

BENCHMARK ELECTRONICS, INC.

Charter of the Compensation Committee of the Board of Directors

Mission Statement

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Benchmark Electronics, Inc. (the “Company”) is to (i) oversee the administration of the compensation plans, in particular the incentive compensation and equity-based plans, of the Company (and, to the extent appropriate, the subsidiaries of the Company), (ii) discharge the Board’s responsibilities relating to the compensation of the Company’s executives, (iii) review and make recommendations on director compensation and (iv) prepare the annual report on executive compensation required by the rules and regulations of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement.

Membership

The Committee shall consist of no fewer than three members, the exact number to be determined from time to time by the Board.

The Committee’s composition shall meet the independence requirements for compensation committees imposed by the listing standards of the New York Stock Exchange (the “NYSE”), as in effect from time to time.

The members of the Committee shall be appointed by a majority vote of the Board from among its members based on the recommendations of the Nominating/Governance Committee and shall serve until such member’s successor is duly appointed and qualified or until such member’s resignation or removal by a majority vote of the Board.

Authority and Responsibilities

The Committee shall have the following specific authority and responsibilities (in addition to any others that the Board may from time to time delegate to the Committee):

1. The Committee shall establish, and periodically review, a general compensation philosophy for the Company.

Compensation Plans

2. The Committee shall oversee the implementation and administration of the compensation plans of the Company (and, to the extent appropriate, the other subsidiaries of the Company), including pension, welfare, incentive and equity-based plans, to ensure that these plans are consistent with the Company’s general compensation philosophy.
3. The Committee shall review and make recommendations to the Board with respect to the adoption (or submission to shareholders for approval) or amendment of incentive compensation and equity-based plans for the Company (and, to the extent appropriate, the subsidiaries of the Company), including restricted stock, stock option and deferred compensation plans.
4. The Committee shall review and make recommendations to the Board with respect to, or approve, all awards of shares or share options pursuant to the Company’s (and, to the extent appropriate, the Company’s subsidiaries’) equity-based plans.

Executive Compensation

5. The Committee shall at least annually for the Company's Chief Executive Officer (the "CEO") and the other executive officers of the Company (a) review and approve the corporate goals and objectives relevant to their compensation, (b) evaluate the executive officers' performance in light of these goals and objectives and (c) set the executive officers' compensation (including (i) annual base salary, (ii) annual incentive opportunity, (iii) long-term incentive opportunity (including awards of stock options and restricted stock) and deferral opportunity and (iv) any special or supplemental benefits) based on this evaluation. In setting compensation, the Committee shall consider all factors it deems relevant, including the Company's performance and relative shareholder return, the value of similar incentive awards to those with similar responsibilities at comparable companies and the awards given by the Company in prior years.
6. The Committee shall approve any employment agreements, consulting arrangements, severance or retirement arrangements and/or change-in-control agreements or provisions covering any current or former executive officer of the Company.
7. The Committee shall review and make recommendations to the Board, or approve, the Company's policies and procedures with respect to executive officers' expense accounts and perquisites.
8. The Committee shall produce the annual report on executive compensation required to be included in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.

Director Compensation

9. The Committee shall at least annually review and recommend to the Board the form and amount of director compensation (including perquisites and other benefits), and any additional compensation to be paid for service on Board committees or for service as a chairperson of a committee. In making its recommendations, the Committee shall give due consideration to what is customary compensation for directors of comparable companies and any other factors it deems appropriate that are consistent with the policies and principles set forth in this Charter and the Company's Corporate Governance Guidelines.
10. The Committee shall review and make recommendations to the Board regarding director's and officer's indemnification and insurance matters.

Regulatory Matters

11. In consultation with senior management of the Company, the Committee shall oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility (including, as and when required, for compliance with Section 162(m) of the Internal Revenue Code of 1986, as amended ("162(m)"), establishing performance goals and certifying that such performance goals and any other material terms have been attained).

Performance Evaluation

12. The Committee shall review its own performance and reassess the adequacy of this Charter at least annually in such manner as it deems appropriate, and submit such evaluation, including any recommendations for change, to the full Board for review, discussion and approval.

Retention of Consultants and Advisors; Investigations

13. The Committee shall have the authority to retain and terminate any compensation consultant to be used to assist in the evaluation of executive officer or director compensation and shall have the authority to approve the consultant's fees and other retention terms.
14. The Committee shall have the authority, without having to seek Board approval, to obtain, at the expense of the Company, advice and assistance from internal and external legal, accounting or other advisors as it deems advisable.
15. The Committee shall have the authority to conduct or authorize investigations into or studies of any matters within the Committee's scope of responsibilities.

Structure and Operations

The Committee shall designate one member of the Committee to act as its chairperson. The Committee shall meet in person or telephonically at least two times a year at such times and places determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. The chairperson, with input from the other members of the Committee and, where appropriate, management, shall set the agendas for Committee meetings.

The Committee may request that any directors, officers or other employees of the Company, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Committee may exclude from its meetings any persons it deems appropriate.

The Committee may form and delegate authority to subcommittees. In particular, the Committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the Committee who are (i) "Non-Employee Directors" for purposes of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, or (ii) "outside directors" for purposes of 162(m).

The Committee shall maintain minutes or other records of its meetings and shall give regular reports to the Board on these meetings and such other matters as required by this Charter or as the Board shall from time to time specify. Reports to the Board may take the form of oral reports by the chairperson of the Committee or any other member of the Committee designated by the Committee to give such report.

Except as expressly provided in this Charter, the Company's by-laws or the Company's Corporate Governance Guidelines, or as required by law, regulation or NYSE listing standards, the Committee shall set its own rules of procedure.