

Approved December 12, 2022

**HAYNES INTERNATIONAL, INC.**  
**COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**  
**CHARTER**

**Purposes of the Committee**

The primary purposes of the Compensation Committee ("Committee") of the Board of Directors (the "Board") of Haynes International, Inc. (the "Company") are to exercise the power and authority of the Board relating to the compensation of officers of the Company, establish the Committee's philosophy and policies regarding executive and director compensation, and review the compensation of directors and executive officers.<sup>1</sup>

This charter is not intended to create any responsibility or liability for the members of the Committee, except as otherwise exists in accordance with applicable state or federal law.

**Composition and Structure**

The membership of the Committee shall consist of at least three directors, each of whom shall (i) be free of any relationship that, in the opinion of the Board, would interfere with his or her individual exercise of independent judgment, (ii) meet the director independence requirements for serving on the Committee as set forth in applicable NASDAQ and SEC rules, (iii) be an "outside director" for purposes of Section 162(m) of the Internal Revenue Code and (iv) be a "non-employee director" for purposes of Section 16b-3 of the Securities Exchange Act of 1934, as amended. In affirmatively determining the independence of any director who will serve on the Committee, the Board will consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director's ability to be independent from management in connection with the duties of a Committee member, including, but not limited to, those factors enumerated in NASDAQ Listing Rule 5605(d)(2)(A) or any similar successor rule.

The Board shall appoint one member of the Committee as chairperson. He or she shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making Committee assignments and reporting to the Board. The Chairperson will also maintain regular liaison with the Chief Executive Officer ("CEO"), Chief Financial Officer and the Corporate Secretary.

Committee members shall serve at the pleasure of the Board and for such terms as the Board may determine, subject to the recommendations of the Corporate Governance and Nominating Committee (the "Governance Committee"). The Board may, at any time and in its complete discretion, replace a Committee member upon the majority vote of the Board and with the recommendation of the Governance Committee. Any vacancy on the Committee shall be filled by the majority vote of the Board with the recommendation of the Governance Committee.

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<sup>1</sup> The term "executive officer" shall include, but not be limited to, any "named executive officer" as defined by Item 402 of Regulation S-K.

## **Meetings**

The Committee shall meet at least twice annually, or more frequently as circumstances dictate, at such time and place determined by the Committee Chair. A majority of the members currently holding office constitutes a quorum for the transaction of business. The Committee shall take action by the affirmative vote of a majority of Committee members present at a duly held meeting. The Committee may meet in person, telephonically or by any available electronic means by which all Committee members may be heard simultaneously, and may act by unanimous written consent when deemed necessary or desirable by the Committee or its Chair.

The Committee may request that any officer or employee of the Company or its subsidiaries, or the Company's outside counsel or independent auditor, attend a Committee meeting or meet with any members of, or representatives of, the Committee, and provide pertinent information as the Committee deems necessary or appropriate; provided, however, that the CEO may not be present during a vote or deliberations concerning his or her salary. The Committee shall maintain minutes and other relevant documentation of all its meetings.

## **Resources and Authority**

The Committee shall have the resources and appropriate funding, as determined by the Committee, to discharge its duties and responsibilities. The Committee shall have the authority, in its sole discretion, to retain and discharge, oversee, and approve fees and other terms and conditions for the retention of independent experts in accounting and auditing, legal counsel and other experts or advisors, as the Committee deems necessary or desirable in the fulfillment of its duties, the cost of retention of such independent experts to be borne by the Company, all without the necessity of the approval of the Board; provided, however, that the Committee shall (i) first take into consideration the factors relevant to such adviser's independence from management specified in NASDAQ Listing Rule 5605(d)(3) or any similar successor rule and (ii) provide notice to the Chief Financial Officer. The Committee shall be directly responsible for all arrangements with its advisors.

## **Responsibilities**

The Committee shall have the following responsibilities:

1. In consultation with the Board and the executive officers, establish the Committee's philosophy and policies regarding director and executive compensation, and oversee the development and implementation of director and executive compensation programs.
2. Upon the direction of the Board, annually review, set and approve the compensation level, including the individual elements of total compensation, for the non-employee directors of the Board.
3. The Board will evaluate the CEO's performance and, based upon such evaluation, the Committee will set the CEO's salary, bonus and long-term incentives. The Committee is responsible for setting annual and long-term performance goals for the CEO and for evaluating his/her performance against such goals. The Committee shall meet annually with the CEO to receive his/her recommendations concerning such goals and to evaluate his/her performance against the prior year's goals.

4. In consultation with the CEO, review, set and approve the compensation level, including the individual elements of total compensation, for the executive management of the Company other than the CEO and communicate in the annual Compensation Committee Report to the shareholders, if required, the specific relationship of corporate performance to executive compensation.
5. In consultation with the CEO, review the performance of executive management of the Company other than the CEO and oversee succession planning.
6. Discuss with the CEO the CEO's evaluation of the performance of each member of senior management and report on such discussions to the Board.
7. Review and approve revisions to the Company's executive officer salary range structure and annual salary increase guidelines.
8. Assure that the Company's executive incentive compensation program, including the annual and long-term incentive plans, is administered in a manner consistent with the Committee's compensation philosophy and policies as to participation, target annual incentive awards, corporate financial goals, and actual awards paid to executive officers.
9. Establish and review stock retention guidelines applicable to Board members and executive officers.
10. Review and recommend to the Board for approval the terms of any employment agreement between the Company and the CEO or other members of executive management, including arrangements that provide for payments at, following, or in connection with such individual's termination or a change of control of the Company.
11. Establish and maintain policies regarding compensation of the Company's employees as related to risk management and risk-taking incentives, and review and assess risks arising from such compensation policies.
12. Oversee the Company's compensation-related decisions regarding human capital management activities, including, without limitation, talent management and diversity & inclusion initiatives.
13. Oversee the Company's compensation policies in relation to the Company's ESG goals.
14. Review the Company's employee benefit programs and approve changes, subject, where appropriate, to shareholder or Board approval.
15. Make recommendations to the Board with respect to the Company's incentive compensation plans and equity-based plans, oversee the activities of the individuals and committees responsible for administering these plans, and discharge any responsibilities imposed on the Committee by any of these plans.
16. In consultation with the executive officers, oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required,

establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.

17. Oversee the Company's compliance with respect to shareholder advisory votes on executive compensation and the frequency of such votes, and consider the results of those votes in evaluating the Company's compensation practices.
18. Prepare and issue the evaluations and reports required under "Committee Reports" below.
19. Be authorized to delegate duties of the Committee to subcommittees, when appropriate.
20. Any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company's executive compensation programs.

### **Committee Reports**

The Committee shall produce the following reports and provide them to the Board.

1. An annual report of the Executive Compensation Committee on Executive Compensation, which shall be included in the Company's annual proxy statement, if any, or annual report on Form 10K filed with the SEC in accordance with applicable SEC rules and regulations.
2. An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter and set forth the goals and objectives of the Committee for the upcoming year. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair of the Committee or any other member of the Committee designated by the Committee to make this report.
3. A summary of the proceedings of each Committee meeting shall be presented to the Board at its next regularly scheduled meeting. Meeting notices, agendas, and minutes of Committee meetings will be promptly sent to the Board.

### **Charter Amendments**

If and to the extent that, by reason of any change or amendment to applicable law or regulation or the NASDAQ Marketplace Rules or other rules applicable to NASDAQ issuers, the Company is required to maintain a compensation committee that has composition, structure, duties, authority or responsibility that is different than provided by this Charter, then (and to that extent) this Charter shall be deemed amended in such a manner as to cause the Committee to comply with such changed or amended laws, rules or regulations.