

**NATIONAL PRESTO INDUSTRIES, INC.**  
**COMPENSATION COMMITTEE CHARTER**

**I. MEMBERSHIP**

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of National Presto Industries, Inc. (the “Company”) shall consist entirely of directors who the Board determines (i) are “independent” in accordance with the rules and regulations of the New York Stock Exchange, (ii) are “non-employee directors” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (iii) satisfy the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

**II. PURPOSE**

The purpose of the Committee shall be to discharge the Board’s responsibilities relating to executive compensation, to review the succession plans for the chief executive officer and other senior executives. Activities of the Committee shall be consistent with the Company’s overall direction and purpose regarding executive compensation, which is to provide fair compensation to executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, instill a long-term commitment to the Company, and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests.

**A. Authority and Responsibilities.** In the furtherance of this purpose, the Committee shall have the following authority and responsibilities:

- to review and approve corporate goals and objectives relevant to the compensation of the chief executive officer, to evaluate the performance of the chief executive officer in light of these goals and objectives, and to determine and approve the compensation of the chief executive officer based on this evaluation;
- to make recommendations to the Board with respect to the compensation of selected non-CEO executive officers;
- to review and assist with the development of executive officer succession plans, to evaluate and make recommendations to the Board regarding potential candidates to become chief executive officer, and to evaluate and approve candidates to fill other senior executive officer positions;
- to make recommendations to the Board with respect to incentive compensation plans and equity based plans, to administer and make awards under such plans and to review the cumulative effect of its actions;
- to monitor compliance by executives with the Company’s stock ownership guidelines;
- to prepare an annual report on executive compensation to be included in the Company’s proxy statement, in accordance with applicable rules and regulations of the Securities and Exchange Commission;
- to evaluate the Committee’s performance at least annually and report to the Board on such evaluation;
- to periodically review and assess the adequacy of this charter and recommend any proposed changes to the Board for approval, including changes concerning the structure and operations of the Committee; and
- to perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board and the Committee shall deem appropriate.

**III. PROCEDURES**

The Committee shall meet as often as it deems is appropriate and at least once annually to carry out its responsibilities. A majority of the members of the Committee shall constitute a quorum. The Chair of the Committee, in consultation with the other Committee members, shall set meeting agendas. The Committee shall report its actions and recommendations to the full Board.

The Committee shall have the sole authority to retain and terminate any independent compensation consultants, legal counsel and any other advisors to the Committee as the Committee may deem appropriate including sole authority to approve the fees and other retention terms of any consultants, counsel or other advisors that it retains.

The Committee may call upon, where appropriate, Company personnel to gather and provide relevant information and data. In addition, Company personnel may be called upon to assist the Committee when interfacing with outside third parties that are providing specific services to the Committee.

This Compensation Committee Charter was approved by the Board of Directors of the Company in August 2004.