

AMERICAN REPROGRAPHICS COMPANY
COMPENSATION COMMITTEE CHARTER

Purpose

The Compensation Committee (the “Committee”) of American Reprographics Company (the “Company”) is responsible for determining the compensation of the Company’s officers and directors. The Committee has overall responsibility for approving and evaluating the director and officer compensation, benefit and perquisite 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.

Committee Membership

The Committee shall consist of at least three members of the Company’s Board of Directors (the “Board”), each of whom shall (i) meet the independence requirements of the New York Stock Exchange 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; and (iii) qualify as an “outside directors” under Section 162(m) of the Internal Revenue Code. One member of the Committee will serve as the Chairperson of the Committee. 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.

Committee 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 to be used to assist in the evaluation of director, Chief Executive Officer or senior executive compensation and shall have sole authority to approve the consultant’s fees and other retention terms.

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.

Committee Duties and Responsibilities

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

1. Annually 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, and the elements and value of compensation previously provided to the Chief Executive Officer.
2. Annually review and approve, for the Chief Executive Officer, the executive officers that directly report to the Chief Executive Officer and, to the extent subject to Rule 16b-3 under the Exchange Act or Section 162(m) of the Code, any other officer, corporate goals and objectives relevant to such officers and determine for such 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 officers.
3. Annually review the compensation arrangements of all directors, officers and other key executives, 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).
4. 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; provided that the Committee may delegate to the Chief Executive Officer the authority to grant options to non-officer employees subject to limits recommended by the Committee and approved by the Board.
5. Approve all compensation agreements for employees; provided that the Committee may delegate to the Chief Executive Officer the authority to enter into compensation agreements with non-officer employees subject to limits recommended by the Committee and approved by the Board.

6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
7. Conduct an annual performance evaluation of the Committee and report the results of this review to the Board.
8. 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.

February 2005

Copyright © 2005, American Reprographics Company. All Rights Reserved.