

# EAGLE TEST SYSTEMS, INC.

## Compensation Committee Charter

### **I. General Statement of Purpose**

The Compensation Committee of the Board of Directors (the “Compensation Committee”) of Eagle Test Systems, Inc. (the “Company”), on behalf of the Board of Directors (the “Board”), discharges the Board’s responsibilities relating to compensation of the Company’s directors and executives, oversees the Company’s overall compensation programs and is responsible for producing an annual report on executive compensation for inclusion in the Company’s proxy statement relating to its annual meeting of stockholders or annual report on Form 10-K, in accordance with applicable rules and regulations. The primary objective of the Compensation Committee is to develop and implement compensation policies and plans that are appropriate for the Company in light of all relevant circumstances and which provide incentives that further the Company’s long-term strategic plan and are consistent with the culture of the Company and the overall goal of enhancing enduring stockholder value.

### **II. Compensation Committee Composition**

The number of individuals serving on the Compensation Committee shall be fixed by the Board from time to time but shall consist of no fewer than three members, each of whom shall satisfy the independence standards established pursuant to Rule 4200(a)(15) of the Marketplace Rules of the National Association of Securities Dealers, Inc.

The members of the Compensation Committee shall be appointed annually by the Board and may be replaced or removed by the Board at any time with or without cause. Resignation or removal of a Director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from this Compensation Committee. Vacancies occurring, for whatever reason, may be filled by the Board. The Board shall designate one member of the Compensation Committee to serve as Chairman of the Compensation Committee. All indemnification, exculpation, expense reimbursement and advancement provisions and rights available to members of the Compensation Committee in their capacities as directors of the Company shall be fully applicable with respect to their service on the Compensation Committee or any subcommittee thereof.

### **III. Meetings**

The Compensation Committee is to meet not less than one time per year in person or by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, with any additional meetings as deemed necessary by the Compensation Committee. A majority of the members of the Compensation Committee shall constitute a quorum for purposes of holding a meeting and the Compensation Committee may act by a vote of a majority of members present at such meeting. In lieu of a meeting, the Compensation Committee may act by unanimous written consent.

#### **IV. Compensation Committee Activities**

The Compensation Committee's purpose and responsibilities shall be to:

##### **A. Review of Charter**

- Review and reassess the adequacy of this Charter annually and submit any proposed changes to the Board for approval.

##### **B. Annual Report on Executive Compensation**

- Produce an annual report on executive compensation for inclusion in the Company's proxy statement relating to its annual meeting of stockholders or annual report on Form 10-K, in accordance with the applicable rules and regulations of the Securities and Exchange Commission, any securities exchange or automated quotation system on which the Company's securities are traded, and any other rules and regulations applicable to the Company.

##### **C. Annual Performance Evaluation of the Compensation Committee**

- Perform an annual performance evaluation of the Compensation Committee and report to the Board on the results of such evaluation.

##### **D. Recommendations Regarding Incentive-Compensation Plans and Equity-Based Plans**

- Review and approve grants and awards under all incentive-based compensation plans and equity-based plans unless the Compensation Committee deems it advisable for the Board to approve any such grants or awards, in which case the Compensation Committee shall make recommendations to the Board with respect to such grants and awards.
- The Company's Chief Executive Officer may not be present during voting or deliberation concerning his or her compensation, including during consideration of grants or awards pursuant to incentive-based compensation plans and under equity-based plans.

##### **E. Matters Related to Compensation of the Company's Chief Executive Officer**

- Review and approve the corporate goals and objectives that may be relevant to the compensation of the Company's Chief Executive Officer ("CEO").
- Evaluate the CEO's performance in light of the goals and objectives that were set for the CEO and determine the CEO's compensation based on such evaluation. In connection with determining the long-term incentive

component of the CEO's compensation, the Compensation Committee should consider the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the Company's CEO in past years.

- The Company's Chief Executive Officer may not be present during voting or deliberation concerning his or her compensation.

**F. Matters Related to Compensation of the Officers Other Than the Chief Executive Officer**

- Determine the compensation of all officers of the Company other than the CEO; for the purposes hereof the term "officer" shall mean the Company's president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company.

**V. Additional Compensation Committee Authority**

The Compensation Committee is authorized, on behalf of the Board, to do any of the following, as the Compensation Committee deems necessary or appropriate in its discretion:

**A. Matters Related to Compensation of the Company's Directors and Members of Senior Management**

- Annually review and make recommendations to the Board with respect to the compensation of all directors and members of senior management of the Company (other than the CEO), including with respect to any incentive-compensation plans and equity-based plans.

**B. Matters Relating to Retention and Termination of Compensation Consulting Firm or Other Outside Advisors**

- Exercise sole authority to retain and terminate any consulting firm or other outside advisor on compensation matters that is to be used by the Company or the Compensation Committee to assist in the evaluation of director, CEO or senior executive compensation. The Compensation Committee shall also have sole authority to approve the consultant's fees and other retention terms.

## **VI. General**

- The Compensation Committee may establish and delegate authority to one or more subcommittees consisting of one or more of its members, when the Compensation Committee deems it appropriate to do so in order to carry out its responsibilities.
- The Compensation Committee shall make regular reports to the Board concerning areas of the Compensation Committee's responsibility.
- In carrying out its responsibilities, the Compensation Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management and such experts, advisors and professionals with whom the Compensation Committee may consult. The Compensation Committee shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditor or any other professional retained by the Company to render advice to the Company attend a meeting of the Compensation Committee or meet with any members of or advisors to the Compensation Committee. The Compensation Committee shall also have the authority to engage legal, accounting or other advisors to provide it with advice and information in connection with carrying out its responsibilities and shall have sole authority to approve any such advisor's fees and other retention terms.
- The Compensation Committee may perform such other functions as may be requested by the Board from time to time.

ADOPTED: February 14, 2006