

LECROY CORPORATION
COMPENSATION COMMITTEE CHARTER
ADOPTED JUNE 16, 2004

I. STATEMENT OF PURPOSE AND POLICY

The purpose of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of LeCroy Corporation (the "Company") is to discharge the responsibilities relating to the compensation of the Company's executives set forth in this Charter.

The Committee's goal is to align the Company's compensation programs with the interests of the Company's stockholders.

II. ORGANIZATION

The Committee is established pursuant to and in accordance with ss.3.8 of the Company's By-Laws, as amended (the "By-Laws"), and is subject to the limitations set forth in ss.3.9 of the By-Laws.

The Committee shall be comprised of a minimum of three members of the Board, each of whom shall be an independent director as defined under the listing standards of the Nasdaq National Market and shall also qualify as "nonemployee directors" within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended, and "outside directors" within the meaning of ss.162(m) of the Internal Revenue Code of 1986, as amended, and shall satisfy any other necessary standards of independence under federal securities and tax laws. Members of the Committee shall be appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee and may be removed by the Board in its discretion. Insider relationships and interlocking compensation committee memberships (e.g., CEO-directors sitting on each other's compensation committees) are prohibited.

III. MEETINGS AND PROCEDURES

The Committee shall meet at a minimum four times annually. The Board shall designate one member of the Committee as the Committee's Chairperson who will establish the meeting calendar and set the agenda for each meeting. The Chairperson or a majority of the members of the Committee may call special meetings of the Committee. The Committee will be assisted by the person who is the Vice President, Finance, Chief Financial Officer and Secretary of the Company, who, in addition to providing research information and support to the Committee, will also be responsible for the timely and accurate recording of the minutes of each meeting.

Two Committee members shall constitute a quorum. A majority vote of the Committee members present is necessary for the approval of any action. The Committee shall report to the Board a description of all actions taken by the Committee at each meeting.

The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion.

The Committee shall have authority to retain such compensation consultants, outside counsel and other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms.

IV. COMMITTEE RESPONSIBILITIES

The responsibilities of the Committee are as follows:

1. Review and approve corporate goals and objectives relevant to Chief Executive Officer ("CEO") compensation; formally evaluate the CEO's performance in light of those goals and objectives; and, either as a

Committee or together with the other independent directors (as directed by the Board), determine and approve the CEO's compensation level (including base salary and all incentives and perquisites) based on this evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee shall consider, among other factors, the Company's overall performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company's CEO in past years.

2. Review and approve management's recommendations and provide guidance on matters relating to senior officer compensation and appointments. "Senior officers" shall be defined as any officer who reports directly to the CEO and any other officer of the Company or its subsidiaries so designated by the CEO.
3. Review and approve annual and long term incentive compensation programs for senior officers, including plan design, documentation and incentive amounts, and perform the duties set forth in these approved programs, such as evaluation of performance against goals and determination of payouts.
4. Approve the terms of employment agreements with senior officers and any other agreements containing compensation or benefit provisions related to a change in control. The Committee shall also approve any severance arrangements with senior officers that contain provisions which vary from the Company's standard severance policy.
5. Annually review executive development and succession plans for senior officer positions. Assist the Board in developing and evaluating potential candidates for executive positions (other than the CEO) and oversee the development of executive succession plans. (The Corporate Governance and Nominating Committee (the "Governance Committee") is responsible for CEO succession planning.)
6. Oversee the Company's incentive compensation plans, equity-based compensation plans and programs and retirement plans. The Committee shall recommend amendments to existing plans and the introduction of new plans to the Board, and shall have the authority of the Board with respect to the administration of all such plans.
7. Oversee the Company's Directors and Officers Liability Insurance ("D&O") coverage. The Committee shall review the proposed new program annually and shall approve such proposal prior to commitment by the Company to the program.
8. Provide a report to shareholders for the annual proxy statement on executive compensation policies and criteria, in accordance with applicable rules and regulations.
9. Conduct an annual evaluation of the Committee's performance, review Committee member qualifications, and make recommendations to the Governance Committee regarding committee member appointments and removals.
10. Conduct an annual evaluation of non-employee director compensation and make recommendations to the Board accordingly.
11. Review the Committee Charter on an annual basis, or more frequently as necessary, and recommend to the Board any revisions considered appropriate.