

Precision Optics Corporation, Inc.
Compensation Committee Charter

Purpose

The purpose of the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Precision Optics Corporation, Inc. (the “**Company**”) is to carry out the responsibilities delegated by the Board relating to the review and determination of executive compensation. This Charter sets forth the authority and responsibility of the Committee for evaluating and approving executive officer compensation arrangements, plans, policies and programs of the Company, and for administering the Company’s equity incentive plans for employees whether adopted prior to or after the date of adoption of this Charter (the “**Stock Plans**”).

Membership and Procedures

Membership and Appointment. The Committee shall consist of at least two members of the Board, with the exact number being determined by the Board. The members of the Committee shall be appointed by and serve at the discretion of the Board. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

Independence and Qualifications. Each member of the Committee shall meet the independence and experience requirements of the applicable provisions of federal law, the rules and regulations promulgated thereunder and the applicable rules of The Nasdaq Stock Market.

At least two members of the Committee must qualify as “non-employee directors” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and as “outside directors” for the purposes of Section 162(m) of the Internal Revenue Code, as amended.

Resources. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors, including a compensation consultant, as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of any outside counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to any compensation consultant, any outside counsel and any other advisors to the Committee. The Committee may request any officer or employee of the Company or the Company’s outside counsel to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee, and shall have full access to all books, records, facilities and personnel of the Company in connection with the discharge of its responsibilities.

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.

Structure and Operations. The Board shall designate a member of the Committee as the chairperson. The Committee shall meet from time to time, but at least two times a year, at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report regularly to the Board on its discussions and actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee may invite such members of management to its meetings as it deems appropriate.

Evaluation. The Committee shall review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.

Duties and Responsibilities

The Committee shall have the following authority and responsibilities:

- (i) To review and oversee the Company's overall compensation philosophy, and to oversee the development and implementation of compensation programs aligned with the Company's business strategy.
- (ii) To review and approve annually the corporate goals and objectives applicable to the compensation of the chief executive officer ("CEO"), evaluate at least annually the CEO's performance in light of those goals and objectives, and determine and approve the CEO's compensation level based on this evaluation. In evaluating and determining CEO compensation, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation ("**Say on Pay Vote**") required by Section 14A of the Exchange Act. The CEO cannot be present during any voting or deliberations by the Committee on his or her compensation.
- (iii) To approve the compensation of all other executive officers, in consultation with the CEO. In evaluating and determining executive compensation, the Committee shall consider the results of the most recent Say on Pay Vote.
- (iv) To review, and make recommendations to the Board regarding the adoption of Stock Plans and equity-based plans, which includes the ability to amend and terminate such plans. The Committee shall also have the authority to administer the Company's Stock Plans and equity-based plans, including designation of the employees to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, subject to the provisions of each plan.
- (v) To oversee the Company's submission to a stockholder vote of matters relating to compensation, including advisory votes on executive compensation and the frequency of such votes, incentive and other compensation plans, and amendments to such plans.
- (vi) To perform any other activities required by applicable law, rules or regulations, including the rules of the SEC and any exchange or market on which the Company's capital stock is traded, and perform other activities that are consistent with this charter, the Company's certificate of incorporation and bylaws, and governing laws, as the Committee or the Board deems necessary or appropriate.