

**ALLIED HEALTHCARE PRODUCTS, INC.  
COMPENSATION COMMITTEE CHARTER**

**Adopted June 19, 2013**

**COMMITTEE'S PURPOSE**

The Compensation committee (the "Committee") is appointed by the Board of Directors ("Board") of Allied Healthcare Products, Inc. (which, together with its majority owned subsidiaries is referred to herein as the "Company") to discharge the Board's responsibilities relating to relating to compensation of the Company's executive officers and to approve and monitor compensation policies, practices and programs for the Company and its affiliates.

**COMMITTEE MEMBERSHIP**

**Qualifications.** The Committee shall consist of no fewer than three members who meet the qualifications set forth in this paragraph. No director may serve on the Committee unless he or she is a non-employee director for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, satisfies the requirements of an outside director for purposes of Section 162(m) of the Internal Revenue Code and meets the applicable independence standards of the NASDAQ Stock Market, Inc., as approved by the Securities and Exchange Commission. The members of the Committee will be those directors appointed by the Board from time to time, and the Chair of the Committee shall be appointed by the Board. A Committee member shall serve until such member resigns or is removed or replaced by a majority vote of the full Board.

**Composition.** The members of the Committee shall be appointed by the Board and shall serve until their successors shall be duly elected and qualified. Any vacancy on the Committee may be filled by the Board.

**Chairman.** The Chairman of the Committee shall be appointed by the Board. The Chairman will preside over all meetings of the Committee and set the agendas for Committee meetings.

**MEETINGS**

The Committee shall meet as often as necessary to carry out its responsibilities, but no less often than once per year. Meetings can be called by the Committee's Chair or by a majority of the members of the Committee. Except as otherwise required by the Company's Bylaws or Certificate of Incorporation, a majority of the members of the Committee shall constitute a quorum for the transaction of business, and the act of a majority of the Committee members present at any meeting at which there is a quorum shall be the act of the Committee. The Committee may invite such members of Company's management to its meetings and outside consultants and counsel, as it may deem desirable or appropriate. The Committee shall meet in executive session as deemed appropriate by the Chairman or a majority of the members of the Committee.

**COMMITTEE DUTIES AND RESPONSIBILITIES**

1. *General.* In consultation with senior management, the Committee shall establish

the Company's general compensation philosophy, and oversee the development and implementation of executive and senior management compensation programs.

2. *Employment Contracts.* The Committee shall have the authority to enter, authorize and approve all employment contracts, change of control agreements and all other similar types of agreements with respect to each executive officer.

3. *Executive Compensation.* To review and approve annually the corporate goals and objectives applicable to the compensation of the Company's Chief Executive Officer ("CEO") and the other executive officers, evaluate at least annually their respective performances in light of those goals and objectives, and determine and approve their respective compensation level based on this evaluation. The CEO will not be present during any voting or deliberations by the Committee on his or her compensation.

4. *Directors.* The Committee shall periodically review and make recommendations to the Board with respect to the compensation and benefits of directors.

5. *Incentive Compensation and Equity-based Plans.* The Committee shall recommend the approval, amendment or termination of incentive-compensation plans and any equity-based compensation plans. The Committee shall monitor the Company's incentive compensation programs, including the annual and long-term incentive plans, to evaluate whether they are being administered in a manner consistent with the Company's compensation philosophy and whether such incentive compensation programs encourage excessive risk taking.

6. *Ratification Required by the Board.* Any action, including, but not limited to, the adoption or amendment of any equity compensation plan that is required by law or regulation to be submitted to the stockholders of the Company for approval, shall be recommended to the Board for approval by the Board.

7. *Trustees.* The Committee shall have the authority to appoint and remove various plan Trustees, appoint and remove members of any Administrative Committee; and to appoint and remove any Plan Administrator with respect to any compensation or plan maintained by the Company.

8. *Report to the Board.* Following each action by the Committee, the Committee shall make a report to the full Board at the next regularly scheduled meeting of the full Board, which requirement may be met by providing the Board with copies of minutes of the Committee's meetings.

9. *Say on Pay.* In performing its duties pursuant to this Charter, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation ("Say on Pay Vote") required by Section 14A of the Securities Exchange Act of 1934.

10. *Risk.* In evaluating and determining the compensation of the CEO and the other executive officers, the Committee shall review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking.

11. *Additional Activities.* The Committee shall perform any other activities consistent with this Charter, the Company's By-laws and applicable law, as the Committee deems appropriate to carry out its assigned duties or as requested by the Board.

## **ANNUAL REVIEW AND EVALUATION**

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review its own performance. The results of such self-assessment shall be presented to the Board of Directors at its next meeting.

## **CONSULTANTS, LEGAL COUNSEL AND OTHER ADVISERS**

1. The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser (collectively, "Advisers").
2. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Adviser retained by the compensation committee.
3. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any Adviser retained by the Committee.
4. The Committee may select, or receive advice from an adviser, other than in-house legal counsel, only after taking into consideration the following factors:
  - (i) the provision of other services to the Company by the person that employs the Adviser;
  - (ii) the amount of fees received from the Company by the person that employs the Adviser, as a percentage of the total revenue of the person that employs the Adviser;
  - (iii) the policies and procedures of the person that employs the Adviser that are designed to prevent conflicts of interest;
  - (iv) any business or personal relationship of the Adviser with a member of the compensation committee;
  - (v) any stock of the Company owned by the Adviser; and
  - (vi) any business or personal relationship of the Adviser or the person employing the Adviser with an executive officer of the Company.
5. No provision of this Charter shall be construed: (i) to require the Committee to implement or act consistently with the advice or recommendations of any Adviser; or (ii) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.
6. The Committee shall conduct the independence assessment outlined in paragraph 4

above with respect to any Adviser that provides advice to the Committee, other than in-house legal counsel. However, nothing in such paragraph shall require any Adviser to be independent, only that the Committee consider the independence factors enumerated in paragraph 4 before selecting, or receiving advice from, an Adviser. The Committee may select, or receive advice from, any Adviser of its choosing, including ones that are not independent, after considering the independence factors listed in paragraph 4.

7. Any provision of this charter to the contrary notwithstanding, the Committee is not required to conduct an independence assessment for an 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 the Company or that is customized based on parameters that are not developed by the Adviser, and about which the Adviser does not provide advice.

#### **ADDITIONAL AUTHORITY**

In addition to the specific duties, responsibilities, rights and authority set forth in this Charter:

1. The Committee will have the resources and authority it deems necessary and appropriate to discharge its responsibilities.
2. In discharging its responsibilities, the Committee shall have full access to any relevant records of the Company, and shall also be provided with the opportunity to meet with (or have its consultants meet with) any officer or other employee of the Company, including the Company's senior compensation or human resources executives.
3. The Committee may form and delegate authority to subcommittees or to management when it determines that such action is appropriate under the circumstances.
4. The Committee may take action which it could take at a duly called meeting by unanimous written consent of all members in lieu of a meeting of the Committee.