

SYNALLOY CORP

Form DEF 14A

April 03, 2018

United States

Securities and Exchange Commission

Washington, D. C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934 (Amendment No. ___)

Filed by the Registrant (x)

Filed by a Party other than the Registrant ()

Check the appropriate box:

() Preliminary Proxy Statement

() Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

(x) Definitive Proxy Statement

() Definitive Additional Materials

() Soliciting Material Under Rule 14a-12

SYNALLOY CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

(x) No fee required

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Filing Party: _____

Date Filed: _____

SYNALLOY CORPORATION
4510 COX ROAD, SUITE 201
RICHMOND, VA 23060

NOTICE OF ANNUAL MEETING
May 17, 2018

TO THE SHAREHOLDERS OF SYNALLOY CORPORATION

Notice is hereby given that the Annual Meeting of Shareholders of Synalloy Corporation, a Delaware corporation (the "Company") will be held on Thursday, May 17, 2018 at 10:00 a.m. EST. This virtual Annual Meeting can be accessed by visiting www.virtualshareholdermeeting.com/SYNL2018, where you will be able to listen to the meeting live, submit questions and vote online. There will be no physical location for shareholders to attend.

The following important matters will be presented for your consideration.

1. Election of seven nominees listed in the Proxy Statement to the Company's Board of Directors to hold office until the 2019 Annual Meeting of Shareholders or until their successors are elected and qualified;
2. Approval, on a non-binding advisory basis, of the compensation of our named executive officers (say-on-pay);
3. Approval, on a non-binding advisory basis, on the frequency of future say-on-pay votes (say-on-frequency);
4. Approval to increase the number of shares that may be issued under our 2015 Stock Award Plan;
5. Ratification of the Audit Committee's selection of KPMG, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018; and
6. Transaction of such other business as may properly be brought before the meeting and any adjournment or adjournments thereof.

All of the above matters are more fully described in the accompanying Proxy Statement.

Only shareholders of record at the close of business on March 21, 2018 are entitled to notice of and to vote at the meeting.

By order of the Board of Directors
Sally M. Cunningham
Secretary

Richmond, Virginia
April 3, 2018

Please vote your proxy promptly, whether or not you plan to attend the virtual Annual Meeting.
The 2017 Annual Report on Form 10-K is furnished herewith.

SYNALLOY CORPORATION
2018 Proxy Statement
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SYNALLOY CORPORATION
4510 COX ROAD, SUITE 201
RICHMOND, VA 23060
PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS

May 17, 2018

The 2017 Annual Report to Shareholders, including our 2017 Form 10-K, is being made available to shareholders together with these proxy materials on or about April 3, 2018.

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS, ANNUAL MEETING AND VOTING

When and where will the Annual Meeting be held?

The Annual Meeting of Shareholders of Synalloy Corporation (the "Company") will be held as a virtual meeting and webcast live over the Internet. Please go to www.virtualshareholdermeeting.com/SYNL2018 for instructions on how to attend and participate in the Annual Meeting. Any shareholder may attend and listen live to the webcast of the Annual Meeting. Shareholders as of the record date may vote and submit questions while attending the Annual Meeting via the Internet by following the instructions listed on your proxy card. The webcast starts at 10:00 a.m. EST on Thursday, May 17, 2018. We encourage you to access the meeting prior to the start time.

Who is soliciting my proxy?

Our Board is soliciting your proxy to vote on all matters scheduled to come before the 2018 Annual Meeting of Shareholders, whether or not you attend the virtual meeting. By completing and returning the proxy card or voting instruction card, or by transmitting your voting instructions via the Internet, you are authorizing the proxy holders to vote your shares at our Annual Meeting as you have instructed.

On what matters will I be voting? How does the Board recommend that I cast my vote?

At the Annual Meeting, you will be asked to: elect the seven director nominees listed in this Proxy Statement; approve, on a non-binding advisory basis, the compensation of our named executive officers; approve, on a non-binding advisory basis, the frequency of future say-on-pay votes, approve the increase in the number of shares that may be issued under our 2015 Stock Award Plan, and ratify the appointment of our independent registered public accounting firm.

Our Board unanimously recommends that you vote:

FOR all seven of the director nominees listed in this Proxy Statement;

FOR the approval, on a non-binding advisory basis, of the compensation of our named executive officers (say-on-pay);

FOR the approval, on a non-binding advisory basis, on holding future advisory say-on-pay votes EVERY YEAR;

FOR the approval to increase the number of shares that may be issued under our 2015 Stock Award Plan; and

FOR the ratification of the appointment of KPMG, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018.

How many votes may I cast?

You may cast one vote for every share of our Common Stock that you owned on March 21, 2018, the record date, except you have the right to cumulate your votes in regards to the election of directors. For more information, see "What is cumulative voting?" below.

What is cumulative voting?

You have the right to cumulate your votes either (i) by giving to one candidate as many votes as equal the number of shares owned by you multiplied by the number of directors to be elected, or (ii) by distributing your votes on the same principle among any number of candidates.

How many shares are eligible to be voted?

On March 21, 2018 the record date, the Company had 8,757,434 shares of Common Stock outstanding and eligible to be voted at the Annual Meeting (excluding 1,542,566 shares held in treasury).

How many shares must be present to hold the Annual Meeting?

Under Delaware law and our Bylaws, the presence in person or by proxy of a majority of the issued and outstanding shares of our Common Stock entitled to vote is necessary to constitute a quorum at the Annual Meeting. The inspector of election will determine whether a quorum is present. If you are a beneficial owner (as defined below) of shares of our Common Stock and you do not instruct your bank, broker, or other holder of record how to vote your shares (so-called "broker non-votes") on any of the proposals, your shares may still be counted as present at the Annual Meeting for purposes of determining whether a quorum exists since your bank, broker or other holder of record has discretionary authority to vote on Proposal 5. In addition, shares held by shareholders of record who are present at the Annual Meeting in person or by proxy will be counted as present at the Annual Meeting for purposes of determining whether a quorum exists, whether or not such holder abstains from voting his shares on any of the proposals.

If a quorum is present at the Annual Meeting, with respect to Proposal 1 - "Election of Directors," directors will be elected by a plurality of the votes cast by shares present in person or by proxy and entitled to vote at the meeting. "Plurality" means that, if there were more nominees than positions to be filled, the individuals who received the largest number of votes cast for directors would be elected, whether or not they received a majority of votes cast. Votes that are withheld or shares that are not voted in the election of directors will have no effect on the outcome of the election of directors.

Approval for Proposal 2 - "Non-Binding Advisory Vote on the Compensation of Our Named Executive Officers", Proposal 3 - "Non-Binding Advisory Vote on the Frequency of Future Say-On-Pay Votes", Proposal 4 - "Approval to Increase the Number of Shares that May Be Issued Under Our 2015 Stock Award Plan" and Proposal 5 - "Ratification of the Appointment of Our Independent Registered Public Accounting Firm" and all other matters which may be considered and acted upon by the holders of Common Stock at the Annual Meeting will be approved if a majority of the shares present and eligible to vote at the meeting are voted in favor of the proposals.

If a quorum is not present or represented at the meeting, the shareholders entitled to vote who are present in person or represented by proxy have the power to adjourn the meeting. If the meeting is to be reconvened within 30 days, no notice of the reconvened meeting will be given other than an announcement at the adjourned meeting. If the meeting is to be adjourned for 30 days or more, notice of the reconvened meeting will be given as provided in the Bylaws. At any reconvened meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

Who pays for soliciting proxies?

We pay all expenses incurred in connection with the solicitation of proxies for the Annual Meeting. In addition to solicitations by mail, our directors, officers, and employees, without additional remuneration, may solicit proxies personally or by telephone, other electronic means or mail and we reserve the right to retain outside agencies for the purpose of soliciting proxies. Banks, brokers or other holders of record will be requested to forward proxy soliciting material to the beneficial owners, and, as required by law, we will reimburse them for their out-of-pocket expenses in this regard.

How do I vote?

Shareholders of Record

Shareholders of record can vote in person at the Annual Meeting or by proxy. Shareholders of record may also vote their proxy by mail or by Internet following the instructions on the proxy card.

Beneficial Shareholders

If your shares are held in the name of a bank, broker or other nominee, you will receive instructions from the nominee that you must follow in order for your shares to be voted. Your broker is not permitted to vote your shares on the election of directors, the non-binding advisory vote on the compensation of our named executive officers, the non-binding advisory vote on the frequency of future say-on-pay votes, or to increase the number of shares that may be issued under our 2015 Stock Award Plan unless you provide voting instructions, but does have discretionary authority to vote your shares on ratification of the appointment of KPMG, LLP. Therefore, if your shares are held in

the name of a broker, to be sure your shares are voted, please instruct your broker as to how you wish it to vote. If your shares are not registered in your own name and you wish to vote your shares in person at the Annual Meeting, you should contact your broker or agent to obtain a proxy card from your broker and bring it to the Annual Meeting in order to vote. You may vote your shares by Internet, by mail or by telephone as further described below.

Participants in the Synalloy Corporation 401(k)/ESOP Plan

If you are a participant in the Synalloy Corporation 401(k) Plan/Employee Stock Ownership Plan (the "401(k)/ESOP Plan") and you own shares of our Common Stock through the 401(k)/ESOP Plan, the proxy card sent to you will also serve as your voting instruction card to the 401(k)/ESOP Plan trustee, who actually votes the shares of our Common Stock that you own through the 401(k)/ESOP Plan. If you do not provide voting instructions for these shares to the trustee by 5:00 p.m. EST, April 28, 2018 (the "plan cut-off date"), as directed by the terms of the 401(k)/ESOP Plan, the Company, in its capacity as the 401(k)/ESOP Plan administrator, will instruct the trustee to vote those 401(k)/ESOP Plan shares "FOR" all the director nominees named in this Proxy Statement and "FOR" all other proposals.

Voting Methods

You can vote your proxy by any of the methods below:

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information until 11:59 p.m. EST the day before the meeting date or the plan cut-off date for 401(k)/ESOP Plan participants. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our Company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions until 11:59 p.m. EST the day before the meeting date or the plan cut-off date for 401(k)/ESOP Plan participants. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

Only the latest dated proxy received from you, whether submitted by Internet, mail or telephone, will be voted at the Annual Meeting. If you vote by Internet or telephone, please do not mail your proxy card. You may also vote in person at the Annual Meeting.

What happens if I do not vote for a proposal? What is a broker non-vote?

If you properly execute and return a proxy or voting instruction card, your shares will be voted as you specify. If you are a shareholder of record and you return an executed proxy card but make no specifications on your proxy card, your shares will be voted in accordance with the recommendations of our Board, as provided above. If any other matters properly come before the Annual Meeting, the persons named as proxies by the Board of Directors will vote upon such matters according to their judgment.

If you hold your shares through a bank, broker or other nominee, and you return a broker voting instruction card but do not indicate how you want your broker to vote, your broker has discretionary authority to vote on Proposal 5, but a broker non-vote will occur as to Proposals 1, 2, 3 and 4. A broker "non-vote" occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee has not received instructions from the beneficial owner and either (i) does not have discretionary voting power for that particular proposal, or (ii) chooses not to vote the shares. Brokers do not have discretionary voting power to vote on Proposals 1, 2, 3 and 4.

Can I revoke or change my vote after I deliver my proxy?

Yes. You can revoke your proxy at any time before it is voted by providing notice in writing to our Corporate Secretary at 4510 Cox Road, Suite 201, Richmond, VA 23060; by delivering a valid proxy bearing a later date to the Company's office at 4510 Cox Road, Suite 201, Richmond, VA 23060, prior to the meeting; or by attending the virtual meeting and voting in person. Attendance at the Annual Meeting will not in itself constitute revocation of a proxy. Shareholders who hold their shares in street name with a broker or other nominee may change or revoke their proxy

instructions by submitting new voting instructions to the broker or other nominee.

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I share an address with another shareholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials?

Some banks, brokers and other holders of record are "householding" our proxy statements and annual reports for their customers. This means that only one copy of our proxy materials may have been sent to multiple shareholders in your household. If you prefer to receive separate copies of a proxy statement or annual report, either now or in the future, please call us at 864-585-3605, or send your request in writing to the following address: Corporate Secretary of Synalloy Corporation, 4510 Cox Road, Suite 201, Richmond, VA 23060. If you are still receiving multiple reports and proxy statements for shareholders who share an address and would prefer to receive a single copy of the annual report and proxy statement in the future, please contact us at the above address or telephone number. If you are a beneficial holder, you should contact your bank, broker or other holder of record.

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIAL FOR THE MEETING OF SHAREHOLDERS TO BE HELD ON MAY 17, 2018

The Company's 2017 Annual Report to Shareholders, 2017 Annual Report on Form 10-K and 2018 Proxy Statement are available via the Internet at <http://investor.synalloy.com>.

ANNUAL REPORT ON FORM 10-K

The Company's Annual Report to Shareholders, including the Annual Report on Form 10-K for the fiscal year ended December 31, 2017 as filed with the Securities and Exchange Commission ("SEC"), accompanies this Proxy Statement. Copies of exhibits to the 2017 Annual Report on Form 10-K will be provided upon written request to the Corporate Secretary, Synalloy Corporation, 4510 Cox Road, Suite 201, Richmond, VA 23060, at a charge of \$.10 per page. Copies of the 2017 Annual Report on Form 10-K and exhibits may also be downloaded at no cost from the SEC's website at <http://www.sec.gov>. The 2017 Annual Report on Form 10-K does not form any part of the material for soliciting proxies.

BENEFICIAL OWNERS OF MORE THAN FIVE PERCENT (5%) OF THE COMPANY'S COMMON STOCK

The table below provides certain information regarding persons known by the Company to be the beneficial owners of more than five percent (5%) of the Company's Common Stock as of December 31, 2017. This information has been obtained from Schedules 13D and 13G, and related amendments, filed with the SEC, and has not been independently verified by the Company.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Total
Privet Fund LP 79 West Paces Ferry Road, Suite 200B Atlanta, GA 30305	960,948	10.97
Royce & Associates, LP 745 Fifth Avenue New York, NY 10151	913,509 ⁽²⁾	10.47
Van Den Berg Management I, Inc. 805 Las Cimas Parkway, Suite 430 Austin, TX 78746	496,310 ⁽³⁾	5.69
DePrince, Race & Zollo, Inc. 250 Park Ave South, Suite 250 Winter Park, FL 32789	494,133 ⁽⁴⁾	5.70

⁽¹⁾ In each case, the beneficial owner has reported sole voting power and sole investment power with respect to such shares.

⁽²⁾ Royce & Associates, LP is an investment advisor registered with the SEC under the Investment Advisors Act of 1940.

⁽³⁾ Van Den Berg Management I, Inc. is an investment advisor registered with the SEC under the Investment Advisors Act of 1940.

⁽⁴⁾ DePrince, Race & Zollo, Inc. is an investment advisor registered with the SEC under the Investment Advisors Act

of 1940.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the ownership of the Company's Common Stock as of March 21, 2018 by each director and nominee for director, each current executive officer of the Company for whom compensation information is disclosed under the heading "Discussion of Executive Compensation," and for the directors, nominees for director and executive officers of the Company as a group.

Name of Beneficial Owner	Common Stock Beneficially Owned	Percent of Total
Craig C. Bram	263,115 (1)	3.00 %
Murray H. Wright	130,243 (2)	1.49 %
J. Kyle Pennington	40,305 (3)	*
Henry L. Guy	39,453 (4)	*
Dennis M. Loughran	35,986	*
James W. Terry, Jr.	32,496 (5)	*
J. Greg Gibson	21,370 (6)	*
Susan S. Gayner	19,801	*
Anthony A. Callander	16,797	*
Amy J. Michtich	16,766	*
All Directors, Nominees and Executive Officers as a group (16 persons)	663,272 (7)	7.57 %

*Less than 1%

(1) Includes 12,609 shares held in an IRA; 28,763 shares held by his spouse; 3,150 shares allocated under the Company's 401(k)/ESOP Plan; and 74,862 shares which are subject to currently exercisable options.

(2) Includes indirect ownership of 40,000 shares held in an IRA; 4,830 shares held by his spouse; and 79,100 shares held in a revocable trust.

(3) Includes 5,675 shares allocated under the Company's 401(k)/ESOP Plan; and 9,539 shares which are subject to currently exercisable options.

(4) Includes 539 shares held in custodial accounts for minor children; and 400 shares held in a revocable trust.

(5) Includes 17,500 shares held in an IRA; and 3,000 shares held in a revocable trust.

(6) Includes 1,896 shares held in an IRA; 7,076 shares held under the Company's 401(k)/ESOP; and 3,974 shares which are subject to currently exercisable options.

(7) Includes 23,565 shares allocated under the Company's 401(k)/ESOP Plan; and 96,681 shares which are subject to currently exercisable options. The beneficial owners have a right to acquire such shares within 60 days of March 21, 2018.

PROPOSAL 1 - ELECTION OF DIRECTORS

The Certificate of Incorporation of the Company provides that the Board of Directors shall consist of not less than three nor more than 15 individuals. Upon recommendation of the Corporate Governance Committee, the Board of Directors has fixed the number of directors constituting the full Board at seven members and recommends that the seven nominees listed in the table which follows be elected as directors to serve for a term of one year until the next Annual Meeting or until their successors are elected and qualified to serve. Each of the nominees has consented to be named in this Proxy Statement and to serve as a director if elected.

If cumulative voting is not requested, the proxy agents named in the Board of Directors' form of proxy that accompanies this Proxy Statement will vote the proxies received by them "FOR" the election of the seven persons named as directors. If cumulative voting is requested, the proxy agents named in the Board of Directors' form of proxy that accompanies this Proxy Statement intend to vote the proxies received by them cumulatively for some or all of the nominees in such manner as may be determined at the time by such proxy agents.

If, at the time of the Annual Meeting of Shareholders, or any adjournment(s) thereof, one or more of the nominees is not available to serve by reason of any unforeseen contingency, the proxy agents intend to vote for such substitute nominee(s) as the Board of Directors recommends, or the Board of Directors will reduce the number of directors.

Vote Required

Directors will be elected by a plurality of the votes cast. Votes that are withheld or shares that are not voted will have no effect on the outcome of the election of directors.

Board Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE ELECTION OF THE SEVEN NOMINEES LISTED IN THE FOLLOWING TABLE AS DIRECTORS OF THE COMPANY.

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The following table sets forth the names of nominees for director, their ages, the years in which they were first elected directors, if applicable, and a brief description of their principal occupations and business experience during the last five years. There are no family relationships among any of the directors and executive officers.

Name, Age, Principal Occupation, Other Directorships and Other Information	Director Since
<p>Craig C. Bram, age 59</p> <p>Mr. Bram became President & Chief Executive Officer ("CEO") and a director of Synalloy on January 24, 2011. From 2004 until September 24, 2010, he served as a director of the Company. He was the founder and has been President of Horizon Capital Management, Inc., an investment advisory firm located in Richmond, VA since 1995. Mr. Bram was the CEO of Bizport, Ltd., a document management company in Richmond, VA, from 2002 through 2010.</p>	2004
<p>Anthony A. Callander, age 71</p> <p>Mr. Callander is the Upstate Managing Director of The Hobbs Group, a certified public accounting ("CPA") firm in Columbia, SC, effective January 2012. He retired from Ernst & Young, LLP in 2008 after 36 years in its Columbia, SC, Greenville, SC and Atlanta, GA offices. He served as a Partner in the firm's audit and assurance practice and in various other roles including Office Managing Partner of the Columbia and Greenville offices, and leading the Southeast manufacturing industry group.</p>	2012
<p>Susan S. Gayner, age 57</p> <p>Ms. Gayner was named CEO and President of ParkLand Ventures, Inc., an owner-operator of multi-family housing communities in nine states, in May 2014. From October 2010, Ms. Gayner served as the COO of ParkLand, and was Vice President from May 2009. Ms. Gayner is a chemical engineer and holds an MAI designation (currently inactive). Prior to ParkLand, she served as an independent MAI and held various manufacturing and quality assurance roles with DuPont Company and Hercules, Inc.</p>	2016
<p>Henry L. Guy, age 49</p> <p>Mr. Guy is the President & CEO of Modern Holdings Incorporated ("Modern Holdings"), a diversified holding company located in Summit, NJ. He has served on a variety of boards including Metro International S.A. (MTRO), Scrubona AB (CATB), Pergo AB (PERG), Miltope Corporation (MILT) and Evermore Global Advisors (EVGBX). Mr. Guy joined Modern Holdings in 2002 and has led investments in over 30 subsidiaries.</p>	2011
<p>Amy J. Michtich, age 49</p> <p>Ms. Michtich currently serves as the Chief Supply Chain Officer of Molson Coors Canada, where she oversees end-to-end operations for Canada's largest and North America's oldest brewer of quality beers and ciders. From 2007 to 2015, she was employed by MillerCoors, a joint venture formed in the U.S. by SABMiller and Molson Coors. During this time, Ms. Michtich served as Vice President - Brewery Operations, located in Rockingham County, VA and Brewery Operations Manager - Milwaukee, WI. Prior to 2007, Ms. Michtich held executive and operations leadership positions across various consumer package goods companies including Pepsi Bottling Group, Clorox and Lipton.</p>	2014
<p>James W. Terry, Jr., age 70</p> <p>In March 2018, Mr. Terry was named Director of Strategic Investments for Hollingsworth Funds, Inc., a charitable foundation in Greenville, SC. From October 2009 to February 2018, he was the President of Hollingsworth Funds, Inc. Mr. Terry's career has been principally in the banking industry where he served as President of Carolina First Bank, Greenville, SC from 1991 to 2008.</p>	2011
<p>Murray H. Wright, age 72</p> <p>Mr. Wright has served as Chairman of the Board of Synalloy since 2014. Prior to his retirement, he was Senior Counsel at the Richmond, VA law firm of DuretteCrump, PLC in January 2013 to 2016. Mr. Wright's career has principally been in law and investment banking. From 1999 to 2012, he was a founder and managing director of Avitas Capital, LLC, a closely held investment banking firm in Richmond, VA. In 1986, he founded the law firm of Wright, Robinson, Osthimer & Tatum in Richmond, VA. He served as Chief Executive Officer of the law firm from 1986 to 2006.</p>	2001

The Corporate Governance Committee believes the combined business and professional experience of the Company's directors, and their various areas of expertise make them a useful resource to management and qualify them for service on the Board. Messrs. Wright and Bram have served on the Board for a significant period of time. During their tenures, these directors have gained considerable institutional knowledge about the Company and its operations, which has made them effective board members. Because the Company's operations are complex, continuity of service and development of institutional knowledge help make the Board more efficient and more effective at developing long-range plans than it would be if there were frequent turnover in Board

membership. When a Board member decides not to run for re-election, the Corporate Governance Committee seeks replacement directors who it believes will make significant contributions to the Board for a variety of reasons, including among others, business and financial experience and expertise, business and government contacts, relationship skills, knowledge of the Company and diversity.

The Corporate Governance Committee believes the current Board members are highly qualified to serve and each member has unique qualifications and business expertise that benefit the Company. Mr. Wright's career as a trial lawyer, founder and CEO of a law firm and his business and financial experience as managing director of a closely-held investment banking firm are considered to be valuable attributes to the Board. Mr. Bram has over 30 years of experience in business management, financial operations, logistics, management consulting, business start-ups and strategic planning for a variety of companies. Mr. Bram was employed by the Reynolds Metals Company, a global aluminum manufacturer, in its corporate Logistics and Sales and Marketing departments. He is an investor in multiple private businesses and real estate ventures and also serves on the boards of several private companies. Mr. Terry joined the Board in August 2011. He brings a wealth of experience in the banking industry where he spent more than 35 years including 17 years as President of a bank where he managed and directed an 85-branch statewide network growing the asset structure from approximately \$300 million in 1991 to over \$6 billion in 2008. In his current role at Hollingsworth Funds, Mr. Terry manages and administers a non-profit fund exceeding \$100 million and is responsible for investment asset management, expense and accounting functionality for all subsidiary operations with assets exceeding \$400 million. We believe Mr. Terry's banking experience is valuable in helping the Company evaluate financing options as well as acquisitions. A Board member since August 2011, Mr. Guy's primary career focus has been in the area of private investments. His expertise and experience in this area are valuable tools as the Company focuses on growing through acquisitions. Mr. Callander spent his career in the audit and assurance practice with significant experience in auditing, mergers and acquisitions, initial public offerings and other financings, reorganizations, business process improvement and business strategy development. From 1998 to 2003, while with Ernst & Young, Mr. Callander served as the audit partner on the Company's independent audits, giving him in depth experience and knowledge about the Company. Mr. Callander, a CPA, also meets the criteria of a financial expert. Ms. Michtich joined the Board in 2014 and has served in executive and operations leadership positions with several large union and non-union manufacturing businesses. She has significant experience in the areas of human resources, manufacturing operations, environmental compliance and safety. Ms. Gayner, who joined the Board in 2016, offers valuable experience in the chemical business. She has 10 years' experience working for two large chemical companies in the area of quality assurance and as a research and development engineer. In her current role as CEO and President of Parkland Ventures, Inc., she has valuable experience in executive management and operations.

BOARD OF DIRECTORS AND COMMITTEES

Director Independence. The Board of Directors has determined that each of the following directors are independent as such term is defined by the applicable rules of the Nasdaq Stock Market LLC (the "Nasdaq Rules"): Anthony Callander, Susan Gayner, Henry Guy, Amy Michtich, James Terry and Murray Wright. The Board has also determined that each of the current members of the Audit Committee, the Compensation & Long-Term Incentive Committee and the Corporate Governance Committee is independent within the meaning of the Nasdaq Rules, and each person who served on such committees at any time during 2017 was independent under the Nasdaq Rules.

Board and Board Committee Meetings and Attendance at Shareholder Meetings. During fiscal year 2017, the Board of Directors met six times. All members of the Board attended 75% or more of the aggregate of the total number of meetings of the Board of Directors and of the committees of the Board on which they served. The Company encourages, but does not require, its directors to attend annual meetings of shareholders. All directors attended the 2017 Annual Meeting.

The Board has established an Audit Committee, a Compensation & Long-Term Incentive Committee and a Corporate Governance Committee, each of which is comprised entirely of directors who meet the applicable independence requirement of the Nasdaq rules. The committees keep the Board informed of their actions and provide assistance to the Board in fulfilling its oversight responsibility to shareholders. The table below provides current membership information as well as the meeting information for the last fiscal year.

Name	Audit Committee	Compensation & Long-Term Incentive Committee	Corporate Governance Committee
Anthony A. Callander	X*		X
Susan S. Gayner		X	X*
Henry L. Guy	X	X*	
Amy J. Michtich		X	X
James W. Terry, Jr.	X	X	
Total Meetings in 2017	5	5	3

* Committee Chair

Audit Committee. The Company has an Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934.

The Audit Committee acts pursuant to a written charter adopted by the Board of Directors which is available on the Company's website at www.synalloy.com. Each member of the Audit Committee is independent as defined in the Nasdaq Rules and meets the independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934. The Audit Committee selects and appoints the independent registered public accounting firm, pre-approves the fees on the independent registered public accounting firm, reviews and discusses with management and the independent auditors prior to filing with the SEC the audited financial statements included in the Company's Annual Report on Form 10-K and the unaudited financial statements included in the Form 10-Q for each quarter, meets independently with the independent auditors, reviews the Audit Committee's charter, and has oversight of the Company's Code of Conduct and Internal Audit. The Board designated Mr. Callander as the Audit Committee Financial Expert, as defined by the SEC rules.

Compensation & Long-Term Incentive Committee. All members of the Compensation & Long-Term Incentive Committee are independent as defined in the Nasdaq Rules. This committee acts pursuant to a written charter which is available on the Company's website at www.synalloy.com. The committee reviews and approves salaries, bonuses, incentive compensation and benefits for executive officers of the Company, and administers and makes recommendations with respect to the Company's cash incentive and equity plans, including the granting of shares and options thereunder, and reviews the committee's charter.

The committee sets the compensation for the CEO and evaluates performance, and it considers recommendations from the Company's CEO in setting compensation for other senior executive officers. The Vice President, Corporate Administration supports the committee in its duties, and the committee may delegate authority to the Human Resources Department to fulfill administrative duties relating to the Company's compensation programs. The committee has the authority under its charter to retain and terminate, and approve fees for compensation consultants and other advisors as it deems appropriate to assist it in the fulfillment of its duties. In early 2016, the committee retained Pearl Meyer ("PM") as the Compensation & Long-Term Incentive Committee's outside independent compensation consulting firm. PM is a nationally r