

Actuate Corporation Compensation Committee Charter

Organization

This charter governs the compensation committee. The committee shall review and reassess the charter at least annually and recommend any proposed changes, if any, to the board of directors. The committee shall be members of, and appointed by, the board of directors and shall consist of at least two directors. Each member of the committee shall be free of any relationship that, in the opinion of the board of directors, would interfere with his or her exercise of independent judgment and shall meet the independence requirements of Nasdaq's listing standards. In addition, each member of the committee shall be a "non-employee director" within the meaning of Rule 16b-3 issued by the Securities and Exchange Commission (the "Commission") and an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code, as amended.

Purpose

The committee shall (1) discharge the board's overall responsibility relating to the compensation of the Company's executive officers and other employees, (2) evaluate performance of the executive officers of the Company, and (3) exercise the authority of the board of directors with respect to the Company's equity-based and other incentive compensation plans of the Company.

Duties and Responsibilities

The committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The following shall be the principal duties and responsibilities of the compensation committee. These are set forth as a guide with the understanding that the committee may supplement them as appropriate to fulfill the purpose of the committee.

Compensation Philosophy: Periodically review and approve the overall corporate policies, goals and objectives for the compensation of the executive officers and other employees.

Compensation Programs and Plans: Establish and periodically review compensation plans and programs for the Company's executive officers and other employees, including incentive and equity-based compensation plans and programs, any appropriate employment contracts and severance or change of control arrangements.

Determine Compensation: Determine and approve the compensation of the executive officers (including salary, bonus, long-term incentive compensation, benefits and any other compensation, perquisites and special benefits). The committee may consider the compensation awarded to executive officers at comparable companies, the Company's

performance, the individual's performance, compensation given by the Company to the executive officers in past years and any other factor the committee deems appropriate. In any deliberations to determine the compensation of the chief executive officer, the chief executive officer shall not be present. In reviewing and determining the compensation of the other executive officers, the committee shall confer with the chief executive officer.

Equity-based and other incentive compensation plans: Administer the Company's equity-based and other incentive compensation plans, including the 1998 Equity Incentive Plan and the 2001 Supplemental Stock Plan.

Committee Report in Proxy Statement: Timely prepare and approve a report of the committee for inclusion in the Company's proxy statement for each annual meeting of stockholders, as required by the rules and regulations of the Commission.

Annual Performance Review: Perform an evaluation of its performance at least annually.

Determine Independence of Compensation Advisors:

While the committee is not required to retain any independent compensation advisor, it is authorized to do so. The committee shall annually assess the independence of each compensation advisor prior to retention and to consider the following six factors (as well as any other factors identified by NASDAQ):

- Whether the employer of the compensation advisor is providing any other services to the Company;
- The amount of fees received from the Company by the employer of the Compensation Advisor as a percentage of such employer's total revenue;
- Policies and procedures that have been adopted by the employer of the compensation advisor to prevent conflicts of interest;
- Any business or personal relationship of the compensation advisor with a member of the compensation committee;
- Any stock of the Company owned by the compensation advisor; and
- Any business or personal relationship of the compensation advisor or employer of the compensation advisor with an executive officer of the Company.

These factors are to be considered as a whole, and no one factor is determinative or controlling. This list is not exhaustive, and subject to update. The committee may consider other relevant factors in determining the independence assessment requirement. In discharging its duties and responsibilities, the committee shall have full access to all applicable books, records and personnel of the Company and the authority to engage advisors as it determines necessary to carry out its duties and the Company shall provide appropriate funding for the committee to retain such advisors.