

**Consolidated Graphics, Inc.  
and Its Subsidiaries and Affiliates  
(the “Company”)**

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

**I. PURPOSE**

The Compensation Committee (the “Committee”) is appointed by the Company’s Board of Directors (the “Board”) to:

- establish general and specific goals and objectives relevant to the compensation of the Board, Chief Executive Officer (“CEO”) and key members of management, evaluate the performance of such individuals in light of those goals and objectives, and as applicable recommend or approve compensation based on such evaluation;
- provide executive administration of the Company’s Incentive Plan (the “Plan”);
- produce Committee reports on executive compensation as required by the Securities and Exchange Commission for inclusion in the Company’s proxy statement for the annual shareholders’ meeting;
- conduct an annual performance self-evaluation of the Committee.

The Committee shall perform additional functions from time to time assigned by the Board or delegated to it under the Company’s Corporate Governance Guidelines or By-Laws or as may otherwise be required to comply with applicable laws and regulations or listing requirements of the New York Stock Exchange (“NYSE”).

**II. COMMITTEE MEMBERSHIP AND STRUCTURE**

The members of the Committee shall be appointed and replaced at the discretion of the Board. The members of the Committee shall designate a Chairman who will preside over Committee meetings and be generally responsible for calling meetings and setting meeting agendas. The Committee shall consist of no fewer than two directors, all of which shall meet the independence requirements of the NYSE. Each Committee member is expected to notify the Chairman of the Nominating and Governance Committee in the event that personal circumstances change in a manner that may affect such director’s independence or the Board’s evaluation of such director’s duties. The Committee shall meet as often as its members determine to be necessary, or as meetings may be called by the Committee Chairman, but in any event the Committee shall meet at least annually. A majority of the members of the Committee shall constitute a quorum and meetings may be attended telephonically. Committee members are expected to attend a minimum of 75% of all meetings. Committee policy and procedures will be administered by the Committee Chairman and remain flexible to best react to changing conditions and regulatory requirements. The Committee may not delegate its duties to a sub-committee of the Committee unless such sub-committee has a published charter.

**III. COMMITTEE AUTHORITY AND RESPONSIBILITIES - Fulfilling the Committee's responsibility to establish general and specific goals and objectives relevant to the compensation of the Board, CEO and key members of management, evaluate the performance of such individuals in light of those goals and objectives, and as applicable recommend or approve compensation based on such evaluation**

The Committee shall:

- based upon input from all directors, establish both general and specific goals and objectives beneficial to the Company;
- following the end of each fiscal year, evaluate the CEO and key members of management based upon performance in light of such goals and objectives, and approve annual and long-term compensation for such individuals, taking into account:
  - a. terms and conditions of employment for the CEO and key members of management;
  - b. expectations of future contribution to the Company by recipients of such compensation;
  - c. consideration of the Company's performance and shareholder return;
  - d. the value of similar incentive awards to similar positions in similar companies;
  - e. applicable tax laws, as appropriate;
  - f. other factors deemed relevant by the Committee;
- in their discretion and from time-to-time, based upon input from all directors and upon the results of the self-evaluation of the Board and its committees, consider and recommend compensation, including long-term incentive compensation, appropriate for directors and members of the various Board committees.
- have the sole authority to retain and terminate consultants to be used in matters relating to the evaluation of compensation, as well as to negotiate and approve consultant fees on such matters.

**IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES - Fulfilling the Committee's responsibility to provide executive administration of the Plan**

The Committee shall administer the Plan and, subject to the provisions thereof, is authorized by the Board to:

- determine the types of awards or grants made to each participant of the Plan and the terms, conditions and limitations applicable to each award and grant, such as exercise price, vesting period, expiration date and other material conditions;
- interpret the Plan, and as needed, grant waivers or restrictions there under;
- review and recommend for approval by the Board and pursuant to the Plan, any amendments to the Plan as may be deemed appropriate by the Committee;
- adopt such rules and regulations as it may deem necessary or appropriate in keeping with the objectives of the Plan and in keeping with compliance of applicable regulatory codes.

**V. COMMITTEE AUTHORITY AND RESPONSIBILITIES - Fulfilling the Committee's responsibility to produce an annual report on executive compensation for inclusion in the Company's proxy statement for the annual shareholders' meeting**

The Committee shall:

- prepare the Committee report for inclusion in the Company's proxy statement for the annual shareholders' meeting, and as reasonably required, obtain the assistance of management and/or outside consultants, provided that the Committee retain responsibility for the content and accuracy of the report and such assistance shall not be regarded as a delegation of responsibility for such report;
- submit the report to the Board for approval and inclusion in the Company's proxy statement for the annual shareholders' meeting at the meeting of the Board following the end of each fiscal year.

**VI. COMMITTEE AUTHORITY AND RESPONSIBILITIES - Fulfilling the Committee's responsibility to conduct an annual performance self-evaluation**

The Committee shall within 60 days following the Company's fiscal year end:

- review and evaluate the adequacy of the Committee charter;
- review and evaluate the performance of the Committee;
- report to the Board the results of those self-evaluations and any proposed changes for Board approval.

**VII. GENERAL**

In discharging their responsibilities, Committee members shall exercise their business judgment to act in a manner that they believe in good faith is in the best interest of the Company and its shareholders. In such exercise, the Committee members are entitled to rely on the honesty and integrity of Company management and outside advisors and auditors. The Committee may request any employee of the Company or the Company's outside counsel to attend any meeting with Committee members or consultants retained by the Committee.

**ADOPTED JUNE 30, 2004**