

LSI INDUSTRIES INC.
COMPENSATION COMMITTEE
CHARTER

The Compensation Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) and serves at the pleasure of the Board.

Membership

The Committee shall consist of no fewer than three directors, all of whom in the judgment of the Board shall be independent in accordance with the provisions of Rule 10C-1(b)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and applicable rules of The Nasdaq Stock Market (“Nasdaq”) and any director independence standards adopted by the Company. At least two members of the Committee must qualify as “non-employee directors” for the purposes of Rule 16b-3 under the Exchange Act.

The members of the Committee shall be elected by the Board and serve until their successors shall be duly elected and qualified. Unless a Chair is elected by the Board, the members of the Committee shall designate a Chair. Members of the Committee, including the Chair, may be removed by the Board at any time with or without cause.

Authority and Responsibilities

The Committee shall have the following authority and responsibilities:

- Overseeing the Company’s executive compensation philosophy and the design and implementation of its executive compensation program, and reviewing and approving, or recommending that the Board approve, all elements of the Company’s executive compensation program;
- Overseeing the Company’s incentive plans and benefit plans and programs;
- Discharging the responsibilities of the Board relating to compensation of the Company’s Chief Executive Officer (CEO) and other executive officers;
- Reviewing and discussing with the Company’s management the disclosures regarding executive compensation required to be included in the Company’s proxy statement or annual report on Form 10-K, including, if so required, the Compensation Discussion and Analysis (the “CD&A”), and determining whether to recommend to the Board that the executive compensation disclosures and/or CD&A, if so required, be so included;
- Producing, if so required, the Compensation Committee Report for inclusion in the Company’s proxy statement or annual report on Form 10-K in compliance with the rules and regulations of the Securities and Exchange Commission (the “SEC”);

- Establishing annual and long-term performance goals and objectives applicable to the compensation of the Company's CEO and executive officers;
- Overseeing the Company's compliance with SEC rules and regulations regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and the requirement under Nasdaq rules that, with limited exceptions, shareholders approve equity compensation plans and related material amendments;
- Evaluating at least annually the performance of the CEO and all other executive officers in light of the approved performance goals and objectives;
- Reviewing recommendations from the CEO with respect to the compensation of other executive officers;
- Setting the compensation of the CEO and all other executive officers based upon the evaluation of the performance of the CEO and the executive officers, respectively, provided that, the CEO may not be present during voting or deliberations on CEO compensation;
- Making recommendations to the Board with respect to new cash-based incentive compensation plans and equity-based compensation plans;
- Annually conducting a compensation risk assessment to determine whether the compensation program, or elements thereof, create risks that are reasonably likely to have a material adverse effect on the Company;
- Administration and oversight of the application of the Company's Incentive Compensation Recoupment Policy/Clawback Policy;
- As required by law, regulation or listing standard or in the discretion of the Committee, preparing an annual performance self-evaluation of the Committee and reviewing and reassessing this charter annually and recommending any proposed changes to the Board for approval;
- Evaluating the results of any "say-on-pay" votes and considering whether to make or recommend adjustments to the Company's executive compensation policies and practices as a result of such votes;
- Periodically reviewing and approving the companies included in the compensation comparator or other peer group based on criteria the Committee deems appropriate;
- Reviewing and discussing with management the disclosures regarding pay versus performance required to be included in the Company's annual proxy statement; and
- Overseeing risks relating to the Company's compensation policies, practices and procedures.

In addition, as applicable, the Committee:

- Administers the Company's equity and other incentive compensation plans;
- Determines and certifies the shares awarded under corporate performance-based

compensation plans;

- Approves all types of awards pursuant to the Company's equity and other incentive compensation plans and approves grants of equity and equity-based awards, including inducement grants meeting the conditions of Nasdaq Listing Rule 5635(c)(4); and

In determining the long-term incentive component of the compensation of the Company's CEO and other executive officers, the Committee may consider the following factors, among others: (i) the Company's performance and relative shareholder return; (ii) the value of similar incentive awards to chief executive officers and elected officers at comparable companies; and (iii) the value of similar incentive awards given to the CEO and other executive officers in past years.

The Committee has the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

Advisors

The Committee shall have the authority, in its sole discretion, to engage, retain and terminate (or obtain the advice of) any compensation consultant or other advisor (each, an "advisor") to assist it in the performance of its duties, but only after taking into consideration factors relevant to the adviser's independence from management specified in Nasdaq Listing Rule 5605(d)(3). The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any adviser retained by the Committee and shall have sole authority to approve the adviser's fees and other terms and conditions of the adviser's retention. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any adviser retained by the Committee.

The Committee shall determine annually if any conflicts of interest exist on the part of any advisor and, if so, ensure disclosure of such conflicts, including the nature of the conflict and how it was addressed, in the Company's Proxy Statement filed with the SEC, if so required.

Meetings

The Committee shall meet as frequently as it deems necessary to fulfill its responsibilities but at a minimum shall hold an annual meeting. All meetings of the Committee may be held in person, telephonically, or by videoconference or similar means of remote communication.

A majority of members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members participating at a meeting at which a quorum is present. Subject to applicable law, the Committee may act pursuant to a written consent signed by all of the Committee's members.

The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee may invite such members of management to its meetings as it deems appropriate.

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