



Compensation Committee Charter

Purpose

The Compensation Committee (the "Compensation Committee") of the Board of Directors (the "Board") of Colfax Corporation (the "Company") will discharge the Board's responsibilities relating to compensation of the Company's directors and executive officers, and administer and implement the Company's incentive compensation plans and equity-based plans. The Compensation Committee also will be responsible for (i) overseeing and assisting the Company in preparing the Compensation Discussion & Analysis ("CD&A") for inclusion in the Company's proxy statement and/or annual report on Form 10-K, (ii) providing for inclusion in the Company's proxy statement a description of the processes and procedures for the consideration and determination of executive and director compensation, and (iii) preparing and submitting for inclusion in the Company's proxy statement and/or annual report on Form 10-K a Compensation Committee Report, each as more fully described below, in accordance with applicable rules and regulations.

Committee Membership

The Compensation Committee will consist of no fewer than three members of the Board. Members of the Compensation Committee will be appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee and may be removed by the Board. Each member of the Compensation Committee will (1) meet the independence requirements of the New York Stock Exchange, (2) qualify as a "non-employee director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (3) qualify as an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

Committee Powers, Authority, Duties and Responsibilities

1. The Compensation Committee will have full access to all books, records, facilities and personnel of the Company, and will have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of directors' and executive officers' compensation and will have the sole authority to approve the consultant's fees and other retention terms. The Compensation Committee also will have authority to obtain advice and assistance from internal or outside legal, accounting or other advisors it determines necessary to carry out its duties. The Company will provide appropriate funding, as determined by the Compensation Committee in its sole reasonable opinion, for payment of the compensation of such consultants and of any advisers retained by the Compensation Committee, as well as reasonable ordinary administrative expenses of the Compensation Committee that are necessary or appropriate in carrying out its duties.
2. The Compensation Committee will annually review and approve corporate goals and objectives relevant to compensation of the Company's Chief Executive Officer (the "CEO"), evaluate the CEO's performance in light of those goals and objectives, and have the authority to determine the CEO's compensation level based on this evaluation. In determining the long-term incentive component of the CEO's compensation, the Compensation Committee should consider the Company's performance and relative stockholder return, the value of similar incentive awards to chief executive officers at comparable companies, the awards given to the CEO in past years and such other matters as it deems relevant. The CEO may not be present during voting or deliberations of the Compensation Committee regarding matters relating to the CEO's compensation.
3. The Compensation Committee will annually review and approve, for all other executive officers of the Company, (1) the annual base salary amount, (2) the annual bonus payment, as calculated in accordance with each such executive's employment agreement, if any, (3) stock options and other equity-based compensation, (4) any deferred or long-term incentive compensation, (5) any amendments to such executive's employment agreement, any proposed severance arrangements or change in control and similar agreements/provisions, and any amendments, supplements or waivers to the foregoing agreements, in each case as, when and if deemed necessary or advisable, and (6) any perquisites, special or supplemental benefits, all in accordance with applicable law, rules and regulations, and to the extent appropriate or necessary to comply with any federal securities or tax law requirements, such as Rule 16b-3 of the Exchange Act or Section 162(m) of the Code. To the extent such compensation is set forth in employment agreements, such employment agreements will be subject to the review and approval of the Compensation Committee.

4. The Compensation Committee will review the results of and procedures for the evaluation of the performance of other executive officers by the Company's CEO.
5. The Compensation Committee will review and make recommendations to the Board regarding all new employment, consulting, retirement and severance agreements and arrangements proposed for the Company's executive officers. The Compensation Committee will periodically evaluate existing agreements with the Company's executive officers for continuing appropriateness.
6. The Compensation Committee will periodically review and make recommendations to the Board with respect to the compensation of directors, including Board and committee retainers, meeting fees, equity-based compensation and such other forms of compensation as the Compensation Committee may consider appropriate.
7. The Compensation Committee will administer and implement the Company's incentive compensation plans and equity-based plans, including, but not limited to, (1) approving option grants and other equity-based awards, (2) interpreting such plans, (3) determining rules and regulations relating to such plans, (4) modifying or canceling existing grants or awards, and (5) imposing limitations, restrictions and conditions upon any grant or award as the Compensation Committee deems necessary or advisable.
8. The Compensation Committee will annually assess the desirability of proposing and make recommendations to the Board with respect to any new incentive-compensation plans and equity-based plans and any increase in shares reserved for issuance under existing plans.
9. The Compensation Committee shall oversee and assist the Company in preparing the CD&A for inclusion in the Company's proxy statement and/or annual report on Form 10-K, as well as other Company filings or reports (when and as necessary). The Compensation Committee shall provide a description of the processes and procedures for the consideration and determination of executive and director compensation, as required for inclusion in the Company's proxy statement, all in accordance with applicable rules and regulations.
10. The Compensation Committee shall review and discuss the CD&A with Company management and, based on the review and discussion, make a recommendation to the Board regarding whether to include the CD&A in the Company's proxy statement and/or annual report on Form 10-K. The Compensation Committee shall prepare a Compensation Committee Report describing the above actions and authorize the inclusion of the report in the Company's proxy statement and/or its annual report on Form 10-K, all in accordance with applicable rules and regulations.
11. The Compensation Committee will meet as often as it determines but no less than quarterly. The Compensation Committee will establish a schedule of meetings to be held each year and may schedule additional meetings as it determines.
12. The Compensation Committee may delegate its authority to members as the Compensation Committee deems appropriate, except that any delegate will report any actions taken by the delegate to the full Compensation Committee at its next regularly scheduled meeting.
13. The Board shall appoint a chairman of the Compensation Committee. The chairman will be responsible for leadership of the Compensation Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting for the Compensation Committee to the Board at its next regularly scheduled meeting following the meeting of the Compensation Committee.
14. The Compensation Committee will review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
15. There will be an annual performance evaluation of the Compensation Committee.
16. The Compensation Committee will have such other authority and responsibilities as may be assigned to it from time to time by the Board.