



Compensation Committee Charter

VERSION DATE	Amended on October 28, 2020
APPROVED BY	Board of Directors

I. PURPOSE

The purpose of the Compensation Committee of the Board of Directors (the “Board”) of National Instruments Corporation (the “Company”) shall be to:

- 1.1 Monitor the effectiveness of the Company’s compensation policies, plans and programs;
- 1.2 Make recommendations to the independent directors of the Board regarding compensation of the Company’s Chief Executive Officer (the “CEO”);
- 1.3 Approve and evaluate the salaries, cash bonus and equity compensation for the Company’s officers (“Executive Officers”) as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and
- 1.4 Assist the Board in establishment and governance of the Company’s equity compensation plans for its employees.

The compensation programs for the Company’s Executive Officers shall be:

- 1.5 Designed to attract, motivate and retain talented executives responsible for the success of the Company and support the interests of the Company’s stockholders,
- 1.6 Determined within a competitive framework, and
- 1.7 Based on the achievement of the Company’s overall financial results, individual contributions and a compensation philosophy of “pay for performance.”

In furtherance of these purposes, the Compensation Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

II. MEMBERSHIP:

The Compensation Committee members shall be appointed by, and shall serve at the discretion of, the Board. The Compensation Committee shall consist of no fewer than three members of the Board. The Board may designate one member of the Compensation Committee as its chair.

Members of the Compensation Committee must meet the following criteria:

- 2.1 The independence requirements of the Nasdaq Stock Market, Inc. (“Nasdaq”);
- 2.2 The non-employee director definition of Rule 16b-3 promulgated under Section 16; and
- 2.3 Any applicable independence requirements of the Securities and Exchange Commission (“SEC”) or if deemed necessary or advisable by the Board, any other applicable independence criteria.

III. RESPONSIBILITIES:

The responsibilities and duties of the Compensation Committee shall include:

- 3.1 Monitoring the effectiveness of the Company’s overall compensation plans and benefits programs and providing oversight with respect to significant improvements or changes to such plans or the adoption of new plans when appropriate.
- 3.2 Evaluating the CEO’s performance in light of the goals and objectives set by the Board, and based upon the Compensation Committee’s evaluation of the CEO’s performance and the Compensation Committee’s review of other relevant factors including those set forth in the Proxy Statement Compensation Discussion and Analysis, recommending to the independent directors of the Board the compensation of the CEO; provided, however, that to the extent necessary to satisfy the requirements of the Nasdaq, or Section 16 in approving any such compensation, the independent members of the Board will satisfy the independence requirements of each such regulatory requirement, as applicable. In the event an independent member of the Board does not satisfy the independence requirements of an applicable regulatory requirement that is necessary in approving an element of the CEO’s compensation, such independent member of the Board will recuse him or herself from the approval process and the remaining independent members of the Board will approve the applicable element of compensation.
- 3.3 Reviewing and approving for the Executive Officers other than the CEO: (i) the annual base salary, (ii) the annual incentive bonus, including the specific goals and amount, (iii) equity compensation, (iv) any employment agreement, severance arrangement and change in control agreement/provision, (v) any signing bonus or payment of relocation costs, and (vi) any other significant benefits, compensation or arrangements not available to employees generally. One of the Compensation Committee’s objectives shall be to use compensation to align the interests of the Executive Officers with the long-term interests of the Company’s stockholders, thereby incentivizing management to increase stockholder value.
- 3.4 Reviewing and approving corporate goals and objectives relevant to the compensation of the Executive Officers, evaluating performance in light thereof, and considering factors related to the performance of the Company, including accomplishment of the Company’s long-term business and financial goals.
- 3.5 Monitoring the competitive effectiveness of the Company’s 401(k) plan and approving any change to the 401(k) plan that creates a material financial commitment by the Company.

- 3.6 Evaluating and making recommendations to the Board with respect to the approval and adoption of new equity compensation plans.
- 3.7 Approving equity awards for the Executive Officers under the equity plans of the Company and reviewing and approving the administration of the Company's equity compensation plans adopted by the Board that contemplate administration by the Compensation Committee. With respect to any such equity plans, the Compensation Committee shall exercise all rights, powers and authority reserved to, and perform all duties placed upon, the Compensation Committee under the provisions of the equity compensation plans.
- 3.8 Evaluating, on a periodic basis, the competitiveness of (i) the compensation of all Executive Officers, and (ii) the Company's overall compensation plans.
- 3.9 Reviewing and recommending to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and reviewing and approving the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.
- 3.10 Reviewing and reassessing this Charter and its processes on an annual basis and recommending any proposed changes to the Board.
- 3.11 Reviewing and discussing with management the Company's Compensation Discussion and Analysis included in the Company's annual proxy statement, and producing a report on executive compensation for inclusion in the Company's annual proxy statement that complies with the rules and regulations of the SEC and any other applicable rules and regulations.

IV. AUTHORITY:

In performing its responsibilities and duties, the Compensation Committee shall:

- 4.1 Consult with the Human Resources department, as appropriate.
- 4.2 Have the responsibility and authority for retaining its own compensation consultant, legal counsel or other advisors (each an "Advisor") to assist in the evaluation of Executive Officer compensation as it deems necessary in its sole discretion and shall be responsible for appointing, compensating and overseeing such Advisors. Appropriate funding for such Advisors shall be provided by the Company. Prior to engaging any such Advisor other than in-house legal counsel, the Compensation Committee shall consider the independence of such Advisor with respect to the following factors as required by SEC Rule 10C-1:
 - 4.2.1 the provision of other services to the Company by the person that employs the Advisor;
 - 4.2.2 the amount of fees received from the Company by the person that employs the Advisor, as a percentage of the total revenue of the person that employs the Advisor;

- 4.2.3 the policies and procedures of the person that employs the Advisor that are designed to prevent conflicts of interest;
 - 4.2.4 any business or personal relationship of the Advisor with a member of the Compensation Committee;
 - 4.2.5 any Company stock owned by the Advisor; and
 - 4.2.6 any business or personal relationship of the Advisor with an Executive Officer of the Company.
- 4.3 Evaluate whether any compensation consultant retained by it has any conflict of interest within the meaning of Item 407(e)(3)(iv) of Regulation S-K, if required.
 - 4.4 As required by applicable Nasdaq and SEC rules, the CEO may not be present during the voting and any deliberations of the Compensation Committee with respect to the CEO's compensation.

V. GENERAL:

- 5.1 The Compensation Committee shall meet as often as may be deemed necessary or appropriate, in its judgment, in order to fulfill its responsibilities. The Compensation Committee may meet either in person or telephonically, and at such times and places as the Compensation Committee determines.
- 5.2 A majority of the total number of then-serving Compensation Committee members will constitute a quorum of the Compensation Committee.
- 5.3 If a quorum is present, a majority of the members of the Compensation Committee present will be empowered to act on behalf of the Compensation Committee.
- 5.4 The Compensation Committee may delegate its authority to subcommittees or the Chairperson of the Compensation Committee when it deems it appropriate and in the best interests of the Company and when such delegation would not violate applicable law, regulation or Nasdaq or SEC requirements (collectively, "Applicable Legal Requirements"). Subject to Applicable Legal Requirements, the Compensation Committee may also delegate to one or more Executive Officers the authority to make equity grants to employees or consultants of the Company who are not directors of the Company or Executive Officers of the Company under the Company's equity plans as the Compensation Committee deems appropriate and in accordance with the terms of such plans and such guidelines as may be approved by the Compensation Committee.
- 5.5 Any action required or permitted to be taken at any meeting of the Compensation Committee or any subcommittee thereof may be taken without a meeting, without prior notice and without a vote, if all members of the Compensation Committee or subcommittee, as applicable, consent thereto in writing or by electronic consent and such consents will be filed with the minutes of the meetings of the Compensation Committee.
- 5.6 The Compensation Committee has the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not

inconsistent with any provisions of the Company's bylaws that are applicable to the Compensation Committee.

- 5.7 The Compensation Committee shall establish its own meeting schedule, which it will provide to the Board. The Compensation Committee may invite to its meetings other Board members, Company management and such other persons as the Compensation Committee deems appropriate in order to carry out its responsibilities. The Compensation Committee may conduct meetings or portions of its meetings without officers or non-independent directors present, in order to deliberate on matters before it.
- 5.8 The Compensation Committee shall from time to time make reports to the full Board on the actions and recommendations of the Compensation Committee.
- 5.9 The Compensation Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.
- 5.10 Members of the Compensation Committee shall receive such fees, if any, for their service as Compensation Committee members as may be determined by the Board in its sole discretion.