

ULTICOM, INC.

Compensation Committee Charter

This Compensation Committee Charter was adopted by the Board of Directors (the “Board”) of Ulticom, Inc. (the “Company”).

This Charter is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company’s Amended and Restated Certificate of Incorporation and Amended and Restated By-laws, it is not intended to establish by its own force any legally binding obligations.

I. PURPOSES

The Compensation Committee (the “Committee”) shall assist the Board in overseeing the Company’s compensation policies and practices, including (i) determining the compensation of the Company’s Chief Executive Officer (“CEO”); (ii) reviewing and approving compensation levels for the Company’s other executive officers; (iii) reviewing and approving management incentive compensation policies and programs; and (iv) reviewing and recommending to the Board management incentive compensation, employee benefit and equity-based plans. The Committee shall prepare the report of the Committee required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s Annual Report on Form 10-K or proxy statement on Schedule 14A.

In discharging its role, the Committee is empowered to inquire into any matter that it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company. The Committee has the power to retain outside counsel, compensation consultants or other advisors to assist it in carrying out its activities. The Company shall provide adequate resources to support the Committee’s activities, including compensation of the Committee’s counsel, consultants and other advisors. The Committee shall have the sole authority to retain, compensate, direct, oversee and terminate counsel, compensation consultants, and other advisors hired to assist the Committee, who shall be accountable ultimately to the Committee.

II. COMMITTEE MEMBERSHIP

The Committee shall consist of three or more members of the Board. Members shall continue to be members until their successors are elected and qualified or until their earlier resignation or removal. Any member may be removed by the Board, with or without cause, at any time. The Chairman of the Committee shall be appointed from among the Committee members by, and serve at the pleasure of, the Board to convene and chair meetings of the Committee, set agendas for meetings, and determine the Committee’s information needs. In the absence of the Chairman at a duly convened meeting, the Committee shall select a temporary substitute from among its members.

III. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis at least twice per year, or more frequently as circumstances dictate.

The Committee shall establish its own schedule and rules of procedure. Meetings of the Committee may be held telephonically. A majority of the members of the Committee shall constitute a quorum sufficient for the taking of any action by the Committee.

The Committee shall meet at least annually with the CEO and any other corporate officers the Board and Committee deem appropriate to discuss and review the performance criteria and compensation levels of executive officers.

IV. SUBCOMMITTEES

The Committee may, by resolution or resolutions passed by a majority of the Committee, from time to time appoint subcommittees as may be permitted by law. Such subcommittees appointed by the Committee shall consist of one (1) or more members of the Committee and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such subcommittees.

V. KEY RESPONSIBILITIES

The following responsibilities are set forth as a guide for fulfilling the Committee's purpose, with the understanding that the Committee's activities may diverge as appropriate given the circumstances. The Committee is authorized to carry out these activities and other actions reasonably related to the Committee's purposes or assigned by the Board from time to time.

To fulfill its purposes, the Committee shall:

1. establish and review the Company's overall management compensation philosophy and policy;
2. review and approve corporate goals and objectives relevant to the compensation of the Company's executive officers, including annual performance objectives;
3. evaluate at least annually the performance of the Company's executive officers against corporate goals and objectives, including the annual performance objectives approved by the Committee and, based on this evaluation, determine the compensation level (including any discretionary incentive awards) for the CEO and review and approve the compensation level (including any discretionary incentive awards) for the other executive officers, reviewing as appropriate, any agreement or understanding relating to each executive officer's employment, incentive compensation, or other benefits based on this evaluation;
4. review on a periodic basis the Company's management compensation programs, including any management incentive compensation and equity-based plans, to determine whether they are appropriate, properly coordinated and achieve their

intended purpose(s), and recommend to the Board any appropriate modifications or new plans or programs;

5. establish and review the Company's overall practices and policies with regard to the granting of stock options;
6. administer and monitor compliance by executive officers with the rules and guidelines of the Company's management compensation programs, including any management incentive compensation and equity-based plans;
7. review and recommend to the Board any changes in employee retirement plans or programs, and other employee benefit plans and programs;
8. review and discuss the Company's Compensation Discussion and Analysis disclosure required by SEC regulations and determine whether to recommend to the Board that it be included in the Company's Annual Report on Form 10-K or proxy statement on Schedule 14A;
9. prepare the report of the Committee required to be included in the Company's Annual Report on Form 10-K or proxy statement on Schedule 14A in accordance with applicable rules and regulations of the SEC and other applicable regulatory bodies as may be in effect from time to time;
10. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
11. review and reassess the adequacy of this Charter annually, and recommend to the Board amendments as the Committee deems appropriate; and
12. report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board requests, and maintain minutes or other records of Committee meetings and activities.