



## **Compensation & Long-Term Incentive Committee Charter**

### **Purpose**

The purpose of the Compensation & Long-Term Incentive Committee (the "Committee") of the Board of Directors (the "Board") of Synalloy Corporation (the "Company") is to (i) discharge the Board's responsibilities relating to compensation of the Company's Chief Executive Officer ("CEO") and other executive officers, and (ii) consider, recommend, administer and implement the Company's incentive compensation plans and equity-based plans.

### **Membership**

The Committee shall be comprised of at least three directors. All members of the Committee shall be independent in accordance with the requirements of Rule 10C-1(b)(1) of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules of the NASDAQ Stock Market LLC ("NASDAQ"). A director may serve on the Committee only if he or she (i) is a "non-employee director" for the purposes of Rule 16b-3 under the Exchange Act and (ii) satisfies the requirements of an "outside director" for the purposes of Section 162(m) of the Internal Revenue Code.

Members shall be appointed by the Board for such term or terms as the Board may determine, but may be removed at any time by the Board with or without cause. No director may be made a member of the Committee if his or her service on the Committee would violate any restriction on service imposed by any rule or regulation of the Securities and Exchange Commission (the "SEC") or any securities exchange or market on which shares of the common stock on the Company are traded.

### **Committee Structure and Operations**

The Board shall designate one member of the Committee as its chairperson. The Committee shall meet at least two times a year at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee may invite such members of management to its meetings as it deems appropriate. However, the Committee shall meet regularly without such members present, and in all cases the CEO and any other such officers shall not be present at meetings at which their compensation or performance is discussed or determined.

## **Duties, Responsibilities and Authority**

The Committee shall, to the extent it deems appropriate:

- Review from time to time the Company's short-term and long-term compensation philosophy and strategy, and recommend necessary or desirable changes to the Board of Directors.
- Annually review and recommend to the Board of Directors the salary and incentive compensation opportunities of the CEO and other executive officers considering the executives' performance relative to the corporate goals and objectives set by the Committee, the performance of the Company, the competitive environment of the Company, compensation trends within the Company's industry, and such other factors as the Committee may deem appropriate. With respect to executive officers other than the CEO, the Committee shall take into consideration recommendations of the CEO. In evaluating and determining the CEO's and other executive officers' compensation, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation ("Say on Pay Vote") required by Section 14A of the Exchange Act.
- Periodically, and as and when appropriate, review any employment agreements, severance arrangements, and change in control and similar agreements/provisions, and any amendments, supplements or waivers to the foregoing agreements, and any perquisites or special or supplemental benefits or incentive compensation arrangements applicable to current or former executive officers.
- Oversee the Company's incentive compensation plans and equity-based plans in which directors, the CEO, other executive officers and other employees of the Company and its subsidiaries may be participants, and recommend to the board of directors any necessary or desirable changes. The Committee's oversight shall include, but not be limited to, (i) approving option grants and restricted stock or other awards, (ii) interpreting the plans, (iii) determining rules and regulations relating to the plans, (iv) establishing performance standards for performance-based awards under the plan, (v) modifying or canceling existing grants or awards and (vi) imposing terms, limitations, restrictions and conditions upon any grant or award as the Committee deems necessary or advisable. In reviewing, and making recommendations regarding or approving incentive compensation plans and equity-based plans, including whether to adopt, amend or terminate any such plans, the Committee shall consider the results of the most recent Say on Pay Vote.
- Review and discuss with management the Company's Compensation Discussion and Analysis ("CD&A") and the related executive compensation information, recommend that the CD&A and related executive compensation information be included in the Company's proxy statement or Annual Report on Form 10-K and produce the compensation committee report on executive officer compensation required to be included in the Company's proxy statement or Annual Report on Form 10-K.
- Review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, review and discuss at least annually the relationship between risk management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate any such risk.
- Review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes and review and approve 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.

- Meet with the CEO and other executive officers at the discretion of the Committee to discuss performance and conduct performance appraisals.
- Annually review its own performance in coordination with the Nominating/Corporate Governance Committee and recommend any necessary or desirable changes to the Board of Directors.
- Have such other authority and responsibilities as may be assigned to it from time to time by the Board.

### **Resources and Authority**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the sole authority to engage, oversee and terminate compensation consultants, outside counsel or other advisors as the Committee deems appropriate and to approve the fees and other retention terms relating to such engagement. The Committee shall receive appropriate funding from the Company, as determined by the Committee, for the payment of compensation to its compensation consultants, outside counsel and other advisors. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultants, outside counsel or other advisors to the Committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

The compensation consultants, outside counsel and any other advisors retained by, or providing advice to, the Committee (other than the Company's in-house counsel) are at the sole discretion of the Committee, provided that the Committee must consider the factors specified in Rule 10C-1(b)(4) of the Exchange Act and NASDAQ Rule 5605 (d)(3)(D).

The Committee may retain, or receive advice from, any compensation advisor they prefer, including ones that are not independent, after considering the specified factors.

The Committee shall evaluate annually whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K as established by the SEC.

The Committee or the Chair of the Committee must approve any such consultant's performance of additional work for the Company not at the direction of the Committee and shall review fees for additional work annually.

### **Delegation of Authority**

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to act in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.