

One Stop Systems, Inc.
Compensation Committee Charter

Membership

The Compensation Committee shall consist of two or more directors all of whom in the judgment of the Board of Directors shall be independent in accordance with the applicable listing standards. In addition, a person may serve on the Compensation Committee only if the Board of Directors determines that he or she (i) is a “Non-employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

Purpose

The purpose of the Compensation Committee is to oversee the discharge of the responsibilities of the Board relating to compensation of the Company’s chief executive officer and all other executive officers of the Company.

Responsibilities

The Compensation Committee is directly responsible for establishing annual and long-term performance goals and objectives for our elected officers, as well as setting the overall compensation philosophy for the Company. This responsibility includes:

- (i) evaluating the performance of the CEO and other elected officers in light of the approved performance goals and objectives;
- (ii) setting the compensation of the CEO and other elected officers based upon the evaluation of the performance of the CEO and the other elected officers, respectively;
- (iii) making recommendations to the Board of Directors with respect to new cash-based incentive compensation plans and equity-based compensation plans; and
- (iv) preparing an annual performance self-evaluation of the Compensation Committee.

In addition, the Compensation Committee:

- (i) administers the Company’s stock plans;

- (ii) determines and certifies the shares awarded under corporate performance-based plans;
- (iii) grants options and awards under the stock plans;
- (iv) advises on the setting of compensation for senior executives whose compensation is not otherwise set by the Compensation Committee; and
- (v) monitors compliance by officers with our program of required stock ownership.

The CEO may not be present during voting or deliberations on his or her compensation.

The Compensation Committee has the authority to delegate any of its responsibilities to subcommittees as the Compensation Committee may deem appropriate in its sole discretion.

The Compensation Committee must review and reassess the adequacy of this charter on an annual basis.

Meetings

The Compensation Committee shall meet at least two times each year and at such other times as it deems necessary to fulfill its responsibilities.

Delegation of Duties

The Compensation Committee may, in its sole discretion, employ a compensation consultant, independent legal counsel or other adviser to assist in the evaluation of the compensation of the Company's CEO or other elected officers. The Compensation Committee shall have the sole authority to appoint, oversee and approve the fees and other retention terms with respect to such a compensation consultant. The Compensation Committee also has the authority, as necessary and appropriate, to consult with other outside advisers to assist in its duties to the Company. The Compensation Committee must receive appropriate funding from the Company, as determined by the Compensation Committee, for the payment of reasonable compensation to any compensation consultants, independent legal counsel or other advisers. The Compensation Committee must conduct an independence assessment prior to engaging any compensation consultant, independent legal counsel or other adviser.