

ATOSSA GENETICS INC.

COMPENSATION COMMITTEE CHARTER

The Board of Directors (the “Board”) of Atossa Genetics Inc. (the “Company”) hereby sets forth the authority and responsibilities of the Compensation Committee (the “Committee”) as described below, subject to amendment by the Board from time to time:

Statement of Purpose

The purpose of the Committee is to: (i) oversee the Company’s compensation philosophy generally, (ii) seek to ensure that compensation decisions both represent sound fiscal policy as well as enable the Company to attract and motivate qualified personnel, (iii) advise the Board on, and facilitate the Board’s oversight of, the compensation of the Board, the Company’s Chief Executive Officer (“CEO”), and the other executive officers of the Company and (iv) oversee the Company’s management resources, succession planning and management development activities.

Organization

The Committee will be comprised of two or more directors as determined by the Board and each such committee member will satisfy the listing requirements of The NASDAQ Stock Market (regardless of whether shares of the Company’s common stock are listed on that exchange). The Committee will have: (i) at least one independent member upon consummation of the Company’s initial public offering of its common stock (the “Initial Public Offering”), (ii) a majority of independent members 90 days therefrom, and (iii) all independent members within one year of the consummation of the Company’s Initial Public Offering. The Committee may form and delegate authority to subcommittees. In particular, the Committee may delegate the approval of certain transactions to a subcommittee consisting solely of the members of the Committee who are (a) “non-employee directors” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 (the “Exchange Act”) or (b) “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”). The Board may remove members of the Committee from such Committee, with or without cause.

Operating Principles

In fulfilling its functions and responsibilities, the Committee should give due consideration to the following operating principles and processes:

1. Communication. Regular and meaningful contact throughout the year with the Chairman of the Board, other committee chairpersons, members of senior management and other key Committee advisors, as applicable, is viewed as important for strengthening the Committee’s knowledge of sound compensation and human resources policies.
2. Committee Expectations and Information Needs. The Committee should communicate to the CEO or his designee the expectations of the Committee, and the nature, timing and extent of any specific information or other supporting materials requested by the Committee, for its meetings and deliberations.
3. Resources. The Committee shall be authorized to access, at the Company’s expense, such internal and external resources, including retaining legal, financial and other advisors, as the

Committee deems necessary or appropriate to fulfill its responsibilities. The Committee shall have the sole authority to approve fees, costs and other terms of engagement of outside resources such as compensation consultants.

4. Meeting Agendas. The Committee meeting agendas shall be the responsibility of the Committee chairperson with input from the Committee members and other members of the Board, with additional input from members of senior management and outside advisors to the extent deemed appropriate by the chairperson.
5. Committee Meeting Attendees. The Committee shall be authorized to request members of senior management, outside counsel and other advisors to participate in Committee meetings.
6. Reporting to the Board of Directors. The Committee shall maintain the minutes of meetings and, through the Committee chairperson, shall report to all material activities of the Committee to the Board from time to time or whenever so requested by the Board. In addition, minutes from Committee meetings should be distributed to each Board member prior to the subsequent Board meeting.

Duties and Responsibilities

The following are the duties and responsibilities of the Committee (in addition to any others that the board may from time to time delegate to the Committee):

1. Executive Officer Compensation. The Committee shall review and approve individual and corporate goals and objectives relevant to executive officer compensation and shall evaluate the performance of executive officers in light of those goals and objectives. Based on this evaluation, the Committee shall review and approve, or recommend for approval by the independent directors (as directed by the Board) executive officer compensation, including salary, bonus and incentive compensation, deferred compensation, perquisites, equity compensation, benefits provided upon retirement, severance or other termination of employment, and any other forms of executive compensation.
2. CEO Compensation. The Committee shall annually review and approve, or recommend for approval by the independent directors (as directed by the Board) the CEO's compensation based on the Committee's evaluation of the CEO's performance. The Committee will deliberate and vote on the CEO's compensation outside the presence of the CEO.
3. Senior Management Assessment. The Committee shall periodically review, discuss and assess the performance of senior management in light of the relevant corporate and individual performance goals and objectives, seeking input from the CEO, individual members of senior management, the full Board and others. The purpose of the review is to increase the effectiveness of senior management as a whole and on an individual basis.
4. Plan Recommendations and Approvals. The Committee shall make recommendations to the Board regarding the adoption of new incentive compensation plans and equity-based plans, as well as the Company's 401(k) plan, and administer the Company's existing incentive compensation plans and equity-based plans, including reviewing and approving stock option grants and outside valuations of the common stock of the Company underlying such grants. To the extent permitted by applicable law, stock exchange rule and the provisions of a specific equity-based plan, the Committee may delegate to one or more executive officers of the Company the power to grant options or other equity awards, and amend the terms of such awards, pursuant

to such equity based plan to employees of the Company or any subsidiary of the Company who are not directors or executive officers of the Company, such power to be limited to the parameters set forth in the applicable resolutions adopted by the Compensation Committee.

5. Director Compensation. The Committee shall review and recommend to the Board the compensation paid to non-employee Directors for their service on the Board and on its committees. In making its recommendations, the Committee shall give due consideration as to what is customary compensation for directors of comparable companies and any other factors it deems consistent with the policies and principles set forth in this Charter and the Company's Corporate Governance Guidelines.
6. Filings. The Committee shall:
 - a. review and discuss with Company management the compensation discussion and analysis required to be included in the Company's filings with the Securities and Exchange Commission and, based on such review and discussion, in the case of compensation discussion and analysis proposed to be included in the Company's annual proxy statement or annual report on Form 10-K, recommend to the Board of Directors whether the compensation discussion and analysis should be included in such proxy statement or annual report, as the case may be; and
 - b. prepare an annual compensation committee report for inclusion in the Company's annual proxy statement.
7. Non-Executive Compensation and Benefits Plans. The Committee shall review and approve the general design and terms of any significant non-executive compensation and benefits plans including as relevant: incentive compensation, bonus programs, profit sharing goals and payouts and the introduction or material modification of health, welfare and retirement plans or other material employee perquisite plans.
8. Human Resources Policies. The Committee shall periodically review the Company's significant policies, practices and procedures concerning human resource related matters.
9. Succession Planning. The Committee shall oversee the maintenance, and presentation to the Board, of management's plans for succession to senior management positions in the Company, including the position of CEO.
10. Generally. The Committee shall review such other matters as the Board or the Committee shall deem appropriate.

Procedures and Administration

1. Meetings. The Committee shall hold regularly scheduled meetings and such special meetings as circumstances dictate, and shall meet at least four times annually and, to the extent practicable, in conjunction with the regularly scheduled Board meetings. The Committee shall report regularly to the Board on its activities. The Committee shall fix its own rules of procedure.
2. Action. A majority of regular members then serving on the Committee shall constitute a quorum. Action may be taken by the Committee (or any subcommittee of the Committee) upon the affirmative vote of a majority of the members of the Committee (or subcommittee). Action may

be taken by the Committee (or any subcommittee of the Committee) without a meeting if all of the members of the Committee (or subcommittee) indicate their approval thereof in writing.

3. Notice. Any member of the Committee may call a meeting of the Committee upon due notice to each other member at least twenty-four hours prior to the meeting (provided that participation in any meeting shall be deemed to constitute waiver of any deficiency in such notice).
4. Charter. The Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
5. Independent Advisors. The Committee is authorized, without further action by the Board, to engage such independent legal, accounting, and other advisors as it deems necessary or appropriate to carry out its responsibilities; provided, that prior to retaining any such advisors, the Committee shall conduct, and document, an analysis of such advisor's independence pursuant to the rules of the principal exchange on which the Company's securities are listed.
6. Subcommittees. The Committee shall have the authority to delegate to subcommittees of the Committee any responsibilities of the full Committee.
7. Compensation Consultant. The Committee shall have the authority to engage and terminate any compensation consultant to be used to assist in the evaluation of executive officer or Board compensation, and shall have the authority to approve the consultant's fees; provided, that prior to retaining any such consultant, the Committee shall conduct, and document, an analysis of such consultant's independence pursuant to the rules of the principal exchange on which the Company's securities are listed. The Committee may also commission various compensations studies it deems appropriate.
8. Expenses. The Committee is empowered, without further action by the Board, to cause the Company to pay the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
9. Committee Self-evaluation. The Committee shall review its performance against the requirements of this Charter annually and shall report to the Board on the results of such evaluation. The Committee's performance evaluation shall be conducted in such manner as the Committee deems appropriate.