

## **Compensation Committee Charter (amended effective May 3, 2013)**

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### **Purpose**

The Compensation Committee (the "Committee") of Marchex, Inc. (the "Company") shall discharge the responsibilities of the Board of Directors (the "Board") in determining the compensation of the Company's executive officers and directors. The Committee shall have overall responsibility for approving and evaluating the compensation plans, policies and programs of the Company. To that end, the Committee shall have the responsibility, power and authority to set the compensation and benefits for the chief executive officer ("CEO") and the Company's other executive officers, determine distributions and grant awards under, and administer, the Company's various stock option and other incentive plans, and assume responsibility for all matters related to all of the foregoing. The Committee is also responsible for preparing disclosures regarding executive compensation as required by the rules and regulations of the Securities and Exchange Commission.

Nothing contained in this Charter is intended to, or should be construed as, creating any responsibility or liability of the members of the Committee except to the extent otherwise provided under Delaware law, which shall continue to set the legal standard for the conduct of the members of the Committee.

### **Committee Membership**

The Committee shall consist of no fewer than three (3) directors, each of whom must be determined by the Board to be "independent" under the rules of The Nasdaq Stock Market LLC and applicable law, provided, however, that one director who does not satisfy the Nasdaq independence criteria may, subject to the approval of the Board, serve on the Committee pursuant to, and subject to the limitations under, the "exceptional and limited circumstances" exception provided under the Nasdaq rules. Members of the Committee must also qualify as "non-employee directors" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), and "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. A Board member may not serve on this Committee if any executive officer of the Company serves on the board of an entity that employs such Board member as an executive officer. The members of the Committee shall be appointed by the Board, upon recommendation by the Nominating and Governance Committee.

Each member of the Committee shall serve terms of one year and until his or her successor is duly elected and qualified, or until such member's earlier resignation or removal. Members of the Committee may be removed, with or without cause, by a majority vote of the Board. The

Board shall appoint one member of the Committee to act as its Chair. The Chair shall preside at all regular sessions of the Committee and set the agenda for each Committee meeting. Any actions taken by the Committee during any period in which one or more of the members fail for any reason to meet the membership requirements set forth above shall still constitute duly authorized actions of the Committee for all corporate purposes.

In fulfilling its duties and responsibilities, as set forth below, the Committee shall have authority to delegate its authority to act upon specific matters within defined parameters to subcommittees consisting of one or more members of the Committee, in each case to the extent permitted by applicable law. Any such subcommittee shall report any action taken to the full Committee at its next meeting.

### **Compensation Policy**

The Board believes that compensation of employees should be fair to both employees and stockholders, externally competitive, and designed to align very closely the interests of employees, both individually and as a team, with those of the stockholders. The Company's executive compensation program is designed to attract, motivate, reward and retain superior management talent. Management compensation packages should be designed to create a commensurate level of risk and opportunity based on business and individual performance. The Committee places heavy emphasis on pay for performance. Increases in compensation should be based upon the performance level of an individual.

### **Committee Duties and Responsibilities**

In carrying out its duties and responsibilities, the Committee's policies and procedures shall remain flexible, so that it may be in the best position to react and respond to changing circumstances or conditions. The following offers guidelines regarding the Committee's duties and responsibilities.

The Committee shall:

1. At least annually, review the Company's overall compensation strategy, including base salary, bonus, incentive compensation, equity awards, benefits and perquisites to assure that it promotes stockholder interests and supports the Company's strategic and tactical objectives, and that it provides for appropriate rewards and incentives for the Company's management and employees.

2. Review and discuss with management the relationship between the Company's compensation policies and practices and the Company's risk management, including the extent to which those policies create risks for the Company.
3. Annually review and approve corporate and personal performance goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and determine and approve the CEO's compensation (including, but not limited to, base salary, bonus, incentive compensation, equity awards, benefits and perquisites) based on this evaluation, subject to any employment contract that may be in effect. In determining the long-term incentive component of CEO compensation, the Committee should consider the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies, the awards given to the CEO in past years, and such other factors as the Committee may consider relevant. The CEO may not be present during deliberations regarding his or her own compensation.
4. Annually review and approve corporate and personal performance goals and objectives relevant to the compensation of non-CEO executive officers, and set all non-CEO executive compensation (including, but not limited to, base salary, bonus, incentive compensation, equity awards, benefits and perquisites). The CEO may be present during deliberations regarding the compensation of non-CEO executive officers.
5. Review and approve compensation-related matters outside the ordinary course, including, but not limited to, employment agreements, retention agreements, restricted stock agreements, restricted stock unit agreements, severance arrangements, and change in control agreements or provisions, and material amendments with respect thereto.
6. Periodically review and make recommendations to the Board with respect to the compensation of directors, including Board and committee retainers, meeting fees, equity-based compensation, and such other forms of compensation as the Committee may consider appropriate.
7. Review and approve the structure and overall size of the Company's bonus or other cash incentive plans used to compensate employees. In doing so, the Committee should keep in mind that incentives are industry dependent and are different for different categories of employees. The Committee shall make recommendations to the Board concerning the

establishment and terms of incentive compensation plans and equity-compensation plans, as well as material revisions to the terms of such plans, and administer such plans, and approve such plans and amendments subject to stockholder approval when required.

8. In its capacity as administrator of the Company's compensation plans:
  - Advise the Board on the establishment of award guidelines and general size of overall awards;
  - Approve all grants of equity or other awards under the Company's compensation plans to all persons who are Board members or executive officers within the meaning of Rule 16b-3 of the Exchange Act;
  - Approve grants of equity and other awards under the Company's stock option or other incentive plans to all other eligible individuals. The Committee may delegate to one or more officers designated by the Committee the authority to make grants to eligible employees (other than any such officer) who are not executive officers or directors, provided that the Committee shall have fixed the price (or a formula for determining the price) and the vesting schedule for such grants, approved the form of documentation evidencing such grants, and determined the total number of shares such officer may award or the basis for determining the number of shares by position, compensation level or category of personnel. Any officer(s) to whom such authority is delegated shall regularly report to the Committee the grants so made. Any such delegation may be revoked at any time by the Committee.
  - Amend the plans (subject to stockholder approval when required) as may be necessary or appropriate to carry out the Company's overall compensation strategy and interpret the plans as may be required from time to time; and
  - When appropriate, modify existing grants (with the consent of the grantees) and approve authorized exceptions to provisions of the plans.
9. Review and discuss with management the disclosures in the Company's "Compensation Discussion and Analysis" and any other disclosure regarding executive and director compensation to be included in the Company's public filings or stockholder reports.

10. Based upon its review and discussion with management, recommend to the Board whether the Compensation Discussion and Analysis should be included in the Company's proxy statement, Form 10-K, or information statement, as applicable, and prepare the related report as required by the rules of the Securities and Exchange Commission.
11. Make regular reports to the Board on the findings, recommendations, and decisions of the Committee.
12. Oversee the Company's compliance with regulatory requirements associated with compensation of its officers, employees and directors.
13. Annually, review and assess the performance of the Committee and recommend to the Board such changes in its composition, Charter, or manner of operation as may be necessary to assure that it carries out its responsibilities effectively.

### **Meetings**

The Committee shall meet at such times as it determines to be necessary or appropriate, but not less than four times per year. Meetings may be called by the Chair of the Committee. The Committee should meet periodically in executive session without management being present. A majority of the members of the Committee shall constitute a quorum for the transaction of business. The Committee shall keep minutes of its proceedings that shall be signed by the person whom the Chair designates to act as secretary of the meeting. The minutes of a meeting shall be approved by the Committee at its next meeting, shall be available for review by the entire Board, and shall be filed as permanent records with the Secretary of the Company. The Committee shall be governed by the same rules regarding meetings (including meetings by conference telephone, remote communication or similar communications equipment), action without meetings, notice, waiver of notice, and voting requirements as are applicable to the Board. The Committee shall be authorized to adopt its own rules of procedure not inconsistent with (a) any provision of this Charter, (b) any provision of the by-laws of the Company, or (c) applicable law. Members of the Committee are expected to use all reasonable efforts to attend each meeting.

### **Reporting**

The Committee shall prepare and, through its Chair, submit periodic reports of the Committee's work and findings to the Board and the Committee shall include recommendations for Board action when appropriate. The Committee shall also inform the Board promptly of any issues or concerns.

## **Authority**

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate, and to request information from management in connection with such investigation. The Committee shall have sole authority to retain and terminate any compensation consultant to be used to assist in the performance of the Committee's duties, and shall have sole authority to approve the consultant's fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation of any such advisors.

The Committee shall consider the following independence factors before selecting compensation consultants and internal or external legal, accounting or other advisors as well as any other factors required by applicable exchanges and/or the Exchange Act and corresponding rules that may be amended from time to time: the provision of services to the Company by the employer of the consultant or advisor, the amount of fees received from the Company by the employer of the consultant or advisor (as a percentage of revenue), the conflicts of interest policies and procedures of the employer of the consultant or advisor, any business or personal relationship between the consultant or advisor and any member of the Committee, any stock of the Company owned by the consultant or advisor and any business or personal relationship between the consultant or advisor and any executive officer of the Company.

## **Publication**

The Company shall make this Charter freely available to stockholders on request and shall publish it on the Company's website.

## **Other**

This Charter is intended to provide a set of guidelines for the effective functioning of the Compensation Committee. Subject to Board approval, the Committee may at any time modify or amend (i) this Charter, and (ii) the authority and responsibilities of the Committee set forth herein.