

## **BEL FUSE INC.**

### **COMPENSATION COMMITTEE CHARTER**

**(Most recently amended May 17, 2013)**

#### **I. Purpose**

The Compensation Committee shall have direct responsibility for the compensation of the officers of Bel Fuse Inc. and its subsidiaries (collectively, the “Company”). For this purpose, compensation shall include:

- annual base salary;
- annual incentive opportunity;
- stock option or other equity participation plans;
- profit-sharing plans;
- long-term incentive opportunity;
- the terms of employment agreements, severance arrangements, and change in control agreements, in each case as, when and if appropriate;
- any special or supplemental benefits; and
- any other payments that are deemed compensation under applicable SEC rules.

#### **II. Organization**

The Compensation Committee shall consist of at least two directors, each of whom shall satisfy the applicable independence requirements of the NASDAQ Stock Market (“NASDAQ”) and any other regulatory requirements and each of whom, in the business judgment of the Board, shall have experience that would be valuable in enabling the Compensation Committee to perform its duties. At least one member of the Compensation Committee shall have experience in matters relating to executive compensation either as a professional or as a business executive.

The members of the Compensation Committee shall be appointed by the Board. Members of the Compensation Committee may be removed at any time by action of the Board. The Compensation Committee’s chairperson shall be designated by the Board. The Compensation Committee may form and delegate authority to subcommittees when appropriate; *provided that* any such subcommittee must be comprised solely of members of the Committee and must publish its charter.

### **III. Meetings and Procedures**

The Chairman of the Compensation Committee (or in his or her absence, a member designated by the Chairman or the Compensation Committee) shall preside at each meeting of the Compensation Committee and set the agendas for the Compensation Committee meetings. The Compensation Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's bylaws that are applicable to the Compensation Committee. The Compensation Committee shall meet at least four times per year on a quarterly basis and more frequently as the Committee deems desirable or as the Chief Executive Officer of the Company may request.

### **IV. Authority and Responsibilities**

To fulfill its responsibilities, the Compensation Committee shall:

1. Subject to applicable tax and state corporate laws, review and approve on an annual basis corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO"), evaluate the performance of the CEO in light of those goals and objectives and, either as a committee or together with the other independent directors as directed by the Board, determine and approve the CEO's compensation level based on this evaluation.
2. Subject to applicable tax and state corporate laws, review and approve for recommendation to the Board on an annual basis corporate goals and objectives relevant to the compensation of the Company's other executive officers, evaluate the performance of the Company's other executive officers, in light of those goals and objectives and, either as a committee or together with the other independent directors as directed by the Board, determine and approve the compensation levels of the Company's other executive officers, based on this evaluation.
3. In determining the long-term incentive component of the CEO and other executive officers, the Compensation Committee will also consider, among such other factors as it may deem relevant, the Company's performance, stockholder returns, the value of similar incentive awards to executive officers at comparable companies and the awards given to the CEO and other executive officers in past years. The CEO shall not be present during voting or deliberations relating to the CEO's compensation.
4. Make recommendations to the Board with respect to the Company's incentive compensation plans and equity-based plans.
5. Produce the report required by the Securities and Exchange Commission to be included in the Company's annual proxy statement, or, if the Company does not file a proxy statement, in the Company's Annual Report filed on Form 10-K with the Securities and Exchange Commission.
6. Review and reassess the adequacy of this Charter annually and recommend to the Board any changes deemed appropriate by the Compensation Committee.

7. Evaluate the Committee's performance annually.
8. Periodically report to the Board on its findings and actions, similar to other Board committees.
9. Conduct a review annually of the components and amount of Board compensation in relation to other similarly situated companies.
10. Perform any other activities consistent with this Charter, the Company's by-laws and governing law, as the Compensation Committee or the Board deems necessary or appropriate.

Nothing in this Charter shall preclude the Board from discussing CEO or non-CEO compensation generally or any other subject.

#### **V. Resources and Retention of Advisors**

Subject to NASDAQ's rules:

1. The Compensation Committee shall have the right, in its sole discretion, to retain or obtain the advice of compensation consultants, independent legal counsel and other advisers. The Compensation Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel and other adviser retained by the Compensation Committee. Such responsibility shall include the sole authority to retain or terminate, and to determine the terms of engagement and the extent of funding necessary for payment of compensation to, any consultants retained to assist the Compensation Committee in the evaluation of director, CEO or senior executive compensation or otherwise to advise the Compensation Committee.
2. In selecting a compensation consultant, legal counsel or other adviser, the Compensation Committee shall take into consideration all factors relevant to such person's independence from management, including the following:
  - (a) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
  - (b) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
  - (c) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
  - (d) any business or personal relationship of the compensation consultant, legal counsel or other adviser with any member of the Compensation Committee;

- (e) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- (f) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

For purposes of this Charter, the above-mentioned independence assessment shall not apply with respect to any compensation consultant, legal counsel or other adviser (i) who is an in-house legal counsel, (ii) whose role is limited to consulting on broad based plans that do not discriminate in scope, terms or operation, in favor of executive officers or directors of the Company, and that are available generally to all salaried employees of the Company or (iii) anyone who provides information that either is not customized for a particular entity or that is customized based on parameters that are not developed by such consultant, counsel or other advisor and about which such consultant, counsel or other advisor does not provide advice.

This Section 2 requires the Compensation Committee to consider the enumerated factors before selecting or receiving advice from a compensation adviser. Once it considers these factors, the Compensation Committee may select or receive advice from any compensation adviser that the Committee prefers, including one that is not independent.

## **VI. Disclosure of Charter**

This Charter shall be made available on the Company's website and/or attached to the Company's proxy statement, in accordance with applicable SEC and NASDAQ rules.