

ENCORE WIRE CORPORATION COMPENSATION COMMITTEE CHARTER

PURPOSE OF COMMITTEE

The primary purposes of the Compensation Committee (the “Committee”) are to assist the Board of Directors (the “Board”) of Encore Wire Corporation (the “Company”) by: (1) overseeing the Company’s compensation and employee benefit plans and practices, including its executive compensation, incentive compensation, and equity-based compensation plans, and (2) producing an annual report on executive compensation for inclusion in the Company’s proxy statement in accordance with applicable rules and regulations. This Compensation Committee Charter (this “Charter”) governs the operations of the Committee of the Board of the Company.

COMMITTEE MEMBERSHIP AND OPERATIONS

The Committee shall consist of no fewer than three members, each of whom shall be a director of the Company. Each member of the Committee shall meet the listing standards of the National Association of Securities Dealers, Inc. (the “NASD”) relative to independence and all other applicable legal requirements. Members shall be appointed and replaced by the Board. A majority of the members of the Committee shall constitute a quorum.

The Board shall designate one member of the Committee as its chairman. The Committee shall meet in person or telephonically at least once a year at a time and place determined by the Committee chairman, with further meetings to occur or actions to be taken by unanimous written consent when deemed necessary or desirable by the Committee or its chairman.

Following each of its meetings, the chairman of the Committee shall deliver a report to the Board on the meeting, either verbally or in writing, including a description of actions taken by the Committee at the meeting and recommendations to the Board. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company. In fulfilling its responsibilities, as set forth below, the Committee shall have authority to delegate its authority to subcommittees or members as the Committee deems necessary or desirable.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Committee shall have the following authority and responsibilities:

1. To review at least annually the goals and objectives and the structure of the Company’s plans for executive compensation, incentive compensation, equity-based compensation, and its general compensation plans and employee benefit plans (including retirement and health insurance plans), and to recommend to the Board any new plans or any changes in the objectives and structure of such plans as the Committee deems necessary or desirable.

2. To evaluate annually the performance of the Company's chief executive officer (the "CEO"), in light of the goals and objectives of the Company's executive compensation plans, and to determine his or her compensation level based on this evaluation. In determining the incentive components of the CEO's compensation, the Committee shall consider those factors it deems relevant, including the Company's performance, and the CEO's contribution to that performance. The CEO shall not be present during voting or deliberations during the Committee's determination of his or her compensation.

3. In consultation with the CEO, to oversee the annual evaluation of management of the Company, including the other executive officers of the Company, and to annually review and recommend to the Board the compensation of all executive officers and other key employees designated by the Committee.

4. To perform such duties and responsibilities as the Board may assign to the Committee regarding the terms of any compensation plans and to review and approve the amount and terms of all individual stock options that the Committee recommends that the Board grant.

5. Periodically, as the Committee deems necessary or desirable, to review and recommend to the Board all equity-based compensation plans including prior approval of those plans that are subject to shareholder approval under the listing standards of the NASD.

6. To issue the annual report on executive compensation required by the Securities and Exchange Commission for inclusion in the Company's annual proxy statement.

7. To annually review and reassess the adequacy of this Charter and recommend any changes to the full Board.