

## COMPENSATION COMMITTEE CHARTER

OF

### IMPCO TECHNOLOGIES, INC.

(Restated and approved by the Board of Directors May 3, 2005)

#### **I. Formation**

The Board of Directors (the "Board") for IMPCO Technologies, Inc., a Delaware corporation (the "Company") has established a Compensation Committee (the "Committee") to assist the Board in fulfilling certain of the Board's oversight responsibilities. The Board hereby further amends and restates the Compensation Committee Charter adopted on May 3, 2005, which establishes the governing principles of the Committee. The Compensation Committee is appointed by the Board to: (a) assist the Board in discharging its responsibilities relating to compensation of the Company's directors and executive officers; and (b) to produce an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations. The Committee shall undertake those specific duties as the board shall from time to time prescribe. All powers of the Committee are subject to the restrictions designated in the Company's Bylaws and by applicable law.

#### **II. Statement of Purpose**

The Committee will review and report to the Board on all executive compensation matters, including cash and equity compensation structures, and the management of the Company's employee stock option and stock purchase plans, and pension and employee welfare plans. The Committee will approve employee compensation and benefit programs and undertake such other specific duties as the Board may from time to time prescribe. The Committee will endeavor to assure the Board periodically that: (i) the executive compensation packages for the key officers are competitively established relative to peer group companies of comparable size, complexity and business nature; and (ii) executive remuneration is integrated with the Company's annual and longer-term business strategy.

#### **III. Committee Membership**

Committee members shall be elected by the Board and shall serve until their successors shall be duly elected and qualified. Committee members may be removed at any time by vote of the Board. The Board shall fill vacancies on the Committee. One of the members of the Committee shall be designated by the majority vote of the members of the Board as the chairperson (the "Chairperson") of the Committee.

The Committee shall consist of no fewer than three members. Each member of the Committee shall meet the independence requirements of NASDAQ Stock Market, Inc. Rule 4200(a)(15) and Rule 4350(c), the definition of a "Non-Employee Director" under Rule 16b-3 under the Securities Exchange Act of 1934, as amended, the requirements of Section 162(m) of the Internal Revenue Code for "Outside Directors," and any other applicable regulatory requirements.

#### **IV. Independence**

All of the members of the Committee must be free from any relationship to the Company or its subsidiaries that, in the judgment of the Board, may interfere with the exercise of their independence from management of the Company. No member of the Committee shall be (i) an affiliated person of the Company, other than solely by the virtue of his or her membership on the Board, or (ii) an officer or employee of the Company or any of its subsidiaries. Appointments to the Committee shall be consistent with the standards of independence under applicable laws, regulation of the Securities and Exchange Commission, and requirements for listing on the NASDAQ Stock Market or such other national securities exchange, as shall be the principal market for trading on the Company's securities.

#### **V. Structure and Meetings**

The Committee shall conduct its business in accordance with this Charter, the Company's Certificate of Incorporation and Bylaws and any direction by the Board.

The Committee shall meet at least twice annually as directed by the Chair of the Committee, except that the Board, the Chair of the Board or the Chair of the Committee may call special meetings of the Committee. The notice of a special meeting shall state the date and time and, if the meeting is not exclusively telephonic, the place of the meeting. Unless otherwise required by law, neither the business to be transacted at, nor the purpose of, any regular or special meeting need be specified in the notice or waiver of notice of such meeting.

Any Committee member may waive notice of any meeting of the Committee at any time. Whenever any notice is required to be given to any Committee member under this Charter or applicable law, a waiver thereof in writing signed by the member entitled to notice shall be deemed equivalent to the giving of notice. The attendance of a member at a meeting of the Committee shall constitute a waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully convened. A member waives his objection to consideration of a particular matter at a meeting that is not within the purpose or purposes described in the meeting notice, unless the member objects to considering the matter when it is presented.

The Committee Chair will preside at each meeting and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The Chair of the Committee shall ensure that the agenda for each meeting is circulated to each Committee member in advance of the meeting. The Chair of the Committee (or other member designated by the Chair or the Committee in the Chair's absence) shall regularly report to the full Board on its proceedings and any actions that the Committee takes. The Committee will maintain written minutes of its meetings, which minutes will be maintained with the books and records of the Company, or in a separate minute book maintained by the Committee.

A majority of the members of the Committee shall constitute a quorum for the transaction of any business at any meeting of the Committee. If less than a majority shall attend a meeting, a majority of the members present may adjourn the meeting from time to time without further notice, and a quorum present at any such adjourned meeting may transact business. If a quorum is present when a vote is taken, then the affirmative vote of a majority of Committee members present shall constitute an act of the Committee. In the event of a tie vote on any issue, the Chairperson's vote shall decide the issue.

Unless otherwise restricted by the Certificate of Incorporation or Bylaws, any action permitted or required to be taken at a meeting of the Committee may be taken without a meeting if all the members of the Committee shall sign one or more written consents setting forth the action. Action taken by written consent is effective when the last Committee member signs the consent, unless the consent specifies an earlier or later effective date.

A Committee member who is present at a meeting of the Committee at which action is taken shall be presumed to have assented to the action taken unless such member's dissent shall be entered in the minutes of the meeting or unless such member shall file his or her written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Bank immediately after adjournment of the meeting. A member who votes in favor of an action shall have no such right to dissent.

Committee members may participate in, or conduct, a meeting of the Committee through the use of any means of communication by which all Committee members participating can hear each other during the meeting and participation by such means shall constitute presence in person at the meeting.

As necessary or desirable, the Chair of the Committee may invite any director, officer or employee of the Company, or other persons whose advice and counsel are sought by the Committee, to be present at meetings of the Committee, consistent with the maintenance of confidentiality of compensation discussions. The Chief Executive Officer of the Company ("CEO") should not be present during voting or deliberations by the Committee relating to the CEO's performance or compensation.

## **VI. Committee Authority and Responsibilities**

### **The Committee shall:**

- a. Annually review and approve all forms of compensation to the Company's Chief Executive Officer, including but not limited to salary, benefits, bonuses and equity-based compensation;

- b. Annually review and approve all forms of compensation to other executive officers of the Company, including but not limited to salary, benefits, bonuses and equity-based compensation;
- c. Review and approve all equity compensation plans, and seek Board approval for such plans, prior to submitting such plans to shareholders for approval pursuant to NASDAQ Rule 4350(i);
- d. Review and approve all employment agreements and any amendments thereto;
- e. Review and approve all independent contractor agreements and any amendments thereto;
- f. Review and make recommendations to the Board regarding the compensation policies for all employees of and consultants to the Company;
- g. Review and report to the Board on the reasonableness of the total compensation paid to the Company's executive officers and other key employees;
- h. Review and make recommendations to the Board regarding the annual management incentive plans and other bonus plans proposed by management, as well as the general compensation goals and guidelines for the Company's employees and the criteria by which bonuses for the Company's employees are determined;
- i. Review the Company's incentive compensation and other stock-based plans, as well as any amendments to the foregoing, and recommend changes in such plans to the Board as needed. Subject to the limitations imposed by applicable laws and regulations, and the Company's Certificate of Incorporation and Bylaws, the Committee shall have and shall exercise all the authority of the Board with respect to the administration of such plans. The Company's stock Committee shall also make recommendations to the Board with respect to amendments to the plans and changes to the number of shares reserved for issuance hereunder;
- j. Review and make recommendations to the Board regarding other plans that are proposed for adoption or adopted by the Company for the provision of compensation to employees and directors of and consultants to the Company;
- k. Work with Company counsel to prepare a report, to be included in the Company's proxy statement, which describes (a) the criteria on which compensation paid to the Chief Executive Officer for the last completed fiscal year was based; (b) the relationship of such compensation to the Company's performance; (c) the Committee's executive compensation policies applicable to executive officers; and (d) any other information required to be included therein by the applicable regulation;
- l. Review and make recommendations to the Board regarding the Company's employment and severance policies; and
- m. Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.

The foregoing list of duties is not intended to be either complete or exclusive, and the Committee shall, in addition, have such powers as may be necessary or appropriate for the performance of its duties hereunder. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time. All interpretations and determinations of the Committee made in accordance with the authority granted to the Committee herein shall be binding on all interested parties, unless finally determined by a court of competent jurisdiction to have been arbitrary and capricious.

## **VII. Committee Resources**

The Committee shall be empowered, without the approval of the Board or management, to engage and compensate independent legal, accounting and other advisors, as it determines necessary to carry out its duties. In

addition, the committee shall have the authority to seek the services of outside compensation consultants and to obtain independently published compensation survey data in furtherance of the duties set forth herein. The Committee shall have the sole authority to retain and terminate any consultant that it uses to assist in the Committee's evaluation of director, CEO or senior executive compensation and shall have the sole authority to approve that consultant's fees and other retention terms. The Committee shall receive appropriate funding, as determined by the Committee, from the Company for payment of: (a) compensation to any advisor employed by the Committee; and (b) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee may form and delegate authority to subcommittees when appropriate.