

## STANDARD MOTOR PRODUCTS, INC.

### COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE CHARTER

(Amended as of March 7, 2006)

#### I. Purpose and Authority

The purpose of the Compensation and Management Development Committee (“Committee”) of the Board of Directors (“Board”) of Standard Motor Products, Inc. (“Company”) is to (a) discharge the responsibilities of the Board relating to compensation of the Company’s executives; (b) review the performance, training and development of Company management in achieving corporate goals and objectives; (c) oversee the Company’s management succession planning; (d) produce an annual report on executive compensation required by the rules of the Securities Exchange Commission; and (e) engage in such other matters as may from time to time be specifically delegated to the Committee by the Board. The Committee shall have overall responsibility for reviewing and approving executive compensation plans, and related policies and programs of the Company.

In fulfilling its responsibilities, the Committee shall have the authority, and shall be afforded resources sufficient, to engage or terminate any independent counsel, accounting or other professional consultants when determined by the Committee to be necessary or appropriate to assist the Committee in the evaluation of executive compensation matters, including the authority to approve fees and other retention terms. The Committee shall also have all authority necessary to fulfill the duties and responsibilities assigned to the Committee in this Charter or otherwise assigned to it by the Board.

The Committee when appropriate may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Board or Company officers.

#### II. Composition

##### A. *Independence*

The Committee shall be composed of three or more directors, as determined by the Board. Each such Committee member shall (a) be affirmatively determined by the Board to meet the requirements established by the Company’s Bylaws and the New York Stock Exchange to be considered an “independent” member of the Board, (b) be a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, and (c) be an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986.

##### B. *Appointment and Removal of Members*

The Board, upon the recommendation of its Nominating and Corporate Governance Committee, shall elect members of the Committee on an annual basis, generally at the first meeting of the Board following the Company’s annual stockholders meeting. The Board may remove any member from the Committee at any time with or without cause, provided that the

Board must, at all times, assure that the Committee will have sufficient members to satisfy the requirements set forth above relating to the number and qualifications of Committee members.

### **III. Duties and Responsibilities**

The Committee shall have the following duties and responsibilities, in addition to any duties and responsibilities assigned to the Committee from time to time by the Board.

#### *A. Compensation Philosophy and Goals*

- Annually review and approve policies regarding compensation programs and practices applicable to the Company's Chief Executive Officer (the "CEO") and the Company's other senior executives ("Senior Executives") as the Committee may from time to time determine should be subject to the Committee's direct purview.

#### *B. CEO and Senior Executive Compensation*

- Review and approve corporate goals and objectives relevant to the CEO's compensation, evaluate the CEO's performance in light of those goals and objectives, and set the CEO's compensation based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee shall consider the Company's performance and relative stockholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the CEO in past years.
- Review the CEO's recommendations and approve annual compensation for the other Senior Executives. In determining compensation of executives, the Committee shall consider the Company's performance and relative stockholder return, the value of similar incentive awards to executives at comparable companies, and the awards given to executives in past years.
- Establish and administer annual and long-term incentive compensation plans for the Senior Executives.
- Recommend to the Board for its approval material changes to Senior Executive compensation policies and programs.
- Review and approve all special executive employment, compensation and retirement arrangements.

#### *C. Equity Compensation Awards and Stock Ownership Guidelines*

- Act as administrator of the Company's equity-based incentive plans and, as needed, recommend to the Board for its approval and, where appropriate, submission to the Company's stockholders, issues concerning incentive compensation plans and equity-based plans.

*D. Management Succession Planning, Development and Retention*

- Annually review the Company's succession planning, organizational structure and development strategies for the CEO and other key management positions of the Company. The CEO shall make his recommendations and evaluation of potential successors for the CEO position as well as potential successors for other key management positions. The Committee shall review any development plans recommended for such individuals and make recommendations to the Board with respect to matters relating to the training, development and retention plans of the Company's key management personnel.
- Meet from time to time with Company management to assess the talent of key management personnel, assess the resources within the various departments of the Company, and review and evaluate the Company's programs, priorities and progress for the recruiting, staffing, training, developing and retaining of competent managers for present and future Company needs, emphasizing alignment with the Company's strategic and operating plans.
- Evaluate potential candidates for certain senior management positions, as necessary, and oversee major organizational and staffing matters.

*E. Benefit Plans*

- Make recommendations to the Board regarding all Internal Revenue Service tax-qualified retirement plans, nonqualified benefit plans, and all plan amendments that are non-administrative in nature; fulfill ERISA fiduciary and non-fiduciary functions, as applicable, by approving and making recommendations to the Board regarding:
  - the designation of the trustee and the execution of trust agreement for any such plan or plans;
  - the termination, merger or consolidation of any such plan or plans; and
  - the extension of plan participation to employees of affiliates or subsidiaries.
- Annually review executive stock ownership and monitor progress toward meeting ownership guidelines.
- Periodically review plan administration, participation and regulatory compliance of nonqualified plans.

*F. Nonexecutive Compensation and Incentive Plans*

- Perform other review functions relating to nonexecutive compensation and human resources policies as the Committee deems appropriate.

*G. Reports*

- Provide written minutes of Committee meetings to the Board and report to the Board at each regular Board meeting on any significant matters arising from the Committee's work,

including any awards for Senior Executives and any special executive employment, compensation and retirement arrangements.

- Prepare any reports on executive compensation required by the Board or by the rules of the Securities and Exchange Commission (“SEC”) to be included in the Company’s annual proxy statement or annual report on Form 10-K filed with SEC.

#### **IV. Meetings**

The Committee shall establish a meeting calendar annually. The Committee may hold such other meetings as are necessary or appropriate in order for the Committee to fulfil its responsibilities. The Corporate Governance and Nominating Committee of the Board will appoint a Chairman of the Committee. The Chairman will, in consultation with other members of the Committee and appropriate members of management of the Company, be responsible for calling meetings of the Committee, establishing the agenda for the meetings, and conducting the meetings. When appropriate, the Committee may meet in separate executive session with management, employees and outside advisors to discuss matters that the Committee or the other groups believe warrant Committee attention.

The secretary of the Company shall be the Secretary of the Committee.

The Committee shall act only on the affirmative vote of a majority of the members at a meeting. A majority of the members of the Committee shall constitute a quorum.

#### **V. Evaluation**

The Committee shall review and reassess this Charter at least annually and, if appropriate, propose changes to the Board.

The Committee shall obtain or perform an annual evaluation of the Committee’s performance and make applicable recommendations for improvement.