

FRIEDMAN INDUSTRIES, INCORPORATED
CHARTER OF THE COMPENSATION COMMITTEE

Friedman Industries, Incorporated (the “Company”) has established a Compensation Committee (the “Committee”). This Charter sets forth certain matters with respect to the Committee.

I. Structure and Qualifications

1. The Committee shall consist of at least two directors and each member shall meet the definition of independence and all other requirements adopted from time to time by the U.S. Securities and Exchange Commission (the “SEC”) or the NASDAQ Stock Market (“NASDAQ”).
2. The members of the Committee shall be appointed by the Board of Directors of the Company (the “Board”) and may be removed by the Board at any time.
3. Each member of the Committee must qualify as a “non-employee director” for the purposes of Rule 16b-3 under the Securities and Exchange Act of 1934, as amended.

II. Meetings

The Committee shall meet at least one time each year and otherwise as frequently and at such times as necessary to carry out its responsibilities. The Committee may invite members of management or others to attend meetings, provided, however, that in no circumstance shall the Chief Executive Officer (the “CEO”) and any other such executive officers be present at meetings at which their compensation or performance is discussed or determined.

III. Responsibilities

The Board has delegated the following authority to the Committee:

1. The Committee shall review and approve corporate goals and objectives relevant to the compensation of the CEO and other executive officers of the Company, evaluate the performance of the CEO and other executive officers in light of those goals and objectives and recommend to the Board approval of their annual compensation levels including salaries, bonuses, stock options, other stock incentive awards and long-term cash incentive awards based on this evaluation.
2. The Committee shall review, approve and report to the Board regarding the Company’s overall compensation policy, including compensation philosophy and strategy, short-term and long-term incentive plans and programs, stock ownership plans, and employee benefit plans.
3. The Committee shall review and approve levels of pension benefits, if any, and insurance programs for officers and key employees.

4. The Committee shall serve as the committee to administer the Company's incentive compensation plans and equity-based plans, unless the Board specifically provides otherwise.
5. The Committee shall review the competitiveness of the Company's executive compensation programs to foster (a) the attraction and retention of executive officers, (b) the motivation of executive officers to achieve the Company's business objectives, and (c) the alignment of the interests of key leadership with the long-term interests of the Company's shareholders.
6. The Committee shall review and approve compensation packages for new executive officers and termination packages for executive officers.
7. The Committee shall review and make recommendations to the Board regarding the Company's long-term incentive compensation plans and equity-based plans.
8. The Committee shall review the compensation paid to non-employee directors and make recommendations to the Board for any adjustments. No member of the Committee will act to fix his or her own compensation except for uniform compensation to directors for their services as a director.
9. The Committee shall produce an annual report of the Committee on executive compensation in compliance with and to the extent required by applicable rules and regulations promulgated by the SEC or NASDAQ to be included in the Company's annual proxy statement or annual report on Form 10-K.
10. The Committee shall review the compensation discussion and analysis and other compensation disclosure management prepares in compliance with and to the extent required by applicable rules and regulations promulgated by the SEC or NASDAQ to be included in the Company's annual proxy statement or annual report on Form 10-K.
11. The Committee shall review at least one time annually the Committee's own performance.
12. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
13. The Committee shall in its sole discretion, retain, terminate and obtain the advice of outside counsel, compensation consultants, or other experts, advisors or consultants, as it deems appropriate but only after taking into consideration factors relevant to the adviser's independence from management specified in NASDAQ Listing Rule 5605(d)(3) relating to independence of such person.
14. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any person so retained.
15. The Committee shall approve any and all fees and other retention terms related any person so retained, such fees to be paid by the Company, which the Committee shall have the sole authority to authorize.
16. The Committee shall report to the Board at least one time annually and at the Board meeting that immediately follows each meeting of the Committee.
17. The Committee shall oversee the Company's compliance with SEC rules and

regulations regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and the requirement under NASDAQ rules that, with limited exceptions, shareholders approve equity compensation plans.

IV. Delegations

The Committee may delegate any of the foregoing duties and responsibilities to a subcommittee of the Committee consisting of not less than two members of the Committee. In addition, the Committee may delegate to one or more individuals the administration of equity incentive or employee benefit plans, unless otherwise prohibited by law or applicable stock exchange rules. Any such delegation may be revoked by the Committee at any time.