

# COMPENSATION COMMITTEE CHARTER

OF

PCM, INC.

(amended and restated effective July 25, 2013)

---

## I. Purpose

The Compensation Committee (the "Committee") is appointed by the Board of Directors (the "Board") of PCM, Inc. (the "Company") to assist the Board in discharging its responsibilities relating to compensation of the Company's directors and executive officers; to establish the Company's executive compensation philosophy and principles and oversee the Company's executive compensation programs; to oversee the administration of the Company's executive compensation plans; and to prepare any report on executive compensation required by the rules and regulations of the Securities and Exchange Commission (the "SEC"). The Committee shall undertake those specific duties and responsibilities listed below and such other duties as the Board shall from time to time prescribe. All powers of the Committee are subject to the restrictions designated in the Company's Bylaws and by applicable law. For purposes of this Charter, the term "executive officer" means those officers covered by Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and such other officers of the Company or its subsidiaries as the Committee determines is appropriate to be covered by such term.

## II. Committee Membership

Committee members shall be elected by the Board and shall serve until their successors shall be duly elected and qualified. Committee members may be removed at any time by vote of the Board.

The Committee shall consist of no fewer than two members of the Board. Each member of the Committee shall: (a) meet the independence requirements of The NASDAQ Stock Market LLC ("NASDAQ"), subject to the exceptions set forth therein, (b) meet the definition of a "Non-employee Director" under Rule 16b-3 under the Exchange Act, (c) meet the requirements of Section 162(m) of the Internal Revenue Code for "outside directors," (d) not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof, and (e) meet any other applicable regulatory requirements, subject to any applicable exemptions and transition provisions. Compensatory fees shall not include: (i) fees received as a member of the Committee, the Board or any other Board committee; or (ii) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided that such compensation is not contingent in any way on continued service). In determining whether a Board member is eligible to serve on the Committee, the Board shall consider whether the person is affiliated with the Company, a subsidiary of the Company or any affiliate of a subsidiary of the Company to determine whether such affiliation would impair such person's judgment as a member of the Committee.

### **III. Structure and Meetings**

The Committee shall conduct its business in accordance with this Charter, the Company's Bylaws and any direction by the Board. The Committee chairperson shall be designated by the Board, or, if it does not do so, the Committee members shall elect a chairperson by a vote of the majority of the full Committee. In the event of a tie vote on any issue, the chairperson's vote shall decide the issue.

The Committee shall meet at least twice per year at a time and place determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

The Committee chairperson will preside at each meeting and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson of the Committee shall ensure that the agenda for each meeting is circulated to each Committee member in advance of the meeting. The chairperson of the Committee (or other member designated by the chairperson or the Committee in the Chairperson's absence) shall regularly report to the full Board on its proceedings and any actions that the Committee takes. The Committee will maintain written minutes of its meetings, which minutes will be maintained with the books and records of the Company.

As necessary or desirable, the Chairperson of the Committee may invite any Director, officer or employee of the Company, or other persons whose advice and counsel are sought by the Committee, to be present at meetings of the Committee, consistent with the maintenance of confidentiality of compensation discussions. The Chief Executive Officer of the Company ("CEO") should not be present during voting or deliberations by the Committee relating to the CEO's performance or compensation.

### **IV. Committee Authority and Responsibilities**

The Committee shall:

- a. Annually review and approve the Company's corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of such goals and objectives, and, either as a Committee or together with the other independent directors (as directed by the Board), determine and approve the CEO's compensation level based on this evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee will consider the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company's CEO in past years.
- b. Annually review and approve non-CEO executive officer compensation, incentive-compensation plans and equity based-plans. The Committee shall attempt to ensure that the Company's compensation program is effective in

attracting and retaining executive officers, reinforces business strategies and objectives for enhanced stockholder value, and is administered in a fair and equitable manner consistent with established policies and guidelines.

- c. Administer the Company's incentive-compensation plans and equity based-plans as in effect and as adopted from time to time by the Board; provided that the Board shall retain the ultimate authority to interpret such plans.
- d. Approve any new equity compensation plan or any material change to an existing plan where stockholder approval has not been obtained.
- e. Approve any stock option award or any other type of award as may be required for complying with any tax, securities, or other regulatory requirement, or otherwise determined to be appropriate or desirable by the Committee or Board.
- f. Annually review and approve for the Company's executive officers: (i) annual base salary levels; (ii) annual incentive compensation levels; (iii) long-term incentive compensation levels; (iv) employment agreements, severance agreements, and change of control agreements/provisions, in each case as, when and if appropriate; and (v) any supplemental or special benefits.
- g. Perform such other functions and have such other powers consistent with this Charter, the Company's Bylaws and governing law as the Committee or the Board may deem appropriate.
- h. Review and discuss with the Company's management the "Compensation Discussion and Analysis" required to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC, and recommend to the Board whether or not to include such "Compensation Discussion and Analysis" in such proxy statement or annual report.
- i. Produce a Committee report on executive compensation as required to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC.

## **V. Performance Evaluation**

The Committee shall annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval. The Committee may also perform an annual evaluation of its own performance, which may compare the performance of the Committee with the requirements of this charter. The performance evaluation by the Committee may be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

## **VI. Committee Resources**

The Committee shall be empowered, without the approval of the Board or management, to engage and compensate independent legal, accounting and other advisors, as it determines necessary to carry out its duties.

In the course of its duties, the Committee shall have the sole authority, at the Company's expense, to appoint, retain, terminate or obtain the advice of compensation consultants, legal counsel and other advisers as the Committee may deem appropriate, including the sole authority to approve any such advisers' fees and other retention terms. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee.

The Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the following factors:

- a. the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- b. the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- c. the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- d. any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- e. any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- f. any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

The Committee is not required to conduct an independence assessment for a compensation adviser that acts in a role limited to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K: (i) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; and/or (ii) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of (a) reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Committee; and (b) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may form and delegate authority to subcommittees when appropriate.