

## COMPENSATION COMMITTEE

### CHARTER

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of optionsXpress Holdings, Inc. (the “Corporation”) has overall responsibility for evaluating the executive compensation plans, policies, and programs of the Corporation and recommending such plans, policies and programs to the full Board of Directors. The Committee shall be responsible for determining the Corporation’s policy with respect to the application of Section 162(m) of the Internal Revenue Code of 1986 (the “Code”).

The Committee shall develop a compensation policy and vigilantly monitor the results of such policy to assure that the compensation payable to the Corporation’s executives provides overall competitive pay levels, creates proper incentives to enhance stockholder value, rewards superior performance, and is justified by the returns available to stockholders, particularly when compared to the returns received by the stockholders of the Corporation’s principal competitors.

The Committee shall have the authority to delegate responsibility for the day-to-day management of executive compensation payable to the officers of the Corporation.

#### **A. Organization**

The Corporation’s Board of Directors shall select three or more of its members to serve as members of the Committee. Each member shall serve at the pleasure of the Board of Directors and for such term or terms as the Board shall determine.

Each member of the Committee must qualify as a “non-employee director” for purpose of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and as an “outside director” for purposes of Code Section 162(m). In addition, each member shall be “independent” within the meaning of NASDAQ Rule 4200(a)(15); provided, however, that one person who is not independent, as defined in NASDAQ Rule 4200(a)(15), and is not a current officer or employee of the Corporation or a family member of an officer or employee, may be appointed to the Committee if the Board of Directors, under exceptional and limited circumstances, determines that such individual’s membership on the Committee is required by the best interests of the Corporation and its stockholders, and the Board discloses, in the next annual proxy statement subsequent to such determination, the nature of the relationship and the reason for the determination. A member appointed under this exception may not serve longer than two years.

#### **B. Meetings**

The Committee will meet as often as may be deemed necessary or appropriate, and at least three times a year. The Chief Executive Officer, Chief Financial Officer or any person designated by them will prepare the agenda of each meeting on behalf of the Chairperson and, whenever reasonably practicable, circulate such agenda to each member prior to the meeting date.

**C. Specific Responsibilities**

1. Review and approve the compensation of the Chief Executive Officer and all other Executive Officers, including evaluating:
  - (a) CEO performance (together with the full Board);
  - (b) annual base salary levels;
  - (c) annual incentive opportunity levels;
  - (d) long-term incentive opportunity levels;
  - (e) employment agreements, severance arrangements, and executive retirement plans, in each case as, when, and if appropriate; and
  - (f) any special or supplemental benefits.
2. Review compensation plans to ensure that they meet corporate objectives.
3. Oversee the design and administration of equity-based and incentive compensation plans and programs.
4. Produce a report on executive compensation for inclusion in the Corporation's annual proxy statement in accordance with applicable rules and regulations promulgated under the Exchange Act.
5. Have such other responsibilities and perform such other duties as shall be specifically delegated to the Committee by the Board of Directors from time to time.

**D. Procedural Matters**

One-third of the members, but not less than two, will constitute a quorum. A majority of the members present, at any meeting at which a quorum is present, may act on behalf of the Committee. The Committee will meet at such times as shall be determined by its Chairperson, or upon the request of any two of its members. The Chairperson will preside, when present, at all meetings of the Committee. The Committee will keep a record of its meetings and report on them to the Board of Directors. The Committee may meet by teleconference or videoconference by means of which all persons participating in the meeting can hear one another and may take action by written consent.

**E. Outside Advisors**

The Committee shall have the authority to retain, approve the fees and other retention terms of, and terminate any executive compensation consultants, legal and other advisors, as it deems necessary for the fulfillment of its responsibilities. The Corporation will provide appropriate funding, as determined by the Committee, for payment of compensation to such

advisors and for the ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its duties.