

Dynasil Corporation of America
Compensation Committee Charter
Revised September 2012

Role

The Compensation Committee's role is to discharge the Board's responsibilities relating to compensation of the Company's executive officers, Board of Directors, and, the adoption of policies that govern the Company's compensation and benefit programs, oversight of plans for employees and Board members.

Membership

The membership of the Committee consists of at least three directors, each of whom shall (a) meet the independence requirements established by the Board and applicable laws, regulations and listing requirements, (b) be a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, and (c) be an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code. The Board appoints the members of the Committee and the chairperson. If the Board has not appointed a chairperson of the Committee then the Committee shall elect a chairperson by majority vote. The Board may remove any member from the Committee at any time with or without cause. The compensation of the Committee shall be determined by the Board.

Operations

The Committee meets at least four times a year. Additional meetings may occur as the Committee or its chair deems advisable. The Committee will meet periodically in executive session without Company management present. The Committee will cause to be kept adequate minutes of its proceedings, and will report on its actions and activities at the next quarterly meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent. The Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee is authorized to adopt its own rules of procedure not inconsistent with (a) any provision of this Charter, (b) any provision of the Bylaws of the Company, or (c) the laws of the state of Delaware.

Authority

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. The Committee has sole authority to retain and terminate outside counsel, compensation consultants, or other experts or consultants, as it deems appropriate, including sole authority to approve the fees and other retention terms for such persons. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

To the extent permitted by applicable law and the provisions of a given equity-based plan, and consistent with the requirements of applicable law and such equity-based plan, the Committee may delegate to one or more executive officers of the Company the power to grant options or other stock

awards pursuant to such equity-based plan to employees of the Company or any subsidiary of the Company who are not directors or executive officers of the Company.

Responsibilities

Subject to the provisions of Corporate Governance Guidelines, the principal responsibilities of the Compensation Committee are as follows:

1. Board Compensation.

Periodically review the compensation paid to non-employee directors and make recommendations to the Board for any adjustments. No member of the Committee will act to fix his or her own compensation except for uniform compensation to directors for their services as a director.

2. Chief Executive Officer (CEO) Compensation.

a. Oversee an evaluation of the performance of the CEO and approve the annual compensation, including salary, bonus, incentive and equity compensation, and severance arrangements for the CEO.

b. Assist the Board in establishing CEO annual goals and objectives.

c. Recommend CEO compensation to the other independent members of the Board for approval.

i. In making this recommendation, consider the results of the annual CEO evaluation performed by the Compensation Committee with the advice and comments of the other independent directors.

ii. The CEO may not be present during deliberations or voting concerning the CEO's compensation.

3. Other Executive Officer Compensation.

a. Oversee an evaluation of the performance of the Company's executive officers and approve the annual compensation, including salary, bonus, incentive and equity compensation, and severance arrangements for the executive officers.

b. Review the structure and competitiveness of the Company's compensation programs considering the following factors: (i) the attraction and retention of such officers; (ii) the motivation to achieve the Company's business objectives; and (iii) the alignment of the interests of such officers with the long-term interests of the Company's shareholders.

4. Other Compensation.

Review and approve the compensation structure for executives at the level of business unit leaders and above, other than executive officers.

5. Say on Pay.

- a. Consider the results of the most recent stockholder advisory vote on executive compensation ("Say on Pay Vote") as required by Section 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act") in evaluating and determining the compensation of the Chief Executive Officer and the Company's other executive officers.
 - b. Review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and 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.
6. Development and Succession Planning.
Review and discuss with the CEO and report to the Board plans for leadership development and corporate succession plans for the CEO and other leaders.
7. General Compensation Oversight.
Monitor and evaluate matters relating to the compensation and benefits structure of the Company as the Committee deems appropriate, including:
 - a. Provide guidance to management on significant issues affecting compensation philosophy or policy.
 - b. Provide input to management on whether compensation arrangements for Company executives incentivize unnecessary and excessive risk taking.
 - c. Review and approve policies regarding CEO and other executive officer compensation.
8. Equity and Other Benefit Plan Oversight.
 - a. Serve as the "Committee" established to administer the Company's equity-based and employee benefit plans, and perform the duties of the Committee under those plans. The Compensation Committee may delegate those responsibilities to senior management as it deems appropriate, in compliance with applicable law, listing requirements and the terms of any such plans.
 - b. Appoint and remove plan administrators for the Company's retirement plans for the Company's employees and perform other duties that the Board may have with respect to the Company's retirement plans.

9. Compensation Consultant Oversight.

- a. Retain and terminate compensation consultants that advise the Committee, as it deems appropriate, including approval of the consultants' fees and other retention terms.
- b. Ensure that the compensation consultant retained by the Committee is independent of the Company.

10. Disclosure.

Discuss with management the Company's Compensation Discussion and Analysis ("CD&A") for the annual proxy statement; based on the review and discussion, recommend to the Board that the CD&A be included in the Company's annual report or annual proxy statement; and produce an annual report of the Compensation Committee on executive compensation for the Company's annual proxy statement in compliance with and to the extent required by applicable Securities and Exchange Commission rules and regulations and relevant listing authority.

11. Other Responsibilities.

- a. Regularly review and make recommendations to the Board about changes to the charter of the Committee.
- b. Obtain or perform an annual evaluation of the Committee's performance and make applicable recommendations.