

CYBEROPTICS CORPORATION

CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

As Amended and Restated February 12, 2021

I. Compensation Committee Purpose

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of CyberOptics Corporation (the “Company”) shall assist the Board in the discharge of its oversight responsibilities relating to compensation of the Company’s executive officers and administration of the Company’s stock-based benefit plans. The Committee’s primary duties and responsibilities are to:

- Review and approve the Company’s executive officer compensation philosophy.
- Review and approve the Company’s executive officer compensation programs, plans and awards.
- Administer the Company’s stock-based benefit plans.
- To the extent appropriate, be involved in a broad range of the Company’s human capital issues.
- Recommend levels of director compensation to the Board.

II. Authority and Retention of Advisors

The Committee will have the resources and authority necessary to discharge its duties and responsibilities, including the authority, in its sole discretion, to retain or obtain advice or outside counsel or other experts or consultants, as it deems appropriate. The Company will provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel, or any other advisors employed by the Committee. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

III. Compensation Committee Composition and Meetings

Committee members shall be appointed by the Board. The Board shall appoint a Committee Chair. The Committee shall be comprised of no less than three directors, each of whom shall be independent in accordance with the rules of the Nasdaq Stock Market. No member of the Committee shall accept directly or indirectly any consulting, advisory or other

compensatory fee from the Company or any subsidiary thereof (such compensatory fees not to include: (i) fees received as a member of the compensation committee, the board of directors or any other board committee; or (ii) fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided that such compensation is not contingent in any way on continued service)). Each member of the Committee must qualify as “non-employee directors” for the purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and as “outside directors” for the purposes of Section 162(m) of Internal Revenue Code, as amended.

The Committee shall meet at least twice annually, or more frequently as circumstances dictate.

The Committee may invite such members of management to the Committee’s meetings as it deems appropriate. However, the Committee shall meet regularly without such members present, and, in all cases, the Chief Executive Officer and any such other officers shall not be present at meetings at which their compensation or performance is discussed or determined.

The Committee will cause to be kept adequate minutes of proceedings, and will report its actions to the next meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent. The Committee is governed by the same rules regarding meetings, action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

IV. Compensation Committee Responsibilities and Duties

Appointment of Advisers

The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee. In connection with selecting, or receiving advice from, a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, the Committee shall conduct an assessment of the independence of such adviser, including consideration of the following factors:

1. the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
2. the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
3. the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
4. any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee;
5. any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and

6. any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an Executive Officer of the Company.

Notwithstanding the foregoing, the Committee may select, or receive advice from, any compensation adviser it prefers, including ones that are not independent, after considering the six independence factors outlined above.

Executive Officer Compensation. The Committee shall:

1. Annually review the Company's philosophy regarding executive officer compensation with the Chief Executive Officer, including to the extent it believes advisable:
 - Establish the relationship between executive compensation and corporate performance and returns to shareholders.
 - Determine the qualitative or quantitative measures of corporate performance to be used in the determination of executive compensation.
 - Review market data of appropriate peer group companies to assess the Company's competitive position for three principal components of executive compensation – base salary, annual incentives and long-term incentives.
2. Administer and make recommendations to the Board regarding the adoption, amendment or termination of the Company's incentive compensation plans and stock-based plans (including specific provisions) in which the Chief Executive Officer and the Company's other principal executives may participate, including:
 - Approve guidelines for equity awards and the general size of overall grants of such awards.
 - Make grants.
 - Interpret the plans.
 - Modify or cancel existing grants.
 - Designate employees eligible to participate in the plans.
 - Impose limitations, restrictions and conditions upon any award as the Committee deems appropriate.

Notwithstanding the foregoing, the Committee may delegate to the Chief Executive Officer, subject to such guidelines as the Committee may establish, authority to make determinations as to the grant of equity awards to employees of the Company who are not executive officers.

In reviewing and making recommendations regarding incentive compensation plans and equity-based plans, including whether to adopt, amend or terminate any such plans, the Committee shall consider the results of the most recent shareholder advisory vote on executive compensation (“Say on Pay Vote”) required by Section 14A of the Exchange Act.

3. Review and approve the perquisites and supplemental benefits granted to the Company’s principal executives.
4. Review and approve recommendations made by the Chief Executive Officer for the compensation of the Company’s principal executives.
5. Review and approve employment agreements, severance arrangements, change in control agreements and other similar arrangements for the Chief Executive Officer and the Company’s principal executives.
6. Review and discuss with management the Company’s Compensation Discussion and Analysis (the “CD&A”), recommend that the CD&A be included in the Company’s proxy statement, and produce the Committee’s report on executive officer compensation required to be included in the Company’s proxy statement.
7. The Committee shall review the Company’s incentive compensation and stock-based plans to determine whether they encourage excessive risk-taking, review and discuss annually the relationship between risk management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate any such risk.

Chief Executive Officer Compensation. The Committee shall review and approve the Chief Executive Officer’s short-term and long-term compensation in light of the performance of the Chief Executive Officer and the objectives and performance of the Company, including, to the extent it determines advisable:

1. Annually, review and approve appropriate goals and objectives for the next year, evaluate the performance of the Chief Executive Officer in meeting those goals and objectives and review and approve the compensation level, including salary, bonus, perquisites and supplemental benefits, of the Chief Executive Officer based upon this evaluation.
2. Review and approve long-term incentive and stock-based awards for the Chief Executive Officer in the context of the Company’s performance and relative total shareholder return and awards granted to other chief executive officers in an appropriate peer group.
3. In evaluating and determining the compensation of the Chief Executive Officer, the Committee shall consider the results of the most recent Say on Pay vote.

Talent Development and Succession Plan. To the extent it deems advisable, the Committee shall:

1. Review the Company's talent management practices that provide for the following: leadership development; performance management; and talent acquisition.
2. Review succession planning for the Chief Executive Officer and other Executive Officers, their direct reports and other potential successors; advise the Board regarding the Company's management succession plans, including plans for development of potential future Executive Officers and plans for succession in case of an unexpected disability or departure of an Executive Officer.
3. Review at least annually the Company's diversity, equality and inclusion practices to determine their effectiveness in seeking out untapped talent and providing mentorship and developmental opportunities at all levels of the Company.

Directors. The Committee shall recommend to the full board levels of director compensation, including retainers, meeting fees, stock-based compensation and other similar components of director compensation, based, to the extent the Committee believes advisable, on reviews of director compensation of appropriate peer group companies.

Charter. The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.