

iPARTY CORP.
COMPENSATION COMMITTEE CHARTER

The Board of Directors (the "**Board**") of iParty Corp. (the "**Company**") has established a Compensation Committee of the Board (the "**Committee**") with the authority, responsibilities and specific duties described below.

Composition

The Committee shall be composed of at least two, but not more than five, members of the Board, one of whom shall serve as chairperson. Except as otherwise permitted by applicable rules or regulations, each member of the Committee shall be an "**Independent Director**" in accordance with the requirements of the Securities Exchange Act of 1934 ("**Exchange Act**"), Section 952 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules of the- NYSE Amex.

The Committee and its chairperson shall be nominated and elected by the Board, upon the recommendation of the Nominating Committee. The members of the Committee shall serve for such term or terms as the Board may determine or until such earlier resignation, removal or death. The Board may remove members of the Committee at any time with or without cause.

Each member of the Committee shall also qualify as "**non-employee directors**" for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and as "**outside directors**" for the purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

Authority and Responsibilities

General

The Committee is responsible for recommending to the Board the compensation philosophy and policies of the Company for senior management. The objectives of the senior management compensation program are to align compensation with business objectives, individual performance, and the interests of the Company's stockholders; motivate and reward high levels of performance; recognize and reward the achievement of Company and/or business unit goals; and enable the Company to attract, retain, and reward members of senior management who contribute to the long term success of the Company. The Committee is also responsible for disclosing the Company's processes and procedures for determining executive and director compensation and for disclosing the amounts and form of such executive and director compensation in accordance with all federal securities, tax and NYSE Amex rules and regulations.

Specific

1. **Executive Officer Compensation.** The Committee, or a majority of the independent directors of the Board, shall review and approve, or recommend for approval by the Board, executive officer (including the Company's Chief Executive Officer (the "CEO")) compensation, including salary, bonus and incentive compensation levels; deferred compensation; executive perquisites; equity compensation (including awards to induce employment); severance arrangements; change-in-control benefits and other forms of executive officer compensation. The Committee or the independent directors of the Board, as the case may be, shall meet without the presence of executive officers when approving or deliberating on CEO compensation but may, in its or their discretion, invite the CEO to be present during the approval of, or deliberations with respect to, other executive officer compensation. In making its approval or recommendation of the foregoing executive officer compensation, the Committee or a majority of the Board shall consider the results of the most recent stockholder advisory vote on executive compensation required by Section 14A of the Exchange Act.
2. **Employee Benefit Plan Administration, Recommendations and Approvals.** The Committee shall administer, periodically review and make recommendations to the Board with respect to employee benefit plans, including all incentive-compensation plans and equity-based plans. In addition, the Committee, or a majority of the independent directors of the Board, shall approve any tax-qualified, non-discriminatory employee benefit plans (and any parallel nonqualified plans) for which stockholder approval is not sought and pursuant to which options or stock may be acquired by officers, directors, employees or consultants of the Company.
3. **Incentive Plan Administration.** The Committee shall exercise all rights, authority and functions of the Board under all of the Company's stock option, stock incentive, employee stock purchase and other equity-based plans, including without limitation, the authority to interpret the terms thereof, to grant options thereunder and to make stock awards thereunder; provided, however, that, except as otherwise expressly authorized to do so by a plan or resolution of the Board, the Committee shall not be authorized to amend any such plan. To the extent permitted by applicable law and the provisions of a given equity-based plan, and consistent with the requirements of applicable law and such equity-based plan, the Committee may delegate to one or more executive officers of the Company the power to grant options or other stock awards pursuant to such equity-based plan to employees of the Company or any subsidiary of the Company who are not directors or executive officers of the Company.
4. **Director Compensation.** The Committee shall periodically review and make recommendations to the Board with respect to director compensation.

5. **Compensation Committee Report on Executive Compensation.** The Committee shall review and discuss with management the Compensation Discussion and Analysis (“*CD & A*”) and any related executive compensation information, to the extent such information is required to be included in the Company’s proxy statement or annual report on Form 10-K, and shall prepare for inclusion in a proxy statement or annual report on Form 10-K the “*Compensation Committee Report*” if required.
6. **Risk and Compensation Review.** To review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.
7. **Say on Pay Vote.** To review and recommend to the Board for approval the frequency with which the Company will conduct stockholder advisory votes on executive compensation (“*Say on Pay Vote*”), taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Securities Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.
8. **Additional Powers.** The Committee shall have such other duties as may be delegated from time to time by the Board or required by applicable rules and regulations of the federal securities laws and the NYSE Amex.

Procedures

1. **Meetings.** The Committee shall meet as often as it deems necessary in order to perform its responsibilities but in no event less than two times each fiscal year. The Committee shall keep such records of its meetings as it shall deem appropriate
2. **Subcommittees.** The Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member), as it deems appropriate from time to time under the circumstances.
3. **Reports to the Board.** The Committee shall report regularly to the Board.
4. **Evaluation of Charter and Performance.** The Committee shall periodically, preferably at least once annually, as it deems appropriate, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board of Directors for approval. The Committee shall also conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the

evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

- 5) **Outside Advisors.** The Committee shall have the authority, in its sole discretion, to select, retain, and obtain the advice and assistance of compensation consultations, legal counsels and such other advisors and consultants as it deems necessary or appropriate to carry out its responsibilities. Such advisors and consultants may be the regular advisors and consultants to the Company. The Committee shall set the compensation, and oversee the work, of its consultants and other advisors. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such consultants and other advisors as established by the Committee.
6. **Investigations.** The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Committee or any advisors engaged by the Committee.
7. **Action.** A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. Without a meeting, the Committee may act by unanimous written consent of all members.

Ratified June 6, 2012