

ATRICURE, INC.

**CHARTER OF THE
COMPENSATION COMMITTEE OF
THE BOARD OF DIRECTORS**

AMENDED THROUGH MAY 23, 2013

I. RESPONSIBILITIES AND AUTHORITY

The Compensation Committee (the “Committee”) shall assist the Board in overseeing the Company’s management compensation policies and practices. 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 may form, and delegate any of its responsibilities to, a single subcommittee or several subcommittees which shall be solely comprised of one or more members of the Committee. To fulfill its purposes, the Committee shall:

1. determine and approve the compensation of the Company’s Chief Executive Officer (“CEO”);
2. determine and approve compensation levels for the Company’s other executive officers or other members of management as the Board and Committee determine appropriate;
3. review and approve corporate goals and objectives relevant to CEO compensation, including annual performance objectives, as well as management incentive compensation policies and programs;
4. review and approve incentive and equity-based compensation programs for employees and any modifications of such plans, exercising discretion in the administration of such programs and oversee compliance with the requirement under the applicable rules of the Nasdaq Stock Market, Inc. (“Nasdaq”) that, with limited exceptions, shareholders approve equity compensation plans;
5. approve grants of equity-based awards, pursuant to the Company’s incentive and equity-based compensation plans;
6. review and recommend to the Board any changes in employee retirement plans or programs, and other employee benefit plans and programs;
7. review with management the Company’s disclosures under “Compensation Discussion and Analysis” (the “CD&A”), make a recommendation with respect to inclusion of the CD&A in the Company’s filings with the Securities and Exchange Commission (the “SEC”) and produce the compensation committee report on executive officer compensation required to be included in the Company’s filings with the SEC;

8. review and recommend the frequency with which the Company will conduct Say on Pay votes, taking into account the results of the most recent advisory vote on frequency of Say on Pay votes required by the SEC's proxy rules;
9. oversee the Company's compliance with SEC rules and regulations regarding shareholder approval of certain executive compensation matters, including the Say on Pay vote and frequency of Say on Pay vote;
10. review and approve the proposals regarding the Say on Pay vote and the frequency of the Say on Pay vote to be included in the Company's proxy statement;
11. recommend the amounts and form of compensation for non-management directors;
12. review and reassess the adequacy of this Charter annually, and recommend to the Board amendments as the Committee deems appropriate; and
13. 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.

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.

II. OUTSIDE ADVISORS

The Committee may retain or obtain the advice of a compensation consultant, outside legal counsel and any other advisers, as necessary to assist with the execution of its duties and responsibilities, but only after taking into consideration factors relevant to the adviser's independence from management specified in Nasdaq Listing Rule 5605(d)(3). The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any adviser retained by the Committee, and shall have sole authority to approve the adviser's fees and other terms and conditions of the adviser's retention.

The Committee may retain, or receive advice from, any compensation advisor they prefer, including ones that are not independent, after considering the specified factors. The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.

The Committee shall set the compensation, and oversee the work, of such compensation consultant, outside legal counsel or other advisers. The Committee shall receive appropriate funding from the Company, as determined by the Committee, for the payment of reasonable

compensation to any compensation consultants, outside legal counsel or any other advisors retained by the Committee. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, outside legal counsel or other advisors, and the authority granted to the Committee shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

III. MEMBERSHIP AND QUALIFICATION

The Committee shall consist of three (3) or more members of the Board, or such number as may be designated by the Board, each of whom the Board has selected and determined to be “independent” in accordance with the provisions of Rule 10C-1(b)(1) under the Securities Act of 1934, as amended (the “Exchange Act”) and applicable Nasdaq rules. In addition, no director may serve unless he or she (i) is a “Non-employee Director” for purposes of Rule 16b-3 under the Exchange Act and (ii) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

Members of the Committee 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.

IV. MEETINGS

The Committee shall meet on a regularly-scheduled basis at least two (2) times 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 key executives. The CEO may not be present in meetings during voting or deliberations on the CEO’s compensation.