

**CHARTER FOR THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS  
OF MAKEMUSIC, INC.**

**I. PURPOSE**

The Compensation Committee (the “Committee”) shall report to and assist the Board of Directors (the “Board”) with regard to matters relating to the compensation policies of MakeMusic, Inc. (the “Company”), and for the compensation of persons serving as directors, senior management and Chief Executive Officer of the Company. Senior management shall be defined as any officer who reports directly to the Chief Executive Officer and any other officer of the Company or its subsidiaries so designated by the Chief Executive Officer.

**II. ORGANIZATION AND MEMBERSHIP**

The Committee will consist of two or more directors, each of whom shall be independent. The definition of “independence” for purposes of selecting Committee members shall be that contained in the Company’s Principles of Corporate Governance as adopted by the Board.

Committee members shall be appointed by the Board and may be removed by the Board at any time, with or without cause. Such appointment and removal may be upon recommendation by the Governance Committee.

The Committee Chair shall be elected by the Board. In the absence of the Board’s election of a Chair, the Committee shall elect a Chair by majority vote of the Committee members. The Chair of the Committee shall conduct the meetings as well as represent the Committee to the Company’s Board.

**III. RESPONSIBILITIES**

To fulfill its responsibilities and duties hereunder, the Committee shall:

- Periodically review with management the Company’s philosophy of compensation, taking into consideration enhancement of shareholder value from a short, intermediate and long-term perspective, the fair and equitable compensation of all employees, and the Company’s need to attract, retain and motivate highly qualified personnel.
- Annually consider whether the various compensation plans for which the Committee is responsible, as a whole, successfully implement the Company’s compensation philosophy and are fair, appropriate, and justifiable.
- Annually review and approve the individual and Company performance goals and objectives of the persons serving as Chief Executive Officer and other senior management, evaluate such officers’ performance in light of these goals, and determine and approve appropriate compensation levels and equity grants based on this evaluation, market data and the Company’s compensation philosophy.
- Develop, recommend, review and administer senior management compensation policy and plans, including incentive plans, equity plans, benefits and perquisites. Such review shall include consideration of regulatory requirements, tax consequences to the Company and senior management, market data, the Company’s compensation philosophy, potential

dilution to shareholders, and other factors and information that the Committee deems relevant.

- Develop, recommend and review development plans for senior management.
- Periodically review with management, and advise the Board with respect to, management's assessment of the effectiveness of the Company's human resources policies, strategies and programs, including employee compensation levels, deferred compensation plans and benefits, and the ability to attract, motivate and retain talent.
- Periodically review with management, and advise the Board with respect to, equity compensation plans and related registration statements and report to the full Board if any shareholder approval or additional registration is necessary.
- Review and recommend to the Board the terms of any offer letters, employment agreements, severance agreements or arrangements, change in control agreements, indemnification agreements, and other material agreements between the Company and its senior management or directors.
- Periodically review with management, and advise the Board with respect to administration of, employee benefit plans.
- Review, recommend changes to, and administer director compensation plans, taking into account the goals of attracting and retaining highly qualified directors and aligning directors' interests with the long-term owners of the Company.
- Annually review, and advise the Board with respect to, risks related to the design and implementation of the Company's compensation policies.
- Assist the Board and the Company in developing and reviewing public disclosure of matters relating to the Company's compensation policies and the compensation of the persons serving as directors, senior management and Chief Executive Officer of the Company, as required by applicable laws or regulations or as the Board deems to be in the best interest of the Company.
- If required by applicable law or deemed by the Committee and the Board to be in the best interest of the Company, develop, review and recommend to the Board clawback policies with respect to incentive-based compensation for the Chief Executive Officer, senior management and any other current or former executive officers, and/or disgorgement policies with respect to director compensation.
- Review periodically the Committee's charter, and make appropriate recommendations to the Governance Committee.

All voting and deliberations on the compensation of the Chief Executive Officer must occur outside the presence of such officer.

#### **IV. AUTHORITY**

The Committee shall have the authority, as and when it shall determine to be necessary or appropriate to the functions of the Committee, to:

- At the expense of the Company, if required, conduct such studies, analyses and evaluations the Committee deems necessary to perform the duties and fulfill the responsibilities assigned to it by the Board of Directors.
- Have full and independent access to Company management and personnel, provided that the Committee shall provide prior notice to at least one of the persons serving as Chief Executive Officer or Chief Financial Officer of its intention to interview personnel.
- Request from any person serving as Chief Executive Officer or Chief Financial Officer, and rely upon, advice and information, orally or in writing, concerning the Company's business operations and financial information relevant to the functions of the Committee.
- Select, retain or terminate, at the Committee's sole discretion, any compensation or other consultant, recruiting firm or other advisor, as it deems necessary to fulfill its functions, provided, however, that the Committee shall provide notification of any such engagement to at least one of the persons serving as Chief Executive Officer or Chief Financial Officer prior to its commencement. The Committee shall have authority to approve such advisors' fees and other retention terms, such fees to be at the expense of the Company, provided that to the extent the Committee determines to spend in excess of \$10,000 during any fiscal year on such services, it shall seek preapproval from the Board of such excess expenditures. Selection and retention of such consultants shall be made in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act and other applicable securities laws.
- Incur ordinary administrative expenses that are necessary or appropriate in carrying out the Committee's responsibilities.
- Take all action appropriate to the performance of the Committee's duties, including delegation of Committee responsibilities to subcommittees, provided, however, that any such subcommittee to which any responsibilities are delegated shall report regularly to the Committee regarding the matters delegated. Further, no subcommittee shall have final decision-making authority if applicable laws and regulations require action by the full Committee, and all equity grants must be approved by at least two non-employee directors (as defined in Rule 16-3 of the Exchange Act).

## **V. MEETINGS AND MINUTES**

The Committee shall meet in person or electronically no fewer than two times per year, and as many additional times as the Committee deems necessary. As necessary or desirable, the Committee may request that members of management or others, including the Company's advisors, be present at meetings of the Committee.

The Committee will maintain written minutes of its meetings. Such minutes shall be provided to the Board of Directors, and filed with the minutes of the meetings of the Board of Directors.

## **VI. MANAGEMENT COOPERATION**

Management of the Company shall cooperate with the Committee and render to the Committee such assistance as it shall request for the purpose of carrying out its functions.