

ST. BERNARD SOFTWARE, INC.
COMPENSATION COMMITTEE CHARTER

Role & Purpose

The purpose of the Compensation Committee (the “Comp Committee” or “Committee”) of the Board of Directors (the “Board”) of St. Bernard Software, Inc. (the “Company”) is to assist the Board in discharging its responsibilities relating to the oversight of the Company’s compensation policies, plans and programs and the compensation of the Company’s executive officers, and to review and prepare an annual report on executive compensation for inclusion in the Company’s proxy statement in accordance with applicable rules and regulations. The term “compensation” shall include salary, long-term incentives, bonuses, perquisites, severance arrangements, retirement benefits and other related benefits and benefit plans.

Composition and Organization

Members shall be elected annually by the full Board and shall serve until the earlier of the appointment of their respective successors, the end of their service as a Director of the Company or their resignation from the Committee. A chairperson of the Committee may be appointed either by the Board or by election by vote of a majority of the full Committee. The chairperson will chair all regular sessions of the Committee and set the agenda for Committee meetings. The Committee may form and delegate authority to subcommittees when appropriate.

The Committee shall be composed entirely of independent directors. The membership of the Committee shall consist of at least two directors, each of whom shall satisfy the independence requirements of Nasdaq applicable to compensation committee members, as in effect from time to time, when and as required by Nasdaq, including any exceptions permitted by those requirements. The selection of the members of the Committee shall be made in accordance with Section 162 of the Internal Revenue Code (or any successor to Section 162(m) as in effect from time to time) and income tax regulations promulgated thereunder as in effect from time to time, and Rule 16b-3 promulgated under the Securities Exchange Act of 1934 (or any successor to Rule 16b-3 as in effect from time to time), so that at least two members of the Committee shall satisfy the “outside director” standard within the meaning of Section 162(m) and the “non-employee director” standard within the meaning of Rule 16b-3.

The Committee shall hold such regular or special meetings as its members shall deem necessary or appropriate. Minutes of each meeting of the Committee shall be prepared and maintained with the Company’s corporate records. The operation of the Committee shall be subject to the Bylaws of the Company as in effect from time to time and Section 141 of the Delaware General Corporation Law.

Duties & Responsibilities

The Committee’s responsibilities and duties shall be to:

- Establish annual and long-term performance goals and objectives for the Chief Executive Officer (“CEO”), all other officers (as that term is defined in Section 16 of the Exchange Act and Rule 16a-1 thereunder) and any other senior executives who report directly to the CEO.
- Evaluate the performance of the CEO, such officers and senior executives in light of the approved performance goals and objectives.

- Determine the compensation of the CEO, such officers and senior executives based on the evaluation of the performance of the CEO, such officers and senior executives, respectively.
- Make recommendations to the Board with respect to incentive compensation plans and equity-based plans.
- If appointed by the Board, to administer and grant options and awards under the Company's stock option plan(s).
- Produce an annual report on executive compensation for inclusion in the Company's proxy statement in accordance with applicable rules and regulations.
- Report to the Board, by means of written or oral reports, submission of minutes of committee meetings or otherwise, from time to time or whenever it shall be called upon to do so.
- Review this Charter annually for possible revision.
- Perform any other activities consistent with this Charter, the Company's Bylaws and governing law as the Committee or the Board of Directors deem appropriate

Authority and Resources

The Committee shall have the authority to obtain, at the expense of the Company, advice and assistance from outside legal, accounting or other advisors as it determines necessary to carry out its duties. In addition, the Committee shall have sole authority to (a) retain and terminate any compensation consultant engaged to assist in the evaluation of CEO or executive compensation, and (b) to approve advisors' reasonable fees and other retention terms.

Interpretation and Determination

The Committee shall have the power and authority to interpret this Charter and make any determinations as to whether any act taken has been taken in compliance with the terms hereof.

Evaluation

The Committee shall conduct an annual performance evaluation of this Committee.

Disclosure

This Charter shall be made available on the Company's website.