

**CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS OF
NETSUITE INC.**

DELEGATED AUTHORITY

The Audit Committee of the Board of Directors (the “**Board**”) of NetSuite Inc. (the “**Company**”) is established pursuant to Article 4.1 of the Company's Bylaws and Section 141(c) of the Delaware General Corporation Law.

PURPOSE

The purpose of the Compensation Committee of the Board of Directors (the “**Board**”) of NetSuite Inc. (the “**Company**”) shall be to:

- Provide oversight of the Company’s compensation policies, plans and benefits programs;
- Discharge the Board’s responsibilities relating to (1) oversight of the compensation of the Company’s Chief Executive Officer (“**CEO**”) and its executive officers (including officers reporting under Section 16 of the Securities Exchange Act of 1934) and (2) the evaluation and approval of the Company’s CEO and executive officer compensation plans, policies and programs; and
- Administer the Company’s equity compensation plans for its executive officers and employees.

The Compensation Committee shall seek to ensure that the Company structures its compensation plans, policies and programs as to attract and retain the best available personnel for positions of substantial responsibility with the Company, to provide incentives for such persons to perform to the best of their abilities for the Company and to promote the success of the Company’s business. The Compensation Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company’s proxy statement.

The Compensation Committee has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake such other specific duties as the Board from time to time precribes.

COMPENSATION COMMITTEE MEMBERSHIP

The Compensation Committee will consist of at least two members of the Board. The members of the Compensation Committee shall be appointed by the Board on recommendation of the Nominating and Governance Committee. Compensation Committee members may be replaced by the Board and will serve at the discretion of the Board. Members of the Compensation Committee must meet the following criteria:

- The independence requirements of the Nasdaq Stock Market, Inc. Marketplace Rules;
- The non-employee director definition of Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended; and
- The outside director definition of Section 162(m) of the Internal Revenue Code of 1986 (“**IRC**”), as amended.

MEETINGS AND PROCEDURES

- The Compensation Committee will set its own schedule of meetings and will meet at least quarterly, with the option of holding additional meetings at such times as it deems necessary or appropriate. The Compensation Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.
- The Compensation Committee may form subcommittees for any purpose that the Compensation Committee deems appropriate and may delegate to such subcommittees such power and authority as the Compensation Committee deems appropriate. Specifically, at its discretion, the Compensation Committee shall have the authority to designate a Committee for Equity Awards to Non-Officers with the authority to grant options or stock purchase rights to non-officer employees of the Company within guidelines established by the Compensation Committee from time to time. Such committee shall consist of a minimum of one (1) member of the Company's Board, who may be the Chief Executive Officer. If designated, the Committee for Equity Awards to Non-Officers will establish its own schedule and maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Compensation Committee shall not delegate to a subcommittee any power or authority required by law, regulation or listing standard to be exercised by the Compensation Committee as a whole.
- The Board may designate one member of the Compensation Committee as its chairperson. If the Board does not designate a chairperson, a majority of the members of the Compensation Committee may elect a chairperson of the Compensation Committee.
- Members of the Compensation Committee shall receive such fees, if any, for their service as Compensation Committee members as may be determined by the Board in its sole discretion. Such fees may include retainers or per meeting fees. Fees may be paid in such form of consideration as is determined by the Board. Members of the Compensation Committee may not receive any compensation from the Company except the fees that they receive for service as a member of the Board or any committee thereof.
- In addition to preparing the report in the Company's proxy statement in accordance with the rules and regulations of the SEC, the Compensation Committee will summarize its examinations and recommendations to the full Board as may be appropriate, consistent with the Compensation Committee's charter.

COMPENSATION COMMITTEE AUTHORITY AND RESPONSIBILITIES

To the extent deemed necessary or appropriate, the Compensation Committee shall:

Set Compensation for Executive Officers

- Review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate his or her performance in light thereof, and consider factors related to the performance of the Company in approving the compensation level of the CEO. The CEO may not be present during deliberations or voting on such matters.
- Review and approve the CEO's (1) annual base salary, (2) annual incentive bonus, including the specific goals and amount, (3) equity compensation, (4) any employment agreement, severance arrangement and change in control agreement/provision, (5) any signing bonus or payment of relocation costs and (6) any other benefits, compensation or arrangements. In determining, the long-term incentive component of CEO compensation, the Compensation Committee will

consider, among other things, the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the Company's CEO in past years. The CEO may not be present during deliberations or voting on such matters.

- Have authority to review annually and approve items (1) through (6) in the previous bullet for other executive officers identified by the Compensation Committee.
- Have the sole authority to retain and terminate any compensation consultant to be used by the Company to assist in the evaluation of CEO or executive officer compensation and shall have sole authority to approve the consultant's fees and other retention terms. The Compensation Committee shall also have authority to obtain advice and assistance from internal or external legal, compensation, accounting or other advisors.

Monitor Incentive and Equity-Based Compensation Plans

- Administer the Company's equity incentive plans. In its administration of the plans, the Compensation Committee may, pursuant to authority delegated by the Board, (i) grant stock options or stock purchase rights to individuals eligible for such grants (including grants to individuals subject to Section 16 of the Securities Exchange Act of 1934 in compliance with Rule 16b-3 promulgated thereunder) and in accordance with procedures and guidelines as may be established by the Board and (ii) amend such stock options or stock purchase rights. The Compensation Committee shall also make recommendations to the Board with respect to amendments to the plans and changes in the number of shares reserved for issuance thereunder.
- Approve all option grants to executive officers of the Company to ensure that such grants comply with Section 162(m) of the IRC.
- Oversee the Company's overall compensation plans and benefits programs by reviewing management reports with respect thereto on at least an annual basis. The Compensation Committee shall also make recommendations to the Board with respect to improvements or changes to such plans or the adoption of new plans when appropriate.
- Authorize the repurchase of shares from terminated employees pursuant to applicable law.
- Review and recommend compensation programs for outside directors.

Compliance and Governance Issues

- Prepare a report to be included in the Company's proxy statement for each annual meeting that describes the Company's executive compensation policies and practices.
- Review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval.
- Review annually the performance of the Compensation Committee.
- The Compensation Committee shall perform such other functions as assigned by law, the Company's certificate of incorporation or bylaws or the Board.