

**NATIONAL PRESTO INDUSTRIES, INC.**  
**COMPENSATION COMMITTEE CHARTER**

**I. MEMBERSHIP**

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of National Presto Industries, Inc. (the "Company") shall be composed entirely of directors who are "independent" in accordance with the rules and regulations of the New York Stock Exchange. All Committee members will also be "non-employee directors" as defined by Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and "outside directors" for the purposes of Section 162(m) of the Internal Revenue Code. Appointment of directors to the Committee and removal thereof shall be in accordance with the By-Laws of the Company.

**II. PURPOSE**

The purpose of the Committee shall be to discharge the Board's responsibilities relating to executive compensation, and to review the succession plans for the chief executive officer and other senior executives. Activities of the Committee shall be consistent with the Company's overall direction and purpose regarding executive compensation, which includes to provide fair compensation to executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, instill a long-term commitment to the Company, and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests.

**A. Authority and Responsibilities.** In the furtherance of this purpose, the Committee shall have the following authority and direct responsibilities:

- review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and, either as a Committee or together with the other independent directors (as directed by the Board), determine and approve the CEO's compensation level based on this evaluation;
- make recommendations to the Board with respect to non-CEO executive officer compensation, and incentive-compensation and equity-based plans that are subject to Board approval;
- to review and assist with the development of executive officer succession plans, to evaluate and make recommendations to the Board regarding potential candidates to become chief executive officer, and to evaluate and approve candidates to fill other senior executive officer positions;
- to make recommendations to the Board with respect to incentive compensation plans and equity based plans, to administer and make awards under such plans and to review the cumulative effect of its actions;
- to make recommendations to the Board and monitor compliance by executives with the Company's stock ownership guidelines;

- to review and discuss with management the Compensation Discussion and Analysis required to be included in the Company's proxy statement and, based on such review and discussion, determine whether to recommend to the Board that the Compensation Discussion and Analysis be so included;
- to prepare the Compensation Committee's Report, to be included in the Company's proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission;
- to periodically review the Company's risk relating to its executive compensation policies and practices;
- to evaluate the Committee's performance at least annually and report to the Board on such evaluation;
- to periodically review and assess the adequacy of this charter and recommend any proposed changes to the Board for approval, including changes concerning the structure and operations of the Committee; and
- to perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board and the Committee shall deem appropriate.

**B. Consultants.** The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel or other adviser retained by the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the Committee. The Committee shall have the sole authority to terminate any compensation consultant, independent legal counsel or other adviser to the Committee as the Committee may deem appropriate. The Committee shall have sole authority to approve the fees and other retention terms of any consultants, counsel or other advisors that it retains.

The Committee may select a compensation consultant, legal counsel or other adviser to the Committee only after taking into consideration, all factors relevant to that person's independence from management, including the following:

- (A) The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- (B) The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- (C) The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;

(D) Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;

(E) Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and

(F) Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

Nothing herein requires a compensation consultant, legal counsel or other compensation adviser to be independent, only that the Committee consider the enumerated independence factors before selecting or receiving advice from a compensation adviser. The Committee may select or receive advice from any compensation adviser the Committee prefers including ones that are not independent, after considering the six independence factors outlined above.

### **III. PROCEDURES**

The Committee shall meet as often as it deems is appropriate and at least once annually to carry out its responsibilities. A majority of the members of the Committee shall constitute a quorum. The Chair of the Committee, in consultation with the other Committee members, shall set meeting agendas. The Committee shall report its actions and recommendations to the full Board.

The Committee may call upon, where appropriate, Company personnel to gather and provide relevant information and data. In addition, Company personnel may be called upon to assist the Committee when interfacing with outside third parties that are providing specific services to the Committee.

Revised May 2013