

CAVCO INDUSTRIES, INC.

COMPENSATION COMMITTEE CHARTER

1. Purpose.

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Cavco Industries, Inc. (the “Company”) shall be charged with assisting the Board in (i) assessing whether the various compensation programs of the Company are designed to attract, motivate, and retain the senior management necessary for the Company to deliver consistently superior results and are performance based, market driven, and stockholder aligned, (ii) its oversight of specific incentive compensation plans adopted by the Company, with the approval of this Committee, including stock plans and short term and long term incentive compensation plans for members of senior management of the Company, (iii) its approval, review and oversight of benefit plans of the Company, and (iv) its oversight of the performance and compensation of the Chief Executive Officer of the Company (“CEO”) and the other members of the senior management of the Company.

Further, the Committee will direct the production of all reports that Securities and Exchange Commission rules require be included in the Company’s annual proxy statement.

2. Membership.

The Committee shall consist of at least three persons, all of whom are members of the Board. Each member of the Committee shall satisfy the independence requirements set forth in the corporate governance and other listing standards of The NASDAQ Stock Market, Inc. (“NASDAQ”) as in effect from time to time (the “NASDAQ Standards”). In addition, each member of the Committee shall be a “non-employee director” as defined by Rule 16b-3(b)(3) under the Exchange Act.

The Board shall elect the members of the Committee at the Board meeting (“Annual Board Meeting”) that is held immediately after the annual meeting of the stockholders, and each Committee member shall serve until the date of the next Annual Board Meeting unless he or she resigns, is removed or replaced or otherwise ceases to be a director or member of the Committee prior to such date, in which event the Board shall appoint another director to fill the resulting vacancy for his or her unexpired term. Further, if for any reason the Board does not elect the members to the Committee at an Annual Board Meeting, the directors who then comprise the Committee will continue to serve as members of the Committee until the Board takes action to elect new members of the Committee. The Board may remove or replace a member of the Committee at any time.

To the extent permitted by the NASDAQ Standards and applicable legal requirements, the Committee may delegate specified duties and responsibilities to a subcommittee created by a vote of a majority of the members of the Committee. Each subcommittee shall have one or more members designated by the Committee, and shall be governed by such procedures as the Committee shall determine from time to time.

3. Operation.

The Board shall elect one of the members of the Committee to act as chairperson of the Committee (the “Chairperson”). Such member shall act as Chairperson until the next Annual Meeting unless prior thereto he or she (x) resigns as Chairperson, (y) is removed or replaced by the Board or (z) ceases to be a director, in which event the Board shall appoint another member of the Committee to serve as Chairperson for the unexpired term. The Chairperson shall preside over all meetings of the Committee. In addition, the Chairperson shall periodically report the Committee’s findings and conclusions to the Board.

The majority of the members of the Committee shall constitute a quorum.

The Committee shall meet as often as is appropriate but not less than two times annually. The Committee shall maintain minutes of its meetings and written records of its actions.

The Committee may, at its discretion, engage such independent consultants as it deems appropriate. Further, the Committee may invite to all or part of any Committee meeting such representatives of independent consultants and members of management and other persons as the Committee shall deem necessary or appropriate. The Committee shall, when it deems it appropriate, meet with such consultants without any members of management in attendance. The Committee shall have the sole authority to engage, retain, and terminate any compensation consultant to be used to assist it in the performance of its duties hereunder, and shall have the sole authority to approve such consultant's fees and other retention terms. The Committee shall also have the authority to obtain advice and assistance from internal or external legal counsel, accounting, or other advisors.

4. Duties and Responsibilities.

To fulfill its purpose as described above, the Committee shall have the following duties and responsibilities:

a. The Committee will review and approve for the CEO and for the other members of senior management of the Company (collectively, "Senior Management"), annual base salary levels, annual incentive opportunity levels, and long-term incentive opportunity levels for each fiscal year. In this regard, the Committee will review and approve corporate goals and objectives related to compensation. In addition, the Committee will take into account whether the compensation is reasonably related to personal and corporate performance and whether the goals of each compensation program are compatible with external peer businesses.

b. Following the conclusion of a fiscal year, the Committee will review and make recommendations to the Board with respect to incentive compensation awards for the CEO and the other members of senior management of the Company, including awards under short-term and long-term incentive compensation plans.

c. The Committee will review Senior Management compensation programs on a periodic basis to determine whether they are properly coordinated and achieving their intended purposes. In addition, the Committee will consider from time to time whether to adopt compensation or benefit plans for Senior Management that address matters relating to severance or retirement provided that the benefits to be derived from those programs are appropriately related to the overall benefit of the Company and are reasonable in amount and duration.

d. The Committee will review on a periodic basis all benefit plans sponsored by the Company to determine whether they are properly coordinated and achieving their intended purposes. The benefit plans currently in place include a 401(k) plan, with a company matching contribution, and health insurance and life insurance plans. In addition, the Committee will consider, from time to time, amendments to existing benefit plans and proposals for new benefit plans, and if appropriate, recommend the same for approval to the Board.

e. The Committee will review and assess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.

f. The Committee will make periodic reports to the Board on the work of the Committee.

5. Annual Performance Evaluation of the Committee.

The Board will conduct an annual performance evaluation of the Committee. This evaluation will be conducted by the Board in one or more separate sessions at which members of the Committee shall not be in attendance. After completing its annual performance evaluation of the Committee, the Board or a representative thereof shall review such evaluation or a summary thereof with the members of the Committee.