

YELP INC.

CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

PURPOSE AND POLICY

The purpose of the Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Yelp Inc., a Delaware corporation (the “*Company*”), shall be to act on behalf of the Board in fulfilling the Board’s responsibilities to (i) oversee the Company’s compensation policies, plans and programs, and to review and determine the compensation to be paid to the Company’s executive officers and directors, (ii) review and discuss with management the Company’s disclosures contained under the caption “Compensation Discussion and Analysis” (the “*CD&A*”) for use in any of the Company’s annual reports on Form 10-K, registration statements, proxy statements or information statements, as may be required, and (iii) prepare and review the Committee report on executive compensation included in the Company’s annual proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission (the “*SEC*”). The policy of the Committee shall be to seek to maintain an overall compensation structure designed to attract, retain and motivate management and other employees by providing appropriate levels of risk and reward, assessed on a relative basis at all levels within the Company and in proportion to individual contribution and performance. The term “compensation” shall include salary, long-term incentives, bonuses, perquisites, equity incentives, severance arrangements, retirement benefits and other related benefits and benefit plans.

COMPOSITION

The Committee shall consist of at least two (2) members of the Board. The members of the Committee shall satisfy (i) any independence requirements imposed by the SEC and the New York Stock Exchange (the “*NYSE*”), giving effect to any exceptions permitted by such requirements, (ii) the “non-employee director” standard within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), and (iii) the “outside director” standard within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “*Code*”). The members of the Committee and the Chair of the Committee shall be appointed by the Board, on the recommendation of the Nominating and Corporate Governance Committee and may be removed by the Board in its discretion. Vacancies occurring on the Committee shall be filled by the Board.

MEETINGS AND MINUTES

The Committee shall hold such regular or special meetings as its members shall deem necessary or appropriate. Minutes of each meeting of the Committee shall be prepared and distributed to each director of the Company and the Secretary of the Company after each meeting. The Chair of the Committee shall report to the Board from time to time, or whenever so requested by the Board.

AUTHORITY

The Committee shall have sole authority to select, retain and terminate any compensation consultant to assist the Committee in the evaluation of director, chief executive officer, senior executive and equity compensation, including sole authority to approve such consultant's reasonable fees and other retention terms, at the Company's expense. The Committee and each member of the Committee shall have authority to retain and determine compensation for, at the Company's expense, special legal, accounting or other advisors or consultants as it deems necessary or appropriate in the performance of its duties. The Committee shall also have authority to pay, at the Company's expense, ordinary administrative expenses, including expenditures for external resources, that, as determined by the Committee, are necessary or appropriate in carrying out its duties. Each member of the Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge his or her responsibilities hereunder, including human resources personnel preparing the CD&A for the Company's reports to be filed with the SEC. The Committee shall have authority to require that any of the Company's personnel, counsel, accountants or investment bankers, or any other consultant or advisor to the Company, attend any meeting of the Committee or meet with any member of the Committee or any of its special, outside legal, accounting or other, advisors or consultants.

The approval of this Charter by the Board shall be construed as a delegation of authority to the Committee with respect to the responsibilities set forth herein. The Committee may form and delegate authority to subcommittees as appropriate, including, but not limited to, a subcommittee composed of one or more members of the Board to grant stock awards under the Company's equity incentive plans to persons who are not (a) "Covered Employees" under Section 162(m) of the Code; (b) individuals with respect to whom the Company wishes to comply with Section 162(m) of the Code or (c) then subject to Section 16 of the Exchange Act. Delegation by the Committee to any subcommittee shall not limit or restrict the Committee on any matter so delegated, and any action by the Committee on any matter so delegated shall not limit or restrict any future action by such subcommittee, unless otherwise determined by the Committee. The operation of the Committee shall be subject to the Bylaws of the Company as in effect from time to time and Section 141 of the Delaware General Corporation Law. Without limiting the generality of the foregoing, the Committee may form and delegate authority to a subcommittee comprised solely of employees of the Company to serve as an administrative and/or investment committee, with fiduciary responsibilities under the Employee Retirement Income Security Act of 1974 ("**ERISA**"), with respect to one or more Company plans that are subject to ERISA.

In addition, notwithstanding the foregoing paragraph or any other provision in this charter, if deductibility of “performance-based” compensation under Section 162(m) of the Code is desired, only the Committee, or one of its subcommittees, in either case comprised of at least two (2) directors who are “outside directors” (and with any non-“outside directors” abstaining) and who also meet all of the other criteria for membership on the Committee (any such subcommittee, a “*Section 162(m) Committee*”) may approve compensation intended to qualify for the “performance-based compensation” exception of Section 162(m) (including but not limited to the granting of stock options and the establishment and evaluation of achievement of performance goals related to cash or equity compensation) (such intended compensation, “*Section 162(m) Compensation*”). Nothing in this charter requires the Committee to grant compensation that qualifies for the “performance-based compensation” exception of Section 162(m) and nothing in this charter is a guarantee that compensation intended to qualify as “performance-based compensation” does so qualify.

RESPONSIBILITIES

The Committee shall have direct responsibility for the appointment, compensation and oversight of the work of compensation consultants, independent legal counsel or any other advisors engaged for the purpose of advising the Committee. Such compensation consultants, independent legal counsel or other advisors and consultants shall report directly, and be accountable, to the Committee. The Committee’s procedures should remain flexible to address changing circumstances most effectively. To implement the Committee’s purpose and policy, the Committee shall have the following responsibilities, which the Committee may supplement or, except as otherwise required by applicable law or the requirements of the NYSE, deviate from these activities as appropriate under the circumstances:

1. Overall Compensation Strategy. To review, modify (as needed) and approve the overall compensation strategy and policies for the Company, including:

- reviewing and approving corporate performance and other goals and objectives, relevant to the compensation of the Company’s executive officers and other senior management or key employees, as appropriate;
- evaluating and approving, as appropriate, the incentive and equity compensation plans and programs advisable for the Company, as well as evaluating and approving, as appropriate, the modification or termination of existing plans and programs;
- establishing policies with respect to equity compensation arrangements;
- reviewing and approving the terms of any employment agreements, severance arrangements, change-of-control protections and any other compensatory arrangements (including, without limitation, perquisites and any other form of compensation) for the Company’s executive officers and other senior management, as appropriate;

- evaluating the efficacy of the Company's compensation policy and strategy in achieving expected benefits to the Company and otherwise furthering the Committee's policies;
- reviewing the Company's practices and policies of employee compensation as they relate to risk management and risk-taking incentives, to determine whether such compensation policies and practices are reasonably likely to have a material adverse effect on the Company; and
- reviewing and considering the results of any advisory vote on executive compensation.

2. Compensation of Chief Executive Officer. To determine and approve, either as a committee or together with the other independent directors of the Company (as determined by the Board), the compensation (other than Section 162(m) Compensation, which shall be determined and approved by the Committee or Section 162(m) Committee) and other terms of employment of the Company's Chief Executive Officer and, to the extent the Committee deems appropriate and advisable, to evaluate the Chief Executive Officer's performance in light of relevant corporate performance goals and objectives (if applicable). In determining the long-term incentive component of the Chief Executive Officer's compensation, if any, the Committee should seek to achieve an appropriate level of risk and reward, taking into consideration the Company's performance and relative stockholder return, the potential benefits and costs to the Company of the award, the value of similar incentive awards given to chief executive officers of comparable companies, the awards given to the Company's Chief Executive Officer in past years, and such other criteria as the Committee deems advisable. The Chief Executive Officer shall not be present during the voting or deliberations regarding his or her compensation.

3. Compensation of Other Officers. To review and approve the individual and corporate performance goals and objectives of the Company's executive officers (as that term is defined in Section 16 of the Exchange Act and Rule 16a-1 thereunder) and, to the extent the Committee deems appropriate and advisable, other members of senior management, that are periodically established. The Committee shall determine and approve the compensation and other terms of employment of these executive officers (and, if applicable, senior management), as appropriate, taking into consideration the person's success in achieving his or her individual performance goals and objectives and the corporate performance goals and objectives deemed relevant to the officer as established by the Committee.

4. Compensation of Directors. To review and recommend to the Board for approval the type and amount of compensation to be paid or awarded to non-employee Board members, including consulting, retainer, meeting, committee and committee chair fees and stock option grants or awards.

5. Selection of Compensation Consultants, Independent Legal Counsel and Other Advisors. The Committee may select compensation consultants, independent legal counsel and

other advisors to the Committee only after assessing the independence of such person in accordance with the NYSE listing rules.

6. Administration of Benefit Plans. To approve, adopt, amend and terminate the Company's stock option plans, stock appreciation rights plans, pension and profit sharing plans, incentive plans, stock bonus plans, stock purchase plans, bonus plans, deferred compensation plans and similar programs. The Committee shall have full power and authority to administer these plans, establish guidelines, interpret plan documents, select participants, approve grants and awards and any modifications thereof, and exercise such other power and authority as may be permitted or required under such plans. Notwithstanding the foregoing, the Board shall retain the power to act on all such matters without limiting the Committee's authority, subject to compliance with applicable laws and regulations.

7. Insurance Coverage. To review and establish appropriate insurance coverage for the Company's directors and executive officers.

8. Compensation Discussion and Analysis. To review and discuss with management the Company's disclosures contained in the CD&A for use in any of the Company's annual reports on Form 10-K, registration statements, proxy statements or information statements and make recommendations to the Board whether the CD&A should be approved for inclusion in such reports and statements.

9. Compensation Proposals. Provide recommendations to the Board on compensation-related proposals to be considered at the Company's annual meeting, including the frequency of advisory votes on executive compensation.

10. Conflict of Interest Disclosure. The Committee shall review and discuss with management any conflicts of interest raised by the work of a compensation consultant or advisor retained by the Committee or management and how such conflict is being addressed, and prepare any necessary disclosure in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.

11. Committee Report. To prepare and review the Committee report on executive compensation to be included in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.

12. Annual Charter Review. To review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

13. Annual Committee Evaluation. To conduct an annual evaluation of the performance of the Committee.

14. General Authority. To perform such other functions and to have such other powers as may be necessary or appropriate in the efficient and lawful discharge of the foregoing.