committee may act without a meeting by securing the unanimous written consent of the members of the Committee. The Committee shall report to the full Board with respect to its meetings and shall periodically report to the Board with respect to significant results of its activities.

The Committee may ask members of management of the Company or others to attend Committee meetings and provide pertinent information when needed. The CEO shall not attend the portion of any meeting where the CEO's compensation is discussed, unless specifically invited by the Committee. The Committee will meet periodically in executive session without Company management present. Minutes of all meetings, including telephone meetings, and copies of all consents in lieu of meeting shall be maintained and furnished to members of the Committee, the Board and the Secretary of the Company.

### **Authority; Delegation**

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. The Committee may retain and terminate outside counsel, compensation consultants or other experts or consultants, as it deems appropriate; provided, that, the Board shall approve the fees and other retention terms for such persons.

The Committee shall administer all of the Company's equity-based incentive compensation plans, and will discharge any responsibilities imposed on the Committee under those plans, including making and authorizing grants, in accordance with the terms of those plans.

To the extent permitted by applicable law, the Committee may delegate to a subcommittee of one or more Committee members or to the CEO the authority to approve equity grants to eligible individuals who are not directors or Officers within parameters and guidelines established by the Committee from time to time through written resolution, and such subcommittee or the CEO shall regularly report to the Committee grants so made. Any such delegation shall be reflected in the written minutes of the Committee, and the Committee may revoke such delegation of authority at any time.

### **Responsibilities**

The principal responsibilities and functions of the Committee are as follows:

1. Determine on an annual basis the corporate goals and objectives set forth in the Company's annual operating plan that are relevant to the compensation of the CEO and the other Officers for the current fiscal year;
2. Review and approve all elements of the compensation plans for the CEO and the other Officers in light of (i) the relevant corporate goals and objectives approved by the Committee and (ii) with respect to the CEO, the Board's annual evaluation of the CEO's performance, including:

- a) annual base salary;
- b) cash-based incentive plans, including specific goals and amounts, and all payouts under such plans;
- c) equity compensation;
- d) employment agreement terms and conditions, severance arrangements and change in control agreements and provisions; and
- e) any other benefits, perquisites, compensation or arrangements;

provided that all elements of compensation for the CEO are further subject to approval and ratification by the full Board (with the CEO abstaining).

3. Review and approve all grants of equity-based compensation to the CEO and the other Officers; provided, however, all grants to the CEO are further subject to approval and ratification by the full Board (with the CEO abstaining);
4. Review and approve all cash-based incentive compensation plans (other than sales commission plans) affecting non-Officer employees at the vice president level or higher, and the aggregate payouts under such plans;
5. Review and make recommendations to the Board with respect to the adoption and approval of, or amendments to, any equity-based incentive compensation plans, subject to stockholder approval as may be required by applicable rules and regulations;
6. Periodically review and approve the compensation strategy of the Company, including, but not limited to, salary ranges and parameters for equity grants to new and existing employees;
7. Review and approve any standard form of employment, severance, change of control and other similar agreements employed by the Company;
8. Review periodic reports from management on matters relating to the Company's compensation practices;
9. Periodically advise the Board regarding regional and industry-wide compensation practices and trends and make recommendations to the Board regarding the adequacy and competitiveness of the Company's compensation programs;
10. Review and discuss with management the Company's disclosures contained under the caption "Compensation Discussion and Analysis" for use in any of the Company's periodic reports, registration statements and proxy statements to be filed with the Securities and Exchange Commission and recommend to the Board that such disclosures, as reviewed and approved by the Committee, be included in such reports and statements, as the case may be;

11. Prepare an annual report on executive compensation for inclusion in the Company's annual report or the proxy statement for its annual stockholders' meeting in accordance with the rules and regulations of the Securities Exchange Commission;
12. Annually review all non-employee director compensation programs and policies and make recommendations to the Board with respect to any changes to the compensation of non-employee directors;
13. Annually, together with the Board, review the Committee's performance;
14. Annually review and assess this charter and submit any proposed changes for the approval of the Board;
15. Regularly update the Board about Committee activities and recommendations; and
16. Perform other functions as requested by the Board, or as required by law, applicable NASDAQ rules or provisions in the Company's charter documents, or as are otherwise necessary and advisable, in its or the Board's discretion, to the efficient discharge of its duties hereunder.

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