

SMITH-MIDLAND CORPORATION
COMPENSATION COMMITTEE CHARTER

Purpose

The Compensation Committee is appointed by the Board of Directors (the “Board”) of Smith-Midland Corporation (the “Company”) to discharge the Board’s responsibilities relating to compensation of the Company’s Chief Executive Officer (the “CEO”) and the Company’s other executive officers (collectively, including the CEO, the “Executive Officers”). The Compensation Committee has overall responsibility for approving and evaluating all compensation plans, policies and programs of the Company as they affect the Executive Officers.

Membership

The Compensation Committee shall consist of no fewer than two members. The members of the Compensation Committee shall meet the independence requirements of The NASDAQ Stock Market (“NASDAQ”).

At least two members of the Compensation Committee also shall qualify as “non-employee” directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

The members of the Compensation Committee and the Chairperson shall be appointed by the Board. The Board may remove any member from the Compensation Committee at any time with or without cause.

Duties and Responsibilities

The Compensation Committee shall have the following authority and responsibilities:

1. To review and approve annually the corporate goals and objectives applicable to the compensation of the CEO, evaluate at least annually the CEO’s performance in light of those goals and objectives, and determine and approve the CEO’s compensation level based on this evaluation. The CEO cannot be present during any voting or deliberations by the Committee on his or her compensation.
2. To review and approve, at least annually, the annual base salaries and annual incentive opportunities of all Executive Officers.
3. To review and recommend to the Board for approval, incentive compensation plans and equity-based plans, and where appropriate or required, recommend for approval by the stockholders of the Company, which includes the ability to adopt, amend and terminate such plans. The Compensation Committee shall also have the authority to administer the Company’s incentive compensation plans and equity-based plans, including designation of the employees to

whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, subject to the provisions of each plan.

4. To review and discuss with management the Company's disclosure relating to executive compensation proposed by management to be included in the Company's proxy statement and annual report on Form 10-K.

5. To review, approve and, when appropriate, recommend to the Board for approval, any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control, for the CEO and other Executive Officers, which includes the ability to adopt, amend and terminate such agreements, arrangements or plans.

6. To make recommendations to the Board with respect to the Company's employee benefit plans.

7. To monitor the Company's compliance with the requirements under Sarbanes-Oxley Act of 2002 relating to loans to directors and officers, and with all other applicable laws affecting employee compensation and benefits.

8. To review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, 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.

9. To review director compensation for service on the Board and Board committees and to recommend any changes to the Board.

10. To periodically consider and make recommendations to the Board with respect to the Company's Executive Officer Succession Plan.

11. To develop and recommend to the Board for approval one or more policies for the recovery or clawback of erroneously paid compensation, including any revisions to such policies, and monitor compliance with such policies, including determining the extent, if any, to which incentive-based compensation of any current or former employees should be recouped or forfeited.

Outside Advisors

The Compensation Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Compensation Committee shall set the compensation, and oversee the work, of the compensation consultant. The Compensation Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Compensation Committee shall set

the compensation, and oversee the work, of the Compensation Committee's outside legal counsel and other advisors. The Compensation Committee shall receive appropriate funding from the Company, as determined by the Compensation Committee in its capacity as a committee of the Board, for payment of compensation to its compensation consultants, outside legal counsel and any other advisors. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisor to the Compensation Committee, and the authority granted in this Charter shall not affect the ability or obligation of the Compensation Committee to exercise its own judgment in fulfillment of its duties under this Charter.

The Compensation Committee shall evaluate 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. Any compensation consultant retained by the Compensation Committee to assist with its responsibilities relating to executive compensation shall not be retained by the Company for any compensation or other human resource matters.

Structure and Operations

The Compensation Committee shall meet at least two times a year at such times and places as it deems necessary to fulfill its responsibilities. The Compensation Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Compensation Committee may invite such members of the Board or management to its meetings as it deems appropriate. However, the Compensation Committee shall meet regularly without such Board or management members present, and in all cases the CEO and any other members of management shall not be present at meetings at which their compensation or performance is discussed or determined.

The Compensation Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

Delegation of Authority

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

Performance Evaluation

The Compensation Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Compensation Committee shall conduct this evaluation in such manner as it deems appropriate.

