

PRECISION CASTPARTS CORP.
Compensation Committee Charter

I. Composition

The Board of Directors (the “Board”) of Precision Castparts Corp. and its domestic and foreign subsidiaries (collectively, the “Company”) will appoint from among its members a Compensation Committee (the “Committee”) and will designate one such member to serve as the Chairman of the Committee. The Board will designate the membership of the Committee after considering the recommendation of the Nominating & Corporate Governance Committee. The Committee shall consist of three (3) or more members of the Board, with each member meeting the standards established by the New York Stock Exchange with respect to independence, as and when required by those standards. Members of the Committee shall be appointed for one (1) year terms, and may be removed by the Board at any time.

II. Purpose

The purpose of the Committee is to discharge and assist in discharging the Board’s responsibilities relating to compensation of the Company’s directors and officers. The Committee will also produce an annual report on executive compensation for inclusion in the Company’s proxy statement, in accordance with applicable laws, regulations and rules.

III. Duties and Responsibilities

It shall be the duty and responsibility of the Committee to:

1. Meet at least semi-annually, and periodically as necessary, to fulfill its duties. The Committee will make regular reports to the Board.
2. Upon having solicited the input of the full Board, annually review and approve corporate goals and objectives relevant to CEO compensation.
3. Evaluate the CEO’s performance in light of the goals and objectives determined to be relevant to CEO compensation (with such evaluation to include an in-person review of the CEO’s performance conducted by the Committee Chairman with the CEO), and set the CEO’s compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee will consider the Company’s performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company’s CEO in past years. The Committee shall solicit the input and advice of the full Board concerning the CEO’s performance prior to the Committee setting the CEO’s compensation, and the Committee’s determination as to the CEO’s compensation level shall be subject to ratification by the full Board.

4. Annually review and approve the base and incentive compensation of the Company's employees who are SERP Level One participants.
5. Make recommendations to the Board with respect to incentive-compensation plans and equity-based plans.
6. Administer the Company's stock option plans.
7. Consistent with the Company's Corporate Governance Guidelines, periodically review the general principles for determining the form and amount of director compensation, and recommend to the Board changes in such principles or in director compensation form or amount when the Committee determines a change advisable.
8. Review and approve the Committee's annual report on executive compensation to be included in the Company's proxy statement.
9. Annually review the Committee's own performance and this Charter, discuss the results of the performance review with the full Board, and recommend to the Board any proposed changes to this Charter.

IV. Other Provisions

1. The Committee has the sole authority to retain and to terminate any compensation consulting firm used to assist the Committee in the evaluation of director, CEO or senior executive compensation, and has sole authority to approve the consulting firm's fees and other retention terms. The Committee also has authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
2. The Committee may form and delegate authority to subcommittees as appropriate.
3. The Committee may designate a non-member to serve as secretary at committee meetings to keep meeting minutes.
4. A current version of this Charter will be included on the Company's website, and will be made available in print to any Company shareholder who requests it. In addition, this availability of this Charter will be stated in the Company's annual report.

Adopted by the Board: February 12, 2003