

## **MEASUREMENT SPECIALTIES, INC.**

### **AMENDED AND RESTATED COMPENSATION COMMITTEE CHARTER**

**(as of June 24, 2008)**

#### **ORGANIZATION**

##### **Membership**

###### **A. Composition and Qualifications**

The Compensation Committee shall consist of three or more directors, each of whom shall be independent, as such term is defined in Rule 4200(a)(15) of the Marketplace Rules of The Nasdaq Stock Market. Should any member of the Compensation Committee cease to be independent, such member shall immediately resign his or her membership on the Compensation Committee.

###### **B. Appointment and Removal**

The members of the Compensation 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 member's earlier resignation or removal. The members of the Compensation Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

###### **C. Chairman**

Unless a Chairman is elected by the full Board of Directors, the members of the Compensation Committee shall designate a Chairman by majority vote of the full Committee membership. The Chairman will chair all regular sessions of the Compensation Committee and set the agendas for Committee meetings.

##### **Meetings**

The Compensation Committee shall meet at least twice annually, or more frequently as circumstances dictate. The Chairman of the Board or any member of the Compensation Committee may call meetings of the Compensation Committee. All non-employee directors that are not members of the Compensation Committee may attend meetings of the Compensation Committee but may not vote. Additionally, the Compensation Committee may invite to its meetings any director, management of the corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Compensation Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

## **PURPOSES**

The Compensation Committee is appointed to discharge the Board's responsibilities relating to compensation of the Company's directors and executive officers. The Board may delegate to the Compensation such other authority and duties relating to compensation of its directors, officers and employees, and may refer such other matters to the Compensation Committee for consideration, as it shall deem appropriate. The Compensation Committee shall exercise such additional authority and discharge such additional duties (including, without limitation, by delegating to one or more officers of the Company, in its discretion, certain of its administrative duties, unless such delegation is otherwise prohibited by the Board, by Company policy, by applicable law, or by the rules and regulations of any self-regulatory organization applicable to the Company), and shall consider such other matters, if, as and when so delegated or referred by the Board.

## **COMPENSATION PHILOSOPHY**

The Company's compensation policies with respect to the Company's executive officers are based on the principles that compensation should, to a significant extent, be reflective of the financial performance of the Company, and that a significant portion of executive officers' compensation should provide long-term incentives. The Compensation Committee seeks to have executive compensation set at levels that are sufficiently competitive so that the Company may attract, retain and motivate high quality executives to contribute to the Company's success. In assessing overall compensation for executive officers, the Compensation Committee considers the Company's performance, relative shareholder return and industry position, general industry data, awards given to the Company's executives in past years, the recommendations of third-party consultants and of the Company's chief executive officer, and such other factors as it deems appropriate in making determinations with respect to executive compensation consistent with its philosophy.

## **RESPONSIBILITIES**

In furtherance of its purposes and philosophy, the Compensation Committee shall:

1. review and approve the Company's goals and objectives relating to compensation of the chief executive officer, evaluate the chief executive officer's performance in light of such goals and objectives, and set the chief executive officer's compensation level and components based on this evaluation, all in keeping with the Compensation Committee's compensation philosophy set forth in this charter;
2. review and approve the salaries, bonuses and other elements of compensation (if any) of other executive officers of the Company who report to the chief executive officer, taking into account the recommendations of the chief executive officer and such other information as the Committee believes appropriate, and review with the chief executive officer the compensation of other executive officers;
3. review annually the operation of the Company's executive compensation programs to determine whether they are properly coordinated and achieving their

intended purpose(s); and establish and periodically review policies for the administration of executive compensation programs;

4. review and recommend to the Board the appropriate structure and amount of compensation for the directors;

5. administer the Company's equity-based incentive compensation plans, including any equity-based incentive compensation plans adopted in the future or assumed by the Company as a result of a merger and/or acquisition;

6. establish and periodically review policies and practices in the area of senior management perquisites;

7. assess compensation issues relating to succession planning for management and leadership of the Company;

8. review, consider and recommend to the Board the terms of any employment agreement proposed to be executed by the Company with an executive officer of the Company, and the terms of any other compensation arrangements (whether or not pursuant to written agreements) between the Company and its executive officers;

9. produce a report on executive compensation for inclusion in the Company's annual proxy statement;

10. review and discuss with the Company's management the Compensation Discussion and Analysis required by SEC Regulation S-K, Item 402 and shall prepare the report on executive compensation required to be included in the Company's annual proxy statement;

11. consider the application of Section 162(m) of the Internal Revenue Code to the Company and its compensation practices and develop a policy for the Company with respect to Section 162(m); and

12. have the sole authority to retain, and terminate, any third party consultants to assist in the evaluation of director, chief executive officer or senior executive compensation, and the sole authority to approve such consultant's fees and other retention terms.

## **REPORTING RESPONSIBILITY**

The Compensation Committee shall:

1. report regularly to the Board of Directors (i) following meetings of the Compensation Committee, (ii) with respect to such other matters as are relevant to the Compensation Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Compensation Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Chairman or any other

member of the Compensation Committee designated by the Compensation Committee to make such report;

2. maintain minutes or other records of meetings and activities of the Compensation Committee; and

3. request that the Company either file this Charter as an appendix to the Proxy Statement at least once every three years or maintain a copy on the Company's website.

### **ANNUAL PERFORMANCE EVALUATION**

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