



## SERVIDYNE, INC.

### COMPENSATION COMMITTEE CHARTER

#### **I. Purpose**

The primary function of Compensation Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to executive compensation. In fulfilling this purpose, the Committee generally considers the objectives of attracting and retaining capable executive officers, and linking the compensation of executive officers to the attainment of performance goals and increases in the Company's stock price, thus aligning the interests of the executive officers with the shareholders of the Company.

#### **II. Membership Requirements**

The Committee shall be comprised of three or more directors as determined by the Board. All members of the Committee shall be "independent" within the meaning of the listing standards of the Nasdaq Stock Market and any other standards prescribed by the Committee or the Board from time to time. At least two members shall also qualify as "Non-Employee Directors" under Section 16 of the Securities Exchange Act of 1934 and as "outside directors" under Section 162(m) of the Internal Revenue Code.

#### **III. Meetings and Governance**

The Committee meets at least once annually, or more frequently as circumstances dictate. The Committee will report its activities and findings to the Board on a regular basis. The Committee shall meet without management present as appropriate.

The Board may appoint a Chair of the Committee. The Chair will preside, when present, at all meetings of the Committee. One-third of the members, but not less than two, will constitute a quorum. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or video conference and may take action by written consent.

#### **IV. Duties, Responsibilities and Activities**

To fulfill its purpose, the Committee shall from time to time perform the following duties and responsibilities and shall engage in the following activities to the extent necessary or appropriate in the judgment of the Committee:

- Approve performance goals for the executive officers in connection with the Company's incentive compensation programs.
- Evaluate the performance of the executive officers for compensation purposes.

- Determine the compensation of the Chief Executive Officer of the Company. The Chief Executive Officer shall not be present during deliberations or voting on his or her compensation.
- Determine the compensation of the other executive officers of the Company.
- Approve stock options, restricted stock and other equity grants to the executive officers of the Company.
- Approve, or recommend to the Board for approval, the adoption, amendment or termination of, and oversee the administration of, executive compensation plans and other compensation plans in which executive officers may participate.
- Consider from time to time and recommend to the Board the Company's general executive compensation policies.
- Consider from time to time the engagement of compensation consultants. The Committee has the sole authority to retain and terminate any compensation consultant used to evaluate director or executive officer compensation, including the sole authority to approve the consultant's fees and other retention terms.
- Consider from time to time and recommend to the Board the Company's policy with respect to deductibility of executive compensation pursuant to Section 162(m) of the Internal Revenue Code.
- Review and approve the annual Report of the Compensation Committee on Executive Compensation for inclusion in the Company's annual Proxy Statement.
- Perform any other activities in its discretion that are consistent with the Committee's purpose, or as determined necessary or appropriate by the Board.