

ARC GROUP WORLDWIDE, INC COMPENSATION COMMITTEE CHARTER

Purpose

This charter ("Charter") governs the operations of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of ARC Group Worldwide, Inc. (the "Company"). The Board has delegated to the Committee responsibility for overseeing certain aspects of executive compensation for the Company, including any subsidiaries thereof. The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities related to compensation philosophy, strategies, policies and programs of the Company and its subsidiaries, and to review and approve specific compensation actions and awards for executive officers and directors of the Company.

Organization

The Committee shall be comprised of no less than three members, all of whom shall be then serving as independent directors of the Board. All members and the Chair of the Committee shall meet the independence requirements of, and satisfy any other criteria imposed on members of the Committee pursuant to, the federal securities laws and the rules and regulations of the Securities and Exchange Commission, The NASDAQ Stock Market, Inc. ("NASDAQ") or any other applicable exchange or market on which the Company's securities are listed. The Board shall designate one member of the Committee as its chairperson (the "Chairman"), with the chairpersonship to be rotated as the Board determines. The members of the Committee shall be nominated by the Board. All Committee members shall be subject to removal at any time by a majority vote of the Board. In addition, the Committee shall be subject to the provisions of the Company's Bylaws relating to committees of the Board.

Responsibilities

The Committee's basic responsibility is to assure that the executive officers of the Company are compensated effectively in a manner consistent with the stated compensation philosophy of the Company, performance objectives, internal equity consideration, competitive practice and any other related matters. The Committee shall also communicate to shareholders the Company's compensation policies and the reasoning behind such policies as required by the Securities and Exchange Commission. More specifically, the Committee will be responsible for the following:

1. In consultation with executive management, periodically review and approve the Company's general compensation philosophy and programs, which will be implemented by management. This responsibility shall include periodic monitoring of executive management's action with respect to the Company's compensation plans, to affirm that these plans and programs are being implemented in accordance to the Company's general compensation philosophy and the best interests of the Company and its shareholders.
 2. Review and approve the form and amount of compensation to be paid or awarded to all executive officers of the Company, including the Chief Executive Officer (the "CEO"), and to such other officers and employees as delegated from time to time by the Board, and report compensation arrangements with respect to such officers to the Board. This may be done in consultation with the CEO, who may make recommendations to the Committee regarding the compensation of any other executive officer. In addition, the Committee may delegate its authority to one or more of its members or to executive officers of the Company with respect to compensation determinations for persons who are not corporate officers of the Company.
 3. Review the Company's incentive compensation plans and stock-based plans and insuring that the Company's incentive compensation plans and stock-based plans assist in achieving the Company's objective of attracting and retaining individuals who are key to the success of the Company.
 4. Review and approve goals and objectives relevant to the CEO (and such other officers as deemed appropriate by the Board) in light of the Company's current business environment and strategic objectives.
 5. Periodically review and evaluate the performance of the Company's CEO and other designated officers in light of approved goals and objectives, based on objective criteria, which may include, but are not limited to, the Company's performance and relative shareholder return, earnings per share growth, the value of incentive awards made to executive officers at comparable companies, the awards given to the Company's executive officers in past years, and any other factors that the Committee, in its direction, may consider appropriate.
 6. Periodically review and assure that the Company's change of control, severance, retirement, deferred compensation programs, executive officer benefits and perquisites are competitive and appropriate.
 7. Assist the Board in developing and evaluating potential candidates for executive positions, including, but not limited to, the CEO, President, Chief Operating Officer and other designated officer positions, and oversee the development of executive succession plans.
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8. Evaluate the need for and the provisions of all employment contracts and all offers of employment that involve: (a) a base salary of more than \$100,000 per year, (b) the granting of any stock options or other stock awards upon hire, (c) sign-on bonus payments, or (d) offers with material non-standard benefits or provisions.
9. The Committee may, pursuant to authority delegated by the Board (a shared power with the full Board) (a) grant stock options, stock purchase rights, and other stock rights and awards to individuals eligible for such awards (including awards to individuals subject to Section 16 of the Securities Exchange Act of 1934), and (b) amend such stock options, stock purchase rights, and other stock rights and awards. The Committee shall also make recommendations to the Board with respect to amendments to any stock option or stock incentive plan and changes in the number of shares reserved for issuance thereunder.
10. Issue an annual report on executive compensation for inclusion in Company's proxy statement or annual report on Form 10-K in accordance with applicable rules and regulations.
11. Review and assess periodically the adequacy of this Charter and the performance of the Committee and recommend to the Board for approval any proposed changes to the Charter or the Committee.
12. Review periodically and make recommendations to the Board with respect to all forms and amounts of compensation for members of the Board, including equity incentive plans or plan amendments requiring shareholder approval.
13. Undertake all further actions and discharge all further responsibilities imposed upon the Committee from time to time by the Board, the federal securities laws or the rules and regulations of the SEC, NASDAQ or other applicable exchange or market on which the Company's securities are listed.

Authority

In carrying out its responsibilities, the Committee shall have the resources and authority appropriate to discharge its duties and responsibilities. The Committee may draw on the expertise of management, and when appropriate, may hire outside legal, accounting or other experts or advisors to assist the Committee with its work. In particular, the Committee shall have the authority to retain compensation consultants to be used to assist in the evaluation of director or management compensation and to approve the consultants' fees and other retention terms. Any action duly and validly taken by the Committee pursuant to the power and authority conferred under this Charter shall for all purposes constitute an action duly and validly taken by the Board and may be certified as such by the Secretary or other authorized officer of the Company.

Meetings and Reports

The Committee will meet as often as necessary to carry out its responsibilities. The Committee may meet either in person or by means of telephonic conference call pursuant to which all participants can hear and speak with each other. The Committee may also act by unanimous written consent in lieu of a meeting. Meetings may be called by the Chairman of the Committee. The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. At each regularly scheduled meeting of the Board, the Chair of the Committee shall provide the Board with a report of the Committee's activities and proceedings, if any, since the last Board meeting, including any recommendations to the Board approved by the Committee.

The Committee may invite other directors, officers, consultants, outside counsel, or members of management, such as the CEO, to attend its meetings. The CEO, however, shall not be present with the Committee finalizes its deliberations and makes decisions regarding the compensation of the CEO.
