

ARC DOCUMENT SOLUTIONS, INC.

COMPENSATION COMMITTEE CHARTER

Purpose

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of ARC Document Solutions, Inc. (the “Company”) is to assist the Board in meeting its responsibilities with regard to oversight and determination of executive compensation and to review and make recommendations to the Board with respect to major compensation plans, policies and programs of the Company. The Committee also will prepare an annual report on executive compensation for inclusion in the Company’s proxy statement.

Membership

The Committee shall consist of at least three members of the Board, each of whom shall (i) meet the independence requirements of the New York Stock Exchange (“NYSE”) and all other applicable laws, rules and regulations governing director independence, as determined by the Board; (ii) qualify as a “non-employee director” as defined under Section 16 of the Securities Exchange Act (“Exchange Act”); and (iii) qualify as an “outside director” under Section 162(m) of the Internal Revenue Code (“Code”). The Board shall designate a Chairperson of the Committee (the “Committee Chairperson”). The Committee may also appoint a Secretary, who need not be a director, whose primary responsibility will be to keep the minutes of the Committee meetings.

Members of the Committee and the Committee Chairperson shall be appointed by and may be removed by the Board on the recommendation of the Nominating and Corporate Governance Committee.

Meetings

The Committee shall meet in person or telephonically as often as it determines, but no less than once per year at a time and place determined by the Committee Chairperson.

Authority and Resources

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to obtain advice and assistance from internal or outside legal, accounting or other advisors. The Committee shall have the sole authority to retain and terminate any compensation consultant, independent legal counsel, and other advisors to be used to assist in the evaluation of director, Chief Executive Officer and/or senior executive compensation and shall have sole authority to approve their fees and other retention terms. The Committee shall be entitled to appropriate funding from the Company’s funds to pay reasonable compensation to the Committee’s compensation consultant, independent legal counsel, and other advisors. The Committee

may select, or receive advice from, any compensation consultant only after considering all factors relevant to the compensation consultant's independence from management, including the following:

1. Any other services the compensation consultant's employer provides to the Company;
2. How much, as a percentage, the fees paid by the Company the compensation consultant's employer represents of that employer's total revenue;
3. The policies and procedures the compensation consultant's employer has in place to prevent conflicts of interest;
4. Any business or personal relationship the compensation consultant may have with a member of the Committee;
5. Any stock of the Company that the compensation consultant owns; and
6. Any business or personal relationship the compensation consultant or the compensation consultant's employer has with any executive officer of the Company.

The Committee may form and delegate authority to subcommittees when appropriate. Members of a subcommittee may include directors of the Company, employees of the Company, consultants or any other parties as determined by the Committee in its sole discretion.

Duties and Responsibilities

The Committee, to the extent it deems necessary or appropriate, shall:

1. Be directly responsible for the appointment, compensation, and oversight of the work of any compensation consultant, independent legal counsel, and other advisors retained by the Committee.
2. Review and approve corporate goals and objectives relevant to Chief Executive Officer compensation, and evaluate the Chief Executive Officer's performance in light of those goals and objectives. The Committee (or the Committee together with the other directors of the Board who meet the independence requirements of the New York Stock Exchange (if, and as directed by the Board)) shall determine and approve the appropriate elements and levels of total compensation for the Chief Executive Officer based on this evaluation. In establishing the Chief Executive Officer's total compensation, the Committee will also consider appropriate factors, such as the Company's performance and relative stockholder return, the elements and value of compensation provided to chief executive officers at comparable companies, findings of any compensation consultant retained by the Committee and the elements and value of compensation previously provided to the Chief Executive Officer.

3. Review and approve corporate goals and objectives relevant to other executive officers and determine for such executive officers (a) the annual base salary level, (b) the short-term incentive opportunities, (c) the long-term incentive opportunities (including equity-based incentives), (d) to the extent appropriate, any employment, severance, change in control and similar agreements and arrangements, and (e) to the extent appropriate, any special or supplemental benefits or perquisites, proposed to be provided to such executive officers.
4. Review the compensation arrangements of all directors and other key non-executive officer employees, including incentive-compensation and equity-based plans, and recommend to the Board for approval material changes thereto or adoption of other in material employee benefit, bonus, severance, equity and other compensation plans (unless the Board has delegated such authority to the Committee).
5. Administer the equity compensation plans that may be adopted by the Company from time to time, including the determination of employees and other parties who are to receive grants thereunder and the terms of such grants.
6. Approve all compensation agreements for other key non-executive officer employees; provided that the Committee may delegate to the Chief Executive Officer the authority to enter into compensation agreements with key non-executive officer employees subject to limits recommended by the Committee and approved by the Board.
7. Discuss with management the Compensation Discussion and Analysis (“CD&A”) section of the Company’s proxy statement; based on review and discussion, recommend to the Board that the CD&A be included in the Company’s proxy statement; and produce an annual report of the Compensation Committee on executive compensation for the Company’s proxy statement as required by applicable rules and regulations of the Securities and Exchange Commission (“SEC”) and NYSE.
8. Make recommendations to the Board regarding succession planning and executive officer development, including recommendations to the Board regarding succession plans in the event of an emergency or the retirement of the Chief Executive Officer.
9. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
10. Conduct an annual performance evaluation of the Committee and report the results of this review to the Board.
11. Undertake appropriate actions regarding compensation matters as required under applicable SEC rules and regulations.

12. Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time.

Reports

The Committee shall make regular reports to the Board. The Committee will, to the extent it deems appropriate, record its summaries of recommendations to the Board in written form that will be incorporated as a part of the minutes of the Board. The Committee will also prepare and sign a Report of the Compensation Committee on Executive Compensation for inclusion in the Company's proxy statement for its annual meeting of stockholders.