

**CHARTER OF THE COMPENSATION COMMITTEE
OF THE
BOARD OF DIRECTORS
OF
EMTEC, INC.**

I. PURPOSE

The Board of Directors of the Company (the “Board”) has delegated to the Compensation Committee of the Board (the “Committee”) the responsibility for overseeing certain aspects of employee compensation for the Company set forth herein. The Committee’s primary purpose is to assure that the employees of the Company and its subsidiaries are compensated effectively in a non-discriminatory manner consistent with the stated compensation strategy of the Company, internal equity considerations, market practice and the requirements of the appropriate employment laws and regulatory bodies.

II. COMPOSITION, PROCEDURE AND MEETINGS

The Committee shall consist of two or more directors as determined by the Board, each of whom shall be non-employee directors who meet the requirements of the Securities and Exchange Commission and the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”) applicable to the Company. All members of the Committee shall, at the time of their appointment, have a working knowledge of executive and non-executive compensation.

Committee members shall be appointed by the Board and shall serve at the discretion of the Board. The Board shall designate one member of the Committee to serve as its Chair. If the Committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership. The Committee is empowered by the Board to form and delegate authority to subcommittees when appropriate.

A Committee member shall not be eligible to participate in any of the Company’s compensation plans with respect to which such member has the authority to exercise discretion. For this purpose, the automatic annual grant of options to non-employee directors under a Board-approved stock option plan shall not be deemed to violate the provisions of the immediately preceding sentences.

The presence of a majority of the members of the Committee shall be required to constitute a quorum, with the majority of votes of those Committee members present at a meeting at which a quorum has been established being sufficient to adopt a resolution or otherwise take action.

III. RESPONSIBILITIES, DUTIES AND AUTHORITY

The Committee shall:

1. Create, amend, review and approve, subject to submission to the stockholders of the Company, if required by law or any applicable regulatory body, the Company’s compensation and benefit programs, both executive and non-executive, to ensure the

attraction, retention and appropriate reward to the Company's employees, to motivate their performance in the achievement of the Company's business objectives and to align the interest of such employees with the long-term interests of the Company's stockholders.

2. Ensure the administration and operation of the Company's compensation and benefit programs, both executive and non-executive, in a manner which is equitable, fair and consistent with the policies set forth herein.
3. Review the performance of the Chief Executive Officer and determine the individual elements of total compensation for the Chief Executive Officer (at a meeting at which the Chief Executive Officer is not present), considering the performance of the Chief Executive Officer and the general performance of the Company as well as the compensation practices in the markets where the Company competes for executive talent.
4. Review the performance of the executive officers other than the Chief Executive Officer and determine the individual elements of total compensation for the executive officers of the Company other than the Chief Executive Officer (at a meeting at which the Chief Executive Officer and the other executive officers of the Company are not be present), considering the recommendations of the Chief Executive Officer with respect to such compensation, the performance of such executive officers and the general performance of the Company as well as the compensation practices in the markets where the Company competes for executive talent.
5. Grant awards, whether in cash or otherwise, and other benefits pursuant to the Company's compensation and benefit programs to executive officers and review and approve the recommendations of the Chief Executive Officer with respect to such awards to non-executive officers.
6. Review with the Chief Executive Officer matters relating to management succession.
7. Maintain minutes of Committee meetings and report Committee actions to the Board on a regular basis including any recommendations the Committee deems appropriate.
8. Annually perform a self-assessment of the Committee's performance and report the results to the Board.
9. Review and reassess the adequacy of this Charter at least annually and submit this Charter to the Board for approval.
10. Perform any other activities consistent with this Charter, the Company's By-laws and governing law, as the Committee or the Board deems necessary or appropriate or as designated in compensation or benefit plan documents.

The Committee has the authority to retain, at the Company's expense, special compensation, actuarial, legal or other consultants or advisors it deems necessary in the performance of its duties. The Committee shall have the sole authority to retain or terminate any such consultant or advisor, including sole authority to approve such consultant or advisor's fees. The Committee is

empowered, without further action by the Board, to cause the Company to pay the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

IV. EFFECTIVE DATE

This Charter is effective as of July 13, 2006.