

# SYNTEC OPTICS INC.

## COMPENSATION COMMITTEE CHARTER

### I. Purpose

This Charter governs the organization and operations of the Compensation Committee (“**Committee**”) of the Board of Directors (“**Board**”) of Syntec Optics Inc. (“**Company**”). The Committee has been established by the Company’s Board to assist the Board on the oversight of:

- A. determining the compensation of the Company’s directors and executive officers;
- B. overseeing the Company’s overall compensation structure, policies, and programs; and
- C. reviewing and approving information regarding the compensation of the Company’s directors and executive officer for inclusion in the Form 10-K filings, in accordance with the applicable rules and regulations of the Securities and Exchange Commission (“**SEC**”) and any other applicable rules and regulations, provided that the inclusion of such information in the Form 10-K filings is both necessary and required.

### II. Responsibilities

In addition to the stated purpose of the Committee, some of the goals of the Compensation Committee are to:

- A. develop and implement compensation policies and plans that are intended to attract and retain executive management personnel and independent directors;
- B. motivate management personnel to achieve the Company’s corporate goals and strategies; and
- C. align the interests of management with the long-term interests of the Company.

### III. Membership

- A. The Committee shall consist of at least three (3) of the independent members of the Board. The members of the Committee shall be appointed by action of the Board and shall serve in such capacity as long as they continue to serve as independent members of the Board.
- B. The Board shall designate one Committee member as the Committee’s chair (“**Chair**”).

- C. Each Committee member shall have no material relationship with the Company and shall satisfy the independence requirements of the Company, The Nasdaq Stock Market LLC (“**Nasdaq**”), the Securities Exchange Act of 1934 (“**Exchange Act**”), and the rules and regulations of the Securities and Exchange Commission (“**SEC**”).

#### **IV. Meetings**

The Compensation Committee shall meet as often as it determines is necessary or appropriate to carry out its responsibilities, but, at a minimum, at least annually.

A majority of the members of the Compensation Committee shall constitute a quorum for purposes of holding a meeting and the Compensation Committee may act by a vote of a majority of members present at such meeting. In lieu of a meeting, the Compensation Committee may act by written consent in accordance with the Company’s Bylaws. The Chairman of the Compensation Committee will set meeting agendas for the Committee consistent with this Charter and in consultation with Company’s executive officers, the other members of the Committee and the Board, and in reliance on advice of counsel for the Board.

The Compensation Committee shall create and maintain copies of minutes of each meeting of the Compensation Committee and shall maintain each written consent to action taken without a meeting, reflecting the actions authorized or taken by the Compensation Committee.

#### **V. Compensation Committee Activities**

The Compensation Committee’s purpose and responsibilities shall be to:

- A. **Review of Charter.** The Committee shall review and reassess the adequacy of this Charter annually and will submit any proposed changes to the Board for the Board’s consideration and approval.
- B. **Processes and Procedures for Considering and Determining Director and Executive Officer Compensation.** The Committee shall review and reassess periodically and shall make recommendations to the Board as to the processes and procedures for the Compensation Committee (i) to consider, oversee and make recommendations to the Board regarding director and executive officer compensation, and (ii) to review and discuss with management any description of such processes and procedures that may be required to be included in filings.
- C. **Review of Compensation Disclosure.** If it is determined that disclosure by the Compensation Committee of its review, discussions with management, and analysis of director and executive officer compensation (“**Compensation Disclosure**”) is required to be included filings, the Committee shall review and

approve such disclosure, prepared by management and in accordance with SEC requirements, and shall make a recommendation to the Board as to whether the Compensation Disclosure, in the form provided to the Board, should be included in the required filings.

**D. Perform an Annual Self-Evaluation of the Performance of the Compensation Committee.** The Committee will perform an annual self-evaluation of the performance of the Compensation Committee and report to the Board on the results of such self-evaluation.

**E. Incentive-Compensation and Equity-Based Plans.** The Committee shall:

1. Review and approve the recommendations of Company's management regarding any grants and awards under the Company's incentive-based compensation plans and equity-based plans, if any, in each case consistent with the terms of such plans.
2. Make recommendations to management of the Company regarding any grants and awards to be made under the Company's incentive-based compensation plans and equity-based plans, if any.
3. Review and make such recommendations to management of the Company, as the Compensation Committee deems advisable, to policies and procedures for granting of incentive-based compensation and equity-based awards, if any, by the Company.

**F. Matters Related to the Company's CEO.** The Committee shall:

1. Review and approve the corporate goals and objectives, which may be relevant to the compensation of the Company's CEO.
2. Evaluate the CEO's performance in light of the goals and objectives that were set for the CEO and determine and approve the CEO's compensation level based on such evaluation. In connection with determining the long-term incentive component of the CEO's compensation, the Compensation Committee may consider a number of factors including the Company's performance, the value of similar incentive awards to CEO's at comparable entities, and the long-term compensation given to the Company's CEO in past years (if applicable).
3. Review and approve, at least annually, the aggregate amount of base salary and annual incentive compensation that may be paid to the CEO.

**G. Matters Related to Compensation of the Officers Other Than the CEO.**

The Committee shall:

1. Review and approve the compensation of all executive officers of the Company other than the CEO, as recommended by management.
2. Review and approve, at least annually, the aggregate amount of base salary and annual incentive compensation that may be paid to the Company's officers.

## **VI. Additional Compensation Committee Authority**

The Compensation Committee is authorized, on behalf of the Board, to do any of the following, as the Committee deems necessary or appropriate in its discretion:

**A. Matters Related to Compensation of the Company's Directors and Management.** Review and make such recommendations to the Board, as the Compensation Committee deems advisable, with regards to the compensation of the directors of the Company.

**B. Matters Related to Compensation; Retention of Compensation Consultants or Other Outside Advisors**

1. The Compensation Committee shall have the sole authority to retain and terminate and obtain the advice and assistance of compensation consultants, legal counsel and/or other advisors to assist it in the performance of its duties, provided that such consultant, legal counsel or advisor is determined to be "independent" of management of the Company, as such term is defined by the SEC under the federal securities laws or by the Nasdaq under its rules and listing requirements.
2. The Compensation Committee is authorized and shall have the ability to retain, appoint, and oversee of the work of any compensation consultant, legal counsel or other advisor retained by the Compensation Committee and the Company shall be obligated to provide appropriate funding, as determined by the Compensation Committee, for payment of compensation to any such compensation consultant, legal counsel or other advisor.

**C. Succession Planning.** The Compensation Committee shall annually review and discuss with the Board and management of the Company corporate succession plans for the CEO, and other executive officers of the Company.

## **VII. General**

- A.** The Compensation Committee may establish and delegate authority to one or more subcommittees consisting of one or more of its members, when the

Compensation Committee deems it appropriate to do so to carry out its responsibilities.

- B.** The Compensation Committee shall make regular reports to the Board concerning areas of the Compensation Committee's responsibility.
- C.** In carrying out its responsibilities, the Compensation Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management and such experts, advisors, consultants and professionals with whom the Compensation Committee may consult.
- D.** The Compensation Committee shall have the authority to request that (i) any officer or employee of the Company, (ii) the Company's external legal counsel, and (iii) the independent auditor or any other professional retained by the Company, be permitted to render advice to the Committee, attend a meeting of the Committee or meet with members of or advisors to the Committee.
- E.** The Compensation Committee may perform such other functions as may be requested by the Board from time to time.
- F.** Compensation for the Committee members shall be determined by the Board, based upon acknowledgement of the Compensation Committee.