

**LOGIC DEVICES INCORPORATED**  
**CHARTER OF THE COMPENSATION COMMITTEE**  
**OF THE BOARD OF DIRECTORS**

I. PURPOSE

The Compensation Committee shall:

- A. Assist the Board of Directors in discharging its duties with respect to the formulation, implementation, review, and modification of the compensation of the Company's officers, and
- B. The preparation of an annual report on executive compensation for inclusion in the Company's annual proxy statement, in accordance with applicable rules and regulations on the Nasdaq Stock Exchange, Inc. ("NASDAQ"), the Securities and Exchange Commission ("SEC"), and other regulatory bodies.

II. STRUCTURE AND OPERATIONS

Composition and Qualifications

The Committee shall be comprised of three members of the Board of Directors, two of whom are determined by the Board of Directors to be "independent" under the rules of the SEC.

Appointment and Removal

The members of the Committee shall be appointed by the Board of Directors and shall serve until such member's successor is duly elected and qualified or until such members earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

Chairman

Unless a Chairman is elected by the full Board of Directors, the members of the Committee shall designate a Chairman by majority vote of the full Committee membership. The Chairman shall be entitled to cast a vote to resolve any ties. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.

Delegation to Subcommittees

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee.

III. MEETINGS

The Committee shall meet at least one time annually, or more frequently as circumstances require. The Chairman of the Board or any member of the Committee may call meetings of the Committee.

As part of its review and establishment of the performance criteria and compensation of directors and officers of the Company, the Committee should meet separately at least on an annual basis with the Chief Executive Officer ("CEO"), or any other corporate officers, as it deems appropriate. However, the Committee should meet regularly without such officers present, and in all cases such officers shall not be present at meetings at which their performance and compensation are being discussed and determined. Meetings of the Committee may be held telephonically.

All directors that are not members of the Committee may attend meetings of the Committee, but may not vote. Additionally, the Committee may invite to its meetings any director, management of the Company, and such other persons as it deems appropriate to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate to carry out its responsibilities.

#### IV. RESPONSIBILITIES AND DUTIES

Outlined below are certain continuing responsibilities that the Committee is expected to fulfill in effecting its purpose as stated in Section I of this Charter. This list of responsibilities is presented for illustrative purposes only and is not intended to be exhaustive or all-inclusive. The Committee may conduct additional activities as appropriate in light of changing business, legislative, regulatory, legal, or other conditions. The Committee shall also fulfill other responsibilities delegated to it from time to time by the Board.

##### Setting Compensation for Directors and Officers

1. Review and approve corporate goals and objectives relevant to the CEO and other officers' compensation;
2. Evaluate the performance of the CEO and other officers in light of these criteria and based on such evaluation, review and approve the annual salary, bonus, stock options, and other benefits, direct and indirect, of the CEO and other officers; and
3. Review and recommend to the full Board of Directors compensation of directors as well as directors' and officers' indemnification and insurance matters.

##### Monitoring Incentive and Equity-Based Compensation Plans

1. Review and make recommendations to the Board of Directors with respect to the Company's incentive-compensation plans and equity-based plans; and
2. Review and approve all equity compensation plans of the Company that are not otherwise subject to the approval of the Company's shareholders.

##### Reports

1. Prepare an annual report on executive compensation for inclusion in the Company's annual proxy statement, in accordance with applicable rules and regulations of NASDAQ, the SEC, and other applicable regulatory bodies; and
2. Maintain minutes or other records of meetings and activities of the Committee.

#### V. ANNUAL PERFORMANCE EVALUATION

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including by reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner, as it deems appropriate.