

## **DR. TATTOFF, INC.**

### **CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**

#### **Organization**

There shall be a standing committee of the board of directors (the “Board”) of Dr. Tattoff, Inc. (the “Company”) known as the Compensation Committee (the “Committee”). This charter shall govern the operations of the Committee.

#### **Membership and Qualifications**

The members of the Committee shall be appointed by the Board, and shall consist of at least three directors. Each member of the Committee shall be, at all times while a member of the Committee, free of any relationship that, in the opinion of the Board, would interfere with the member’s individual exercise of independent judgment and shall otherwise meet the independence requirements for serving on compensation committees as set forth in the rules and regulations of the Securities Exchange Commission, as the same may be amended from time to time, and the corporate governance requirements of such exchange or self-regulatory organization which the Company’s securities are listed or quoted for trading, or, if the Company’s common stock is not listed on any national securities exchange, the independence requirements applicable to companies listed on The Nasdaq Stock Market, as the same may be amended from time to time. The Board shall be responsible for determining the “independence” of Committee members.

Each member of the Committee must qualify as a “non-employee director” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and as an “outside director” for the purposes of Section 162(m) of the Internal Revenue Code, as amended.

Each member of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

The Board shall appoint one member of the Committee as chair. The chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making Committee assignments, supervising the preparation of minutes and reporting to the Board.

#### **Meetings**

The Committee shall meet on a regularly-scheduled basis at least two times per year and additionally as circumstances dictate. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings, action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee may invite such members of management to its meetings as it deems appropriate. However, the Committee shall meet regularly without such members present, and no officer shall be present at meetings at which his or her compensation or performance is discussed or determined.

## **Purpose**

The Board has established the Compensation Committee of the Board to discharge the Board's responsibilities relating to general compensation policies and practices, executive officer and director compensation, and employee benefit plans; to review and discuss with management the Company's compensation discussion and analysis ("CD&A") to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the United States Securities and Exchange Commission ("SEC"); and to prepare the Compensation Committee Report as required by the rules of the SEC.

## **Authority**

The Committee shall have the authority, in its sole discretion, to select and engage external advisors and compensation consultants to facilitate the performance of its functions. The Committee also has the authority to retain other experts to advise or assist it, including independent counsel, accountants, financial analysts or others, and may request reports from officers of the Company to assist the members of the Committee in performing their responsibilities. The Committee shall set the compensation and oversee the work of its external advisors and all external advisors engaged by the Committee shall report directly to the Committee. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its external advisors and compensation consultants. The external advisors engaged by the Committee shall be independent as determined in the discretion of the Committee after considering the factors specified in the rules and regulations of the SEC, as the same may be amended from time to time.

## **Delegation to Subcommittees**

The Committee shall have the power and authority to delegate any of its duties and responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion. Notice of such delegation shall be provided to the Board.

## **Responsibilities and Process**

The Committee's primary responsibilities include:

- Reviewing annually the compensation practices and policies, including the philosophy regarding executive compensation, of the Company.
- Reviewing periodically market and industry data to assess the Company's competitive position, and to retain any compensation consultant to be used to assist in the evaluation of directors' and executive officers' compensation.

- Reviewing annually and approving the corporate goals and objectives applicable to the compensation of the chief executive officer (“CEO”), evaluating at least annually the CEO’s performance in light of those goals and objectives, and determining and approving the CEO’s base and incentive compensation level based on this evaluation.
- Reviewing annually and approving the base and incentive compensation for all “officers”, as that term is defined in Section 16 of the Securities Exchange Act of 1934 and Rule 16a-1 thereunder (“Section 16 Officers”); provided that the chief executive officer and principal executive officer may not be present during the deliberations by or the vote of the members of the Committee with respect to his own compensation (In determining the compensation of the other Section 16 Officers, the chief executive officer and the principal executive officer may be present at the invitation of the Committee.).
- Reviewing annually and approving the corporate goals and objectives relating to the compensation of the Section 16 Officers, including establishing measurement metrics associated with these goals and objectives, establishing incentive levels and targets relevant to officer performance, evaluating performance in light of those goals, targets and objectives, and approving compensation levels or ranges, as applicable, based on this evaluation.
- Reviewing periodically and assessing annually the compensation, including but not limited to board and committee retainers, meeting fees, equity-based compensation and such other forms of compensation as the Committee may consider appropriate, paid to members of the Board for their service on the Board and on committees of the Board, and recommending any changes thereto to the Board.
- Subject to any guidelines that may be adopted by the Board, administering and reviewing annually the Company’s incentive compensation plans and equity-based plans, including but not limited to all stock option awards, and determining and/or approving awards to employees under the Company’s stock option and equity incentive plans.
- Reviewing and making recommendations to the Board regarding any executive employment agreements, any proposed severance arrangements or change in control and similar agreements/provisions, and any amendments, supplements or waivers to the foregoing agreements, and any perquisites, special or supplemental benefits.
- Reviewing and discussing with management the Company’s CD&A and the related executive compensation information, recommending that the CD&A and related executive compensation information be included in the Company’s annual report on Form 10-K and proxy statement, and producing the compensation committee report on executive officer compensation required to be included in the Company’s proxy statement or annual report on Form 10-K.
- Reviewing the Company’s incentive compensation arrangements to determine whether they encourage excessive risk-taking, reviewing and discussing at least annually the relationship between risk management policies and practices and compensation, and evaluating compensation policies and practices that could mitigate any such risk.

The Committee shall also make recommendations to the Board with respect to proposed amendments to the Company's stock option or equity incentive plans and changes in the number of shares reserved for issuance thereunder.

### **Compensation Committee Formalities and Charter**

The Committee shall keep appropriate minutes of its meetings and actions taken by it, and shall report regularly to the Board on action taken. The Committee shall review and reassess annually the adequacy of this charter and the Committee's performance, and recommend any proposed changes to this charter to the Board.