

PHOTRONICS, INC.

COMPENSATION COMMITTEE CHARTER

PURPOSE

The Compensation Committee (the “Committee”) of Photronics, Inc. (the “Corporation”) is responsible for implementing and reviewing executive compensation plans, policies, and programs to ensure the attraction and retention of executive officers in a reasonable and cost-effective manner, to motivate their performance in the achievement of the Corporation’s business objectives, and to align the interest of executive officers with the long-term interests of the Corporation’s shareholders.

MEMBERSHIP

The Committee shall be comprised of two independent members of the Board of Directors of the Corporation (the “Board”), or such greater number as may be determined by the Board from time to time when designating the Committee members. In selecting the members of the Committee, the Board will determine that each member has the appropriate experience, independence, and interest to carry out his/her duties and responsibilities. Each member of the Committee shall meet the independence and other requirement of law and the Nasdaq National Stock Market, and shall meet the standards to qualify as an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code and as a “Non-Employee Director” within the meaning of Rule 16b-3(b)(3)(i) under the Securities Exchange Act of 1934.

The chair of the Committee shall be approved by the Board.

FUNCTIONS

The Committee shall:

- Develop and approve periodically a general compensation policy and salary structure for executive officers of the Corporation which considers business and financial objectives, industry and market pay practices, and/or such other information as may be deemed appropriate.
- Review and approve base salaries and salary increases for executive officers.
- Review and approve all perquisites offered to executive officers.
- Review and approve corporate goals and objectives relevant to the compensation of senior executives of the Corporation, evaluate their performance in light of the goals and

objectives and set their salary, bonus, and incentive compensation based on this evaluation.

- Review and approve all employment, retention, and severance agreements for any executive officer.
- Act on behalf of the Board in administering compensation plans approved by the Board and/or stockholders in a manner consistent with the terms of such plans, including, as applicable:
 - review of performance target goals established before the start of the relevant plan year and determination of when performance goals have been achieved at the end of the plan year; and
 - the granting of stock options, restricted stock, stock units, and other awards.
- Review and make recommendations to the Board with respect to new compensation incentive plans and equity-based plans.
- Review and make recommendations to the Board on changes in major benefit programs of executive officers.
- Review the management succession program for the Chief Executive Officer and selected executive officers.
- Prepare an Executive Compensation Committee Report for inclusion in the Corporation's annual meeting of stockholders proxy statement as required by the Securities and Exchange Commission regulations.
- Review and obtain confirmation that compensation and perquisites are administered in compliance with applicable law and are appropriately disclosed in the Corporation's annual meeting of stockholders proxy statement.
- Act on behalf of the Board with respect to the Corporation's 401(k), profit sharing, and savings plans as in effect from time to time, including, without limitation, adoption and modification of such plans, appointment of committees consisting of Corporation employees to administer such plans, delegation of authority to such committees, and oversight of such committees.
- Perform such other functions as may be assigned to the Committee from time to time by the Board.

PROCEDURES

- The Committee shall meet regularly, with such additional meetings as the Chair of the Committee deems necessary, and shall report to the Board following regular meetings.
- The Committee shall have the authority to retain, establish the compensation for, and terminate outside counsel and other experts and advisors, including compensation consultants, as it determines appropriate to assist in the full performance of its functions.
- The Committee shall review the adequacy of this Charter on an annual basis and recommend changes to the Board for approval.
- The Committee shall undertake a periodic evaluation of the Committee.