



**CLEARFIELD, INC.**  
**COMPENSATION COMMITTEE CHARTER**

**Purpose**

The primary purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Clearfield, Inc. (the “Company”) is to help the Board discharge its responsibilities with respect to: (i) the compensation of the Company’s Chief Executive Officer (“CEO”) and other executive officers; and (ii) the administration of the Company’s executive compensation and benefits programs, including equity and incentive compensation programs.

**Membership**

The Committee shall be comprised of at least two members of the Board of Directors. All members of the Committee shall: (i) meet the independence requirements of the Nasdaq Stock Market, Inc.; (ii) qualify as a “non-employee director” within the meaning of Rule 16b-3 and Rule 10C-1(b)(1)(ii) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and (iii) meet the “outside director” requirements of Section 162(m) of the Internal Revenue Code of 1986. The chairperson and members shall be appointed by the Board of Directors upon recommendation of the Nominating and Corporate Governance Committee.

**Meetings**

The Committee will meet at least twice annually, or otherwise as required to carry out its responsibilities. Minutes of such meetings will be prepared and distributed to each member of the Board. The chairperson of the Committee will report to the Board from time to time, or whenever so requested by the Board.

**Responsibilities**

The Committee shall have the following responsibilities:

- 1) Develop the Company’s philosophy and structure for executive compensation.
- 2) Review the performance of the Chief Executive Officer.
- 3) Determine and approve all elements of compensation for the Chief Executive Officer and other executive officers, including any agreements relating thereto.
- 4) Oversee and administer the Company’s stock-based compensation plans, including approve grants of options and other equity-based awards under such plans and the terms thereof.
- 5) Approve and oversee cash incentive and deferred compensation plans for executive officers (including any modifications to such plans), and annually establish the performance objectives for the incentive plans.
- 6) The Committee will review and discuss risks arising from the Company’s compensation policies and practices relating to the compensation of executive officers or any form of incentive or performance based compensation.

- 7) Recommend to the Board the compensation and benefits for directors.
- 8) Prepare any report of the Compensation Committee required to be included in the Company's proxy statements.
- 9) Oversee and assist in the preparation of, and review, any discussion and analysis of compensation matters required to be included in the Company's proxy statements, including any Compensation Discussion and Analysis under Item 402(b) of Regulation S-K.
- 10) The Committee shall reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- 11) The Committee shall annually review and evaluate the performance of the Committee.
- 12) The Committee may exercise such other rights, duties and obligations as may be ancillary to those specified herein or otherwise delegated to the Committee by the Board.

### **Outside Advisors**

The Committee may retain such independent counsel, consultants or other advisers as it deems necessary, in its sole discretion, to carry out its responsibilities. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Committee. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any such adviser and such adviser shall be accountable to the Committee.

In determining to retain any compensation consultant, the Committee shall evaluate whether such compensation consultant has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K. Further, the Committee may select or receive advice from a compensation consultant, independent counsel or any other adviser only after considering the factors specified in Rule 10C-1(b)(4) of the Exchange Act and any other factors required to be considered by The NASDAQ Stock Market LLC, provided that the Committee may, in its discretion, select or receive advice from any adviser whether or not independent based on such factors.