

Versar, Inc.

Compensation Committee Charter

I. PURPOSES OF THE COMMITTEE

The Compensation Committee will assist the Board of Directors in fulfilling its responsibilities related to the following:

- A. The compensation of the Company's executives and directors;
- B. The preparation of the annual Compensation Discussion and Analysis; and approving the same for inclusion in the Company's annual meeting proxy statement;
- C. The Compensation Committee Report required to be included in the Company's annual meeting proxy statement; and
- D. The Company's equity and other incentive compensation plans adopted by the Company.

In performing its duties, the Committee shall maintain effective working relationships with the Board of Directors, Management and any internal and external advisors.

II. ORGANIZATION

Each member of the Committee shall be an "independent director" as such term is defined under the listing standards of the NYSE Amex, including such standards specifically applicable to compensation committees, as amended from time to time. Each member of the Committee shall be a "non-employee director" as defined in Rule 16b-3(d)(3)(i) promulgated by the Securities and Exchange Commission (SEC) under the Securities Exchange Act of 1934, as amended from time to time. At least two members of the Committee shall be "outside directors" as that term is defined for purposes of Section 162(m) under the Internal Revenue Code of 1986 and the regulations thereunder, as amended from time to time.

III. DUTIES AND RESPONSIBILITIES

The Compensation Committee is responsible for the following on the behalf of the Board of Directors:

- A. Reviewing and approving corporate goals and objectives related to executive officer compensation. Specifically, the Committee shall approve corporate goals and objectives relevant to the Company's Chief

Executive Officer (CEO) compensation, and in light of such goals and objectives, in connection with the other independent members of the Board of Directors, evaluate the performance of the CEO. Based on such evaluation, the Committee shall set compensation for the CEO. The CEO shall not be present for the Committee's deliberations or voting regarding CEO compensation.

- B. Reviewing, together with management, the performance of executive officers other than the CEO. Based on such review, setting their compensation in accordance with established goals and objectives. To assist the Committee in the performance of its duties, the CEO shall prepare an annual report and assessment of the performance of those officers who report directly to the CEO, which the Committee shall consider as part of its evaluation.
- C. Reviewing and recommending to the Board of Directors an appropriate compensation program for members of the Board of Directors that fairly compensates them for their service while seeking to align the interests of Board members with the long-term interests of the Company and its stockholders. In performing its duties, the Committee shall take into account the burdens on and obligations and commitments required of directors, the additional time commitments required in connection with service on and acting as Chair of certain committees, and the types and amounts of compensation paid to directors of other companies in the Company's peer group.
- D. Reviewing proposals with respect to the Company equity-based and other incentive compensation plans, and making recommendations to the Board of Directors with respect to such plans. The Committee shall administer the Company stock incentive plans and allocate and issue stock options and other forms of equity-based compensation based upon the Committee's review of incentive projections and other information that the Committee deems necessary to determine appropriate allocations and issuances. The Committee shall have authority to delegate to Management the allocation and issuance of stock options and other forms of equity-based compensation to employees other than executive officers, to the extent consistent with the terms of any plan and applicable law.

- E. Retaining, terminating, determining compensation of and overseeing any outside compensation consultant and other advisors deemed necessary by the Committee. If any compensation consultant provides services to the Company other than at the direction of the Committee for the evaluation of director, CEO or other senior executive compensation and benefits, the Committee shall approve the annual amount of aggregate fees permitted for such other services.
- F. Reviewing and updating the Committee's Charter and activities during the year on an annual basis.
- G. Performing any other activities required by applicable law, rules or regulation, including the rules of the SEC, the NYSE Amex and any other stock exchange or market on which the Company's securities may be listed from time to time, and performing such other activities that are consistent with this Charter or in the Company's Bylaws and governing laws as the Committee or the Board of Directors deem necessary or appropriate.
- H. Reporting to the Board of Directors after every meeting it holds or at least annually, unless the Chairman of the Board and the Board determine otherwise.

IV. MEMBERSHIP – APPOINTMENT AND REMOVAL

- A. Members of the Compensation Committee and the Chair of the Compensation Committee shall be appointed by the Board of Directors at the annual organizational meeting of the Board following the annual meeting of stockholders. Members shall serve until their successors shall be duly appointed or their earlier resignation or removal from the Committee, including pursuant to paragraph B below. If the Board fails to designate a Chair, the members of the Committee shall designate a Chair by majority vote of the full Committee membership.
- B. A Committee member shall be automatically removed from the Committee without further action of the Board if the member ceases to be a director of the Company or is found by the Board to no longer be an "independent director" as required by this Charter.
- C. Committee members may otherwise be removed or replaced by vote of the Board.

V. MEETINGS

- A.** Except as otherwise provided by this Charter or by applicable laws or regulations, as amended from time to time:
- 1.** A majority of the members of the Committee entitled to vote, either present in person or by means of remote communication, or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the Committee, and
 - 2.** All actions of the Committee shall be by affirmative vote of a majority of those members so determined to be present or represented by proxy.
- B.** The Committee shall have full authority to delegate any of its duties under this Charter to any subcommittee formed by the Board or the Committee, or to the Chair of the Committee, so long as such delegation is consistent with the rules and regulations of the SEC and the NYSE Amex.
- C.** The Committee shall meet at least once per year and at other times as required.

Adopted by the Versar Board of Directors on May 10, 2012