

# CHARTER FOR THE COMPENSATION COMMITTEES OF THE BOARD OF DIRECTORS OF SUPERTEX, INC.

## 1. PURPOSE

The purpose of the Executive Compensation Committee of the Board of Directors (the “*Board*”) of Supertex, Inc. (the “*Company*”) shall be to: provide oversight of the Company’s compensation policies, plans and benefits programs; assist the Board in discharging its responsibilities relating to (a) oversight of the compensation of the Company’s Chief Executive Officer (the “*CEO*”) and other executive officers (including officers reporting under Section 16 of the Securities Exchange Act of 1934), and (b) approving and evaluating the executive officer compensation plans, policies and programs of the Company; and assist the Board in administering the Company’s equity compensation plans for its executive employees.

The purpose of the Compensation Committees of the Board of the Company shall be to: provide oversight of the Company’s compensation policies, plans and benefits programs; assist the Board in discharging its responsibilities relating to (a) oversight of the compensation of all other employees, and (b) approving and evaluating the compensation plans, policies and programs of the Company; and assist the Board in administering the Company’s equity compensation plans for all its non-executive employees.

The compensation programs for the Company shall be (a) designed to attract, motivate and retain talented employees responsible for the success of the Company, (b) determined within a competitive framework and (c) based on the achievement of the Company’s overall financial results and individual contributions.

In furtherance of these purposes, the two Compensation Committees will undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

## 2. MEMBERSHIP AND ORGANIZATION

**Composition.** All Compensation Committee members shall be appointed by, and shall serve at the discretion of, the Board. The two Compensation Committees shall consist of no fewer than three members of the Board each. The Board may designate one member each of the two Compensation Committees as its chair. The two Compensation Committees may form and delegate authority to subcommittees when appropriate. Members of the Executive Compensation Committee must meet the following criteria:

- (a) the independence requirements of the Nasdaq Stock Market, Inc.;
- (b) the non-employee director definition of Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended; and
- (c) the outside director definition of Section 162(m) of the Internal Revenue Code of 1986, as amended.

**Meetings and Reports.** The two Compensation Committees will meet as often as may be deemed necessary or appropriate, in its judgment, in order to fulfill its responsibilities. They may meet either in person or telephonically. They will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The CEO may not be present during voting or deliberations regarding CEO compensation in the Executive Compensation meetings.

**Compensation.** Members of the Compensation Committee who are not inside Directors shall receive such fees, if any, for their service as Compensation Committee members as may be determined by the Board in its sole discretion.

### **3. RESPONSIBILITIES AND DUTIES**

The responsibilities and duties of the two Compensation Committees shall include:

***Executive Compensation Committee:***

- (a) annually reviewing and approving: (i) the annual base salary, (ii) the annual incentive bonus, including the specific goals and amount, and (iii) the equity compensation, including stock option grants to the Company's employee directors and executive officers, including the CEO. One of the objectives shall be to use compensation to align the interests of the executive officers with the long-term interests of the Company's stockholders, thereby incentivizing management to increase stockholder value;
- (b) reviewing and approving corporate goals and objectives relevant to the compensation of the executive officers, including the CEO, evaluating their performance in light thereof, and considering factors related to the performance of the Company, including accomplishment of the Company's long-term business and financial goals;
- (c) evaluating on a periodic basis, the competitiveness of the compensation of the CEO and the executive officers of the Company;
- (d) acting as Administrator of the Company's Supplemental Executive Retirement Plan and Employee Stock Purchase Plan.

***Compensation Committee:***

- (a) annually reviewing and approving for all the other employees of the Company: (i) the annual base salary, (ii) the annual incentive bonus, including the specific goals and amount, (iii) equity compensation, One of the objectives shall be to use compensation to align the interests of the long-term interests of the Company's stockholders, thereby incentivizing all the other employees to increase stockholder value;
- (b) acting as Administrator of the Company's equity compensation plans for its non-executive employees; providing oversight of the Company's overall compensation plans and benefits programs and making recommendations to the Board with respect to improvements or changes to such plans or the adoption of new plans when appropriate;
- (c) evaluating on a periodic basis, the competitiveness of the compensation of the Company.

***Related Duties and Authority of both Committees***

- (a) periodically reviewing this Charter and its processes and recommending any proposed changes to the Board of Directors;

- (b) consulting with the Human Resources Department and, when appropriate, with outside consultants to assist in the evaluation of executive officer compensation and approving the consultant's fees and other retention terms. The Compensation Committee may also obtain advice and assistance from internal or external legal, accounting or other advisors; and
- (c) producing a report on executive compensation for inclusion in the Company's annual proxy statement that complies with the rules and regulations of the Securities and Exchange Commission and any other applicable rules and regulations.