

*Effective Date: October 30, 2008*

**CHARTER FOR THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
BELL MICROPRODUCTS INC.**

**PURPOSE:**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) is to review and determine all forms of compensation to be provided to the Chief Executive Officer and other executive officers. The Committee has final approval for these actions unless otherwise set forth in this Charter or the Committee chooses to defer its authority for a specific issue to the Board for approval. This includes all forms of cash compensation, equity compensation, perquisites, employment contracts, management retention agreements, and other forms of executive compensation. The Committee also approves all equity-based compensation provided to employees.

In addition, the Committee has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake other specific duties as the Board prescribes from time to time.

**MEMBERSHIP:**

The Committee shall consist of at least two (2) members of the Board, all of whom shall be an “independent director” as required by the Marketplace Rules of The NASDAQ Stock Market, a “non-employee director” within the meaning of Rule 16b-3 issued by the Securities and Exchange Commission, and an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code, as amended. The members of the Committee shall be recommended by the Corporate Governance and Nominating Committee of the Board, and shall be appointed and shall serve at the discretion of the Board.

**STATEMENT OF PHILOSOPHY:**

It is the policy of the Committee that total compensation should be tied to individual performance along with the Company’s performance in achieving its financial and non-financial objectives. Additionally, it is the policy of the Committee to ensure that:

1. there is an appropriate relationship between executive compensation and the creation of shareholder value;

2. the executive total compensation program is such that it will motivate, retain and attract executives of outstanding ability; and

3. the total compensation opportunities are competitive within the industry and other comparable companies.

## **RESPONSIBILITIES:**

To fulfill its responsibilities and duties, the Committee shall:

1. Review and determine the compensation policy for executive officers and of the Company, and such other employees as may be directed by the Board.

2. Review and determine all forms of compensation to be provided to the Chief Executive Officer and other executive officers of the Company. This includes, but is not limited to, cash compensation, bonus incentive plans and payments, perquisites, employment contracts, management retention agreements, equity grants, and any other forms of compensation.

3. Review and recommend compensation for non-employee members of the Board, including, but not limited to, retainers, meeting fees, committee fees, committee chair fees, equity compensation, benefits, and perquisites.

4. Review and determine the performance metrics for the Chief Executive Officer. The Committee shall be responsible for compiling the performance assessments for the Chief Executive Officer. The assessment will be presented to the Chief Executive Officer by the Lead Independent Director.

5. Review and approve the performance metrics for the other executive officers of the Company. Review the input and recommendations of the Chief Executive Officer regarding the performance and compensation of the other executive officers and other key direct reports to the Chief Executive Officer.

6. Approve any and all perquisites, special cash payments, or other special compensation or benefit arrangements for any employee of the Company.

7. Make and approve stock option grants and other discretionary awards under the Company's stock option or other equity incentive plans, or amendments thereto, for all employees and other eligible service providers.

8. Amend the provisions of the Company's stock option or other equity incentive plans, to the extent authorized by the Board, and make recommendations to the Board with respect to incentive compensation and equity-based plans.

9. Approve for submission to the shareholders stock option and other equity incentive plans or amendments thereto.

10. Review and discuss the “Compensation Discussion and Analysis” disclosure prepared pursuant to the requirements of Item 402(b) of Regulation S-K (or any successor disclosure item), and based on such review and discussion recommend to the Board whether such “Compensation Discussion and Analysis” disclosure should be included in the Company's annual report on Form 10-K, proxy statement, information statement, or similar document.

11. Communicate in the annual Compensation Committee Report to shareholders the disclosures required by the rules of the Securities and Exchange Commission.

12. Act as the Administrator, and oversee and periodically review the operation of all of the Company’s employee benefit plans, including, but not limited to, the Section 401(k) Plan. Responsibility for the day-to-day administration of the plans, including the preparation and filing of all governmental reports and the preparation and delivery of all required employee material and communications, shall be performed by Company management.

13. The Committee has further authority to:

- (a) conduct such studies, analysis and evaluations necessary to perform the duties and fulfill the responsibilities assigned to it by the Board;
- (b) have full and independent access to Company personnel, after first notifying the Chief Executive Officer or the Vice President, Human Resources of the intention to interview personnel;
- (c) have full and independent access to Company financial information;
- (d) seek and employ such outside assistance, at the Company’s expense, as it deems necessary to fulfill its responsibilities; and
- (e) take all action appropriate in the performance of the Committee’s duties.

14. Annually review the Committee Charter for adequacy and recommend any changes to the Board.

#### **MEETINGS:**

The Committee will establish its own meeting schedule, which it will provide to the Board in advance. It is anticipated that the Committee will meet at least two times per year, but will hold such other meetings as the Committee deems necessary or appropriate. The Committee is authorized, by majority vote or unanimous written consent of its members, to adopt its own rules of procedure, including formalities of calling, noticing, and holding meetings as long as such rules comply with the Bylaws of the Company. As necessary or desirable, the Committee may request that members of management, outside consultants, or representatives of the Company’s independent accountants or legal counsel be present at meetings of the Committee. The Chief

Executive Officer shall not participate in any deliberations involving the compensation of the Chief Executive Officer.

At all Committee meetings a majority of the total number of members shall constitute a quorum. A majority of the members of the Committee shall be empowered to act on behalf of the Committee. Minutes shall be kept of each meeting of the Committee.