

**SYNTHETECH, INC.
COMPENSATION COMMITTEE
CHARTER**

Adopted by the Board of Directors
May 20, 2004
(Amended on November 13, 2008 and June 2, 2009)

SYNTHETECH, INC.

Compensation Committee Charter

The Board of Directors shall appoint the Compensation Committee (“Committee”). The Committee shall have the purposes, responsibilities and functions described below. Members of the Committee shall serve at the will of the Board of Directors and may be removed by the Board.

- 1. Purpose.** The Committee's primary functions are (a) discharge the responsibilities of the Board regarding oversight of compensation of the Company's CEO and other executives; (b) make recommendations to the Board with respect to incentive compensation, equity-based awards and other benefits and perquisites, and (c) advise the Board on the adoption of policies that govern the Company's compensation programs. The Committee shall 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.
- 2. Composition.** The Committee shall be comprised of not less than two non-employee directors. The Board shall appoint the members of the Committee annually, upon the recommendation of the Nominating and Corporate Governance Committee, at the Company's annual meeting or as necessary to fill vacancies in the interim. The Board shall designate a Chair of the Committee. In the absence of a member designated by the Board to serve as Chair, the members of the Committee may appoint from among their number a person to preside at their meetings.
- 2. Frequency of meetings.** The Committee shall hold at least one meeting each year. The Committee will report to the Board on major items covered and make recommendations to the Board as it considers appropriate. The Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.
- 3. Committee agendas.** The Chair, in consultation with the appropriate members of the Committee and Company management, will develop the Committee's agenda.
- 4. Resources and authority.** The Committee will have the resources and authority necessary to discharge its duties and responsibilities, including the authority to retain outside counsel or other experts or consultants, as it deems appropriate, including the sole authority to approve fees and other retention terms without seeking Board approval. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will seek to preserve the privileged nature of those communications.
- 5 Delegation to subcommittee.** The Committee may, in its discretion, form and delegate authority to subcommittees when appropriate

6. Responsibilities and duties. The Committee's principal duties and responsibilities shall be:

6.1 Compensation

- 6.1.1 Review and approve periodically a general compensation program and compensation structure that is designed to (a) support the Company's overall business strategy and objectives; (b) attract and retain key executives to successfully lead and manage the Company; (c) link compensation with business objectives and organizational performance; and (d) provide competitive compensation opportunities.
- 6.1.2 Review, solicit input from the entire Board regarding and approve corporate and individual goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, establish the CEO's compensation, and determine whether or not goals and objectives have been met. In determining the long-term incentive component of the CEO's compensation, the Committee shall consider the Company's performance and relative shareholder return, and the awards given to the CEO in past years. The CEO shall not be present when the Committee makes decisions regarding the CEO's compensation.
- 6.1.3 Review and approve corporate and individual performance goals and objectives relevant to compensation of executives other than the CEO, review the CEO's assessment and recommendations regarding performance of these other executives other than the CEO. If necessary, determine whether or not corporate goals and objectives have been met. Approve all changes in the compensation of the executives of the Company.
- 6.1.4 Establish and oversee annual and long-term incentive compensation plans for the CEO and other executives.
- 6.1.5 Recommend to the Board for its approval changes to compensation policies and programs for the CEO and other executives.
- 6.1.6 Determine procedures for Board review of the CEO's performance and for communicating such review to the CEO.
- 6.1.7 Make recommendations to the Board with respect to the remuneration paid and benefits provided to members of the Board in connection with their service on the Board and its committees.
- 6.1.8 Administer the Company's formal compensation programs for directors, including the Company's Stock Compensation Plan.
- 6.1.9 Review, from time to time, the compensation policies for directors and report to the Board concerning the results of the evaluation.
- 6.1.10 Review and approve employment agreements, change in control agreements and termination agreements with executives of the Company. Review and approve general severance benefit plans or change in control agreements as requested by Company management with respect to non-executive officers.

6.2 *Employee Benefit Plans*

- 6.2.1 Administer the compensation plans (including equity plans, bonus and incentive compensation plans, and deferred savings plans) under which the Committee has been granted administrative responsibility in a manner consistent with the terms of such plans, including, as applicable, approving all stock option or other equity grants for executives. The Committee shall have the authority to delegate responsibility in accordance with the terms of the applicable plan for matters relating to employees other than executive.
- 6.2.2 Review trends in management compensation, and make recommendations concerning approval by the Board of new compensation plans or changes to existing plans.
- 6.2.3 Periodically review plan administration, participation and regulatory compliance.

6.3 *Monitoring and Evaluation*

- 6.3.1 Monitor compliance with legal prohibitions on loans to directors and executives of the Company.
- 6.3.2 The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- 6.3.3 The Committee shall annually review its own performance and make appropriate recommendations

7. Amendments. This Charter may be amended in whole or in part with the approval of a majority of the Board.