



COMPENSATION COMMITTEE CHARTER
of the Compensation Committee
of INFORMATION SERVICES GROUP, INC.

This Compensation Committee Charter (the “Charter”) was adopted by the Board of Directors (the “Board”) of Information Services Group, Inc. (the “Company”) on January 14, 2008.

I. Purpose

The purpose of the Compensation Committee (the “Committee”) is to assist the Board with its oversight responsibilities: (i) to discharge the Board’s responsibilities relating to compensation of the Company’s executives, including by designing (in consultation with management and the Board, as appropriate), recommending to the Board for approval and evaluating the compensation plans, policies and programs of the Company and (ii) to produce or review any annual report or disclosures with respect to executive compensation required to be included in the Company’s proxy materials in accordance with applicable rules and regulations of the Securities and Exchange Commission (“SEC”). The Committee shall attempt to establish compensation programs that are designed to encourage high performance and accountability and promote the alignment of employee interests with the interests of the Company’s stockholders.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s certificate of incorporation or bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion.

II. Membership

The Committee shall be comprised of three or more directors, as determined by the Board, each of whom (1) satisfies the independence requirements of the Nasdaq Stock Market (“Nasdaq”) rules, (2) is a “non-employee director within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and (3) is an “outside director under the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”).

The members of the Committee, including the Chairman of the Committee, shall be appointed by the Board on the recommendation of the Nominating Committee. Committee members may be removed from the Committee, with or without cause, by the Board.

III. Meetings and Procedures

The Chairman (or in his or her absence, a member designated by the Chairman) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's certificate of incorporation or bylaws that are applicable to the Committee.

The Committee shall meet once a year or more frequently as the Committee deems necessary.

All non-management directors that are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management or any other persons whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Committee may exclude from its meetings any persons it deems appropriate, including but not limited to, any non-management director that is not a member of the Committee.

The Chairman shall report to the Board regarding the activities of the Committee at appropriate times and as otherwise requested by the Chairman of the Board.

The Committee may conduct or authorize investigations into any matters within the scope of the powers and responsibilities delegated to the Committee.

IV. Powers and Responsibilities

1. The Committee shall, at least once each calendar year, review the compensation philosophy of the Company.
2. The Committee shall have sole authority to determine the Chief Executive Officer's compensation. The Committee shall, at least once each calendar year, review and approve corporate goals and objectives relating to the compensation of the Chief Executive Officer and shall, with input from the Chief Executive Officer, annually establish the performance criteria (including both long-term and short-term goals) to be considered in light of those goals and objectives in connection with the Chief Executive Officer's next annual performance evaluation. At the end of each year, the Chief Executive Officer shall make a presentation or furnish a written report to the Committee indicating his or her progress against such established performance criteria. Thereafter, with the Chief Executive Officer absent, the Committee shall meet to review the Chief Executive Officer's performance, determine and approve the compensation of the Chief Executive Officer based on such evaluation and report thereon to the Board. The results of the review and evaluation shall be communicated to the Chief Executive Officer by the Chairman of the Committee.

3. With the input of the Chief Executive Officer, the Committee shall, at least once each calendar year, review the performance of and approve all compensation for executive officers (as such term is defined in Rule 16a-1 promulgated under the Exchange Act). In addition, the Committee shall review and approve all officers' employment agreements and severance arrangements including all change of control provisions.
4. The Committee shall, at least once each calendar year, receive and review a report from the Company's management regarding the status of the Company's non-employee director compensation in relation to other U.S. companies of comparable size and the Company's competitors. Such report will include consideration of both direct and indirect forms of compensation to the Company's directors. The Company shall recommend any changes in director compensation to the full board, which changes will be approved or disapproved by the full board after review and discussion.
5. The Committee shall periodically review all annual bonus, long-term incentive compensation, stock option, employee pension and welfare benefit plans for management and shall have responsibility for:
 - (i) Reviewing the plan's administrative costs and plan features relative to any proposed new features, and assessing the performance of the plan's internal and external administrators if any duties have been delegated;
 - (ii) setting performance targets under all management annual bonus and long-term incentive compensation plans as appropriate and committing to writing any and all performance targets for all executive officers who may be "covered employees under Section 162(m) of the Code within the first 90 days of the performance period to which such target relates or, if shorter, within the period provided by Section 162(m) of the Code in order for such target to be "pre-established within the meaning of Section 162(m);
 - (iii) certifying that any and all performance targets used for any performance-based equity compensation plans have been met before payment of any executive bonus or compensation or exercise of any executive award granted under any such plan(s);
 - (iv) approving all amendments to, and terminations of, all executive officer compensation plans and any awards under such plans; and
 - (v) approving which executive officers are entitled to awards under the Company's stock option or other equity compensation plan(s).
6. The Committee shall establish and periodically review policies concerning any management perquisite and similar benefits.

7. To the extent required by the applicable rules and regulations of the SEC, the Committee shall (a) prepare and approve the Compensation Committee report required to be included as part of the Company's annual proxy statement, and (b) prepare, review or approve any other disclosures with respect to executive compensation required to be included as part of the Company's annual proxy statement.
8. The Committee shall evaluate its own performance on an annual basis, including its compliance with this Charter, and provide any written material with respect to such evaluation to the Board, including any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.
9. The Committee shall review and reassess this Charter at least once each calendar year and submit any recommended changes to the Board for its consideration.
10. The Committee may retain as needed, any independent counsel, compensation and benefits consultants and other outside experts or advisors as the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such persons retained by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
11. The Committee shall have and may exercise such other rights, duties and obligations as may be ancillary to those specified herein or otherwise as delegated to the Committee by the Board of Directors, or as otherwise required by applicable law or Nasdaq listing standards.

V. Delegation of Duties

The Committee may delegate the authority granted hereunder, subject to applicable limitations under applicable law. Such delegation may include delegation to a subcommittee, in order to ensure compliance with legal and regulatory obligations, to ensure timely decision making or for other purposes. Such delegation may also include delegation to management.

VI. Disclosure of Charter

This Charter shall be made available on the Company's website at www.informationsg.com and to any stockholder who otherwise requests a copy. The Company's Annual Report to Stockholders shall state the foregoing.