

**STONERIDGE, INC.**  
**CHARTER OF THE COMPENSATION COMMITTEE**  
**OF THE BOARD OF DIRECTORS**

**Adopted March 4, 2004**  
**Amended May 6, 2013**

**A. Purposes of the Committee**

The purposes of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Stoneridge, Inc. (the “Company”) are to (i) discharge the Board’s responsibilities relating to the compensation of the Company’s executives and directors, (ii) oversee the Company’s compensation and employee benefit plans and practices, and (iii) produce an annual report on executive compensation for inclusion in the Company’s proxy statement, in accordance with all applicable rules and regulations.

**B. Composition of the Committee**

The Committee shall consist of no fewer than three directors. Each Compensation Committee member shall be independent (i) in accordance with the provisions of Rule 10C-1(b)(1) under Securities Exchange Act of 1934, as amended (the “Exchange Act”) and (ii) as defined by applicable listing standards of the New York Stock Exchange (the “NYSE”). Members of the Committee shall also qualify as “non-employee directors” within the meaning of Rule 16b-3 promulgated under the Exchange Act, and “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and shall satisfy any other necessary standards of independence under the federal securities and tax laws.

The members of the Committee shall be appointed (based on recommendations from the Nominating and Corporate Governance Committee) and serve at the pleasure of the Board. Vacancies on the Committee may be filled by the Board, and members of the Committee may be removed only by the Board.

**C. Meetings and Procedures of the Committee**

The Committee shall meet at least three times annually or more frequently as circumstances require. The Board shall designate one member of the Committee as its Chairperson. The Chairperson will, in conjunction with appropriate members of the Committee and management, establish the meeting calendar and set the agenda for each meeting. Committee members may suggest the inclusion of matters for the agenda. The Chairperson of the Committee or a majority of the members of the Committee may call special meetings of the Committee. The Committee may form subcommittees of not fewer than two members for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such information as the Committee requests.

The Committee may meet in executive session outside the presence of the Company's executive officers.

Following each of its meetings, the Committee shall report on the meeting to the Board, including a description of all actions taken by the Committee at the meeting. The Committee shall keep written minutes of its meetings.

#### **D. Committee Responsibilities**

The Committee shall have the following responsibilities:

- (i) To review and approve periodically the goals and objectives relevant to the compensation of the Chief Executive Officer and the Company's other executive officers, and amend, or recommend that the Board amend, these goals and objectives if the Committee deems it appropriate.
- (ii) To review at least annually the Company's executive and employee compensation plans and, if the Committee deems it appropriate, recommend to the Board the adoption of new or the amendment of existing plans.
- (iii) To evaluate annually the performance of the Chief Executive Officer in light of the goals and objectives of the Company's executive compensation plans, and set his or her compensation level based on this evaluation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall consider all relevant factors, including the Company's performance and relative shareholder return, the value of similar awards to chief executive officers of comparable companies, and the awards given to the Chief Executive Officer of the Company in past years. In evaluating and determining the Chief Executive Officer's compensation (and the compensation of the Company's other executive officers) the Committee shall consider the results of the most recent shareholder advisory vote on executive compensation (the "Say on Pay Vote") required by proxy rules of the Exchange Act. The Chief Executive Officer shall not be present during any voting or deliberations by the Committee on his or her compensation.
- (iv) To review and approve the compensation for executive officers, including the review and approval of the design and implementation of any incentive arrangements, equity compensation, and supplemental retirement programs.
- (v) To administer the Company's long-term incentive plans (including the Long-Term Incentive Plan and Long-Term Cash Incentive Plan, both as may be amended from time to time) and to review and approve grants and awards to executive officers and other participants under the Company's equity-based compensation plans.
- (vi) To review and discuss with management the Company's Compensation Discussion and Analysis ("CD&A") and the related executive compensation information, recommend that the CD&A and related executive compensation information be included in the Company's annual report on Form 10-K and proxy statement.

(vii) To evaluate periodically compensation for members of the Board and its committees and to review and approve changes in such compensation and plans relating to director compensation. Directors who are employees of the Company shall not be compensated for their service as a director (other than reimbursement of expenses incurred in attending board and committee meetings). In establishing compensation for directors, the Committee may take into account the responsibilities of directors in serving on the Board and its Committees and the compensation provided to directors of other publicly-traded companies.

(viii) To review and approve any employment, severance, change in control or termination arrangements to be made with any executive officer of the Company.

(ix) To perform such duties and responsibilities as may be assigned to the Committee under the terms of any executive or employee compensation or benefit plan.

(x) To review perquisites or other personal benefits to the Company's executive officers and recommend any changes to the Board.

(xi) To issue an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations.

(xii) To review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.

(xiii) To review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent shareholder advisory vote on frequency of Say on Pay Votes required by the proxy rules of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.

(xiv) To review all equity compensation plans that are not subject to shareholder approval under the listing standards of the NYSE and to approve such plans in its sole discretion.

#### **E. Evaluation of the Committee**

The Committee shall, on an annual basis, evaluate this Charter and its performance hereunder. The Committee shall deliver to the Board a report setting forth the results of its evaluation.

#### **F. Investigations and Studies; Outside Advisors**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's responsibilities, and may retain, at the Company's expense, such independent counsel or other advisors as it deems necessary. The Committee shall have the sole authority to retain or terminate a compensation consultant to assist the Committee in carrying out its

responsibilities, including sole authority to approve the consultant's fees and other retention terms, such fees to be borne by the Company.

The compensation consultant and any other outside advisors retained by, or providing advice to, the Committee should (absent good reason) be independent as determined in the discretion of the Committee after considering the factors specified in NYSE Listed Company Manual Section 303A.05. In retaining or seeking advice from compensation consultants and other outside advisors the Committee must take into consideration the factors specified in Rule 10C-1 of the Exchange Act. The Committee may retain, or receive advice from, any compensation advisors the Committee prefers, including ones that are not independent, after considering the specified factors. The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice. Further, the Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

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