

THE LGL GROUP, INC.

COMPENSATION COMMITTEE CHARTER

Purpose

The Compensation Committee is appointed by the Board to:

- a. Review and approve compensation and benefits policies and objectives;
- b. Determine whether the Company's officers, and directors are compensated in accordance with these policies and objectives; and
- c. Carry out the Board's responsibilities relating to compensation of the Company's executives.

Authority

The Compensation Committee has authority to take appropriate actions necessary to discharge its responsibilities. Such authority includes, but is not limited to, the power to:

- a. Retain consultants, outside counsel, accountants, outside advisors, or others to assist in the conduct of an investigation or as it determines appropriate to advise or assist in the performance of its functions.
- b. Seek any information it requires from employees or external parties.
- c. Meet with company officers, external auditors, or outside counsel, as necessary.

Composition

The Compensation Committee shall have at least three members, each of whom shall meet the independence requirements as determined by the Board. The Board, after due consideration, shall appoint the members of the Compensation Committee, designate its chair, and prescribe the terms of its members.

Meetings

The Compensation Committee shall meet as often as may be deemed necessary or appropriate in its judgment, either in person or telephonically, and at such times and places as the Committee shall determine. The Compensation Committee shall make regular reports to the Board with respect to its activities.

Responsibilities

Among its specific responsibilities, the Compensation Committee shall:

1. Assist the Board and senior management in establishing and implementing an executive compensation policy that:

- a) Supports the Company's overall strategy and objectives;
 - b) Attracts and retains key executives;
 - c) Links total compensation to defined performance; and
 - d) Provides competitive total compensation opportunities at a reasonable cost while meeting the aforementioned goals.
2. Review and approve the compensation of the Company's Chairman/CEO, evaluate the Chairman/CEO's performance, and recommend, for approval by the independent directors, the compensation of the Chairman/CEO based on this evaluation.
 3. Review annually with the Chairman/CEO the job performance of the Company's other senior executives. In addition, this Committee will recommend the compensation of the other senior executive officers.
 4. Review and recommend any severance programs for senior executive officers, including change-of-control agreements.
 5. Make recommendations to the Board with respect to incentive compensation plans and equity-based plans.
 6. At least once a year, the committee will meet with the external auditors to hear a report from the auditors on management and employee compliance with the compensation, incentive, severance, and other benefit programs and insider transaction policies under the committee's jurisdiction.
 7. Annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board.