

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2001

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From _____ to _____

Commission file number 0-19687

SYNALLOY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

57-0426694
*(IRS Employer
Identification Number)*

P.O. Box 5627
Croft Industrial Park
Spartanburg, South Carolina
(Address of principal executive offices)

29304
(Zip code)

(864) 585-3605
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No .

The number of shares outstanding of the registrant's common stock as of March 31, 2001 was 5,964,368.

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Synalloy Corporation

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Item 1.

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PART I. FINANCIAL STATEMENTS

Synalloy Corporation

Condensed Consolidated Balance Sheets

	Mar 31, 2001 <i>(Unaudited)</i>	Dec 30, 2000 <i>(Note)</i>
Assets		
<i>Current assets</i>		
Cash and cash equivalents	\$ 9,996	\$ 467
Accounts receivable, less allowance for doubtful accounts	13,279,206	13,260,204
Inventories		
Raw materials	5,917,698	7,017,023
Work-in-process	4,136,231	5,727,177
Finished goods	<u>15,265,060</u>	<u>16,115,875</u>
Total inventories	25,318,989	28,860,075
Deferred income taxes	597,000	597,000
Prepaid expenses and other current assets	<u>1,207,233</u>	<u>1,282,750</u>
Total current assets	40,412,424	44,000,496
Cash value of life insurance	2,262,224	2,244,739
Investment	1,094,632	1,077,599
Property, plant & equipment, net of accumulated depreciation of \$34,337,000 and \$33,583,000	<u>22,226,043</u>	<u>22,232,822</u>
Deferred charges and other assets	<u>3,405,368</u>	<u>3,512,424</u>
Total assets	\$ 69,400,691	\$ 73,068,080
Liabilities and Shareholders' Equity		
<i>Current liabilities</i>		
Notes payable	\$ 3,608,000	\$ 8,230,000
Accounts payable	6,918,017	6,113,110
Income taxes	1,075,018	-
Accrued expenses	1,978,454	2,721,197
Current portion of environmental reserves	<u>1,452,214</u>	<u>1,452,700</u>
Total current liabilities	15,031,703	18,517,007
Long-term debt, less current portion	10,000,000	10,000,000
Environmental reserves	1,771,189	1,859,000
Deferred compensation	1,057,427	1,353,244
Deferred income taxes	1,171,000	1,166,000
Contingencies		
Shareholders' equity		
Common stock, par value \$1 per share - authorized 12,000,000 shares; issued 8,000,000 shares	8,000,000	8,000,000
Capital in excess of par value	9,491	9,491
Retained earnings	49,196,044	49,008,090
Accumulated other comprehensive income	250,842	242,251
Less cost of Common Stock in treasury	<u>(17,087,005)</u>	<u>(17,087,003)</u>
Total shareholders' equity	<u>40,369,372</u>	<u>40,172,829</u>
Total liabilities and shareholders' equity	\$ 69,400,691	\$ 73,068,080

Note: The balance sheet at December 30, 2000 has been derived from the audited financial statements at that date.

See accompanying notes to condensed consolidated financial statements.

Synalloy Corporation

Condensed Consolidated Statements of Operations

(Unaudited)	Three Months Ended	
	Mar 31, 2001	Apr 1, 2000
Net sales	\$ 25,102,763	\$ 32,271,000
Cost of sales	<u>21,502,738</u>	<u>27,073,288</u>
Gross profit	3,600,025	5,197,712
Selling, general and administrative expense	<u>2,563,998</u>	<u>3,284,575</u>
Operating income	1,036,027	1,913,137
Other (income) and expense		
Interest expense	281,277	238,810
Other, net	<u>3,575</u>	<u>7,303</u>
Income before taxes	751,175	1,667,024
Provision for income taxes	<u>265,000</u>	<u>593,000</u>
Net income	\$ 486,175	\$ 1,074,024
Net income per common share		
Basic	\$.08	\$.17
Diluted	\$.08	\$.17
Dividends paid per common share	\$.05	\$.05
Average shares outstanding		
Basic	5,964,368	6,291,061
Diluted	5,964,368	6,292,257

See accompanying notes to condensed consolidated financial statements.

Synalloy Corporation
Condensed Consolidated Statements of Cash Flows

(Unaudited)	Three Months Ended	
	<u>Mar 31, 2001</u>	<u>Apr 1, 2000</u>
Operating activities		
Net income	\$ 486,175	\$ 1,074,024
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	754,210	990,876
Amortization of deferred charges	84,109	81,386
Deferred compensation	(295,817)	(628)
Provision for losses on accounts receivable	72,918	54,009
Gain on sale of property, plant and equipment	(17,900)	(576)
Cash value of life insurance	(17,485)	(18,200)
Environmental reserves	(88,297)	(85,16)
Changes in operating assets and liabilities:		
Accounts receivable	(91,920)	(1,982,190)
Inventories	3,541,086	(1,022,395)
Other assets	90,017	(401)
Accounts payable and accrued expenses	(209,018)	1,413,951
Income taxes payable	<u>1,351,200</u>	<u>457,178</u>
Net cash provided by operating activities	5,659,278	961,874
Investing activities		
Purchases of property, plant and equipment	(747,431)	1,031,791
Proceeds from sale of property, plant and equipment	<u>17,900</u>	<u>576</u>
Net cash used in investing activities	(729,531)	(1,031,215)
Financing activities		
Proceeds from revolving lines of credit	5,951,000	11,175,000
Payments on revolving lines of credit	(10,573,000)	(10,841,000)
Purchases of treasury stock	-	(23)
Dividends paid	<u>(298,218)</u>	<u>(314,553)</u>
Net cash (used in) provided by financing activities	(4,920,218)	19,424
Increase in cash and cash equivalents	9,529	(49,917)
Cash and cash equivalents at beginning of year	<u>467</u>	<u>120,549</u>
Cash and cash equivalents at end of period	\$ 9,996	\$ 70,632

See accompanying notes to condensed consolidated financial statements.

Synalloy Corporation

Notes To Condensed Consolidated Financial Statements

(Unaudited)

March 31, 2001

NOTE 1--BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended March 31, 2001, are not necessarily indicative of the results that may be expected for the year ending December 29, 2001. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the period ended December 30, 2000.

NOTE 2--INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out method) or market.

NOTE 3--LEGAL MATTERS

The Company is from time to time subject to various claims, other possible legal actions for product liability and other damages, and other matters arising out of the normal conduct of the Company's business. Management believes that based on present information, it is unlikely that liability, if any, exists that would have a materially adverse effect on the consolidated operating results or financial position of the Company.

NOTE 4--COMPREHENSIVE INCOME

Comprehensive income was \$496,000 and \$1,151,000 for the three months ended March 31, 2001 and April 1, 2000, respectively. Comprehensive income consists of net income plus unrealized gains on the Company's equity investments of \$9,000 and \$77,000, net of deferred income taxes of \$5,000 and \$41,000 for the three months ended March 31, 2001 and April 1, 2000, respectively, and is recorded in Shareholders' Equity.

NOTE 5--SEGMENT INFORMATION

(Dollar amounts are in thousands)

Three Months Ended
Mar 31, 2001 Apr 1, 2000

Net sales			
Colors Group	\$	6,028	\$ 6,608
Specialty Chemicals Group		<u>5,592</u>	<u>6,126</u>
Chemicals Segment		11,620	12,734
Metals Segment		<u>13,483</u>	<u>19,537</u>
	\$	25,103	\$ 32,271
Operating income			
Colors Group	\$	(62)	\$ 40
Specialty Chemicals Group		<u>248</u>	<u>124</u>
Chemicals Segment		186	164
Metals Segment		<u>1,100</u>	<u>2,182</u>
		1,286	2,346
Unallocated expenses			
Corporate		250	433
Interest, net		<u>285</u>	<u>246</u>
Income before income taxes	\$	751	\$ 1,667

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Synalloy Corporation

Management's Discussion and Analysis of Financial Condition

And Results of Operations

The following is management's discussion of certain significant factors that affected the Company during the quarter ended March 31, 2001. (Dollar amounts are in thousands except for per share data.)

Consolidated sales for the quarter were down, decreasing 22 percent compared to the same period one year ago. Consolidated net income also decreased 55 percent to \$486 for the quarter, or \$.08 per share, compared to \$1,047, or \$.17 per share, reported the same period one year ago. On a sequential basis, sales were up one percent and net income per share increased 33 percent to \$.08 from last quarter's \$.06 per share before special charges.

Sales in the Colors Group were down nine percent from a year earlier and an operating loss of \$62 was incurred compared to the modest \$40 profit reported in 2000's first quarter. Reduced unit volume demand and lower prices that were evident through the end of last year led to these weaker results. On a sequential basis, the first quarter showed improvement in sales and substantially less operating loss than was reported in the fourth quarter of 2000. During the quarter we saw the first signs that prices may be bottoming after a prolonged decline that began in 1995. We have seen a rare price increase on a dye from China and a major dye supplier is attempting to institute a modest price increase. However, it will take a significant increase in prices and further consolidation of domestic dye suppliers for our Colors Group and the industry overall to return to acceptable profitability.

The Specialty Chemicals Group had a nine percent decline in sales, but operating income was up 100 percent from the comparable quarter last year. The profit improvement came from eliminating the losses incurred last year at the Augusta, Georgia plant. That plant is being closed and a provision to cover the costs of shutdown was recorded at last year-end.

Although this product group is currently being impacted by weak conditions in the chemical industry, management believes it is now positioned to reestablish the growth posture evident prior to the problems encountered in recent years.

For the Metals Segment, dollar sales declined 31 percent from a year earlier as a result of 37 percent lower unit volumes partially offset by 11 percent higher average selling prices. Demand was negatively impacted by a continuation of the inventory liquidation that began in the second half of last year. End-use demand is also probably weaker than a year ago because of the economic slowdown. The higher sales prices resulted from a more favorable product mix with higher-priced special alloys and piping systems contributing a greater percentage of sales than in the first quarter of 2000. Commodity stainless pipe sales prices were actually only up four percent from a year earlier.

Operating income of \$1,100 was about half the amount of last year's first quarter. The decline came from the lower sales together with negative cost variances that resulted from substantially lower production levels. Beginning in the fourth quarter of last year, the Company began an inventory reduction plan that led to production levels of commodity pipe substantially below the level of sales. The low production level necessarily led to negative cost variances as fixed costs were spread over lower unit volumes. At quarter end, the inventory was \$7,005 lower than six months earlier, which represents a 35 percent decline.

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Management's Discussion and Analysis of Financial Condition

And Results Of Operations - Continued

Market conditions are very competitive and stainless pipe prices have continued their decline. On a positive note, sequential unit volume sales of pipe were up ten percent over the fourth quarter which, in turn, were up ten percent from the third quarter of 2000 when inventory liquidation was most intense. The inventory reduction will be completed in April and production will be ramped up to equal expected sales. This should reduce the impact of negative cost variances.

At this time, the most promising industrial construction activity seems to be power generation. The bulk of the piping requirements for this activity are carbon pipe as opposed to stainless pipe. However, our piping systems operation does have some potential to get business from the power market. We have been awarded jobs totaling \$430 at two separate new power plants for stainless piping systems. We are actively pursuing this market, but have not yet determined if its potential could be significant to us.

For the last two quarters, management in both Segments has been focused on inventory reduction to get the levels to a desirable percentage of sales. Inventories have been reduced by approximately \$4,000 in each of these quarters, which has reduced capital utilized, increased cash flow from operations and improved liquidity.

Selling and administrative expense for the quarter declined \$721, or 22 percent, compared to the first quarter last year. Incentive bonuses and sales commissions declined in the quarter compared to last year's first quarter. In addition, last year's expense included \$215 from the Whiting Metals plant which was closed at the end of the first quarter last year, and a \$158 special charge for an unanticipated payment made under a contract related to a pre 1973 employment matter.

Cash flows from operations totaled \$5,659 during the first three months of 2001 compared to \$962 generated during the same period one year ago. The increase came primarily from a \$3,541 reduction in inventories. Increases in income taxes payable of \$1,351 and net income before depreciation and amortization of \$1,324 also contributed to the increase. The Company expects that available cash and existing lines of credit will be sufficient to meet normal operating requirements, including capital expenditures over the near term.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

The statements contained in this management discussion and analysis that are not historical facts may be forward looking statements. The forward looking statements are subject to certain risks and uncertainties, including without limitation those identified below, which could cause actual results to differ materially from historical results or those anticipated. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The following factors could cause actual results to differ materially from historical results or those anticipated: adverse economic conditions, the impact of competitive products and pricing, product demand and acceptance risks, raw material and other increased costs, customer delays or difficulties in the production of products, and other risks detailed from time to time in Synalloy's Securities and Exchange Commission filings. Synalloy Corporation assumes no obligation to update the information included herein.

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Synalloy Corporation

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Change In Securities

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters To A Vote Of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No.
from Item 601 of

<u>Regulation S-B</u>	<u>Description</u>
3.1	Restated Certificate of Incorporation of Registrant, as amended
3.2	Bylaws of Registrant, as amended
4.1	Form of Common Stock Certificate
4.2	Rights Agreement, dated as of February 4, 1999, as amended May 22, 2000, between registrant and American Stock Transfer and Trust Company (incorporated by reference to exhibits to Registrant's Form 8-K filed May 22, 2000 and Form 8-A filed March 29, 1999
10.1	Synalloy Corporation 1988 Long-Term Incentive Stock Plan
10.2	Synalloy Corporation Restated 1994 Non-Employee Directors' Stock Option Plan
10.3	Synalloy Corporation 1998 Long-Term Incentive Stock Plan
10.4	Restated Employment Agreement, dated January 1, 2001, between Registrant and James G. Lane, Jr.
10.5	Employment Agreement, dated November 25, 1996, between Registrant and Ronald H. Braam
10.6	Restated Salary Continuation Agreement, dated January 1, 2001, between Registrant and Ronald H. Braam
10.7	Restated Deferred Compensation Agreement, dated December 14, 1995, between Registrant and James G. Lane, Jr.
10.8	Registrant's Subsidiary and Divisional Management Incentive Plan

The Company did not file any reports on Form 8-K during the three months ended March 31, 2001

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Synalloy Corporation

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SYNALLOY CORPORATION
(Registrant)

Date: May 11, 2001

By: /s/ James G. Lane, Jr.
James G. Lane, Jr.

Date: May 11, 2001

By: /s/ Gregory M. Bowie
Gregory M. Bowie
Vice President Finance

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Exhibit Index

Exhibit No.
from Item 601 of

<u>Regulation S-B</u>	<u>Description</u>
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RESTATED
CERTIFICATE OF INCORPORATION
OF
SYNALLOY CORPORATION (DELAWARE)

ARTICLE ONE

The name of the Corporation is Synalloy Corporation.

ARTICLE TWO

The address of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle. The name of the registered agent of the Corporation as such address is the Corporation Trust Company.

ARTICLE THREE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE FOUR

The aggregate number of shares of all classes of stock which the Corporation shall have authority to issue is six million (6,000,000) shares of Common Stock, par value one dollar (\$1.00) per share. Except as may be provided by the Laws of the State of Delaware or this Certificate of Incorporation, the holders of the Common Stock shall have exclusively all rights of stockholders. The holders of the Common Stock shall be entitled to one vote per share and to vote such shares cumulatively at all elections of directors of the Corporation.

ARTICLE FIVE

The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. The Board of Directors shall fix the number of directors to serve on the Board of Directors which shall consist of not less than three nor more than fifteen and may be increased or decreased above or below these limits only by amendment to this Certificate of Incorporation.

ARTICLE SIX

The following provisions are hereby adopted for the purpose of defining, limiting and regulating the powers of the Corporation and of its directors and stockholders:

1. The Corporation reserves the right from time to time to make any amendment to its Certificate of Incorporation, now or hereafter authorized by law, including any amendment which alters the contract rights as expressly set forth therein, of any outstanding stock.
2. The Board of Directors is expressly authorized to adopt, alter and repeal the Bylaws of the Corporation in whole or in part at any regular, or special meeting of the Board of Directors, by vote of a majority of the entire Board of Directors. Such power shall not divest the stockholders of the power nor limit their power to adopt, amend, or repeal bylaws.
3. The Board of Directors may determine from time to time the amount and type of compensation which shall be paid to its members for service on the Board of Directors. The Board of Directors shall also have power, in its discretion, to provide for and to pay to directors rendering services to the Corporation not ordinarily rendered by directors, as such, special compensation appropriate to the value of such services, as determined by the Board from time to time.
4. Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (whether or not by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, incorporator, employee, or agent of the Corporation, or any predecessor of the Corporation, or is or was serving at the request of the Corporation, or any predecessor of the Corporation, as a director, officer, incorporator, employee, or agent of another corporation, or partnership, joint venture, trust, or other enterprise (including an employee benefit plan), shall be entitled to be indemnified by the Corporation to the full extent then permitted by law against expenses (including attorneys' fees), judgments, fines (including excise taxes assessed on a person with respect to an employee benefit plan), and amounts paid in settlement incurred by him in connection with such action, suit or proceeding. Such right of indemnification shall continue as to a person who has ceased to be a director, officer, incorporator, employee, or agent and shall inure to the benefit of the heirs and personal representatives of such a person. Subject only to any limitations prescribed by the laws of the State of Delaware now or hereafter in force, the foregoing shall not limit the authority of the Corporation to indemnify the directors, officers and other employees and agents of this Corporation consistent with law and shall not be deemed to be exclusive of any rights to which those indemnified may be entitled as a matter of law or under any resolution, Bylaw provision, or agreement.
5. Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 or Title 8 of the Delaware Code or on the application of

trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

6. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts of omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, as it now exists or hereafter may be amended, or (iv) for any transaction from which the director derived an improper personal benefit. If the General Corporation Law of the State of Delaware is amended hereafter to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation, in addition to the limitation of personal liability provided herein, shall be limited to the fullest extent permitted by the amended General Corporation Law of the State of Delaware. Any amendment, repeal or modification of this paragraph by the stockholders of the Corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such amendment, repeal or modification. This paragraph 6 does not affect the availability of equitable remedies for breach of fiduciary duties.
7. The Corporation expressly elects not to be governed by the provisions of Section 203 of the General Corporation Law of the State of Delaware.

ARTICLE SEVEN

The name and address of the incorporator is Joseph J. Blake, Jr., Esquire; Haynsworth, Marion, McKay & Guerard; 75 Beattie Place, Eleventh Floor, Two Shelter Centre, Post Office Box 2048; Greenville, South Carolina 29602.

The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation. The names and mailing addresses of the persons who are to serve as a director until the first annual meeting of stockholders or until his respective successor has been elected and qualified are as follows:

P. Clarke Blackman
1010 Glendalyn Circle
Spartanburg, SC 29302

Joseph J. Blake, Jr.
Haynsworth, Marion, McKay & Guerard
Post Office Box 2048
Greenville, SC 20602

Barry F. Cohen
Barry F. Cohen & Company
1776 Broadway, 24th Floor
New York, New York 10019

Louis R. Proyect
Spear, Leeds & Kellogg
115 Broadway
New York, New York 10006

Owen M. Evans
2400 Eastview Road
Rock Hill, SC 29730

Sibyl N. Fishburn
3542 Peakwood Drive, SW
Roanoke, Virginia 24014

Edward A. Kerbs
Spear, Leeds & Kellogg
115 Broadway
New York, New York 10006

James G. Lane, Jr.
Synalloy Corporation
Post Office 5627
Spartanburg, SC 29304

Carol D. Vinson
U.S. Shelter Corporation
Post Office Box 1089

Greenville, SC 29602

IN WITNESS WHEREOF, I have made, signed and sealed this Certificate of Incorporation this 2nd day of June, 1988, and hereby acknowledge the execution thereof as my act and deed.

Joseph J. Blake, Jr., Incorporator

BYLAWS

OF

SYNALLOY CORPORATION

(formerly Synalloy Corporation (Delaware))

A Delaware Corporation

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BYLAWS
OF
SYNALLOY CORPORATION

(formerly Synalloy Corporation (Delaware))

A Delaware Corporation

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the Corporation in the State of Delaware shall be in the City of Wilmington, County of New Castle.

Section 2. Other Offices. The Corporation shall also have and maintain an office or principal place of business at Croft Industrial Park, West Croft Circle, Spartanburg, South Carolina and may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

SHAREHOLDERS' MEETINGS

Section 1. Place of Meetings. Meetings of the shareholders of the Corporation shall be held at such place, either within or without the State of Delaware, as may be designated from time to time by the Board of Directors, or, if not so designated, then at the office of the Corporation required to be maintained pursuant to Section 2 of Article I hereof.

Section 2. Annual Meetings. The annual meetings of the shareholders of the Corporation, commencing with the year 1989, for the purpose of election of directors and for such other business as may lawfully come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors, or, if not so designated, then at 10:00 a.m. on the last Thursday in April in each year if not a legal holiday, and, if a legal holiday, at the same hour and place on the next succeeding day not a holiday.

Section 3. Special Meetings. Special Meetings of the shareholders of the Corporation may be called at any time, for any purpose or purposes, by the Chairman of the Board or the President or the Board of Directors or the holders of not less than twenty-five (25%) of the shares entitled to vote at the meeting.

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Section 4. Notice of Meetings.

(a) Except as otherwise provided by law or the Certificate of Incorporation, written notice of each meeting of shareholders, specifying the place, date and hour and purpose or purposes of the meeting, shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting, directed to his address as it appears upon the books of the Corporation; except that where the matter to be acted on is a merger or consolidation of the Corporation or a sale, lease or exchange of all or substantially all of its assets, such notice shall be given not less than 20 nor more than 60 days prior to such meeting.

(b) If at any meeting action is proposed to be taken which, if taken, would entitle shareholders fulfilling the requirements of Section 262 of the Delaware General Corporation Law to an appraisal of the fair value of their shares, the notice of such meeting shall contain a statement of that purpose and to that effect and shall be accompanied by a copy of that statutory section.

(c) When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken unless the adjournment is for more than thirty days, or unless after the adjournment a new record date is fixed for the adjourned meeting, in which event a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

(d) Notice of the time, place and purpose of any meeting of shareholders may be waived in writing, either before or after such meeting, and to the extent permitted by law, will be waived by any shareholder by his attendance thereat, in person or by proxy. Any shareholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

(e) Unless and until voted, every proxy shall be revocable at the pleasure of the person who executed it or of his legal representatives or assigns, except in those cases where an irrevocable proxy permitted by statute has been given.

Section 5. Quorum. At all meetings of shareholders, except where otherwise provided by law, the Certificate of Incorporation, or these Bylaws, the presence, in person or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall

constitute a quorum for the transaction of business. Shares, the voting of which at said meeting has been enjoined, or which for any reason cannot be lawfully voted at such meeting, shall not be counted to determine a quorum at said meeting.

In the absence of a quorum any meeting of shareholders may be adjourned, from time to time, by vote of the holders of a majority of the shares represented at such meeting, but no other business shall be transacted at such meeting. At such adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the original meeting. The shareholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, all action taken by the holders of a majority of the voting power represented at any meeting at which a quorum is present shall be valid and binding upon the Corporation.

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Section 6. Voting Rights.

(a) Except as otherwise provided by law, only persons in whose names shares entitled to vote stand on the stock records of the Corporation on the record date for determining the shareholders entitled to vote at said meeting shall be entitled to vote at such meeting. Shares standing in the names of two or more persons shall be voted or represented in accordance with the determination of the majority of such persons, or, if only one of such persons is present in person or represented by proxy, such person shall have the right to vote such shares and such shares shall be deemed to be represented for the purpose of determining a quorum.

(b) Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent, which proxy shall be filed with the Secretary of the Corporation at or before the meeting at which it is to be used. Said proxy so appointed need not be a shareholder. No proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

Section 7. List of Shareholders. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least 10 days before every meeting of shareholders, a complete list of the shareholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of and the number of shares registered in the name of each shareholder. Such list shall be open to the examination of any shareholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held and which place shall be specified in the notice of the meeting, or, if not specified, at the place where said meeting is to be held, and the list shall be produced and kept at the time and place of meeting during the whole time thereof, and may be inspected by any shareholder who is present.

Section 8. Procedure at Meetings. At any meeting of shareholders, it demanded by the holders of twenty percent (20%) of the number of shares present in person or by proxy and entitled to vote, or if ordered by the Chairman of such meeting, the vote upon any election or question shall be taken by written ballot, and the polls shall be opened and closed, the proxies and ballots shall be received and all questions touching on the qualification of voters and the validity of proxies and the acceptance or rejection of votes shall be decided by three Inspectors. At all meetings of shareholders, unless the voting is conducted by Inspectors, all questions relating to the qualification of votes and the validity of proxies and the acceptance or rejection of votes shall be decided by the Chairman of the meeting. Unless so demanded or ordered no vote need be by ballot and voting need not be conducted by Inspectors. If Inspectors are requested, the shareholders at any meeting may choose Inspectors to act at such meeting and in default of such election, the Chairman of the meeting may appoint Inspectors. No candidate for the office of director shall be appointed as an Inspector.

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Section 9. Shareholder Proposals at Annual Meetings. At an annual meeting of the shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, otherwise properly brought before the meeting by or at the direction of the Board of Directors or otherwise properly brought before the meeting by a shareholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary, Synalloy Corporation. To be timely, a shareholder's notice must be delivered to or mailed and received at the principal executive offices of the corporation, not less than 30 days nor more than 60 days prior to the meeting; provided, however, that in the event that less than 40 days' notice or prior public disclosure of the date of the meeting is given or made to shareholders, notice by the shareholder to be timely must be so received not later than the close of business on the 10th day following the day on which such

notice of the date of the annual meeting was mailed or such public disclosure was made. A shareholder's notice to the secretary shall set forth as to each matter the shareholder proposes to bring before the annual meeting, (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the shareholder proposing such business, (iii) the class and shareholder, and (iv) any material interest of the shareholder in such business.

Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this SECTION 9; provided, however, that nothing in this SECTION 9 shall be deemed to preclude discussion by any shareholder of any business properly brought before the annual meeting in accordance with said procedure.

The Chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this SECTION 9, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

Section 10. Nominations of Persons for Election to the Board of Directors.

In addition to any other applicable requirements, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of persons for elections to the Board of Directors of the Corporation may be made at a meeting of shareholders by or at the direction of the Board of Directors, by any nominating committee or person appointed by the Board of Directors or by any shareholder of the Corporation entitled to vote for the elections of directors at the meeting who complies with the notice procedures set forth in this SECTION 10. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary, Synalloy Corporation. To be timely, a shareholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than 30 days nor more than 60 days prior to the meeting; provided, however, that in the event that less than 40 days' notice or prior public disclosure of the date of the meeting is given or made to shareholders, notice by the shareholder to be timely must be so received not later

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than the close of business on the 10th day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. Such shareholder's notice shall set forth (a) as to each person whom the shareholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of the Corporation which are beneficially owned by the person and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Rule 14a under the Securities Exchange Act of 1934; and (b) as to the shareholder giving the notice, (i) the name and record address of shareholder and (ii) the class and number of shares of the Corporation which are beneficially owned by the shareholder. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth herein.

The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

ARTICLE III

DIRECTORS

Section 1. General Powers. The property, affairs and business of the Corporation shall be managed under the direction of its Board of Directors, which may exercise all of the powers of the Corporation, except such as are by law or by the Certificate of Incorporation or by these Bylaws expressly conferred upon or reserved to the shareholders.

Section 2. Number and Term of Office; Removal. The number of directors of the Corporation shall be as provided in the Certificate of Incorporation. If the number of directors is changed, in no case shall a decrease in the number of directors shorten the term of any incumbent director. A director may be removed from office with or without cause, by the affirmative vote of a majority of all the votes entitled to be cast for the election of directors, but if less than the entire board is to be removed, no director may be removed without cause if the vote against his removal would be sufficient to elect him if cumulatively voted at an election. Subject to such removal, death, resignation, retirement or disqualification, each director shall hold office until the annual meeting for the year in which his term expires and until his successor shall be elected and qualify.

Section 3. Election of Directors. At each meeting of the shareholders for the election of directors, the directors to be elected at such meeting shall be elected by a plurality of votes given at such election.

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Section 4. Vacancies. Any vacancy occurring in the Board of Directors for any cause other than by reason of an increase in the number of directors may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by the shareholders. Any vacancy occurring by reason of an increase in the number of directors may be filled only by the shareholders. A director elected by the Board of Directors to fill a vacancy, other than by an increase in the number of directors, shall be elected to hold office until the expiration of the term for which he was elected and until his successor shall have been elected and shall have qualified. A director elected by the shareholders to fill a vacancy shall be elected to hold office until the expiration of the term for which he was elected and until his successor shall have been elected and shall have qualified.

Section 5. Resignations. A director may resign at any time by giving written notice to the Board of Directors or to the Secretary. Such resignation shall take effect at the time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Annual Meetings. The Board of Directors, as constituted following the vote of shareholders at any meeting of the shareholders for the election of directors, may hold its first meeting for the purpose of organization and the transaction of business, if a quorum be present, immediately after such meeting and at the same place, and notice of such meeting need not be given. Such first meeting may be held at any other time and place specified in a notice given as hereinafter provided for special meetings of the Board of Directors or in a consent and waiver of notice thereof signed by all the directors.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such places and times as may be fixed from time to time by resolution of the Board.

Section 8. Special Meetings: Notice. Special meetings of the Board of Directors may be called at any time by the Chairman of the Board or the President/ and shall be called by the Secretary upon the written request of any three directors, and each special meeting shall be held at such place and time as shall be specified in the notice thereof. At least two days' notice of each such special meeting shall be given to each director personally or sent to him addressed to his residence or usual place of business by telegram, or at least four days' notice of each such special meeting shall be given to each director by letter sent to him addressed as aforesaid. Such notice shall be deemed to be given when deposited in the United States mail so addressed or when duly deposited at an appropriate office for transmission by telegram, as the case may be. Such notice need not state the business to be transacted at or the purpose or purposes of such special meeting. No notice of any such special meeting of the Board of Directors need be given to any director who attends in person or who, in writing executed and filed with the records of the meeting, either before or after the holding thereof, waives such notice. No notice need be given of an adjourned meeting of the Board of Directors.

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Section 9. Quorum and Manner of Acting. A majority of the total number of directors, but in no even less than two directors, shall constitute a quorum for the transaction of business at any annual, regular or special meeting of the Board of Directors. Except as otherwise provided by law, by the Certificate of Incorporation or by these Bylaws, the act of a majority of the directors present at any meeting, at which a quorum is present, shall be the act of the Board of Directors. In the absence of a quorum, a majority of the directors present may adjourn the meeting from time to time until a quorum be had.

Section 10. Consent in Writing. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting, if a written consent to such action is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or such committee.

Section 11. Committees.

(a) Executive Committee: The Board of Directors may, by resolution passed by a majority of the whole Board, appoint an Executive Committee of not less than three members, each of whom shall be a director. The Executive Committee, to the extent permitted by law, shall have and may exercise when the Board of Directors is not in session all powers of the Board in the management of the business and affairs of the Corporation, except such committee shall not have the power or authority to amend the Certificate of Incorporation, to adopt an agreement of merger or consolidation, to recommend to the shareholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, to recommend to the shareholders of the Corporation a dissolution to the Corporation or a revocation of a dissolution, to amend these Bylaws, to declare a dividend, to authorize the issuance of stock, or to adopt a certificate of ownership and merger pursuant to Section 253 of the Delaware General Corporation Law.

(b) Other Committees: The Board of Directors may, by resolution passed by a majority of the whole Board, from time to time appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committee, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term: The members of all committees of the Board of Directors shall serve a term coexistent with that of the Board of Directors which shall have appointed such committee. The Board, subject to the provisions of subsections (a) or (b) of this SECTION 11, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation, but the Board may at any time for any reason remove any individual committee member and the Board may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified

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from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings: Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this SECTION II shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter; special meetings of any such committee may be held at the principal office of the Corporation required to be maintained pursuant to SECTION 2 of ARTICLE I hereof; or at any place which has been designated from time to time by resolution of such committee or by written consent of all members thereof, and may be called by any director who is a member of such committee, upon written notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of written notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time after the meeting and will be waived by any director by attendance. A majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

Section 12. Telephone Meetings. The Board of Directors or any Committee thereof may participate in a meeting by means of a conference telephone or similar communications equipment if all members of the Board or of such Committee, as the case may be, participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

ARTICLE IV

OFFICERS

Section 1. Designation of Officers. The officers of the Corporation, who shall be chosen by the Board of Directors at its first meeting after each annual meeting of shareholders, shall be a Chairman of the Board, a President, one or more Vice Presidents, a Treasurer, a Secretary and a Controller. The Board of Directors from time to time may choose such other officers as it shall deem appropriate or may leave any office designated above vacant. Any one person may hold any number of offices of the Corporation at any one time unless specifically prohibited therefrom by law. The Chairman of the Board and the President shall be chosen from among the directors; the other officers need not be directors.

Section 2. Term of Office; Resignation; Removal. The term of office of each officer shall be until the first meeting of the Board of Directors following the next annual meeting of shareholders and until his successor is elected and shall have qualified, or until his death, resignation or removal, whichever is sooner. Any officer may resign at any time by giving written notice to the Board of Directors or to the Secretary. Such resignation shall take effect at the time specified therein and, unless otherwise specified therein, the acceptance of such

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resignation shall not be necessary to make it effective. Any officer may be removed at any time either with or without cause by the Board of Directors.

Section 3. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause, may be filled for the unexpired portion of the term by the Board of Directors.

Section 4. Authority of Officers. Subject to the power of the Board of Directors in its discretion to change and redefine the duties of the officers of the Corporation by resolution in such manner as it may from time to time determine, the duties of the officers of the Corporation shall be as follows:

(a) Chairman of the Board. The Chairman of the Board shall preside at meetings of the shareholders and the Board of Directors. He shall recommend to the Board, for its approval, the membership of Board committees. Subject to the direction of the Board of Directors, he shall generally manage the affairs of the Board and perform such other duties as are assigned by the Board.

(b) President. The President shall be the Chief Executive Officer of the Corporation, and shall execute all the powers and perform all the duties

usual to such office. Subject to the direction of the Board of Directors, he shall have the responsibility for the general management of the affairs of the Corporation. The President shall perform such other duties as may be prescribed or assigned to him from time to time by the Board of Directors.

(c) Other Officers. The other officers of the Corporation shall have such powers and shall perform such duties as generally pertain to their respective offices, as well as such powers and duties as the Board of Directors, the Executive Committee or the Chief Executive Officer may prescribe.

Section 5. Salaries. The salaries and other compensation of the principal officers of the Corporation shall be fixed from time to time by the Board of Directors.

ARTICLE V

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 1. Execution of Instruments. The Board of Directors may in its discretion determine the method and designate the signatory officer of officers or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except where otherwise provided by law, and such execution or signature shall be binding upon the Corporation. All checks and drafts drawn on banks or other depositories on funds to the credit of the Corporation or in special accounts of the Corporation, shall be signed by such person or persons as the Treasurer or such other person designated by the Board of Directors for that purpose shall authorize so to do.

Section 2. Voting of Securities Owned By the Corporation. All stock and other securities of other Corporations and business entities owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the President or any person authorized to do so by resolution of the Board of Directors.

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ARTICLE VI

SHARES OF STOCK AND OTHER SECURITIES

Section 1. Form and Execution of Certificates. Certificates for the shares of stock of the Corporation shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the Corporation shall be entitled to have a certificate signed by, or in the name of the Corporation by, the Chairman of the Board or by the President or any Vice-President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the corporation. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 2. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate of certificates theretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to indemnify the Corporation in such manner as it shall require and/or to give the Corporation a surety bond in such form and amount as it may direct as indem-nify against any claim that may be made against the Corporation with respect to the certificates alleged to have been lost or destroyed.

Section 3. Transfers. Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a certificate or certificates for a like number of shares, properly endorsed.

Section 4. Registered Shareholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

Section 5. Regulations. The Board of Directors may make such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates for shares of the stock and other securities of the Corporation, and may appoint transfer agents and registrars of any class of stock or other securities of the Corporation.

Section 6. Other Securities of the Corporation. All bonds, debentures and other corporate securities of the Corporation, other than stock certificates, may be signed by the Chairman of the Board or the President or any Vice-President or such other person as may be authorized by the Board of Directors and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and

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attested by the signature of the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer; provided, however, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signature of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the Corporation, or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security or whose facsimile signature shall appear thereon shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the Corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the Corporation.

ARTICLE VII

CORPORATE SEAL

The corporate seal shall consist of a die bearing the name of the corporation and the state and date of its incorporation. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VIII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (hereinafter a "Proceeding"), by reason of the fact that he, or a person of whom he is the legal representative, is or was a director or an officer, of the corporation or, while a director or officer is or was serving at the request of the corporation as a director or officer, employee, or agent of another corporation or of a partnership, joint venture, trust, or other enterprise, including service with respect to employee benefit plans, whether the basis of the Proceeding is alleged action in an official capacity as a director or an officer or in any other capacity while serving as a director or an officer shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than were permitted prior to amendment) against all expenses, liability, and loss (including attorneys' fees) such expenses shall be advanced only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer to repay such amount if it

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shall ultimately be determined that he is not entitled to be indemnified by the Corporation pursuant to SECTION 3 of this ARTICLE VIII, the Corporation shall indemnify any such person seeking indemnification in connection with a Proceeding (or part thereof) initiated by such person only if the Proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this ARTICLE VIII shall be a contract right.

Section 2. Authority to Advance Expenses. Expenses incurred (including attorneys' fees) by a director or officer (acting in his capacity as such) in defending a Proceeding shall be paid by the corporation in advance of the final disposition of such Proceeding; provided, however, that if required by the Delaware General Corporation Law, as amended, such expenses shall be advanced only upon delivery to the corporation of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation as authorized in this ARTICLE VIII or otherwise. Such expenses incurred by other employees or agents of the corporation (or by the directors or officers not acting in their capacity as such, including service with respect to employee benefit plans) may be advanced upon such terms and conditions as the Board of Directors deems appropriate.

Section 3. Right of Claimant to Bring Suit. If a claim under SECTIONS 1 or 2 of this ARTICLE VIII is not paid in full by the Corporation within 60 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense including attorneys' fees) of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending a Proceeding in advance of its final disposition where the required undertaking has been tendered to the Corporation) that the claimant has not met the standards of conduct that make it permissible under the Delaware General Corporation Law for the corporation to indemnify the claimant for the amount claimed. The burden of proving such a defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper under the circumstances because he has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its shareholders) that the claimant had not met such applicable standard of conduct, shall create a presumption that the claimant has not met the applicable standard of conduct.

Section 4. Provisions Nonexclusive. The rights conferred on any person by this ARTICLE VIII shall not be exclusive of any other rights that such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

Section 5. Authority to Insure. The Corporation may purchase and maintain insurance to protect itself and any person who is or was a director or an officer of the Corporation, or, while a director or an officer, is or was serving at the request

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of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability, expense, or loss asserted against or incurred by such person, whether or not the Corporation would have the power to indemnify him against such liability, expense, or loss under applicable law or the provisions of this ARTICLE VIII.

Section 6. Survival of Rights. The rights provided by this ARTICLE VIII shall continue as to a person who has ceased to be a director or an officer, and shall inure to the benefit of their heirs, executors, and administrators of such a person.

Section 7. Effect of Amendment. Any amendment, repeal, or modification of this ARTICLE VIII shall not (a) adversely affect any right or protection of any director or officer existing at the time of such amendment, repeal, or modification, or (b) apply to the indemnification of any such person for liability, expense, or loss stemming from actions or missions occurring prior to such amendment, repeal, or modification.

Section 8. Authority to Enter into Indemnification Agreements. The Corporation may enter into indemnification agreements with the directors and officers of the Corporation in substantially the form set forth in Exhibit A attached to these Bylaws.

ARTICLE IX

NOTICES

Whenever, under any provisions of these Bylaws, notice is required to be given to any shareholder, the same shall be given in writing, timely and duly deposited in the United States Mail, postage prepaid, and addressed to his last known post office address as shown by the stock record of the Corporation or its transfer agent. Any notice required to be given to any director may be given by the method hereinabove stated, or by telegram, except that such notice other than one which is delivered personally, shall be sent to such address as such director shall have filed in writing with the Secretary of the Corporation, or, in the absence of such filing, to the last known post office address of such director. If no address of a shareholder or director be known, such notice may be sent to the office of the Corporation required to be maintained pursuant to SECTION 2 of ARTICLE I hereof. An affidavit of mailing, executed by a duly authorized and competent employee of the Corporation or its transfer agent appointed with respect to the class of stock affected, specifying the name and address or the names and addresses of the shareholder or shareholders, director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall be conclusive evidence of the statements therein contained. All notices given by mail, as above provided, shall be deemed to have been given as at the time of mailing and all notices given by telegram shall be deemed to have been given as at the sending time recorded by the telegraph company transmitting the same. It shall not be necessary that the same method of giving be employed in respect of all directors, but one permissible method may be employed in respect of any one or more, and any other permissible method of methods may be employed in respect of any other or others. The period or limitation of time within which any shareholder may exercise any option or right, or enjoy the privilege or benefit, or be required to act, or within which any director may exercise any

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power of right, or enjoy any privilege, pursuant to any notice sent him in the manner above provided, shall not be affected or extended in any manner by the failure of such a shareholder or such director to receive such notice. Whenever any notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation, or of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the Corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate under any provision of the Delaware General Corporation Law, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

ARTICLE X

AMENDMENTS

The Board of Directors is expressly authorized to adopt, alter and repeal the Bylaws of the Corporation in whole or in part at any regular or special meeting of the Board of Directors, by vote of a majority of the entire Board of Directors. These Bylaws may also be adopted, altered or repealed in whole or in part at any annual or special meeting of the shareholders by the affirmative vote of a majority of the shares of the Corporation outstanding and entitled to vote thereon.

CERTIFICATE OF SECRETARY

The undersigned, Secretary of Synalloy Corporation, a Delaware corporation, hereby certifies that the foregoing is a full, true and correct copy

of the Bylaws of said Corporation, with all amendments to date of this Certificate.

WITNESS the signature of the undersigned [and the seal of the Corporation] this 2nd day of June 1988.

Secretary

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EXHIBIT A

INDEMNIFICATION AGREEMENT

AGREEMENT, effective as of June 2, 1988, between SYNALLOY CORPORATION, a Delaware corporation (the "Company"), and _____ (the "Indemnitee").

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available.

WHEREAS, Indemnitee is a director/officer of the Company;

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors of public companies in today's environment;

WHEREAS, the Certificate of Incorporation and the Bylaws of the Company require the Company to indemnify and advance expenses to its directors to the fullest extent permitted by law and the Indemnitee has been serving and continues to serve as a director or officer of the Company in part in reliance on such Certificate of Incorporation and Bylaws;

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner and Indemnitee's reliance on the aforesaid Certificate of Incorporation and Bylaws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such Certificate of Incorporation and Bylaws will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such Certificate of Incorporation and Bylaws or any change in the composition of the Company's Board of Directors or acquisition transaction relating to the Company), and in order to induce Indemnitee to continue to provide services to the Company as a director or officer thereof, the Company wishes to provide in this Agreement for the indemnification of and the advancing of expenses to Indemnitee to the fullest extent (whether partial or complete) permitted by law and as set forth in this Agreement, and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

NOW, THEREFORE, in consideration of the premises and of Indemnitee continuing to serve the Company directly or, at its request, with another enterprise, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Certain Definitions:

- a. Change in Control: shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company's representing 20% or more of the total voting power represented by the Company's then outstanding Voting Securities, or (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Company and any new director whose election by the Board of Directors or nomination for elections by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, or (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 80% of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition of the Company (in one transaction or a series of transactions) of all or substantially all of the Company's assets.
- b. Expense: include attorneys' fees and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including an appeal), or preparing to defend, be a witness in or participate in any Proceeding relating to any Indemnifiable Event.
- c. Indemnifiable Event: any event or occurrence that takes place either prior to or after the execution of this Agreement, related to the fact that Indemnitee is or was a director or an officer of the Company, or while a director or officer is or was serving at the request of the Company as a director, officer, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise, or by reason of anything done or not done by Indemnitee in any such capacity.

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- d.
- e. Potential Change in Control: shall be deemed to have occurred if (i) the Company enters into an agreement or arrangement, the consummation of which would result in the occurrence of Change in Control; (ii) any person (including the Company) publicly announces an intention to take or to consider taking actions which if consummated would constitute Change in Control; (iii) any person, other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company acting in such capacity or a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, who is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing 10% or more of the combined voting power or the Company's then outstanding Voting Securities, increases his beneficial ownership of such securities by 5% or more over the percentage so owned by such person on the date hereof; or (iv) the Board adopts a resolution to the effect that for purposes of this Agreement, a Potential Change in Control has occurred.
- f. Proceeding: any threatened, pending or completed action, suit or proceeding, or any inquiry, hearing or investigation, whether conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other.
- g. Reviewing Party: any appropriate person or body consisting of a member or members of the Company's Board of Directors or any other person or body appointed by the Board (including the special independent counsel referred to in Section 3) who is not a party to the particular Proceeding with respect to which Indemnitee is seeking Indemnification.
- h. Voting Securities: any securities of the Company which vote generally in the election of directors.

2. Agreement to Indemnify.

- a. In the event Indemnitee was, is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Proceeding by reason of (or arising in part out of) an Indemnifiable Event, the Company shall indemnify Indemnitee to the fullest extent permitted by law, as soon as practicable but in any event no later than thirty days after written demand is presented to the Company, against any and all Expenses, judgment, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid in settlement) of such Proceeding and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement (including the creation of the Trust). Notwithstanding anything in this Agreement to the contrary except as provided in Section 5, prior to a Change in Control, Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with any Proceeding initiated by Indemnitee against the Company or any director or officer of the Company unless the Company has joined in or consented to the initiation of such

Proceeding. If so requested by Indemnitee, the Company shall advance (within ten business days of such request) any and all Expenses to Indemnitee (an "Expense Advance").

- b. Notwithstanding the foregoing, (i) the obligations of the Company under Section 2(a) shall be subject to the condition that the Reviewing Party shall not have determined (in a written opinion, in any case in which the special, independent counsel referred to in Section 3 hereof is involved) that Indemnitee would not be permitted to be indemnified under applicable law, and (ii) the obligation of the Company to make an Expense Advance pursuant to Section 2(a) shall be subject to the condition that, if, when and to the extent that the Reviewing Party determines that Indemnitee would not be permitted to be so indemnified under applicable law, the Company shall be entitled to be reimbursed by Indemnitee (who hereby agrees to reimburse the Company) for all such amounts theretofore paid; provided, however, that if Indemnitee has commenced legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and Indemnitee shall not be required to reimburse the Company for any Expense Advance until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed). Indemnitee's obligation to reimburse the Company for Expense Advances shall be unsecured and no interest shall be charged thereon. If there has not been a Change in Control the Reviewing Party shall be selected by the Board of Directors, and if there has been such a Change in Control (other than a Change in Control which has been approved by a majority of the Company's Board of Directors who were directors immediately prior to such Change in Control), the Reviewing Party shall be the special, independent counsel referred to in Section 3 hereof. If there has been no determination by the Reviewing Party or if the Reviewing Party determines that Indemnitee substantively would not be permitted to be indemnified in whole or in part under applicable law, Indemnitee shall have the right to commence litigation in any court in the State of South Carolina having subject matter jurisdiction thereof and in which venue is proper seeking an initial determination by the court or challenging any such determination by the Reviewing Party or any aspect thereof, and the Company hereby consents to service of process and to appear in any such proceeding. Any determination by the Reviewing Party otherwise shall be conclusive and binding on the Company and Indemnitee.
3. Change in Control. The Company agrees that if there is a Change in Control of the Company (other than a Change in Control which has been approved by a majority of the Company's Board of Directors who were directors immediately prior to such Change in Control) then with respect to all matters thereafter arising concerning the rights of Indemnitee to indemnity payments and Expense Advances under this Agreement or any other agreement or under applicable law or the Company's Certificate of Incorporation or Bylaws now or hereafter in effect relating to indemnification for Indemnifiable Events, the Company shall seek legal advice only from special, independent counsel selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld), and who has not otherwise performed services for the Company or the Indemnitee (other than in connection with such matters) within the last five years. Such independent counsel shall not include any person who, under the applicable

standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. Such counsel, among other things, shall render its written opinion to the Company and Indemnitee as to whether and to what extent the Indemnitee would be permitted to be indemnified under applicable law. The Company agrees to pay the reasonable fees of the special, independent counsel referred to above and to indemnify fully such counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or the engagement of special, independent counsel pursuant hereto.

4. Establishment of Trust. In the event of a Potential Change in Control, the Company shall, upon written request by Indemnitee, create a Trust for the benefit of the Indemnitee and from time to time upon written request of Indemnitee shall fund such Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request to be incurred in connection with investigating, preparing for and defending any Proceeding relating to an Indemnifiable Event and any and all judgments, fines, penalties and settlement amounts of any and all Proceedings relating to an Indemnifiable Event from time to time actually paid or claimed, reasonably anticipated or proposed to be paid. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by the Reviewing Party, in any case in which the special, independent counsel referred to above is involved. The terms of the Trust shall provide that upon a Change in Control (i) the Trust shall not be revoked or the principal thereof invaded, without the written consent of the Indemnitee, (ii) the Trustee shall advance, within ten business days of a request by the Indemnitee, any and all Expenses to the Indemnitee (and the Indemnitee hereby agrees to reimburse the Trust under the circumstances under which the Indemnitee would be required to reimburse the Company under Section 2(b) of this Agreement), (iii) the Trust shall continue to be funded by the Company in accordance with the funding obligation set forth above, (iv) the Trustee shall promptly pay to the Indemnitee all amounts for which the Indemnitee shall be entitled to indemnification pursuant to this Agreement or otherwise, and (v) all unexpended funds in such Trust shall revert to the Company upon a final determination by the Reviewing Party or a court of competent jurisdiction, as the case may be, that the Indemnitee has been fully indemnified under the terms of this Agreement. The Trustee chosen by the Company shall also be approved by Indemnitee (which approval shall not be unreasonably withheld). Nothing in this Section 4 shall relieve the Company of any of its obligations under this Agreement. All income earned on the assets held in the Trust shall be reported as income by the Company for federal state, local and foreign tax purposes.

5. Indemnification for Expenses Incurred in Enforcing this Agreement. The Company shall indemnify Indemnitee against any and all expenses (including attorneys' fees), and, if requested by Indemnitee, shall (within ten business days of such request) advance such expenses to Indemnitee, which are incurred by Indemnitee in connection with any claim asserted against or action brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Company under this Agreement or any other agreement or under applicable law or the Company's Certificate of Incorporation or Bylaws now or hereafter in effect relating to indemnification for Indemnifiable Events and/or (ii) recovery under any directors' and officer's liability insurance policies maintained by the

Company, only if the Indemnitee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

6. Partial Indemnity. If Indemnitee is entitled under any provision of this Agreement to Indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid in settlement of a Proceeding but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. Moreover, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Proceedings relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee shall be indemnified against all Expenses incurred in connection therewith.

7. Defense to Indemnification, Burden of Proof and Presumptions. It shall be a defense to any action brought by the Indemnitee against the Company to enforce this Agreement (other than an action brought to enforce a claim for expenses incurred in defending a Proceeding in advance of its final disposition where the required undertaking has been tendered to the Company) that the Indemnitee has not met the standards of conduct that make it permissible under the Delaware General Corporation Law for the Company to indemnify the Indemnitee for the amount claimed. In connection with any determination by the Reviewing Party or otherwise as to whether the Indemnitee is entitled to be indemnified hereunder, the burden of proving such a defense shall be on the Company. Neither the failure of the Company (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action by the Indemnitee that indemnification of the claimant is proper under the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Company (including its Board of Directors, independent legal counsel, or its stockholders) that the Indemnitee had not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct. For purposes of this Agreement, the termination of any claim, action, suit or proceeding, by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

8. Non-exclusivity. The rights of the Indemnitee hereunder shall be in addition to any other rights Indemnitee may have under the Company's certificate of Incorporation or Bylaws or the Delaware General Corporation Law or otherwise. To the extent that a change in the Delaware General Corporation Law (whether by statute or judicial decision) permits greater indemnification by agreement than would be afforded currently under the Company's Certificate of Incorporation and Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such charge.

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9. Liability Insurance. To the extent the Company maintains an insurance policy or policy or policies providing directors' and officers' liability insurance, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officers.

10. Period of Limitations. No legal action shall be brought and no cause of action shall be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee, Indemnitee's spouse, heirs, executors or personal or legal representatives after the expiration of two years from the date of accrual of such cause of action, or such longer period as may be required by state law under the circumstances, and any claim or cause of action of the Company or its affiliate shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action such shorter period shall govern.

11. Amendment of this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

12. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be beneficial and necessary to secure such rights, including, but not limited to, the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights and the gathering, preparation, and presentation of documents and other evidence.

13. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment in connection with any claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, Bylaw or otherwise) of the amounts otherwise indemnifiable hereunder.

14. Settlement of Claims. The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in

settlement of any action or claim effected without the Company's written consent. The Company shall not settle any action or claim in any manner which would impose any penalty on limitation or Indemnitee without Indemnitee's written consent. Neither the Company nor the Indemnitee will unreasonably withhold their consent to any proposed settlement. The Company shall not be liable to indemnify the Indemnitee under this Agreement with regard to any judicial award if the Company was not given a reasonable and timely opportunity, at its expense, to participate in the defense of such action.

15. Binding Effect. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company, spouses, heirs, and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part, of the business and/or assets of the Company, by

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written agreement in form and substance satisfactory to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. This Agreement shall continue in effect regardless of whether Indemnitee continues to serve as a director or officer of the Company or of any other enterprise at the Company's request.

16. Severability. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) is held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

17. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware to contracts made and to be performed in such state without giving effect to the principles of conflicts of laws.

18. Submission to Jurisdiction. Any action or proceeding with respect to this Agreement shall be brought either in the Court of Common Pleas for the County of Spartanburg, South Carolina or in the United States District Court for the District of South Carolina, Spartanburg Division, and by execution and delivery of this Agreement, Indemnitee hereby accepts, with regard to any such action or proceeding, the jurisdiction of the aforesaid courts.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the 2nd day of June, 1988.

SYNALLOY CORPORATION

By: _____

Its: _____

Indemnitee

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SYNALLOY CORPORATION

BYLAWS AMENDMENTS

ARTICLE II

1. Article II, Section 3. of the Company's Bylaws is amended to read in its entirety as follows:

Section 3. Special Meetings. Special Meetings of the shareholders of the Corporation may be called at any time, for any purpose or purposes, by the Chairman of the Board or the President or the Board of Directors.

2. A new Article II, Section 11 is added to the Company's Bylaws and reads as follows::

Section 11. Setting of Record Date for Actions by Written Consent. In order that the Corporation may determine the shareholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any shareholder of record seeking to have the shareholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten (10) days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days of the date on which such a request is received, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or any officer or agent of the corporation having custody of the book in which proceedings of meetings of shareholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

NUMBER

SHARES

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

COMMON STOCK
PAR VALUE \$1.00

SYNALLOY
CORPORATION
See Reverse for
certain definitions
CUSIP 871565 10 7

This certifies that _____ is the owner of _____
FULL-PAID AND NON-ASSESSABLE
SHARES OF THE PAR VALUE OF \$1.00 EACH OF THE COMMON STOCK OF Synalloy
Corporation (hereinafter referred to as the "Corporation"), transferable on the
books of the Corporation by the holder hereof in person or by duly authorized
attorney upon surrender of this certificate properly endorsed. This certificate
is not valid until countersigned by the Transfer Agent and registered by the
Registrar.

Witness the seal of the Corporation and the signatures of its duly
authorized officers.

Dated: -----

[SEAL]

SECRETARY

PRESIDENT

COUNTERSIGNED AND REGISTERED: AMERICAN STOCK TRANSFER & TRUST COMPANY
(NEW YORK, NEW YORK)

BY: _____
TRANSFER AGENT AND REGISTRAR,
AUTHORIZED SIGNATURE

SYNALLOY CORPORATION

A FULL STATEMENT OF THE DESIGNATIONS, PREFERENCES, LIMITATIONS, AND
RELATIVE RIGHTS OF EACH CLASS OF STOCK OF THE COMPANY AUTHORIZED TO BE ISSUED,
AND THE VARIATIONS IN THE RELATIVE RIGHTS AND PREFERENCES BETWEEN THE PREFERRED
SHARES AUTHORIZED TO BE ISSUED IN SERIES, SO FAR AS THE SAME HAVE BEEN FIXED AND
DETERMINED, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO FIX AND DETERMINE THE
RELATIVE RIGHTS AND PREFERENCES OF SUBSEQUENT SERIES MAY BE OBTAINED UPON
REQUEST AND WITHOUT CHARGE FROM ANY TRANSFER AGENT OR FROM THE SECRETARY OF THE
COMPANY.

The following abbreviations, when used in the inscription on the face
of this certificate, shall be construed as though they were written out in full
according to applicable laws or regulations:

<TABLE>		
<CAPTION>		
<S>	<C>	
TEN COM - as tenants in common	UNIF GIFT MIN ACT-	
.....Custodian.....		
TEN ENT - as tenants by the entireties		(Cust)
(Minor)		
JT TEN - as joint tenants with right of		under
Uniform Gifts to Minors		
survivorship and not as tenants		
Act.....		
in common		
(State)		
</TABLE>		

Additional abbreviations may also be used though not in the above list.

For value received, _____ hereby sell, assign
and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

----- shares
of the capital stock represented by the within Certificate, and do hereby
irrevocably constitute and appoint Attorney to transfer the said stock on the
books of the within named Corporation with full power of substitution in the
premises.

Dated -----

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST
CORRESPOND WITH THE NAME AS WRITTEN UPON THE
FACE OF THIS CERTIFICATE IN EVERY PARTICULAR,
WITHOUT ALTERATION OR ENLARGEMENT OR ANY
CHANGE WHATEVER.

SIGNATURE(S) GUARANTEED: THE SIGNATURE(S) SHOULD BE
GUARANTEED BY AN ELIGIBLE GUARANTOR
INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND
LOAN ASSOCIATIONS AND CREDIT UNIONS WITH
MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE
MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE
17Ad-15.

The Rights represented by this Rights Certificate are or were
beneficially owned by a Person who was or became an Acquiring Person or an
Adverse Person or an Affiliate or Associate of an Acquiring Person or an Adverse
Person (as such terms are defined in the Rights Agreement). Accordingly, this
Rights Certificate and the Rights represented hereby may become null and void in
the circumstances specified in Section 7(e) of such Agreement.

SYNALLOY CORPORATION

1988 Long Term Incentive Stock Plan

1. **Purpose.** This 1988 Long Term Incentive Stock Plan (the "Plan") is intended to provide key executive employees of Synalloy Corporation (the "Company", which term shall include Synalloy Corporation and any of its affiliates or subsidiaries) with the opportunity to participate in the Company's future prosperity and growth by purchasing stock of the Company. The purpose of the Plan is to provide long-term incentive for gain through outstanding service to the Company and its shareholders and to assist in attracting and retaining executives of ability and initiative.
2. **Administration.** The Plan shall be administered by the Compensation and Long Term Incentive Committee (the "Committee") which shall consist of three members of the Company's Board of Directors who are not employees of the Company. Members of the Committee are not eligible to participate in the Plan (or any other option or incentive plan of the Company) while serving on the Committee, nor shall they have been so eligible for the 12 months immediately preceding such appointment.

The Committee shall have complete authority and discretion to interpret all provisions of this Plan consistent with law, to prescribe the form of instruments evidencing the stock options granted under the Plan, to adopt, amend, and rescind general and special rules and regulations for its administration, and to make all other determinations necessary or advisable for the administration of the Plan. Action duly taken by not less than two members of the Committee, in accordance with the By-laws of the Company applicable to committees of the Board, shall constitute action of the Committee for purposes of the Plan. No member of the Committee shall be liable for any action or determination in respect thereto, if made in good faith, and shall be entitled to indemnification by the Company with respect to all matters arising from his service on the Committee to the fullest extent allowable under applicable law.

3. **Eligibility.** Any salaried employee of the Company who in the judgment of the Committee occupies a management position in which his efforts contribute to the profit and growth of the Company may be granted one or more options under the Plan. The Committee will designate employees to whom options are to be granted and will specify the number of shares subject to each option. The Committee shall have the discretion to determine to what extent, if any, persons employed on a part-time or consulting basis will be eligible to participate in the Plan; provided however, that an employee who, immediately before an option is granted, owns more than 10% of the combined voting power of the Company, shall not be eligible for an option grant.

4. **Stock.** The stock to be subject to options under the Plan shall be shares of the Company's common stock of the par value of \$1.00 per share (the "common stock"), and may be either authorized and unissued or held in the treasury of the Company. The total amount of stock on which options may be granted under the Plan shall not exceed 300,000 shares, subject to adjustment to reflect any change in the capitalization of the Company, as more fully provided in Section 11 hereof. The Committee will maintain records showing the cumulative total of all shares subject to options outstanding under this Plan.

If any option is terminated, in whole or in part, for any reason other than the exercise thereof, the shares allocated to the option or portion thereof so terminated may be reallocated to another option or options to be granted under this Plan.

5. **Option Price.** The price per share for shares purchased upon the exercise of any option granted under the Plan will be 100% of the fair market value per share of such shares on the date of grant of the option. Payment shall be made to the Company either (i) in cash or, at the discretion of the Committee; (ii) by delivery to the Company of shares of common stock owned by the option holder and having a fair market value on the date of exercise equal to the fair market value of the shares covered by the option on the date of the grant of the option, or (iii) a combination of cash and the value of such shares mentioned in (ii) above. As used in this Plan "fair market value" per share of the common stock shall mean the average of the high and low sale prices of the common stock on the American Stock Exchange (or such other exchange or market on which such value is being determined) or, if there shall be no sale on that date, then on the last previous day on which a sale was reported. In determining fair market value, the Committee may rely upon sales information reported on the consolidated tape or other consolidated reporting system and, in the absence of any sale or sales on the dates referred to in the preceding sentence, or a recognized market for the Company's common stock, the Committee may determine fair market value by whatever recognized method it deems appropriate.

6. **Grant of Options.** The Committee, at any time, during the duration of the Plan, may authorize the granting of options to employees of the Company eligible under Section 3 hereof, subject to the limitations provided herein. The date on which an option shall be granted

shall be the date the Committee authorizes such grant or such later date as may be determined by the Committee at the time such grant is authorized. Any employee may hold more than one option.

7. Exercise of Options. Options granted under the Plan shall be exercisable only in the following manner; provided, however, that in no event shall an option be exercisable more than ten years of the date of grant as set forth in paragraph 6 above.

A. By an Employee During Continuous Employment. The aggregate fair market value of the shares of the Company's common stock, as determined at the time of grant, as to which options are exercisable for the first time by an employee during any calendar year shall not exceed \$100,000.00. Subject to this limitation, an employee may exercise any option during the applicable Exercise Periods in accordance with the following schedule:

<u>Time from Grant Date (Exercise Period)</u>	<u>Percentages of Options Granted Which may be Exercisable in that Exercise Period (including those previously exercised)</u>
Up to One Year	0%
One to Two Years	20%
Two to Three Years	40%
Three to Four Years	60%
Four to Five Years	80%
Five to Ten Years	100%

An employee may not exercise any part of an option granted under this Plan unless, at the time of such exercise, he has been in the continuous employment of the Company since the date the option was granted. The Committee may decide in each case to what extent leaves of absence for government or military service, illness, temporary disability, or other reasons shall not for this purpose be deemed interruptions of continuous employment.

B. By a Former Employee. No person may exercise an option after he ceases to be an employee of the Company unless he ceases to be an employee of the Company as a result of normal retirement, early retirement, or disability retirement, either physical or mental, or on account of physical or mental disability. In these instances, the option may be exercised by him, his attorney-in-fact, or his guardian, as appropriate, at any time after the date on which he ceased to be an employee, but not later than the end of the fixed term of the option and no earlier (except in the event of a cessation of employment by reason of disability) than one year from the date the option was granted.

C. In Case of Death. If any employee or former employee who was granted an option dies, and at the time of death was entitled to exercise any option granted under this Plan, pursuant to Sub-Sections A and B above, the option may be exercised within six months after the death of the employee or former employee (but no later than the end of the fixed term of the option) by his estate, or by a person who acquired the right to exercise the option by bequest or inheritance.

D. Sale or Merger. Notwithstanding the limitation on the Exercise Period set forth in section 7A above, (except as pertains to the \$100,000 per year limitation), an employee may exercise all options then exercisable by him as provided for in section 7A above plus 50% of the options granted to him but which are not then exercisable because the requisite time from the date of grant has not lapsed in the event that either (i) all or substantially all of the assets or common stock of the Company (or a subsidiary or division of the Company in which he is employed) is sold to an entity not affiliated with the Company, (ii) a merger or share exchange with an unaffiliated party occurs in which the Company is not the surviving entity or (iii) a similar sale or exchange transaction occurs which in the Committee's sole discretion justifies such exercise right.

8. Method of Exercise. Each option granted under the Plan shall be deemed exercised when the holder shall so notify the Company in writing, addressed to the Company's secretary, together with payment in full for the shares for which the option is exercised, and tender of any related agreements or instruments, as required by the Committee, and shall comply with such other reasonable requirements as the Committee may establish pursuant to Section 12 of the Plan. However, this provision shall not preclude exercise of, or payment for, an option by any other proper method specifically approved by the Committee. No person, estate, or other entity shall have or exercise any of the rights of a shareholder with reference to shares subject to an option until a certificate or certificates for the shares has been duly issued and delivered.

An option granted under this Plan may be exercised for any lesser number of shares than the full amount for which it could be exercised. Such a partial exercise of an option shall not affect the right to exercise the option from time to time in accordance with the Plan for the remaining shares subject to the option.

9. Assignability. Options granted under the Plan to an employee shall not be transferable by him except by will or the laws of descent and distribution.

10. Adjustment upon Change of Shares. In the event of a reorganization, merger, consolidation, reclassification, recapitalization, combination or exchange of shares, stock split, stock dividend, rights offering or other event affecting shares of the Company, the number and class of shares for which options may thereafter be granted, the number and class of shares then subject to options previously granted, and the price per share payable upon exercise of such options shall be equitably adjusted by the Committee to reflect the change.

11. Compliance with Law and Approval of Regulatory Bodies. No option shall be exercisable and no shares shall be delivered under the Plan except in compliance with all applicable Federal and state laws and regulations including, without limitation, compliance with applicable withholding tax requirements and with the rules of all domestic stock exchanges on which the Company's shares may be listed. Any share certificate issued to evidence shares may be listed on any domestic stock exchange authorized by the Company. Any share certificate issued to evidence shares for which an option is exercised may bear legends and statements, and be subject to such restrictions, as the Company shall deem advisable to assure compliance with Federal and state laws and regulations. No options shall be exercisable, and no shares will be delivered under the Plan, until the Company has obtained such consents or approvals from regulatory bodies, Federal or state, having jurisdiction over such matters as the Company may deem advisable.

In the case of the exercise of an option by a person or estate acquiring the right to exercise the option by bequest or inheritance, the Committee may require reasonable evidence as to the ownership of the option and may require consents and releases of taxing authorities that it may deem advisable.

12. General Provisions. Neither the adoption of the Plan nor its operation, nor any document describing or referring to the Plan, or any part thereof, shall confer upon any employee any right to continue in the employ of the Company or any subsidiary, or shall in any way affect the right and power of the Company to terminate the employment of any employee at any time with or without assigning a reason therefor to the same extent as the Company might have done if the Plan had not been adopted.

13. Effective Date of the 1988 Plan. This Plan was adopted by the Board of Directors of the Company effective January 28, 1988, which will be the effective date of the Plan if and when approved by shareholders holding a majority of the Company's outstanding shares of common stock entitled to vote on the Plan at the Annual Meeting of Shareholders in 1988.

14. Amendment to the Plan. The Board of Directors of the Company may alter, amend, or terminate the Plan from time to time. Such action by the Board of Directors, however, will not be effective to change or modify the Plan, unless approved by shareholders holding a majority of the Company's outstanding shares of common stock, if such changes or modifications in the Plan would:

- A. Increase the total number of shares of stock on which options may be granted under the Plan, except as contemplated in Section 11;
- B. Change the manner of determining the option price;
- C. Assign the administration of the Plan otherwise than to a committee of the Board of Directors;
- D. Permit any person while a member of the Committee or any other committee of the Board of Directors administering the Plan to be eligible to receive or hold an option under the Plan or permit a person who is not a key employee of the Company at the time of grant to be granted an option; or

E. Extend the term of this Plan.

15. Duration of the Plan. Unless previously terminated by the Board of Directors, the Plan shall be effective for a period of ten years from the effective date of the Plan, and no option shall be granted after January 28, 1998. Options granted before that date shall remain valid thereafter in accordance with their terms.

SYNALLOY CORPORATION
RESTATED
1994 NON-EMPLOYEE DIRECTORS'
STOCK OPTION PLAN

The following restates in its entirety the Plan, originally adopted in 1994 and as amended in 1995 and 1998.

1. Purpose. The purpose of the Synalloy Corporation 1994 Non-Employee Directors' Stock Option Plan (the "Plan") is to advance the interests of Synalloy Corporation (the "Company") and its shareholders by encouraging increased share ownership by members of the Board of Directors of the Company (the "Board") who are Non-Employee Directors of the Company or any of its subsidiaries, in order to promote long-term shareholder value through continuing ownership of the Company's common shares. Non-Employee Director shall mean a director who (1) is not currently an officer of the Company (as defined in 17 CFR 240.16a-1(f)) or a parent or subsidiary of the Company or otherwise currently employed by the Company or a parent or subsidiary of the Company; (2) does not receive compensation, either directly or indirectly, from the Company or a parent or subsidiary of the Company, for services rendered as a consultant or in any capacity other than as a director, except for an amount that does not exceed the dollar amount for which disclosure would be required pursuant to 17 CFR 229.404(a); (3) does not possess an interest in any other transaction for which disclosure would be required pursuant to 17 CFR 229.404(a); and (4) is not engaged in a business relationship for which disclosure would be required pursuant to 17 CFR 229.404(b).
2. Administration. The Plan shall be administered by the Board. The Board shall have all the powers vested in it by the terms of the Plan, such powers to include authority (within the limitations described herein) to prescribe the form of the agreement embodying awards of non-qualified stock options made under the Plan ("Options"). The Board shall, subject to the provisions of the Plan, grant Options under the Plan and shall have the power to construe the Plan, to determine all questions arising thereunder and to adopt and amend such rules and regulations for the administration of the Plan as it may deem desirable. Any decisions of the Board in the administration of the Plan, as described herein, shall be final and conclusive. The Board may act only by a majority of its members in office, except that the members thereof may authorize any one or more of their number or the Secretary or any other officer of the Company to execute and deliver documents on behalf of the Board. No member of the Board shall be liable for anything done or omitted to be done by him or by any other member of the Board in connection with the Plan, except for his own willful misconduct or as expressly provided by statute.
3. Participation. Each member of the Board who is a Non-Employee Director shall be eligible to receive an Option in accordance with Paragraph 5 below. As used herein, the term "Subsidiary" means any corporation at least forty percent (40%) of whose outstanding voting stock is owned, directly or indirectly, by the Company.
4. Awards Under the Plan.
 - a. Type of Awards. Awards under the Plan shall include only Options, which are rights to purchase common shares of the Company having a par value of \$1.00 per share (the "common shares"). Such Options are subject to the terms, conditions and restrictions specified in paragraph 5 below.
 - b. Maximum Number of Shares That May be Issued. There may be issued under the Plan pursuant to the exercise of Options an aggregate of not more than 67,500 common shares, subject to adjustment as provided in Paragraph 6 below. If any Option is cancelled, terminates or expires unexercised, in whole or in part, any common shares that would otherwise have been issuable pursuant thereto will be available for issuance under new Options.
 - c. Rights with Respect to Shares. A Non-Employee Director to whom an Option is granted (and any person succeeding to such a Non-Employee Director's rights pursuant to the Plan) shall have no rights as a shareholder with respect to any common shares issuable pursuant to any such Option until the date of the issuance of a stock certificate to him for such shares. Except as provided in Paragraph 6 below, no adjustment shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate is issued.
5. Non-Qualified Stock Options. Each Option granted under the Plan shall comply with the following terms and conditions:
 - a. The Option exercise price shall be the fair market value of the common shares subject to such Option on the date the option is granted, which shall be the average of the bid and ask prices at closing of a common share on the day before the date of grant as reported on the NASDAQ National Market System or, if the Exchange is closed on that date, on the last preceding date on which the Exchange was open for trading; but in no event will such Option exercise price be less than the par value of such a common share.
 - b. Each year beginning in 1994, as of the date of his election or reelection as a member of the Board at the annual meeting of shareholders of the Company, each Non-Employee Director shall automatically receive an Option for 1,500 common shares.
 - c. The Option shall not be transferable by the optionee otherwise than by will or the laws of descent and distribution, and shall be exercisable during his lifetime only by him.

d. The Option shall not be exercisable:

- i. more than ten (10) years following the date of grant (the "Exercise Period");
- ii. unless payment in full is made for the common shares being acquired thereunder at the time of exercise; such payment shall be made
 - A. in United States dollars by cash or check, or
 - B. in lieu thereof, by tendering to the Company common shares owned by the person exercising the Option and having a fair market value equal to the cash exercise price applicable to such Option, such fair market value to be determined as provided in Section 5(a) hereof, or
 - C. by a combination of United States dollars and common shares as aforesaid; and
- iii. unless the person exercising the option has been at all times during the period beginning with the date of grant of the Option and ending on the date of such exercise, a Non-Employee Director of the Company, except that
 - A. if such person shall cease to be such a Non-Employee Director for reasons other than death, while holding an Option that has not expired and has not been fully exercised, such person, at any time within three (3) years of the date he ceased to be such a Non-Employee Director (but in no event after the Option has expired under the provisions of subparagraph 5(d)(i) above, may exercise the Option with respect to any common shares as to which he has not exercised the Option which was then currently exercisable on the date he ceased to be such a Non-Employee Director; or
 - B. if any person to whom an Option has been granted shall die holding an Option that has not expired and has not been fully exercised, his executors, administrators, heirs or distributees, as the case may be, may, at any time within one (1) year after the date of such death (but in no event after the Option has expired under the provisions of subparagraph 5(d)(i) above), exercise the Option with respect to any shares as to which the decedent could have exercised the Option at the time of his death.

6. Dilution and Other Adjustments. In the event of any change in the outstanding common shares of the Company by reason of any stock split, stock dividend, split-up, split-off, spin-off, recapitalization, merger, consolidation, rights offering, reorganization, combination or exchange of shares, a sale by the Company of all or part of its assets, any distribution to shareholders other than a normal cash dividend, or other extraordinary or unusual event, the number or kind of shares that may be issued under the Plan pursuant to subparagraph 4(b) above, and the number or kind of shares subject to, and the Option price per share under, all outstanding Options shall be automatically adjusted so that the proportionate interest of the participant shall be maintained as before the occurrence of such event; such adjustment in outstanding Options shall be made without change in the total Option exercise price applicable to the unexercised portion of such Options and with a corresponding adjustment in the Option exercise price per share, and such adjustment shall be conclusive and binding for all purposes of the Plan.

7. Miscellaneous Provisions.

- a. Except as expressly provided for in the Plan, no Non-Employee Director or other person shall have any claim or right to be granted an Option under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any Non-Employee Director any right to be retained in the service of the Company.
- b. A participant's right and interest under the Plan may not be assigned or transferred, hypothecated or encumbered in whole or in part either directly or by operation of law or otherwise (except in the event of a participant's death, by will or the laws of descent and distribution), including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, bankruptcy or in other manner, and no such right or interest of any participant in the Plan shall be subject to any obligation or liability of such participant.
- c. No common shares shall be issued hereunder unless counsel for the Company shall be satisfied that such issuance will be in compliance with applicable federal, state, local and foreign securities, securities exchange and other applicable laws and requirements.
- d. It shall be a condition to the obligation of the Company to issue common shares upon exercise of an Option, that the participant (or any beneficiary or person entitled to act under subparagraph 5(d)(iii) above) pay to the Company, upon its demand, such amount as may be requested by the Company for the purpose of satisfying any liability to withhold federal, state, local or foreign income or other taxes. If the amount requested is not paid, the Company may refuse to issue common shares.
- e. The expenses of the Plan shall be borne by the Company.
- f. The Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the issuance of shares upon exercise of any Option under the Plan, and rights to the issuance of shares upon exercise of Options shall be subordinate to the claims of the Company's general creditors.
- g. By accepting any Option or other benefit under the Plan, each participant and each person claiming under or through him shall be conclusively deemed to have indicated his acceptance and ratification of, and consent to, any action taken under the Plan by the

Company or the Board.

- h. The masculine pronoun means the feminine and the singular means the plural in the Plan, whenever appropriate.
 - i. The appropriate officers of the Company shall cause to be filed any reports, returns or other information regarding Options hereunder or any common shares issued pursuant hereto as may be required by Section 13, 15(d) or 16 of the Securities Exchange Act of 1934, as amended, or any other applicable statute, rule or regulation.
8. Amendment or Discontinuance. The Plan may be amended at any time and from time to time by the Board as the Board shall deem advisable; provided, however, that no amendment shall become effective without shareholder approval if such shareholder approval is required by law, rule or regulation, and provided further, to the extent required by Rule 16b-3 under Section 16 of the Securities Exchange Act of 1934, in effect from time to time, Plan provisions relating to the amount, price and timing of Options shall not be amended more than once every six (6) months, except that the foregoing shall not preclude any amendment to comport with changes in the Internal Revenue Code of 1986, as amended, or the rules thereunder in effect from time to time. No amendment of the plan shall materially and adversely affect any right of any participant with respect to any Option theretofore granted without such participant's written consent.
9. Termination. This Plan shall terminate upon the earlier of the following dates or events to occur:
- a. upon the adoption of a resolution of the Board terminating the Plan; or
 - b. ten (10) years from the date the Plan is initially approved and adopted by the shareholders of the Company in accordance with Paragraph 10 below.
10. Shareholder Approval and Adoption. Except as set forth below, the Plan shall be submitted to the shareholders of the Company for their approval and adoption at the next annual meeting of shareholders of the Company. The Plan shall not be effective and no Option shall be granted hereunder unless and until the Plan has been so approved and adopted. The shareholders shall be deemed to have approved and adopted the Plan only if it is approved and adopted at a meeting of the shareholders duly held on or before the date (or any adjournment of said meeting occurring subsequent to such date) by vote taken in the manner required by the laws of the State of Delaware.

SYNALLOY CORPORATION, INC.

1998 Long Term Incentive Stock Plan

1. **Purpose.** This 1998 Long Term Incentive Stock Plan (the "Plan") is intended to provide key executive employees of Synalloy Corporation (the "Company", which term shall include Synalloy Corporation and any of its affiliates or subsidiaries) with the opportunity to participate in the Company's future prosperity and growth by purchasing stock of the Company. The purpose of the Plan is to provide long-term incentive for gain through outstanding service to the Company and its shareholders and to assist in attracting and retaining executives of ability and initiative.
2. **Administration.** The Plan shall be administered by the Compensation and Long Term Incentive Committee (the "Committee") which shall consist of three members of the Company's Board of Directors who are Non-Employee Directors. Members of the Committee are not eligible to participate in the Plan (or any other option or incentive plan of the Company) while serving on the Committee, nor shall they have been so eligible for the twelve (12) months immediately preceding such appointment. A Non-Employee Director shall mean a director who (1) is not currently an officer of the Company (as defined in 17 CFR § 240.16a-1(f)) or a parent or subsidiary of the Company, or otherwise currently employed by the Company or a parent or subsidiary of the Company; (2) does not receive compensation, either directly or indirectly, from the Company or a parent or subsidiary of the Company, for services rendered as a consultant or in any capacity other than as a director, except for an amount that does not exceed the dollar amount for which disclosure would be required pursuant to 17 CFR § 229.404(a); (3) does not possess an interest in any other transaction for which disclosure would be required pursuant to 17 CFR § 229.404(a); and (4) is not engaged in a business relationship for which disclosure would be required pursuant to 17 CFR § 229.404(b).

The Committee shall have complete authority and discretion to interpret all provisions of this Plan consistent with law, to prescribe the form of instruments evidencing the stock options granted under the Plan, to adopt, amend, and rescind general and special rules and regulations for its administration, and to make all other determinations necessary or advisable for the administration of the Plan. No member of the Committee shall be liable for any action or determination in respect thereto, if made in good faith, and shall be entitled to indemnification by the Company with respect to all matters arising from his service on the Committee to the fullest extent allowable under applicable law.

3. **Eligibility.** Any salaried employee of the Company who in the judgment of the Committee occupies a management position in which his efforts contribute to the profit and growth of the Company may be granted one or more options under the Plan. The Committee will designate employees to whom options are to be granted and will specify the number of shares subject to each option. The Committee shall have the discretion to determine to what extent, if any, persons employed on a part-time or consulting basis will be eligible to participate in the Plan; provided however, that an employee who, immediately before an option is granted, owns more than 10% of the combined voting power of the Company, shall not be eligible for an option grant.
4. **Stock.** The stock to be subject to options under the Plan shall be shares of the Company's common stock of the par value of \$1.00 per share (the "common stock"), and may be either authorized and unissued or held in the treasury of the Company. The total amount of stock on which options may be granted under the Plan shall not exceed 350,000 shares, subject to adjustment to reflect any change in the capitalization of the Company, as more fully provided in Section 10 hereof. The Committee will maintain records showing the cumulative total of all shares subject to options outstanding under this Plan.

If any option is terminated, in whole or in part, for any reason other than the exercise thereof, the shares allocated to the option or portion thereof so terminated may be reallocated to another option or options to be granted under this Plan.

5. **Option Price.** The price per share for shares purchased upon the exercise of any option granted under the Plan will be one hundred percent (100%) of the fair market value per share of such shares on the date of grant of the option. Payment shall be made to the Company either (i) in cash or, at the discretion of the Committee; (ii) by delivery to the Company of shares of common stock owned by the option holder and having a fair market value on the date of exercise equal to the fair market value of the shares covered by the option on the date of the grant of the option, or (iii) a combination of cash and the value of such shares mentioned in (ii) above. As used in this Plan "fair market value" per share of the common stock shall mean the average of the bid and ask prices at the closing of the common stock on the day before the date of the grant as reported on NASDAQ National Market System (or such other exchange or market on which such value is being determined) or, if the Exchange shall be closed on that date, then on the last preceding date on which the Exchange was open for trading. In determining fair market value, the Committee may rely upon sales information reported on the consolidated tape or other consolidated reporting system and, in the absence of any sale or sales on the dates referred to in the preceding sentence, or a recognized market for the Company's common stock, the Committee may determine fair market value by whatever recognized method it deems appropriate.

6. **Grant of Options.** The Committee, at any time, during the duration of the Plan, may authorize the granting of options to employees of the Company eligible under Section 3 hereof, subject to the limitations provided herein. The date on which an option shall be granted shall be the date the Committee authorizes such grant or such later date as may be determined by the Committee at the time such grant is authorized. Any employee may hold more than one option.

7. **Exercise of Options.** Options granted under the Plan shall be exercisable only in the following manner; provided, however, that in no event shall an option be exercisable more than ten years of the date of grant as set forth in paragraph 6 above.

A. **By an Employee During Continuous Employment.** The aggregate fair market value of the shares of the Company's common stock, as

determined at the time of grant, as to which options are exercisable for the first time by an employee during any calendar year shall not exceed \$100,000.00. Subject to this limitation, an employee may exercise any option during the applicable Exercise Periods in accordance with the following schedule:

Time from Grant Date (Exercise Period)	Percentages of Options Granted Which may be Exercisable in that Exercise Period (including those <u>previously exercised</u>)
Up to One Year	0%
One to Two Years	20%
Two to Three Years	40%
Three to Four Years	60%
Four to Five Years	80%
Five to Ten Years	100%

An employee may not exercise any part of an option granted under this Plan unless, at the time of such exercise, he has been in the continuous employment of the Company since the date the option was granted. The Committee may decide in each case to what extent leaves of absence for government or military service, illness, temporary disability, or other reasons shall not for this purpose be deemed interruptions of continuous employment.

- B. By a Former Employee. No person may exercise an option after he ceases to be an employee of the Company unless he ceases to be an employee of the Company as a result of normal retirement, early retirement, or disability retirement, either physical or mental, or on account of physical or mental disability. In these instances, the option may be exercised by him, his attorney-in-fact, or his guardian, as appropriate, at any time after the date on which he ceased to be an employee, but not later than the end of the fixed term of the option and no earlier (except in the event of a cessation of employment by reason of disability) than one year from the date the option was granted.
- C. In Case of Death. If any employee or former employee who was granted an option dies, and at the time of death was entitled to exercise any option granted under this Plan, pursuant to Sub-Sections A and B above, the option may be exercised within six (6) months after the death of the employee or former employee (but no later than the end of the fixed term of the option) by his estate, or by a person who acquired the right to exercise the option by bequest or inheritance.
- D. Sale or Merger. Notwithstanding the limitation on the Exercise Period set forth in Section 7A above, (except as pertains to the \$100,000 per year limitation), an employee may exercise all options then exercisable by him as provided for in Section 7A above plus fifty percent (50%) of the options granted to him but which are not then exercisable because the requisite time from the date of grant has not lapsed in the event that either (i) all or substantially all of the assets or common stock of the Company (or a subsidiary or division of the Company in which he is employed) is sold to an entity not affiliated with the Company, (ii) a merger or share exchange with an unaffiliated party occurs in which the Company is not the surviving entity or (iii) a similar sale or exchange transaction occurs which in the Committee's sole discretion justifies such exercise right.

8. Method of Exercise. Each option granted under the Plan shall be deemed exercised when the holder shall so notify the Company in writing, addressed to the Company's secretary, together with payment in full for the shares for which the option is exercised, and tender of any related agreements or instruments, as required by the Committee, and shall comply with such other reasonable requirements as the Committee may establish pursuant to Section 12 of the Plan. However, this provision shall not preclude exercise of, or payment for, an option by any other proper method specifically approved by the Committee. No person, estate, or other entity shall have or exercise any of the rights of a shareholder with reference to shares subject to an option until a certificate or certificates for the shares has been duly issued and delivered.

An option granted under this Plan may be exercised for any lesser number of shares than the full amount for which it could be exercised. Such a partial exercise of an option shall not affect the right to exercise the option from time to time in accordance with the Plan for the remaining shares subject to the option.

9. Assignability. Options granted under the Plan to an employee shall not be transferable by him except by will or the laws of descent and distribution.

10. Adjustment upon Change of Shares. In the event of a reorganization, merger, consolidation, reclassification, recapitalization, combination or exchange of shares, stock split, stock dividend, rights offering or other event affecting shares of the Company, the number and class of shares for which options may thereafter be granted, the number and class of shares then subject to options previously granted, and the price per share payable upon exercise of such options shall be equitably adjusted by the Committee to reflect the change.

11. Compliance with Law and Approval of Regulatory Bodies. No option shall be exercisable and no shares shall be delivered under the Plan except in compliance with all applicable Federal and state laws and regulations including, without limitation, compliance with applicable withholding tax requirements and with the rules of all domestic stock exchanges on which the Company's shares may be listed. Any share certificate issued to evidence shares may be listed on any domestic stock exchange authorized by the Company. Any share certificate issued to evidence shares for which an option is exercised may bear legends and statements, and be subject to such restrictions, as the Company shall deem advisable to assure compliance with Federal and state laws and regulations. No options shall be exercisable, and no shares will be delivered under the Plan, until the Company has obtained such consents or approvals from regulatory

bodies, Federal or state, having jurisdiction over such matters as the Company may deem advisable.

In the case of the exercise of an option by a person or estate acquiring the right to exercise the option by bequest or inheritance, the Committee may require reasonable evidence as to the ownership of the option and may require consents and releases of taxing authorities that it may deem advisable.

12. General Provisions. Neither the adoption of the Plan nor its operation, nor any document describing or referring to the Plan, or any part thereof, shall confer upon any employee any right to continue in the employ of the Company or any subsidiary, or shall in any way affect the right and power of the Company to terminate the employment of any employee at any time with or without assigning a reason therefor to the same extent as the Company might have done if the Plan had not been adopted.

13. Effective Date of the 1998 Plan. This Plan was adopted by the Board of Directors of the Company effective March 5, 1998, which will be the effective date of the Plan if and when approved by shareholders holding a majority of the Company's outstanding shares of common stock entitled to vote on the Plan at the Annual Meeting of Shareholders in 1998.

14. Amendment to the Plan. The Board of Directors of the Company may alter, amend, or terminate the Plan from time to time. Such action by the Board of Directors, however, will not be effective to change or modify the Plan, unless approved by shareholders holding a majority of the Company's outstanding shares of common stock, if such changes or modifications in the Plan would:

- A. Increase the total number of shares of stock on which options may be granted under the Plan, except as contemplated in Section 10;
- B. Change the manner of determining the option price;
- C. Assign the administration of the Plan otherwise than to a committee of the Board of Directors;
- D. Permit any person while a member of the Committee or any other committee of the Board of Directors administering the Plan to be eligible to receive or hold an option under the Plan or permit a person who is not a key employee of the Company at the time of grant to be granted an option; or
- E. Extend the term of this Plan.

15. Duration of the Plan. Unless previously terminated by the Board of Directors, the Plan shall be effective for a period of ten years from the effective date of the Plan, and no option shall be granted after such date. Options granted before that date shall remain valid thereafter in accordance with their terms.

RESTATED EMPLOYMENT AGREEMENT

This Restated Agreement, is effective the 1st day of January, 2001, by and between Synalloy Corporation, a corporation organized under the laws of the State of South Carolina (the "Corporation"), and James G. Lane, Jr. a resident of Greenville, South Carolina (the "Employee").

W I T N E S S E T H:

WHEREAS, the Corporation and the Employee are parties to that certain agreement dated September 24th, 1986, as amended from time to time, respecting the Employee's employment with the Corporation (the "Employment Agreement"); and

WHEREAS, the parties desire to restate the terms of the Employment Agreement so the terms of the original employment agreement and all applicable previously adopted amendments thereto are reflected in one agreement; and

That in consideration of the agreements hereinafter contained, the parties hereto agree as follows:

1. Employment. The Corporation agrees to employ the Employee and the Employee agrees to serve the Corporation as Chief Executive Officer until December 31, 2001, and in such other capacity as the Board of Directors of the Corporation (the "Board") may designate from time to time. The Corporation agrees that during the term hereof, it will not require the Employee to relocate his residence in order to perform his duties hereunder.
2. Term. During the term of his employment, the Employee shall devote his full time, attention, skill and efforts to the performance of his duties for the Corporation.
3. Compensation. The Corporation shall pay the Employee beginning January 1, 2001, and continuing during the term of his employment hereunder, a base salary of One Hundred Eighty Thousand and 00/100ths Dollars (\$180,000.00) per year together with compensation payable as provided in Paragraph 4 below, unless forfeited by the occurrence of any of the events of forfeiture specified in Paragraph 8 below. Salary shall be payable quarterly.
4. Bonus. In addition to the base salary provided for in Paragraph 3 above, for each fiscal year beginning with the fiscal year ending December 31, 2001 and provided Employee is in the employ of the Corporation on the last day of such fiscal year (except as provided in paragraphs 6 and 7 hereof), the Employee shall be entitled to a bonus equal to four percent (4%) of "net earnings before income taxes" in excess of ten percent (10%) of average shareholders' equity.

As used in this Agreement, the term "net earnings before income taxes" shall mean the net earnings from all continuing operations of the Corporation after allowances for parent company expenses (other than the bonus-compensation payable under this Agreement). Such net earnings before income taxes shall be determined and certified by the independent public accountants regularly retained by the Corporation, in accordance with sound accounting principles and consistent with the past accounting practices of the Corporation (except as otherwise expressly provided for herein), within ninety (90) days after the end of its fiscal year (December 31), and the determination of such accountants (not only with respect to the amounts involved, but also with respect to what constituted net earnings from operations) shall be final, binding and conclusive upon the parties hereto. In making such determination, all gains or losses realized on the sale or other disposition of capital assets shall be excluded. The Corporation may at any time or times change or discontinue any or all of its present or future operations, or may close, sell or move any one or more of its plants, facilities or divisions, or may undertake any new or other operations, or may take any and all other steps which the Board, in its exclusive judgment, shall deem advisable or desirable for the Corporation, and if any such action taken by the Corporation or its Board adversely affects net earnings after before hereinabove defined, the Employee shall have no claim or recourse by reason of any such action.

5. Vacations. The Employee shall be entitled (each year) to a vacation of four (4) weeks, during which time his compensation shall be paid in full. Said vacation may be taken by the Employee over a consecutive period or in several non-consecutive periods, at the discretion of the Employee.
6. Disability. If because of illness, physical or mental disability, or other incapacity, certified by a physician acceptable to the Corporation, Employee shall fail to render the services provided for by this Agreement, or if Employee contracts an illness or injury, certified by a physician acceptable to the Corporation, which will permanently prevent the performance by him of the services provided for by this Agreement, then the "base salary" provided for in Paragraph 3 hereof shall continue to the next anniversary date of the term of this Agreement, but in no event less than three (3) months, with the bonus-compensation for that fiscal year to be prorated to the date Employee's disability commenced; provided, however, should any such disability result from a pre-existing condition of Employee's health at October 1, 1986, then the Corporation, at its option, may terminate the period of employment under this Agreement by notice to Employee, effective ninety (90) days after the giving of such notice, during which ninety-day notice period Employee's "base salary" shall continue, any bonus-compensation to which the Employee may be entitled under Paragraph 3 hereof to be prorated to the date such ninety (90) day notice of termination is given Employee.
7. Death. If the Employee dies during the term of this Agreement, then the "base salary" provided for in Paragraph 3 hereof shall continue to the next anniversary date of the term of this Agreement, but in no event less than three (3) months, which "base salary" shall be paid to the estate of Employee, with the bonus-compensation for that fiscal year to be prorated to the date of Employee's death; provided, however, should the death of Employee result from a pre-existing condition of his health at October 1, 1986, the Corporation may terminate this Agreement upon payment to the estate of Employee of three (3) months "base salary" and that portion of the bonus-compensation prorated to the date of Employee's death. In the event of Employee's death and the termination of this Agreement on the terms of this paragraph, all obligations of the Corporation under this Agreement shall cease

and terminate.

8. Termination for Cause. Nothing in this Agreement shall be construed to prevent the Corporation from terminating Employee's employment hereunder at any time (a) because of his fraud, dishonesty, gross negligence, willful misconduct, misappropriation, embezzlement, excessive absences from work (except for reasons of health), or the like, or (b) if he shall have violated any provisions of this paragraph shall not constitute a breach of this Agreement by the Corporation.
9. Covenant Not to Compete. Employee agrees during the term of employment and for a period of two (2) years after his employment terminates, the Employee will not, without the prior written approval of the Board, become an officer, employee, agent, partner, or director of any business enterprise in substantial, direct competition with the businesses of the Corporation or any subsidiary of the Corporation as they existed on the date his employment terminated and limited to the States of South Carolina, Tennessee, and Alabama. However, Employee shall not be prohibited from competing in the insurance and self-insurance industries.
10. Severability. The invalidity of unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision hereof.
11. Arbitration. Any controversy or claim arising out of, or relating to this Agreement, or the breach thereof, shall be settled by arbitration in the City of Spartanburg, State of South Carolina, in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered in any Court having jurisdiction thereof.
12. Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing, and if sent by registered or certified mail to his residence in the case of Employee, or to its Executive Offices in the case of the Corporation.
13. Benefit. This Agreement, in accordance with its terms and conditions, shall inure to the benefit of and be binding upon the Corporation, its successors and assigns, including but not limited to any corporation which may acquire all or substantially all of the Corporation's assets and business, or with or into which the Corporation may be consolidated or merged, and Employee, his heirs, executors, administrators, and legal representatives, provided that the obligations of the Employee hereunder may not be delegated. Employee agrees, however, that any such sale or merger shall not be deemed a termination hereunder provided that the Employee's operational duties are not substantially reduced as a result thereof.
14. Situs. This Agreement shall be construed in accordance with and governed by the laws of the State of South Carolina.
15. Entire Agreement. This instrument contains the entire agreement of the parties hereto. It may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

WITNESSES

SYNALLOY CORPORATION

By: _____

Gregory M. Bowie

Its: Vice President, Finance

As to Synalloy Corporation

James G. Lane, Jr.

As to Synalloy Corporation

AGREEMENT

This Agreement is entered into as of the 25th day of November, 1996, by and between Manufacturers Soap and Chemical Company, a corporation organized under the laws of the State of Tennessee (the "Corporation") and Ronald H. Braam, a resident of Cleveland, Tennessee (the "Employee").

WITNESSETH:

That in consideration of the agreements hereinafter contained, the parties hereto agree as follows:

1. **Employment.** The Corporation agrees to employ the Employee and the Employee agrees to serve the Corporation beginning November 25, 1996 and continuing until November 25, 1999 as President and in such other capacity as the Board of Directors of the Corporation (the "Board") may designate from time to time. On November 25, 1999 and each anniversary thereafter, this agreement shall be automatically extended for one year unless either party gives notice of intent to cancel this agreement ninety days prior to an automatic extension date.
2. **Term.** During the term of his employment, the Employee shall devote his full time, attention, skill and efforts to the performance of his duties for the Corporation.
3. **Compensation.** The Corporation shall pay the Employee beginning November 25, 1996, and continuing during the term of his employment hereunder, a base salary of One Hundred, Fifty six Thousand Dollars (\$156,000) per year together with compensation payable as provided in Paragraph 4 below, unless forfeited by the occurrence of any of the events of forfeiture specified in Paragraph 8 below.
4. **Incentive Compensation.** Employee shall be a Designated Participant in any Sinalloy Corporation Subsidiary and Divisional Management Incentive Plan covering Manufacturers Soap and Chemical Company. A copy of the Plan covering fiscal 1997 is attached to and is part of this agreement.
5. **Other Benefits.** Employee shall be eligible to participate in all employee benefit plans in accordance with the terms of such plans. Corporation and Employee are parties to an agreement dated May 21, 1980, and modified June 16, 1985, which provides for certain benefits to the parties thereto. This employment agreement does not change or modify any provision of that agreement as modified.
6. **Disability.** If because of illness, physical or mental disability, or other incapacity, certified by a physician acceptable to the Corporation, Employee shall fail to render the services provided for by this Agreement, or if Employee contracts an illness or injury, certified by a physician acceptable to the Corporation, which will permanently prevent the performance by him of the services provided for by this Agreement, then the "base salary" provided for in Paragraph 3 hereof shall continue for a period of three (3) months from the date Employee's disability commenced; and any incentive compensation for that fiscal year shall be prorated to the date employee's disability commenced.
7. **Death.** If Employee dies during the term of this Agreement, then the "base salary" provided for in Paragraph 3 hereof shall continue for a period of three (3) months, which "base salary" shall be paid to the estate of Employee, with the bonus-compensation for that fiscal year to be prorated to the date of Employee's death. In the event of Employee's death and the termination of this Agreement on the terms of this paragraph, all obligations of the Corporation under the Agreement shall cease and terminate.
8. **Termination for Cause.** Nothing in this Agreement shall be construed to prevent the Corporation from terminating Employee's employment hereunder at any time (a) because of his fraud, dishonesty, gross negligence, wilful misconduct, misappropriation, embezzlement, excessive absences from work (except for reasons of health), or the like, or (b) if he shall have violated any provision of this Agreement. Such termination of Employee's employment under the provision of this paragraph shall not constitute a breach of this Agreement by the Corporation.
9. **Covenant Not to Compete.** Employee agrees during the term of employment and for a period of two (2) years after his employment terminates, the Employee will not, without the prior written approval of the Board, become an officer, employee, agent, partner, or director of any business enterprise in substantial, direct competition with the businesses of the Corporation or any subsidiary of the Corporation as they existed on the date his employment terminated and limited to the States of North Carolina, South Carolina, Georgia, Tennessee and Alabama.
10. **Severability.** The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision hereof.
11. **Arbitration.** Any controversy or claim arising out of, or relating to this Agreement, or the breach thereof, shall be settled by arbitration in the City of Cleveland, State of Tennessee, in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered in any Court having jurisdiction thereof.
12. **Notices.** Any notice required or permitted to be given under this Agreement shall be sufficient if in writing, and if sent by registered or certified mail to his residence in the case of Employee, or to its Executive Offices in the case of the Corporation.
13. **Benefit.** This Agreement, in accordance with its terms and conditions, shall inure to the benefit of and be binding upon the Corporation, its successors and assigns, including but not limited to any corporation which may acquire all or substantially all of the Corporation's assets and business, or with or into which the Corporation may be consolidated or merged, and Employee, his heirs, executors, administrators and legal representatives, provided that the obligations of Employee hereunder may not be delegated. Employee agrees, however, that any such sale or merger shall not be deemed a termination hereunder provided that Employee's operational duties are not substantially reduced as a result thereof.
14. **Situs.** This Agreement shall be construed in accordance with and governed by the laws of the State of Tennessee.

15. Entire Agreement. This instrument contains the entire agreement of the parties hereto. It may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

IN THE PRESENCE OF:

ATTEST:

(SEAL)

MANUFACTURERS SOAP AND CHEMICAL
COMPANY

By _____

Its: Chief Executive Officer

By _____

Ronald H. Braam

RESTATED SALARY AGREEMENT

This Restated Agreement is effective the 1st day of January, 2001, between Manufacturers Soap and Chemical Company of Cleveland, Tennessee (hereinafter called "Company"), and Ronald H. Braam of Cleveland, Tennessee (hereinafter called "Employee"):

WITNESSETH

WHEREAS, the Company and the Employee are parties to that certain Agreement dated the 21st day of May, 1980, as amended from time to time, setting forth the terms of the salary continuation agreement between the Company and the Employee (the "Salary Continuation Agreement"); and

WHEREAS, the Company and the Employee desire to restate the Salary Continuation Agreement so the terms of the original Salary Continuation Agreement and all applicable previously adopted amendments thereto are reflected in one agreement; and

WHEREAS, Employee, President of the Company, has experience and knowledge in the conduct of the Company business and his services are of value to the Company; and

WHEREAS, Company wishes to offer Employee an additional financial inducement beyond his regular compensation to remain in Company's employ; and

WHEREAS, in order to comply with and fulfill this Agreement, Company agrees to buy an insurance and/or annuity contract (hereinafter called "Insurance Contract") with Indianapolis Insurance Company. The provisions of the Insurance Contract are expressly incorporated in this Agreement, and in case of any conflict between this contract and the Insurance Contract, the provisions of the Insurance Contract shall be governing.

WHEREAS, retirement is defined as termination of employment after Employee has reached the age of sixty-five (65).

WHEREAS, Employee is willing to continue in the employ of Company until his retirement and is also willing to be available thereafter in an advisory and consultant capacity:

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. Upon such retirement, the Company agrees to pay Employee the sum of Forty Thousand Dollars (\$40,000) per year in equal monthly installments for a period of ten (10) years. If Employee dies before receiving one hundred twenty (120) monthly payments, such monthly payments, in the same amount, shall be continued to his wife or to surviving children at her death until the full number of one hundred twenty (120) payments have been made.
2. If Employee should die prior to actual retirement, his wife or at her death surviving children shall receive payments for a period of one hundred twenty (120) months at the rate of Fifteen Thousand Dollars (\$15,000) per year.
3. The Employee agrees that the total number of payments to be received by him, his wife or surviving children in the aggregate is one hundred twenty (120).
4. In the event that the increased cash values of the policy of insurance with Indianapolis Insurance Company (or any substituted insurance company) fail to generate the expected increase in revenue necessary to fund the levels of compensation set forth in Paragraphs 1 and 2, then the amounts payable to Employee shall be modified as follows:
 - a. Upon such retirement the Company agrees to pay Employee the sum of Thirty-five Thousand Dollars (\$35,000.00) per year in equal monthly installments for a period of ten (10) years. If the Employee dies before receiving one hundred twenty (120) monthly payments, such monthly payments, in the same amount, shall be continued to his wife or to surviving children at her death until the full number of one hundred twenty (120) payments have been made; or
 - b. If Employee should die prior to actual retirement, his wife or at her death surviving children shall receive payments for a period of one hundred twenty (120) months at a rate of Twelve Thousand Dollars (\$12,000.00) per year.
5. Employee agrees that after retirement he shall be available for advice and consultation upon reasonable request by the Company.
6. Employee, after retirement, shall not, without the written consent of Company, engage in or carry on, as an employee, director, or a partner of any corporation, partnership, or company in any business in competition with the Company within a period of one hundred twenty months (120) months.
7. The parties hereby agree that should Employee violate the terms of either Paragraph 5 or Paragraph 6 hereof, Employee shall forfeit the remaining payments due under this Agreement, said amount hereby being agreed upon as settled and liquidated damages for such nonperformance. However, sickness or illness on the part of the Employee for not attending consultations requested by the Company shall not be deemed to violate the terms of this Agreement.
8. If the services of the Employee shall be terminated by the Company prior to retirement, the Company shall pay, in monthly installments over a period of one hundred twenty (120) months beginning at age sixty-five (65) an amount equal to what the cash

surrender value of said annuity was on the date of termination plus the then value of all accumulated dividends to the Employee or upon his death to his wife or at her death to surviving children. Such payments shall be in lieu of all other amounts due under this Agreement. If Employee voluntarily terminates his employment prior to retirement and provided that such termination is not caused by accident or sickness, the Employee forfeits all rights under this Contract.

9. Company agrees that it will not merge or consolidate with any other company or organization, or permit its business activities to be taken over by any other organization unless and until the succeeding or continuing company or other organization shall expressly consent to the terms and conditions of this Agreement and assume the obligations thereof as herein set forth.
10. The benefits provided hereunder shall be in addition to Employee's annual salary and compensation and shall not affect the right of Employee to participate in any retirement system or plan which is in effect or which may be adopted by Company in the future.
11. Any asset acquired by Company to fund Employee's rights and obligations hereunder shall not be deemed to be held in trust for the benefit of Employee.
12. The rights and benefits of Employee and his beneficiaries under this Agreement are personal to him and to them; no such rights or benefits shall be subject to voluntary or involuntary alienation, assignment or transfer.
13. Forty Thousand Dollars (\$40,000 per year shall be the limit of Company's obligation under this contract, whether said amount is paid individually or jointly to Employee, his wife or surviving children.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have hereunto set their hands and seals, the day and year first above written.

Ronald H. Braam

MANUFACTURERS SOAP AND CHEMICAL COMPANY

By: _____

James G. Lane, Jr.

Its: Chairman and Chief Executive Officer

**RESTATED
AGREEMENT TO DEFER COMPENSATION**

THIS RESTATED AGREEMENT ("Agreement") restates in its entirety that certain Agreement to Defer Compensation, made and entered December 14, 1995, by and between James G. Lane, Jr. (hereinafter referred to as the "Employee") and Synalloy Corporation (hereinafter referred to as "Synalloy") as the same may have been amended from time to time.

WITNESSETH:

WHEREAS, the Employee is presently serving as an employee of Synalloy in the capacity of Chief Executive Officer and, as such, has been awarded the opportunity to earn certain annual bonuses under the Employee's employment agreement(s) (the "Bonus Program"); and

WHEREAS, the Employee desires to defer payment of a portion of said annual bonus on the terms and conditions hereinafter set forth, and Synalloy is willing to permit such deferrals;

NOW THEREFORE, in consideration of this Agreement and the mutual promises hereinafter contained, Synalloy and the Employee agree as follows:

Section 1. Synalloy shall credit to a book reserve account (the "Deferred Compensation Account") established for this purpose, eighty (80%) percent of any bonus payable to the Employee under the Bonus Program, which funds shall not be paid to the Employee in accordance with the terms of the Bonus Program but shall be deferred and paid to the Employee at the times and in the manner specified in this Agreement. Any election by the Employee to defer a percentage bonus under this Agreement shall be made under the deadlines imposed by Synalloy for such elections, but, in the absence of a modified annual deadline, such election must be made by the Employee on or before the beginning of the applicable fiscal year, which is a date prior to the Employee having performed services during the fiscal year and is a date on which the amount of a bonus for that year, if any, is not yet ascertainable or determinable and such date is also a date on which the Employee has not yet become entitled to payment of the bonus. The percentage or amount selected herein will remain selected for future years unless a new percentage is selected by the Employee prior to the beginning of the applicable fiscal year. For the Bonus Program applicable to fiscal year 1995, the deadline for elections shall be December 15, 1995.

Section 2. The value of any funds in the Deferred Compensation Account shall, until actually paid to the Employee, earn interest and investment growth based on the actual investment performance of the funds held in the Deferred Compensation Account, as such investments may be agreed to or modified from time to time by Synalloy and the Employee; provided, however, that interest or growth shall not accrue on an amount equal to thirty-seven percent (37%) of each annual amount credited to the Deferred Compensation Account (which thirty-seven percent (37%) is an estimate of the amount representing the income tax deduction lost by Synalloy due to the deferral of compensation by Employee).

Section 3. Any such funds which may be credited to the Deferred Compensation Account may be kept in cash or invested and reinvested in mutual funds, stocks, bonds, securities or any other assets as may be selected by Synalloy in its discretion. Title to and beneficial ownership of any assets, whether cash or investments which Synalloy may earmark to pay the deferred compensation hereunder, if any, shall at all times remain assets of Synalloy, and the Employee and his designated beneficiary shall not have any property interest whatsoever in any specific assets of Synalloy.

Section 4. Nothing in this Agreement and no action taken pursuant to the provisions of this Agreement shall create or be construed to create a trust of any kind, or a fiduciary relationship between Synalloy and the Employee, his designated beneficiary, or any other person. Any funds which may be invested under the provisions of this Agreement shall continue for all purposes to be a part of the general funds of Synalloy and no person other than Synalloy shall by virtue of the provisions of this Agreement have any interest in such funds. To the extent that any person acquires a right to receive payments from Synalloy under this Agreement, such right shall be no greater than the right of any unsecured general creditor of Synalloy .

Section 5. The Deferred Compensation Account shall be payable to the Employee upon the occurrence of the earliest of the following events to occur, and in accordance with the following respective manners: (1) the death of the Employee; (2) the date on which the Employee becomes disabled, within the meaning of the Social Security Act; (3) change in control of Synalloy (defined as in the Shareholders' Rights Plan of Synalloy); and (4) the date on which the Employee has retired from or terminated employment with Synalloy. If distribution occurs due to death of the Employee, distribution of the Deferred Compensation Account shall occur within a reasonable period of time, not to exceed six (6) months after the date of death. If distribution occurs due to disability of the Employee, distribution shall occur within a reasonable period of time, not to exceed six (6) months after the date of the disability. If distribution occurs due to a change of control of Synalloy, distribution shall occur on the effective date of the change of control. If distribution shall occur due to the Employee's retirement, distribution shall occur within a reasonable period of time after retirement, not to exceed six months, unless at least one (1) year prior to retirement the Employee and Synalloy shall have agreed to distribution over a period not to exceed ten (10) years. If distribution shall occur due to the Employee's termination of service for any reason not described above, distribution shall occur in full to the Employee as soon as administratively feasible after the termination date. If a more than one distribution event shall have occurred, the distribution event which provides for the soonest distribution shall be the distribution event which controls.

Section 6. Should the Employee die before he has received payment of all of his Deferred Compensation Account, then Synalloy shall make payment of the undistributed portion of the Deferred Compensation Account to the beneficiary designated by the Employee in writing, if any, or if none, to his estate. The beneficiary designation may be changed by the Employee, at any time or from time to time, by a writing delivered to Synalloy.

Section 7. The right of the Employee or any other person to the payment of deferred compensation or other benefits under this Agreement shall

not be assigned, transferred, pledged or encumbered except by will or by the laws of descent and distribution. The Employee nor any other person's rights to benefit payments are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Employee or of any other person.

Section 8. If the Board of Directors of Synalloy shall find that any person to whom payment is payable under this Agreement is unable to care for his affairs because of illness or accident, or is a minor, any payment due (unless a prior claim therefor shall have been made by a duly appointed guardian, conservator or other legal representative) may be paid to the spouse, a child, a parent, or a brother or sister, or, in addition, to any person deemed by the Board of Directors to have incurred expense for such person otherwise entitled to payment, all in such manner and in such proportions as the Board may determine. Any such payment shall be a complete discharge of the liabilities of Synalloy under this Agreement.

Section 9. Nothing contained herein shall be construed as conferring upon the Employee the right to continue in the employ of Synalloy as an executive or in any other capacity.

Section 10. Any deferred compensation payable under this Agreement shall not be deemed salary or other compensation to the Employee for the purpose of computing benefits to which he may be entitled under any qualified retirement plan or other arrangement of Synalloy for the benefit of its employees. Notwithstanding the above, deferred compensation under this Agreement is normally subject to FICA/FUTA only in the year of the deferral; therefore, Synalloy shall have the right to withhold any applicable employment taxes attributable to deferred compensation from the Employee's other compensation actually received by the Employee during the year.

Section 11. The Board of Directors of Synalloy shall have full power and authority to interpret, construe, and administer this Agreement and the Board's interpretations and construction thereof, and actions thereunder, including any valuation of the Deferred Compensation Account, or the amount or recipient of the payment to be made therefrom, shall be binding and conclusive on all persons for all purposes. No member of the Board shall be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Agreement unless attributable to his own willful misconduct or lack of good faith.

Section 12. This Agreement shall be binding upon and inure to the benefit of Synalloy, its successors and assigns, and the Employee and his heirs, executors, administrators, and legal representatives, and his assigns.

Section 13. This Agreement shall be construed in accordance with and governed by the laws of the State of South Carolina. It is the intent of the parties that this Agreement shall be unfunded for tax purposes and for purposes of Title I of the Employee Retirement Income Security Act of 1974, that this Agreement shall constitute a "top-hat" plan for the benefit of a select group of management within the meaning of the Employee Retirement Income Security Act of 1974.

IN WITNESS WHEREOF, Synalloy has caused this Agreement to be executed and its seal to be affixed hereunto by its officers thereunto duly authorized, and the Employee has signed this Agreement, on the date herein written.

SYNALLOY CORPORATION

By: Gregory M. Bowie
Its: Vice President, Finance

s/James G. Lane, Jr.
Employee

SYNALLOY CORPORATION
SUBSIDIARY AND DIVISIONAL MANAGEMENT INCENTIVE PLAN

INCENTIVE POOL

A separate incentive pool will be established for the 1998 and subsequent fiscal years for Synalloy's subsidiary and divisional management. The incentive pool will equal ten percent (10%) of the fiscal year's earnings before interest and income taxes (EBIT) in excess of a return on capital. Return on capital will be an amount equal to ten percent (10%) of average equity at the beginning of each quarter of the fiscal year. Equity shall be determined by adding back intercompany debt and environmental reserves to book equity.

DESIGNATED PARTICIPANTS

Designated Participants in this Plan will be limited to officers and other key managers of the Company's subsidiaries and divisions who are designated by the Chief Executive Officer of Synalloy as employees who are responsible for and significantly influence profits.

ALLOCATION OF INCENTIVE POOL

A maximum of thirty percent (30%) of the incentive pool may be distributed to employees who are not Designated Participants in this Plan at the discretion of the Chief Executive Officer of Synalloy. A minimum of sixty percent (60%) of the incentive pool will be paid to Designated Participants pro rata to their salaries. A minimum of ten percent (10%) and a maximum of forty percent (40%) of the incentive pool may be paid to Designated Participants in any proportion as the Chief Executive Officer of Synalloy deems appropriate.

TIME OF PAYMENT

Payments will be made as soon as practical after completion of the annual audit of financial statements for the fiscal year in which the incentive is earned.

ADDITIONAL REQUIREMENTS FOR RECEIPT OF ANY PAYMENT UNDER THIS PLAN

- a. Employed by the Company at the year-end for which the incentive is earned unless termination of employment results from death, disability or retirement in which case payment will be prorated to cover time worked during the year.
- b. Also employed at the time of payment unless termination of employment results from involuntary termination, retirement, disability or death between year-end and payment date.
- c. Designated participants must have entered into an agreement acceptable to the Chief Executive Officer of Synalloy under which they agree not to compete with the Company. for a minimum period of one year after the termination of their employment.

DURATION OF PLAN

The Plan will remain in effect until modified or terminated by the Board of Directors of Synalloy. The Plan will not be changed for a fiscal year after the beginning of such year. Prior to the beginning of a fiscal year, the Board of Directors of Synalloy may modify or cancel this Plan at their sole discretion.