

**COMPENSATION COMMITTEE CHARTER**  
**of the Compensation Committee**  
**of Leap Wireless International, Inc.**

This Compensation Committee Charter was adopted by the Board of Directors (the “Board”) of Leap Wireless International, Inc. (the “Company”) on November 11, 2004.

**I. Purpose**

The purpose of the Compensation Committee (the “Committee”) of the Board of the Company is (1) to assist the Board in discharging the Board’s responsibilities relating to compensation of the Company’s executives, including advising the Company with respect to the design of, recommending to the Board for approval, and evaluating the compensation plans, policies and programs for the Company’s executives and (2) to produce an annual report on executive compensation for inclusion in the Company’s proxy materials in accordance with applicable rules and regulations. The Committee shall endeavor to recommend compensation programs that are designed to encourage high performance, promote accountability and assure that executives’ interests are aligned with the interests of the Company’s stockholders.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

**II. Membership**

The Committee shall be composed of at least two directors as determined by the Board, none of whom shall be an employee of the Company and each of whom shall (1) satisfy the independence requirements of the NASDAQ, and (2) be an “outside director” under the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”).

The members of the Committee, including the chair of the Committee (the “Chair”), shall be appointed (from time to time after the adoption of this Charter) by the Board on the recommendation of the Nominating Committee. Committee members may only be removed from the Committee with cause by the Board. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

### **III. Meetings and Procedures**

The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Committee.

The Committee shall meet on a regularly scheduled basis at least two times per year and more frequently as the Committee deems necessary or desirable. Members of the Committee may participate in meetings of the Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

All directors that are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the independent auditor, the senior internal audit executive, any other financial personnel employed or retained by the Company, or any other person whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Chief Executive Officer may not be present during voting or deliberations concerning his or her compensation. The Chief Executive Officer may be present at the deliberations concerning non-CEO executive management compensation, but he or she may not vote on such compensation.

The Committee shall have the sole authority, as it deems appropriate, to retain and/or replace, as needed, any independent counsel, compensation and benefits consultants and other outside experts or advisors as the Committee believes to be necessary or appropriate. The Committee may also use the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee in its sole discretion, for payment of compensation to any such persons retained by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Chair shall report to the Board following meetings of the Committee and as otherwise requested by the Chairman of the Board.

### **IV. Duties and Responsibilities**

1. The Committee shall, at least annually, after consultation with management, review the compensation philosophy of the Company and the Company's compensation, pension and welfare benefit plans, including annual bonus, long-term incentive compensation, stock option, restricted stock, 401(k), and employee stock purchase plans. At the discretion of the Committee, plan reviews should generally include, as appropriate, reviewing the plan's administrative costs, reviewing current plan features relative to any proposed new features, and

assessing the performance of the plan's internal and external administrators if any duties have been delegated.

2. The Committee shall, at least annually, review and approve corporate goals and objectives relating to the compensation of the Chief Executive Officer, evaluate the performance of the Chief Executive Officer in light of those goals and objectives and determine and approve the compensation of the Chief Executive Officer based on such evaluation. The Committee shall have sole authority to determine the Chief Executive Officer's compensation.

3. In addition to its responsibilities under Section 2 above, the Committee shall, at least annually, after consultation with the Chief Executive Officer, evaluate the performance of all other employees at the Senior Vice President and above level, and review and approve or modify the recommendation of the Chief Executive Officer for the compensation of such employees. In addition, the Committee shall review and approve any employment contracts and special employment arrangements to be entered into by the Company with any employee at the Senior Vice President and above level.

4. The Committee shall also have the authority to:

(i) set performance targets under annual bonus and long-term incentive compensation plans and commit to writing any and all performance targets, in each case with respect to all executive officers who may be "covered employees" under Section 162(m) of the Code within the first 90 days of the performance period to which such target relates or, if shorter, within the period provided by Section 162(m) of the Code in order for such target to be "pre-established" within the meaning of Section 162(m);

(ii) certify that any and all performance targets used for any performance-based compensation plans have been met before payment of any bonus or compensation to any executive officer who may be a "covered employee" under Section 162(m) of the Code or before exercise of any award granted under any such plan(s) by any such executive officer ;

(iii) grant awards under any performance-based annual bonus or long-term incentive compensation plans (other than equity compensation plans) to executive officers (including any "covered employee" under Section 162(m) of the Code);

(iv) grant of awards under any equity compensation plan to executive officers (including any "covered employee" under Section 162(m) of the Code) (including any grant of stock options, restricted stock, stock purchase rights and other equity rights); and

(v) approve any repurchase of securities from terminated employees.

5. The Committee shall establish and periodically review policies concerning perquisite benefits.

6. The Committee shall periodically review the need for a Company policy regarding compensation paid to the Company's executive officers in excess of limits deductible under Section 162(m) of the Code.

7. The Committee shall determine the Company's policy with respect to change of control or "parachute" payments.

8. The Committee shall oversee and review executive officer and director indemnification and insurance matters.

9. The Committee shall manage and review any employee loans in an amount equal to or greater than \$75,000.

10. The Committee shall prepare and approve the Compensation Committee report to be included as part of the Company's annual proxy statement.

11. The Committee shall evaluate its own performance on an annual basis, including its compliance with this Charter, and provide the Board any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.

12. The Committee shall review and reassess this Charter at least annually and submit any recommended changes to the Board for its consideration.

## **V. Delegation of Duties**

In fulfilling its responsibilities, the Committee shall be entitled to delegate:

- (i) any or all of its responsibilities to a subcommittee of the Committee, and
- (ii) any or all of its responsibilities to grant awards under Company stock incentive programs to one or more officers of the Company,

in each case to the extent consistent with the Company's certificate of incorporation, bylaws, corporate governance guidelines and applicable law and rules of markets in which the Company's securities then trade, *provided, however*, that the Committee shall not delegate:

- (a) its responsibilities set forth in paragraph 4 of Section IV above other than to a subcommittee of the Committee comprised solely of "outside directors" as defined under Section 162(m) of the Code, or
- (b) its authority to grant awards to individuals (1) who are subject on the date of the grant to the reporting rules under Section 16(a) of the Securities Exchange Act of 1934, or (2) who are officers of the Company who are delegated authority by the Committee hereunder.