

# **Mastech Holdings, Inc.**

## **Compensation Committee Charter**

### **I. Purpose**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Mastech Holdings, Inc. (the “Company”) shall be to (1) review, approve, and evaluate achievement of performance goals and objectives relative to the Chief Executive Officer ( the “CEO”) and other executive officers compensation; (2) develop and set the compensation level and structure of the Company’s CEO; (3) make recommendations related to Director compensation issues; (4) administer the Company’s Stock Incentive Plan (the “Plan”) and approve all awards under such Plan; and (5) approve public disclosure related to compensation, including the annual report on executive compensation disclosed in the Company’s proxy statement.

### **II. Membership**

The membership of this Committee shall consist of not less than three (3) directors, all of whom shall meet the independence requirements of the American Stock Exchange (“AMEX”) and the Securities Exchange Act of 1934, as amended, and shall constitute an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. Each Committee member shall be annually appointed by the Board. Unless a Chairman of the Committee is elected by the full Board, the members of this Committee may designate a Chairman by majority vote of the full Committee membership. Committee members may be removed by the Board at any time.

### **III. Operations**

This Committee shall meet at least two (2) times annually, with the authority to convene additional meetings as circumstances dictate. A majority of the members of the Committee shall constitute a quorum for the transaction of business. The agenda of each Committee meeting shall be established by the Chairperson with the assistance of appropriate members of management. Each Committee member is free to suggest the inclusion of items on the agenda. Approval by a majority of the members present at a meeting which a quorum is present shall decide business brought before the Committee. Voting or approval of matters may occur either in person or via teleconference, facsimile, or electronic mail. Also, the Committee may act by unanimous written consent without a meeting. Minutes shall be kept of each Committee meeting.

At each meeting of the Board following a meeting of the Committee, the Chairperson of the Committee shall report to the full Board on the matters considered at the last Committee meeting.

#### **IV. Duties and Responsibilities of the Committee:**

The Committee shall have the following duties and responsibilities, in addition to any matters which may be referred to the Committee from time to time by the full Board, or which the Committee raises on its own initiative:

- Reviewing and approving the corporate goals and objectives relevant to the compensation of the Company's CEO, evaluating the CEO's performance in light of these goals and objectives, and determining and approving the compensation level of the CEO based on this evaluation. The CEO may not be present during these deliberations.

In determining the incentive components of CEO compensation, the committee shall take into consideration the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and awards given to the Company's CEO in past years.

- Reviewing and making recommendations to the Board with respect to director and executive officer compensation matters.
- Administering the Company's Plan and approving all awards granted under the Plan.
- Approving, amending, or terminating any employment or severance arrangement with the CEO or executive officers of the Company.
- Making recommendations to the Board regarding a succession plan for the CEO.
- Approving public disclosure related to compensation matters, including the Committee's annual executive compensation report in the Company's proxy statement.
- Annually reviewing this Charter and recommending changes to the Board for approval.

The Committee shall have the sole power to retain and terminate a consulting firm, including the authority to approve the firm's fees and retention terms, to evaluate compensation matters of the Company's CEO, executive officers, and directors. The Committee shall have access to legal, accounting, human resource, and other advisors as it deems necessary to carry out its responsibilities under this Charter.