

# **Gerber Scientific, Inc.**

## **Charter of the Management Development and Compensation Committee (December 18, 2003)**

This charter governs the operations of the Management Development and Compensation Committee (the “MDCC”) of the Board of Directors (the “Board”) of Gerber Scientific, Inc. (the “Company”).

### **Composition of the MDCC**

The MDCC shall consist of three or more directors. Each member of the MDCC shall (i) be “independent” as that term is defined in the Board/Corporate Governance Principles of the Company, as amended from time to time (the “Governance Principles”), (ii) qualify as a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (iii) qualify as an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

The Board, by majority vote and taking into account the recommendation of the Nominating and Corporate Governance Committee (the “NCGC”), shall appoint each member of the MDCC, and from such members so appointed, appoint a chairperson of the MDCC. Ordinarily, such appointments will take place at the regular meeting of the Board on or about the date of the annual shareholders’ meeting. The members of the MDCC shall serve until their successors are appointed and qualified. The Board shall have the power at any time to change the membership of the MDCC and to fill vacancies on it, subject to new members satisfying the foregoing requirements.

### **Meetings**

The MDCC shall meet at such times as it deems necessary to fulfill its responsibilities. A majority of the MDCC members shall constitute a quorum. The MDCC shall have the authority to act on the affirmative vote of a majority of the members present at a meeting at which a quorum is present, and such act shall be the act of the MDCC. The minutes of MDCC meetings shall be filed in the records of the Company.

Regular meetings of the MDCC shall be called according to the schedule for the year approved by the MDCC. Special meetings of the MDCC may be called by the MDCC chairperson, a majority of the members of the MDCC, the Board chairperson, or

by a majority of the Board. Meetings may, at the discretion of the MDCC, include members of the Company's management, independent consultants, and such other persons as the MDCC or its chairperson may determine.

The Company shall designate a person to act as management liaison to the MDCC who shall work with the MDCC chairperson to prepare an agenda for regularly scheduled meetings and develop an agenda for special meetings based on the information supplied by the party or parties requesting the special meeting. That person shall coordinate and be responsible for all mailings to the MDCC members and shall be responsible for recording accurate minutes of all MDCC meetings and distributing them to the MDCC members.

### **Purpose/Principal Functions**

The MDCC shall:

- formulate and monitor the Company's overall compensation and benefits philosophy and strategy for its executive officers and other employees;
- discharge the Board's responsibilities relating to the compensation of the Company's executive officers;
- administer the Company's equity compensation plans (including determining the amount, nature and terms of awards under such plans);
- review the Company's employee benefit plans and make recommendations to the Board with respect to such plans;
- oversee the evaluation of the Company's executive management; and
- oversee the Company's management development and succession plans and initiatives, including the training of management personnel.

### **Responsibilities**

The MDCC is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the MDCC and this charter. The MDCC may delegate some or all of its authority to subcommittees formed by the MDCC when it deems such delegation to be appropriate. Without limiting the generality of the preceding statements, the MDCC shall have the authority, and is entrusted with the responsibility, to do the following:

### **Compensation Philosophy, Programs and Practices**

- Establish a total compensation philosophy and policies that fairly reward the executive officers of the Company for performance benefiting shareholders and that effectively attracts and retains the executive resources necessary to manage the Company.
- Assess the competitiveness and appropriateness of the salaries, variable compensation, long-term incentive plan awards, terms of employment, retirement or severance, benefits, change-in-control arrangements and perquisites of the Company's executive officers, subject to the limitations set forth in applicable plans under which compensation and awards are to be granted or determined.

### **Compensation of CEO and Other Executive Officers**

- Review and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer ("CEO"), evaluate at least annually the CEO's performance in light of those goals and objectives, and approve the CEO's compensation (including base salary, bonus, stock options and other appropriate equity or long-term incentives, and any severance benefits) based on this evaluation. In determining the long-term incentive components of the CEO's compensation, the MDCC shall consider the following: (i) the Company's performance and relative shareholder return; (ii) the value of similar incentive awards to CEOs at comparable companies; (iii) the CEO's performance; (iv) awards given to the CEO in past years; and (v) such other criteria as the MDCC deems appropriate.
- Review the CEO's evaluation of the performance of the other executive officers based on objectives established or approved by the MDCC, and review and approve the compensation (including base salary, bonus, stock options and other appropriate equity or long-term incentives, and any severance benefits) of the other executive officers, taking into consideration, among other things, the recommendation of the CEO.
- Establish and administer the performance goals and other criteria for payment of any compensation to executive officers which is intended to be performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.
- Annually issue a report on executive compensation in accordance with applicable rules and regulations of the Securities and Exchange Commission for inclusion in the Company's proxy statement for its annual meeting of shareholders.

- Approve the terms of any offer letter, employment contract, severance agreement or change in control agreement for executive officers (and groups of such officers) or any amendments to any such letter, contract or agreement.

### **Equity Compensation Plans**

- Make recommendations to the Board with respect to the creation, amendment or termination of equity compensation plans covering executive officers and other employees.
- Perform such acts and duties as are necessary to administer the Company's equity compensation plans in accordance with their terms and conditions, including, but not limited to: (i) approving equity incentive guidelines and the general size of overall grants; (ii) approving specific grants to the Company's executive officers (and delegating to the CEO, to the extent the MDCC deems appropriate, the authority to allocate awards among employees other than the executive officers); (iii) imposing limitations, restrictions and conditions upon any award as the MDCC deems appropriate; (iv) amending or interpreting the plans; (v) designating categories of employees eligible to participate in such plans; and (vi) establishing, maintaining, revising and rescinding rules and regulations relating to the plans.
- Recommend to the Board stock ownership requirements, if any, for the CEO and the other executive officers.

### **Employee Benefit Plans and Arrangements**

- Periodically review the employee benefit plans of the Company and, when appropriate, make recommendations to the Board.
- Review the performance of fiduciaries in managing the Company's retirement plan assets.

### **Management Development**

- Review succession plans relating to executive officers of the Company, including candidate readiness, management development initiatives and the need for external talent acquisition, and make recommendations to the Board with respect to the selection of individuals to fill executive officer positions.
- Make recommendations to the Board with respect to matters relating to training and development of the Company's management personnel.

## **Executive Management Performance**

- Oversee the evaluation of the Company's executive management and make recommendations to the Board, as appropriate.

## **General**

The MDCC shall have the authority to engage outside advisors, including counsel, as it deems necessary to carry out its duties. The MDCC shall have the sole authority to retain, amend the engagement with, and terminate any compensation consultant to be used to assist in the evaluation of the CEO or executive officer compensation. The Company shall provide the appropriate funding, as determined by the MDCC, for payment of compensation to such advisors.

The MDCC shall regularly report to the Board on its activities and decisions.

The MDCC shall annually review and evaluate its own performance to ensure that all of its responsibilities are being met.

The MDCC shall review and reassess its charter periodically and obtain the Board's approval of any amendments or modifications of the charter.