



COMPENSATION COMMITTEE

Amended and Restated Charter of the Compensation Committee Of PFSweb, Inc.

1. MEMBERSHIP

- 1.1.** The Compensation Committee (the "**Committee**") of the board of directors (the "**Board**") of PFSweb, Inc. (the "**Company**") shall consist of three or more directors. Each member of the Committee shall be independent in accordance with the provisions of Rule 10C-1(b)(1) under Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and the rules of the principal stock exchange upon which the Company's equity securities are traded.
- 1.2.** Each member of the Committee must qualify as a "non-employee director" for the purposes of Rule 16b-3 under the Exchange Act, and as an "outside director" for the purposes of Section 162(m) of the Internal Revenue Code, as amended.
- 1.3.** In affirmatively determining the independence of any director who will serve on the Committee, the Board shall consider all relevant factors to determine whether a director has a relationship to the Company which is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to: (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and (ii) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.
- 1.4.** The members of the Committee shall be appointed by the Board and shall serve for such term or terms as the Board may determine or until earlier removal, resignation or death. The Board may remove any member from the Committee at any time with or without cause.

2. PURPOSE

- 2.1.** The purpose of the Committee is to carry out the responsibilities set forth in this Charter and as otherwise delegated by the Board relating to compensation of Company personnel.

3. DUTIES AND RESPONSIBILITIES

- 3.1.** The Committee shall have the following authority and responsibilities:
 - 3.1.1.** To review and approve annually the compensation of the chief executive officer ("**CEO**") of the Company, including the corporate goals and objectives applicable to the compensation of the CEO, to evaluate at least annually the CEO's performance in light of those goals and objectives, and to determine and approve the CEO's compensation level based on this evaluation and such other factors as the Committee deems appropriate. In determining any incentive compensation or incentive component of compensation, the Committee may consider the Company's performance

and relative stockholder return, the value of similar incentive awards given to CEOs at comparable companies and the awards given to the Company's CEO in past years. In evaluating and determining CEO compensation, the Committee shall consider, but shall not be bound by, the results of the most recent stockholder advisory vote on executive compensation ("**Say on Pay Vote**") required by Section 14A of the Exchange Act. The CEO shall not be present during any voting or deliberations by the Committee on his or her compensation.

- 3.1.2.** To approve the compensation of all other officers of the Company, as such term is defined in Rule 16(a)-1(f) under the Exchange Act (herein, "**Officers**"). In evaluating and determining Officer compensation, the Committee shall consider, but shall not be bound by, the results of the most recent Say on Pay Vote.
- 3.1.3.** To review and approve and, when deemed appropriate by the Committee, recommend to the Board for approval, incentive compensation plans and equity-based plans, and when deemed appropriate by the Committee or required, recommend for approval by the stockholders of the Company, which includes the ability to adopt, amend and terminate such plans. The Committee (or any subcommittee of the Committee to whom such authority may be delegated by the Committee) shall also have the authority to administer the Company's incentive compensation plans and equity-based plans, including designation of the employees to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, subject to the provisions of each plan. In reviewing and approving incentive compensation plans and equity-based plans, including whether to adopt, amend or terminate any such plans, the Committee shall consider, but shall not be bound by, the results of the most recent Say on Pay Vote.
- 3.1.4.** To review and discuss with management the Company's Compensation Discussion and Analysis ("**CD&A**") and the related executive compensation information, recommend 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 prepare or approve the compensation committee report on Officer compensation required to be included in the Company's proxy statement or annual report on Form 10-K, provided, however, that this Section shall only be applicable to the extent of the Company's obligation under the Exchange Act to provide and/or file a CD&A and related compensation information and report.
- 3.1.5.** To the extent arising after the date of adoption of this Charter, to review, and approve and, when deemed appropriate by the Committee, recommend to the Board for approval, any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control, for the CEO and other Officers, which includes the ability to adopt, amend and terminate such agreements, arrangements or plans.
- 3.1.6.** To review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.
- 3.1.7.** To review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.

3.1.8. To review director compensation for service on the Board and Board committees at least once a year and to recommend any changes to the Board.

4. OUTSIDE ADVISORS

- 4.1.** The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant(s) as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the compensation consultant(s). The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside legal counsel and other advisors. 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 compensation consultant(s), outside legal counsel and any other advisors. The provisions of this Section and the authority granted herein shall not require the Committee to retain or consult with any compensation consultant(s), outside legal counsel or other advisors and the Committee shall not be required to implement or act consistently with the advice or recommendations of any compensation consultant(s), legal counsel or other advisor to the compensation committee, and the authority granted in this Charter shall not be deemed in any manner to limit or restrict the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter, provided, however, the Committee shall be entitled to rely upon the advice or recommendation of any compensation consultant(s), outside legal counsel or other advisors.
- 4.2.** The compensation consultant(s), legal counsel or other adviser retained by, or providing advice to, the Committee shall be independent if, and to the extent, required by any applicable law, rule, regulation or directive of the principal stock exchange upon which the Company's securities are traded and as otherwise determined in the discretion of the Committee after considering all relevant factors, including: (i) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser; (ii) 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; (iii) 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; (iv) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee; (v) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and (vi) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an Officer of the Company. The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K. Unless otherwise prohibited by applicable law, rule, regulation or directive of the principal stock exchange upon which the Company's securities are traded, the Committee may select, or receive advice from, any compensation adviser it selects, whether or not independent, after considering the six independence factors set forth in this Section.
- 4.3.** For purposes of this Section 4, 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: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of Officers or directors of the Company, and that is available generally to all salaried employees; and/or (b) 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.

5. STRUCTURE AND OPERATIONS

- 5.1.** The Board may, but need not, designate a member of the Committee as the chairperson. The Committee shall meet at least annually and at such other times and at such places as it deems necessary to fulfill its responsibilities. 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 (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.
- 5.2.** Subject to the provisions of Section 3.3.1, the Committee may invite such members of management to its meetings as it deems appropriate.
- 5.3.** The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

6. DELEGATION OF AUTHORITY

- 6.1.** The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion. Any subcommittee may consist of one or more members of the Committee, as the Committee shall determine.

7. PERFORMANCE EVALUATION

- 7.1.** The Committee shall conduct an annual evaluation of the performance of its duties under this charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.