

OPTICAL CABLE CORPORATION COMPENSATION COMMITTEE CHARTER

Purpose

The purpose of the Compensation Committee (the “Committee”) of the board of directors (the “Board”) of Optical Cable Corporation (“OCC®” or the “Company”) is to carry out the Board’s responsibilities with respect to compensation of the Company’s executives.

Membership

The Committee shall consist of at least two members of the Board, each of whom shall (i) be a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended; (ii) be an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”); and (iii) meet the independence requirements established by the Board and under applicable laws, regulations and the NASDAQ Stock Market (“Nasdaq”) listing rules.

Members of the Committee shall be appointed annually by the Board and may be removed or replaced by the Board at any time in its sole discretion. The Board shall designate one member of the Committee as its chairperson.

Operations

The Committee shall meet at least once annually and shall hold such additional meetings as it deems necessary or appropriate to carry out its responsibilities. At each meeting, the Committee shall have the opportunity to meet in executive session, without Company management or non-independent directors present. The Committee shall regularly report to the Board on its actions and activities.

The Committee shall be governed by the same rules regarding meetings (including meetings by conference telephone or other similar equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as apply to the Board.

Authority

The Committee shall have the resources and authority necessary to discharge its duties and responsibilities.

The Committee shall have authority to retain consultants, legal counsel or other advisors, as further provided in this Charter.

Responsibilities

The Committee’s principal duties and responsibilities will be to:

1. Review and approve all compensation for the President and Chief Executive Officer (the “CEO”) on an annual basis. Establish the individual goals for the CEO to be used for determining incentive compensation for the CEO. The CEO may not be present during the Committee’s deliberations or voting concerning the CEO’s compensation.

2. Review and approve all compensation for other executive officers of the Company on an annual basis. Review recommendations made by the CEO with respect to compensation for other senior officers other than the CEO and other executive officers. The Company's executive officers shall be determined in accordance with the listing requirements of Nasdaq.
3. Review and approve the CEO's employment agreement. Review and approve employment agreements for other executive officers.
4. Review recommendations made by the President and Chief Executive Officer with respect to, and approve and administer, the criteria used for determining annual management incentive bonus compensation, if any, for senior officers of the Company (other than the CEO and other executive officers).
5. Administer the Company's stock incentive plans on behalf of the Board of Directors, including the approval of equity grants made pursuant to such plans.
6. Carry out related responsibilities required by the rules of Nasdaq and the U.S. Securities and Exchange Commission (the "SEC"), as applicable. This includes reviewing the description of the Committee's processes and procedures for the consideration and determination of executive compensation to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC. To the extent required by Nasdaq and/or the SEC, this duty shall include reviewing the description of the role of any compensation consultant whose role is required to be identified in the Company's annual proxy statement or annual report on Form 10-K, and the description of whether the work of any such consultant has raised any conflict of interest, and if so, the nature of the conflict and how the conflict is being addressed.
7. Oversee, in consultation with management, compliance with tax, accounting and regulatory requirements with respect to the Company's overall executive compensation program.
8. Make recommendations to the Board regarding matters related to any shareholder advisory vote on executive compensation ("say-on-pay").

Consultants and Other Advisors

The Committee may, in its sole discretion, retain or obtain the advice of one or more compensation consultants, legal counsel or other advisors, as it considers necessary to fulfill the duties and responsibilities as outlined in this Charter. 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.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to each compensation consultant, legal counsel or any other advisor retained by the Committee.

Adopted by the Board of Directors: February 6, 2014