

**Charter of the  
Compensation Committee  
of the  
Board of Directors  
of  
STRATTEC SECURITY CORPORATION**  
(as adopted as of February 10, 2004)

**A. Purpose.**

The Compensation Committee (the "Committee") is established by the Corporation's Board of Directors (the "Board") to (1) oversee and review the compensation of the Corporation's executive officers, senior managers and directors, (2) produce an annual report on executive compensation for inclusion in the Corporation's proxy statement in accordance with applicable rules and regulations, and (3) oversee and advise the Board on the adoption of policies that govern the Corporation's annual compensation and incentive compensation plans and equity-based plans.

**B. Membership.**

The Committee will consist of at least two members of the Board who are "independent directors" within the meaning of the rules of the Nasdaq Stock Market, each of whom shall not be an officer or employee of the Corporation or its subsidiaries, shall not have any relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out responsibilities of a director and shall otherwise satisfy the applicable membership requirements under the rules of the Nasdaq Stock Market. All Committee members shall also be "non-employee directors" as defined by Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and "outside directors" as defined by Section 162(m) of the Internal Revenue Code. The members of the Committee and its Chairman shall be appointed by the Board and may be removed by the Board in its discretion.

The members of the Committee shall be elected by the Board of Directors to hold such office until their successors have been duly elected and qualified. Unless a chairperson is elected by the Board, the members of the Committee may designate a chairperson by majority vote of the full Committee membership.

**C. Responsibilities.**

The responsibilities of the Committee shall include:

1. Reviewing and approving the goals and objectives of the Corporation relating to the Chief Executive Officer's compensation; evaluating the Chief Executive Officer in light of those goals and objectives; and determining the Chief Executive Officer's compensation, including salary, bonus and incentive and equity compensation, based on this evaluation.

2. Reviewing and approving the goals and objectives of the Corporation relating to the compensation of the Corporation's other executive officers; evaluating the performance of those executive officers in light of these goals and objectives; and determining the compensation of those executive officers, including salary, bonus and incentive and equity compensation, based on this evaluation.

3. Producing an annual report on executive compensation for inclusion in the Corporation's proxy statement.

4. Making recommendations to the Board with respect to incentive compensation plans and equity-based plans, including amendments thereto; establishing criteria for the granting of options to the Corporation's officers and other employees; and reviewing and approving the granting of such options in accordance with such criteria, including evaluating and acting on senior executive recommendations regarding the grants of incentive and equity compensation to managers and other employees.

5. Administering the Corporation's incentive compensation plans and equity-based plans in accordance with the responsibilities assigned to the Committee under any and all such plans.

6. Reviewing and making recommendations to the Board with respect to the compensation of the directors of the Corporation.

7. Reviewing and assessing the adequacy of this Charter and recommending any proposed changes to the Board for approval.

The Board shall review annually the scope of responsibilities of the Committee and the effectiveness with which the Committee has carried out its responsibilities during the foregoing year. The Committee shall report to the Board and shall have such power and authority as is necessary for it to fulfill its responsibilities. The Committee shall perform such functions and retain such authority until otherwise provided by the Board or unless any such matter is specifically approved by the Board.

**D. Meetings.**

The Committee shall meet as often as its members deem necessary to perform the Committee's responsibilities provided the Committee shall meet at least once a year. The Chief Executive Officer may not be present at any meeting during voting or deliberations with respect to the Chief Executive Officer's compensation, but may be present during voting or deliberations with respect to any other matter by the Committee.

**E. Minutes.**

The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

**F. Advisors.**

The Corporation shall provide the Committee with appropriate funding for payment of compensation, fees and expenses to any compensation consultant or other advisor that the Committee may deem appropriate to engage to assist it with its duties and responsibilities.