



The Compensation Committee of the Board of Directors (the “Compensation Committee”) shall be composed entirely of Independent Directors who also meet the test for Independence as defined and required by applicable law and/or stock exchange listing standards. 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 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 compensation for the chief executive officer, executive level officers of Sypris and its subsidiaries and other inside directors;
- To review the process and status of the Company’s succession planning efforts;
- To establish the process to evaluate the performance of the Company’s executive officers;
- To review appropriate performance targets, participation and level of awards for incentive award plans;
- To review, approve and report to the Board concerning administration of compensation plans and compensation for executives;
- To review, determine and recommend to the Board appropriate compensation for outside directors;
- To review and monitor the Company’s various retirement, pension and other benefit plans;
- 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:

John F. Brinkley, Chairman  
William L. Healey  
Robert Sroka