

**CARTESIAN, INC.**

**CHARTER OF THE  
COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS**

**AMENDED AND RESTATED AS OF  
JUNE 18, 2014**

**PURPOSES**

The Compensation Committee of the Board of Directors of Cartesian, Inc., a Delaware corporation (the "Company"), is appointed by the Board to discharge the Board's responsibilities relating to compensation of the Company's officers and directors. The Committee has overall responsibility for approving and evaluating officer and director compensation and the employee benefit plans, policies and programs of the Company.

The Committee is also responsible for reviewing and discussing with management the Company's discussion and analysis ("CD&A") to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the Securities and Exchange Commission ("SEC") and for preparing the Compensation Committee Report required by the rules of the SEC.

**MEMBERSHIP**

All members of the Committee shall satisfy such criteria as the Board shall determine, provided that all members of the Committee shall qualify as independent directors ("Independent Directors") under the rules of The Nasdaq Stock Market, Inc. ("NASDAQ"), as "non-employee directors" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended and as "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

The Committee shall consist of at least two members who are recommended by the Nominating and Corporate Governance Committee and appointed annually to one year terms by a majority vote of the Board at the meeting of the Board immediately following the annual meeting of stockholders. Vacancies on the Committee shall be filled by majority vote of the Board, upon the recommendation of the Nominating and Corporate Governance Committee, no later than the next meeting of the Board following the occurrence of the vacancy. No member of the Committee shall be removed except by majority vote of the Board.

## **MEETINGS**

The Committee shall meet at least twice annually or more frequently as circumstances require. The Board shall, upon the recommendation of the Nominating and Corporate Governance Committee, designate one member of the Committee as its Chairperson. The Chairperson of the Committee or a majority of the members of the Committee may also call a special meeting of the Committee. A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Committee may request any director, officer or employee of the Company or the Company's outside counsel, advisors or consultants to attend any meeting of the Committee or to meet with any members of or advisors or consultants to the Committee to discuss or provide information pertinent to any matters within the scope of the Committee's duties and responsibilities. The Company's Chief Executive Officer ("CEO") may not be present during voting or deliberations on matters related to the CEO's compensation.

The Committee shall report to the Board on its meetings, including a description of all actions taken by the Committee at the meeting. The Committee shall keep written minutes and other records of its meetings, which minutes and other records shall be filed with the books and records of the Company.

## **DELEGATION OF AUTHORITY**

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; *provided, however*, that no subcommittee shall consist of fewer than two members; and *provided further* that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

## **INDEPENDENT ADVISORS**

The Committee shall also have the authority, to the extent it deems necessary or appropriate, to retain special legal or other advisors and consultants, including compensation consultants, to advise the Committee, at the Company's expense. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of CEO, officer or director compensation and shall have sole authority to approve the consultant's fees and other retention terms, such fees to be borne by the Company.

## **RESPONSIBILITIES AND DUTIES**

### Reviews, Approvals and Recommendations

- The Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives and make an initial recommendation, to the independent directors as a group, regarding the CEO's compensation levels and the components of his or her compensation based on this evaluation. The independent directors as a group, based on the initial recommendations of the Committee, shall recommend to the Board the CEO's compensation levels and the components of his or her compensation. In determining CEO compensation, the Committee and the independent directors shall consider the Company's performance and relative shareholder return, the value of compensation and incentive awards to CEOs at comparable companies, the compensation and awards given to the CEO in past years, and such other factors as the Committee and the independent directors deem relevant.
- The Committee shall annually review and make recommendations to the Board with respect to the compensation of all officers and other key executives, incentive-compensation plans and equity-based plans.
- The Committee shall annually review and determine, for the CEO and the other officers of the Company, (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, and (d) any special or supplemental benefits, including perquisites and other personal benefits.
- The Committee shall evaluate on an annual basis the appropriate level of compensation for Board and Committee service by non-employee members of the Board and make a recommendation with respect thereto to the Board. The Committee's evaluation will include a review of how the Company's director compensation relates to director compensation of companies of comparable size, industry and complexity. The review will consider both direct and indirect forms of compensation, including any charitable contributions made by the Company to organizations with which a director is affiliated and any consulting or similar arrangements with the Company.
- The Committee shall review and approve employment agreements, change in control agreements/provisions and any severance or termination arrangements to be made with any officer of the Company.
- The Committee shall perform such duties and responsibilities as may be assigned to the Board or the Committee under the terms of any executive compensation plan.

- The Committee shall review the Company's incentive-compensation and equity-based plans, material amendments thereto, and make recommendations with respect thereto to the Board and/or the stockholders, as appropriate, review and approve all equity-compensation plans that are not subject to shareholder approval under the NASDAQ rules.
- In connection with the Company's general compensation plans and other employee benefit plans, the Committee shall review at least annually the goals and objectives of the Company's general compensation plans and other employee benefit plans, review the Company's general compensation plans and other employee benefit plans in light of the goals and objectives of these plans, and recommend that the Board amend these plans if the Committee deems it appropriate.
- The Committee shall review and discuss with management the Company's CD&A, and based on that review and discussion, recommend to the Board that the CD&A be included in the Company's annual proxy statement or annual report on Form 10-K.
- The Committee shall review the description of the Committee's processes and procedures for the consideration and determination of executive and director compensation to be included in the Company's annual proxy statement.

#### Reports

- The Committee shall prepare the Compensation Committee Report in accordance with the rules and regulations of the SEC for inclusion in the Company's annual proxy statement or annual report on Form 10-K.
- The Committee shall make regular reports to the Board.

#### Investigations

- Conduct or authorize investigations into or studies of any matters within the scope of the Committee's duties and responsibilities, as the Committee may in its discretion deem necessary or advisable.

### **ROLE OF CHIEF EXECUTIVE OFFICER**

The CEO shall make recommendations to the Committee regarding the Company's compensation and employee benefit plans and practices, including its executive compensation plans, its incentive-compensation and equity-based plans with

respect to executive officers other than the CEO and the Company's director compensation arrangements.

### **EVALUATION OF THE COMMITTEE**

The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall deliver to the Nominating and Corporate Governance Committee a report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

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While the members of the Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under applicable federal or state law.

Adopted by the Board of Directors on June 14, 2013.