

## **KOSS CORP. COMPENSATION COMMITTEE CHARTER**

### **Purpose**

The Compensation Committee (the "Committee") is appointed by the Board of Directors (the "Board") to discharge the Board's responsibilities relating to compensation of the Company's Chief Executive Officer (the "CEO"), the Company's other executive officers (collectively, including the CEO, the "Executive Officers"), and employees receiving more than \$130,000 in base compensation. The Committee has overall responsibility for evaluating and approving all compensation plans, policies and programs of the Company as they affect these Executive Officers and employees.

### **Committee Membership**

The Committee shall consist of no fewer than three members. At least two members of the Committee also shall qualify as "outside" directors within the meaning of Internal Revenue Code Section 162(m) and as "non-employee" directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

The members of the Committee shall be appointed by the Board. One member of the Committee shall be appointed as Committee Chairman by the Board.

### **Meetings**

The Committee shall meet as often as necessary each year to carry out its responsibilities.

### **Committee Responsibilities and Authority**

1. The Committee shall, at least annually, review and approve the annual base salaries and annual incentive opportunities of the Executive Officers and employees receiving more than \$130,000 in base compensation. The CEO shall not be present during any Committee deliberations or voting with respect to the CEO's compensation.
2. The Committee shall, periodically and as and when appropriate, review and approve the following as they affect the Executive Officers and applicable employees: (a) all other incentive awards and opportunities, including both cash-based and equity-based awards and opportunities; (b) any employment agreements; (c) change-in-control provisions affecting any elements of compensation and benefits; and (d) any special or supplemental compensation and benefits for the applicable employees and Executive Officers (and individuals who formerly served as Executive Officers), including supplemental retirement benefits and the perquisites provided to them during and after employment.
3. The Committee shall produce the annual Compensation Committee Report for inclusion in the Company's proxy statement in compliance with the applicable rules and regulations promulgated by the SEC.

4. The Committee shall oversee the Company's compliance with applicable SEC rules and regulations regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes.
5. The Committee shall have the authority, in its sole discretion, to retain and terminate (or obtain the advice of ) any adviser to assist it in the performance of its duties, but only after taking into consideration factors relevant to the adviser's independence from management specified in NASDAQ Listing Rule 5605(d)(3). The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any adviser retained by the Committee, and shall have sole authority to approve the adviser's fees and the other terms and conditions of the adviser's retention. The Company must provide for appropriate funding, as determined by the Committee and approved by the Board, for payment of reasonable compensation to any adviser retained by the Committee.

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