

CABOT MICROELECTRONICS CORPORATION
COMPENSATION COMMITTEE CHARTER

Purpose

The purpose of the Compensation Committee (the “Committee”) is to: review and approve compensation and benefits programs for Cabot Microelectronics Corporation’s (the “Corporation’s”) employees; determine the compensation of the Corporation’s chief executive officer and other executive officers, and approve and evaluate compensation plans, policies and programs related to the Corporation’s executive officers; provide oversight with respect to stockholder approval of compensation plans and executive officer compensation matters; provide oversight to the Corporation’s administration of employee benefit plans; authorize and ratify stock option, restricted stock and other equity-based awards for employees, including executive officers, directors and consultants, and other incentive arrangements; and authorize employment and related agreements.

Nothing contained in this charter is intended to alter or impair the operation of the “business judgment rule” as interpreted by the courts under the Delaware General Corporation Law. Further, nothing contained in this charter is intended to alter or impair the right of the members of the Committee under the Delaware General Corporation Law to rely, in discharging their responsibilities, on the records of the Corporation and on other information presented to the Committee, Board or Corporation by officers or employees or by outside advisors and experts such as the compensation consultant to the Committee, if any. This charter is subject to future revision as the Committee may find advisable and will be reviewed by the Committee at least annually; the Committee will submit any recommended changes to the Board for its consideration.

Membership

The Committee shall consist of at least three non-employee Directors of the Board, each of whom shall satisfy the “independence” and other requirements of relevant law, including rules adopted by the Securities and Exchange Commission (“SEC”) and the NASDAQ Stock Market LLC (“NASDAQ”). The members shall be appointed by action of the Board, upon recommendation of the Nominating and Corporate Governance Committee, and shall serve at the discretion of the Board.

Committee Organization and Procedures

1. The Chair of the Committee shall be appointed by the Board by majority vote. The Chair (or in his or her absence, a member designated by the Chair) shall preside at all meetings of the Committee;
2. The Committee shall have the authority to establish its own rules and procedures consistent with the bylaws of the Corporation for notice and conduct of its meetings, should the Committee, in its discretion, deem it desirable to do so. A majority of the members of the Committee shall constitute a quorum for the transaction of business and the action of a majority of the members present at any meeting at which there is a quorum shall be the act of the Committee;

3. The Committee shall meet as frequently as the Committee in its discretion deems desirable;

4. The Committee, through its Chair, shall report periodically, as deemed necessary or desirable by the Committee, but at least following its regularly scheduled meetings, to the full Board regarding the Committee's actions and recommendations, if any;

5. The Committee may, in its discretion, retain and utilize the services of the Corporation's regular advisors with respect to matters within its purview or, at its discretion, retain other advisors if it determines that such other advice is necessary or appropriate under the circumstances; *notwithstanding*, for executive officer compensation matters, the Committee shall hire compensation consultants and legal advisors who satisfy any "independence" or other requirements of relevant law, including rules adopted by the SEC and NASDAQ;

6. The Committee shall have its own funding from the Corporation to pay for the services of the Corporation's executive officer compensation consultants, and any legal counsel or other advisors that are retained by the Committee.

7. The Secretary and General Counsel of the Corporation shall serve as the Secretary of the Committee.

Responsibilities

The Committee shall:

1. Review and approve the Corporation's compensation policies (including those related to salary, cash incentive bonus awards, equity incentive awards pursuant to the Corporation's Omnibus Incentive Plan, Amended and Restated Equity Incentive Plan, and successor or other plans, individually or collectively, "Equity Incentive Plan") for employees and executive officers, as recommended by the President and Chief Executive Officer, that: (1) support the Corporation's overall business strategy and objectives; (2) attract and retain key employees and executive officers; (3) link compensation with business objectives and organizational and individual performance; (3) provide competitive compensation opportunities; and (4) consider other factors as may be deemed appropriate or required by law, including assessment and balancing of the compensation policies of the Corporation in light of its practices to evaluate and manage risk. Within the general policies approved by the Committee, the President and Chief Executive Officer is given full authority to establish and change salaries and salary award ranges, cash incentive bonus awards, and other aspects of compensation for employees other than executive officers, or as otherwise delegated by the Committee.
2. In consultation with the President and Chief Executive Officer, review and approve annual grants and awards to employees of equity incentive awards for employees, unless otherwise delegated to the President and Chief Executive Officer.

3. In consultation with the President and Chief Executive Officer, review the performance of, and approve compensation for, each executive officer other than the President, and Chief Executive Officer. This includes review and approval of:
 - (a) base salary and base salary increases;
 - (b) annual cash incentive bonus awards;
 - (c) equity incentive awards such as stock option, restricted stock and restricted stock unit awards, including performance-based awards, pursuant to the Equity Incentive Plan; and,
 - (d) participation in other compensation and/or benefit plans not made generally available to employees of the Corporation;
4. In consultation with the Chairman and other Independent Directors, review and evaluate the performance of, and approve compensation for, the President and Chief Executive Officer, who shall not be present during deliberations or determinations with respect to his or her compensation. This includes review and approval of:
 - (a) base salary and base salary increases;
 - (b) annual cash incentive bonus awards;
 - (c) equity incentive awards such as stock option and restricted stock and restricted stock unit awards, including performance-based awards, pursuant to the Equity Incentive Plan; and,
 - (d) participation in other compensation and/or benefit plans not made generally available to employees of the Corporation;
5. The Committee has the sole and direct responsibility for selecting, appointing, terminating, compensating and overseeing the Corporation's executive officer compensation consultant, the retention of which shall comply with relevant rules, including those set forth in NASDAQ-Listing Rule 5605(d)(3) related to independence factors, applicable to the Corporation promulgated by the SEC, NASDAQ and/or other rulemaking bodies. The executive officer compensation consultant shall be accountable to the Committee for all matters. The Committee shall select, appoint and periodically consider the performance of the executive officer compensation consultant and, as it may deem appropriate, replace the executive officer compensation consultant;
6. Review and recommend compensation plans, or amendments to existing compensation plans, to the Board of Directors for approval;
7. Approve and administer compensation plans approved by the Board of Directors and/or stockholders, and amendments to such plans, in a manner consistent with the terms of such plans;

8. Approve, recommend and provide oversight to the Corporation's administration of benefit plans, whether qualified or otherwise, including those approved by the Board of Directors and/or stockholders, and amendments to benefit plans, in a manner consistent with the terms of such plans. As part of these responsibilities, provide oversight to and periodically review the actions and procedures of the Cabot Microelectronics Corporation 401(k) Plan (the "Plan") Administrative Committee, which is the designated Plan Administrator and Fiduciary. As part of these responsibilities, provide oversight to and periodically review the actions and procedures of the Cabot Microelectronics Corporation Health and Welfare Benefit Plan ("Health and Welfare Plan") Administrative Committee;
9. Generally and periodically perform oversight for the compensation reporting, disclosure and approval requirements of the SEC, NASDAQ, and other regulatory bodies, including those matters, such as stockholder approval of compensation plans and executive officer compensation matters, that may be required to be reported to or submitted for approval by the Corporation's stockholders and included in the Corporation's Annual or special Proxy Statements required by applicable legislation, the regulations of the SEC or other regulatory body, and take any required action related thereto;
10. Provide the Committee report for inclusion in the Corporation's Annual or special Proxy Statements required by the regulations of the SEC, including Item 8 of Schedule 14A pursuant to the Securities and Exchange Act of 1934, as amended and Item 407 of Regulation S-K of the SEC, and approve for inclusion in such Proxy Statements any reports, disclosures or sections requiring the Committee's review or approval pursuant to the regulations of the SEC, such as the Compensation Discussion and Analysis required by Item 402 of Regulation S-K of the SEC.