

CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS OF CHICAGO RIVET & MACHINE CO.

I. PURPOSE OF THE COMMITTEE

The purposes of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Chicago Rivet & Machine Co. (the "Company") shall be to review and recommend to the Board of Directors executive compensation practices, including, but not limited to, specific recommendations regarding the compensation of the chief executive officer and all other officers of the Company.

II. COMPOSITION OF THE COMMITTEE

The Committee shall consist of three or more directors, as determined from time to time by the Board. Each member of the Committee shall be qualified to serve on the Committee pursuant to the requirements of the NYSE Amex, and any additional requirements that the Board deems appropriate.

The chairperson of the Committee shall be designated by the Board, provided that if the Board does not so designate a chairperson, the members of the Committee, by a majority vote, may designate a chairperson.

Any vacancy on the Committee shall be filled by majority vote of the Board. No member of the Committee shall be removed except by majority vote of the Board.

III. MEETINGS AND PROCEDURES OF THE COMMITTEE

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less frequently than two times annually. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; provided, however, that no subcommittee shall consist of fewer than two members; and provided further that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Committee shall maintain minutes of its meetings and records relating to those meetings and shall report regularly to the Board on its activities, as appropriate.

IV. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The Committee shall have the following duties and responsibilities with respect to the compensation of officers:

(a) To evaluate annually the performance of the chief executive officer of the Company and to make a recommendation to the board of directors with respect to the compensation of the chief executive officer of the Company. Under the rules of the NYSE Amex, the chief executive officer may not be present during voting or deliberations related to such compensation.

(b) To evaluate annually the performance of the other executive officers of the Company and to make a recommendation to the board of directors with respect to the compensation of all other officers of the Company.

(c) To produce a Committee report on executive compensation as required by the SEC to be included in the Company's annual proxy statement.