

AXESSTEL, INC.
BOARD OF DIRECTORS
COMPENSATION COMMITTEE CHARTER

(Approved May 13, 2004)

Organization

There shall be a committee of the Board of Directors of Axesstel, Inc. (the “Company”) to be known as the Compensation Committee (the “Conunittee”). The Committee shall be composed entirely of directors who are:

- “independent,” as defined by the applicable rules and regulations of the Securities and Exchange Commission and the American Stock Exchange, and are free of any relationship that, in the opinion of the Board of Directors, would interfere with their exercise of independent judgment;
- “non-employee directors,” as that term is defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended; and
- “outside directors,” as that term is defined in Section 162(m) of the Internal Revenue Code of 1986, as amended.

Unless the Board elects a Chair of the Committee, the Committee shall elect a Chair by majority vote.

Statement of Policy

The primary purposes of the Committee are to:

- Provide assistance to the Board of Directors in fulfilling its responsibilities to the stockholders, potential stockholders, and the investment community relating to compensation of the Company’s executives.
- Administer the Company’s equity compensation plans.
- Report on executive compensation for inclusion in the Company’s proxy statement, in accordance with applicable rules and regulations.

Except as otherwise required by applicable law, regulations or listing standards, all major decisions are considered by the Board of Directors as a whole.

Responsibilities

The Committee shall have the following responsibilities:

- The Committee shall review and approve performance goals and objectives for executive officers, including the CEO.
- The Committee shall evaluate the CEO’s performance in light of those goals and objectives, and recommend to the Board the CEO’s compensation level based on this evaluation. The CEO may not participate in these deliberations.

- In determining the long-term incentive component of CEO compensation, the Committee should consider the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies, the awards given to the CEO in past years, and other factors it considers relevant.
- The Committee shall recommend to the Board the compensation of executive officers other than the CEO. The CEO may be present at such deliberations but may not vote.
- The Committee shall review and approve incentive-compensation plans and equity-based plans for all of the Company's executive officers and make recommendations to the Board for their approval as applicable.
- The Committee shall administer and make grants under the Company's incentive-compensation plans and equity-based plans to the extent such function is delegated to the Committee by the Board with respect to each such plan.
- The Committee shall address any other compensation matters as from time to time directed by the Board.
- The Committee shall report on executive compensation as required by applicable laws and regulations for inclusion in the Company's proxy statement or other SEC filings, discussing among other things:
 - The criteria on which compensation paid to the CEO for the last completed fiscal year is based.
 - The relationship of such compensation to the Company's performance.
 - The Committee's executive compensation policies applicable to executive officers.
 - Whether the Company's allowable deduction for compensation to the Company's executive officers could be limited pursuant to Section 162(m) of the Internal Revenue Code.
- The Committee shall annually review Board compensation and make related recommendations to the Board.
- The Committee shall annually provide to the Board for its evaluation a report concerning the performance of the Committee.
- The Committee shall, with the assistance of legal counsel, review and assess the adequacy of this charter annually and present a report to the Board at the Board's annual organizational meeting of the results of its assessment, including any recommendations for changes to this charter.
- The Committee shall regularly address the issues of appointment and removal of members of the Committee, qualification of Committee members and Committee structure and operation, and shall make recommendations to the Board concerning any proposed changes to Committee membership, structure or authority.

Meetings and Voting

The Committee shall meet as often as necessary, but at least once annually. The affirmative vote of a majority of the members present at a meeting at which a quorum is present shall constitute action of the Committee.

Authority to Engage Independent Counsel and Advisors; Access

In the process of discharging its duties, if a compensation consultant is needed to assist in the evaluation of director, CEO or senior executive compensation, the Committee shall have authority to retain and terminate the consulting firm, including authority to approve the firm's fees (which shall be paid by the Company) and other retention terms. The Committee shall also have the right to engage and determine funding for independent counsel and other advisors at the expense of the Company. The Committee may seek any information it requires from employees of the Company, all of whom shall be directed to cooperate with the Committee's requests, and from external parties.

Compensation

Members of the Committee shall receive compensation for attending Committee meetings as defined and approved by the Board of Directors.