

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

I. PURPOSE

The Compensation Committee (the “Committee”) shall be responsible, on behalf of the Board of Directors, for 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 person or persons serving as Chief Executive Officer and President and any other officer of the Company or its subsidiaries so designated by the Chief Executive Officer or President.

II. ORGANIZATION AND MEMBERSHIP

The Committee will be comprised of two (2) or more directors appointed by the Board, 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 and removed by the Board; such appointment and removal may be upon recommendation by the Governance Committee.

The Chairman of the Committee 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:

- Develop and 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, and the fair and equitable compensation of all employees.
- Annually consider the relationship between the Company’s strategic and operating plans and the various compensation plans for which the Committee is responsible.
- 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.
- 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 compensation levels, employee deferred compensation plans, employee benefits, and the ability to attract, develop 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.
- Periodically review with management, and advise the Board with respect to administration of, employee benefit plans.
- Develop, recommend, review and administer compensation plans for members of the Board of Directors.
- Assist the Board and the Company in developing and reviewing public disclosure of matters relating to 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.
- Review periodically the Committee's charter, and make appropriate recommendations to the Governance Committee.

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 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, President or Chief Financial Officer of its intention to interview personnel.
- Request from any persons serving as Chief Executive Officer, President 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.
- At the expense of the Company, retain legal counsel (which may be, but need not be, the regular corporate counsel to the company) and other consultants and advisors to assist it with 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, President or Chief Financial Officer prior its commencement. The Committee shall have authority to approve such advisors' fees and other retention terms, provided, however, that to the extent the Committee determines to spend in excess of \$10,000 during any fiscal year on such consulting assistance, it shall seek preapproval from the Board of such excess expenditures. The Committee shall have sole authority to terminate its relationship with any advisor that it retains.

- Take all action appropriate to the performance of the Committee's duties, including delegation of Committee responsibilities to subcommittees.

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. A majority of the members shall represent a quorum of the Committee, and, if a quorum is present, any action approved by at least a majority of the members present shall represent the valid action of the Committee. 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.