

**CHARTER OF THE
COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS
OF
CECO ENVIRONMENTAL CORP.
(the Company”)**

A. PURPOSE

The purpose of the Compensation Committee is to discharge the responsibilities of the Board of Directors of the Company (the “Board”) relating to compensation of the Company's executive officers, including the responsibilities to:

1. Review and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer (the "CEO"), evaluate the CEO's performance in light of those goals and objectives, and, to determine and approve, or recommend to the Board for approval, the CEO's compensation level based on this evaluation;
2. Approve, or make recommendations to the Board with respect to, non-CEO compensation, incentive-compensation plans and equity-based plans; and
3. Produce and approve an annual report on executive compensation for inclusion in the Company’s annual proxy statement, in accordance with applicable rules and regulations of the Nasdaq Stock Market, Inc. (“Nasdaq”), Securities and Exchange Commission (the “SEC”) and other regulatory bodies.

B. STRUCTURE AND MEMBERSHIP

1. **Number.** The Compensation Committee shall consist of at least two members of the Board.
2. **Independence.** The Committee will be comprised solely of “independent directors,” i.e., those directors who neither are officers or employees of the Company or its subsidiaries nor have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and each of whom is otherwise “independent” under the rules of Nasdaq.
3. **Chair.** Unless the Board of Directors elects a Chair of the Compensation Committee, the Compensation Committee shall elect a Chair by majority vote.
4. **Compensation.** The compensation of Compensation Committee members shall be as determined by the Board of Directors.

5. **Selection and Removal.** Members of the Compensation Committee shall be appointed by the Board. The Board may remove members of the Compensation Committee, with or without cause.

C. AUTHORITY AND RESPONSIBILITIES

General

The Compensation Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management, in accordance with its business judgment.

Compensation Matters

1. **CEO Compensation.** The Compensation Committee shall annually review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the CEO's performance in light of those goals and objectives, and shall have the authority to determine and approve, or recommend to the Board of Directors for approval, the CEO's compensation level based on this evaluation.
2. **Senior Executive Officer Compensation.** The Compensation Committee shall periodically review and shall have the authority to determine and approve, or review and recommend to the Board of Directors for approval, senior executive officer compensation, including salary, bonus and incentive compensation levels; deferred compensation; executive perquisites; equity compensation (including awards to induce employment); severance arrangements; change-in-control benefits and other forms of senior executive officer compensation.
3. **Plan Recommendations and Approvals.** The Compensation Committee shall periodically review and make recommendations to the Board of Directors with respect to incentive-compensation plans and equity-based plans. The Compensation Committee shall approve and recommend to the Board of Directors for approval, all equity compensation grants, plans and amendments to existing compensation plans. Notwithstanding the foregoing, if the Company has a Stock Option Committee with respect to a stock option plan, stock option grants under such stock option plan shall also be subject to the Stock Option Committee approval.
4. **Director Compensation.** The Compensation Committee shall periodically review and make recommendations to the Board of Directors with respect to director compensation.
5. **Compensation Committee Report on Executive Compensation.** The Compensation Committee shall produce and approve an annual report on executive compensation for inclusion in the Company's annual proxy statement, in accordance with applicable rules and regulations of Nasdaq and the Securities and Exchange Commission and other regulatory bodies
6. **Long-term Strategy.** In consultation with senior management, the Compensation Committee shall establish, review, and evaluate the long-term strategy of

employee compensation and the types of stock and other compensation plans used by the Company.

7. **Additional Powers.** The Compensation Committee shall have such other duties as may be delegated from time to time by the Board of Directors.

D. PROCEDURES AND ADMINISTRATION

1. **Meetings.** The Compensation Committee shall meet as often as it deems necessary in order to perform its responsibilities but no less frequently than once every fiscal year. The Committee may invite the Chief Executive Officer, the President, Chief Financial Officer, Chairman of the Board, Secretary, or any other officer desired by the Compensation Committee or its Chairman. No such person may be present during any discussions and deliberations of the Committee regarding the compensation of any such person. The Compensation Committee may also act by unanimous written consent in lieu of a meeting. The Compensation Committee shall keep such records of its meetings as it shall deem appropriate.
2. **Subcommittees.** When appropriate, as permitted under applicable law and the rules and listing standards of Nasdaq, the Compensation Committee may delegate authority to one or more subcommittees, the Board or management as it deems appropriate from time to time under the circumstances.
3. **Reports to Board.** The Compensation Committee shall report regularly to the Board of Directors.
4. **Charter.** The Compensation Committee shall periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board of Directors for approval.
5. **Independent Advisors.** The Compensation Committee shall have the authority, without further action by the Board of Directors, to engage such independent legal, accounting and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Compensation Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the reasonable compensation of such advisors as established by the Compensation Committee.