



The Compensation Committee of the Board of Directors (the “Compensation Committee”) shall be composed entirely of two or more Directors who meet the test for Independence and any other criteria required by applicable law and/or stock exchange listing standards, as determined by the Board. Additionally, each member of the Committee shall qualify as a “non-employee director” for purposes of Rule 16b-3 under the Securities and Exchange Act of 1934 and as an “outside director” for purposes of Section 162(m) of the Internal Revenue Code. The Compensation Committee shall be responsible for setting and administering the policies and programs that govern both annual compensation and equity programs for the executive officers of the Company. The Compensation Committee shall also be responsible for providing oversight with regard to the Company’s various programs of compensation, including all incentive plans, and equity plans.

The Compensation Committee shall meet at least four times during the year for purposes of performing its duties. The purpose and duties of the Compensation Committee shall include, but not be limited to, the following:

- To review, determine and recommend to the Board appropriate compensation for outside directors;
- To review and report to the Board on the Company’s programs for attracting, retaining and promoting executives and for developing future senior management;
- To review and make recommendations to the Board regarding all compensation for the chief executive officer (during which review and recommendations, the chief executive officer may not be present), and non-equity compensation for executive level officers of Sypris and its subsidiaries.
- To review and make recommendations to the Board regarding the equity compensation for executive level officers of Sypris and its subsidiaries and other inside directors;
- To establish the process to evaluate the performance of the Company’s executive officers;
- To review, approve and report to the Board concerning the Company’s equity-based and other incentive compensation plans, to administer such plans, and to recommend to the Board any such plans or amendments thereto which may require stockholder approval.
- To establish the process for the delegation of authority for grants of equity awards to non-executive officers.

- To review the Company's various retirement, pension and other benefit plans with regard to those plans' competitiveness, operations, risks, and compliance measures, and to review any Charter amendments proposed by the members of the defined benefit or defined contribution plan committees;
- To review and reappoint on an annual basis the members of the Company's defined contribution committee ("401(k) Committee"), or appoint new members when a vacancy occurs;
- To review and approve a report of the Compensation Committee as may be required by the rules of the Securities and Exchange Commission to be furnished in the proxy statement for each annual meeting; and
- To review and discuss with management the Compensation Discussion and Analysis (CD&A) as may be required by the rules of the Securities and Exchange Commission to be filed with the proxy statement for each annual meeting; and, following such review and discussion, to recommend to the Board that any such CD&A be included in the proxy statement.
- To review and assess the adequacy of and update, if necessary, this Compensation Committee Charter annually.

The Compensation Committee shall report the results of its deliberations, actions and observations to the Board of Directors of the Company.

The following individuals currently serve as members of the Compensation Committee of the Company's Board of Directors:

William L. Healey, Chairman
John F. Brinkley
William G. Ferko
Gary L. Convis