

**Approved by the Haynes International, Inc. Board of Directors  
Reviewed/Approved on December 12, 2022**

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

**Purposes of the Committee**

The purposes of the Audit Committee ("Committee") of the Board of Directors (the "Board") of Haynes International, Inc. (the "Company") are: (i) to oversee the integrity and effectiveness of the Company's accounting and financial reporting processes and the audits of the Company's financial statements; (ii) to assist the Board's oversight of the Company's compliance with legal and regulatory requirements; and (iii) to oversee the independent auditor's qualifications and independence; (iv) to oversee the performance of the company's independent auditor; and (v) to oversee the company's systems of disclosure controls and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by the company. It is not, however, the Committee's responsibility to prepare and certify the Company's financial statements, to plan or conduct the audit, to guarantee the independent auditor's report or other disclosures by the Company, or to determine whether the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Committee members are not employees of the Company and are not performing the functions of auditors or accountants. Each member of the Committee shall be entitled to rely upon the integrity of those persons and organizations within and outside the Company from which the Company receives its information and the accuracy of the financial and other information provided to the Committee, in either case absent actual knowledge to the contrary.

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 who are generally knowledgeable in financial management. Each member shall be free of any relationship that, in the opinion of the Board, would interfere with his or her individual exercise of independent judgment, and shall meet the director independence requirements for serving on the Committee as set forth in applicable NASDAQ and SEC rules. All members of the Committee shall be able to read and understand fundamental financial statements. No member of the Committee shall have participated in the preparation of the financial statements of the Company in the past three years. At least one member of the Committee shall be an "audit committee financial expert" as defined by the U.S. Securities & Exchange Commission. Committee members may not serve on audit committees of more than two other publicly traded companies.

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, Chief Financial Officer and the lead independent audit partner.

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.

## **Meetings**

The Committee shall meet at least quarterly, or more frequently as circumstances dictate, at such time and place as determined by the Committee Chair. At least twice each year, the Committee shall have a regularly scheduled meeting at which only members of the Committee are present (which may be held in conjunction with other meetings of the Committee), and the Committee shall meet at least annually, and more often as warranted, with the Chief Financial Officer and Chief Accounting Officer, and the independent auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately. 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. 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 to retain and discharge, and approve fees and other terms and conditions for 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 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 provide notice to the Chief Financial Officer.

### **RESPONSIBILITIES**

To fulfill its responsibilities and duties, the audit committee will engage in the following activities:

#### **Documents/reports/accounting information review:**

1. Review this charter at least annually and recommend to the board of directors any necessary amendments.
2. Review and discuss with management and the independent auditor, before filing with the Securities and Exchange Commission, the annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", as well as the Company's internal controls reports.
3. Review, discuss and recommend changes to the Company regarding the Company's filings with the Securities and Exchange Commission relating to financial results, including, without limitation, quarterly and annual reports, earnings press releases (including guidance) and other financial information, and, if appropriate, recommend approval and filing thereof to the Board of Directors.
4. Evaluate and make recommendations to the Board concerning the financial structure and financing strategy of the Company, including the proposed financial structure related to any proposed corporate acquisitions, consideration of the Company's long-term financing plans and commitments, regular and special dividends, corporate borrowings and the issuance and/or repurchase of stock (other than in connection with the Company's employee equity compensation plans and programs).

#### **Independent Auditor**

5. Appoint, retain and terminate, and approve the compensation and terms of retention of any registered public accounting firm serving as the Company's independent auditors (subject to ratification by Company shareholders if deemed appropriate). The Committee shall be responsible for the oversight of any registered public accounting firm engaged by the Company for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services, including resolution of disagreements between management and the registered public accounting firm regarding financial reporting.

6. The Committee shall pre-approve any audit and non-audit services by the independent auditors as required by applicable law and the rules applicable to NASDAQ issuers. The authority to grant preapprovals may be delegated to one or more designated members of the audit committee, whose decisions will be presented to the full audit committee at its next regularly scheduled meeting
7. Review with the independent auditors any audit problems or difficulties and management's response, including any restrictions on the independent auditor's activities or on access to requested information, any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise); any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement; any "management" or "internal control" letter issued (or proposed) by the audit firm.
8. Ensure that the independent auditors report directly to the Committee, and provide that they are ultimately responsible to the Committee and the Board.
9. Review with the independent auditors the scope of the prospective audit plan, the estimated fees therefor and such other matters pertaining to such audit as the Committee may deem appropriate. Receive copies of the annual comments from the outside auditors on accounting procedures and systems of control.
10. Review and discuss quarterly reports from the independent auditors on (A) all critical accounting policies and practices to be used; (B) all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosure treatments, and the treatment preferred by the independent auditor; (C) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
11. Ensure that the independent auditor submits on a periodic basis to the Committee a formal written statement delineating all relationships between the auditor and the Company that may have a bearing on the auditor's independence, engage in an active dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor, and recommend to the Board any action deemed appropriate in response to the independent auditor's report to satisfy the Board and the Committee of the independent auditor's independence.
12. Obtain and review, at least annually, a report by the independent auditor describing: the independent auditor's internal quality-control procedures; and any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.

13. At least annually, evaluate the qualifications, performance and independence of the Company's independent auditors, including an evaluation of the lead partner and the reviewing partner; and assure the regular rotation of the lead partner at the Company's independent auditors and consider regular rotation of the accounting firm serving as the Company's independent auditors.
14. Set clear hiring policies for the Company with respect to employees or former employees of the independent auditors. The Company may not hire any employee or former employee of the independent auditor without first consulting the Committee. The chairperson shall have the authority to make this determination independently.

#### **Financial Reporting Processes, accounting policies, and internal control structure**

15. Work with management, the internal audit department and the independent auditors to ensure that the Committee is provided a timely analysis of and an opportunity to review and discuss (A) significant issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (B) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; (C) the effect of regulatory and accounting initiatives, as well as off balance sheet structures, on the financial statements of the Company; (D) the type and presentation of information to be included in earnings press releases (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP, information), as well as review any financial information and earnings guidance provided to analysts and rating agencies and (E) any correspondence with regulators or governmental agencies, and any published reports that raise material issues regarding the Company's financial statements or accounting policies.
16. Direct management and the independent auditors to disclose to the Committee any significant risks and exposures, including Cybersecurity risks related to financial reporting; discuss policies with respect to risk assessment and risk management.
17. Review with management the Company's administrative, operational and accounting internal controls, including any special procedures adopted in response to the discovery of material control deficiencies.
18. Receive periodic reports from the Company's independent auditors, management and the Company's internal auditing department to assess the impact on the Company of significant accounting or financial reporting developments that may have a

bearing on the Company.

19. Make or cause to be made, from time to time, such other examinations or reviews as the Committee may deem advisable with respect to the adequacy of the systems of internal controls and accounting practices of the Company, and take such action with respect thereto as may be deemed appropriate.
20. On a regular basis, review with management, the independent auditors and the senior internal audit executive the adequacy and effectiveness of, and any significant changes in, the internal controls, the accounting policies, procedures or practices of the Company and its subsidiaries, and compliance with corporate policies, directives and applicable laws which impact the financial disclosure of the Company.
21. Review the action taken by management on the internal auditors' and independent auditors' recommendations.
22. Review and approve the existence and terms of any related-party transactions, defined as those transactions required to be disclosed under NASDAQ Corporate Governance Rule 5630. Discuss with the independent auditor its evaluation of the company's identification of, accounting for, and disclosure of its relationships with related parties.
23. Report all audit exceptions reported to the Committee by the external auditor to the full Board.

#### **Internal Audit**

24. Review with the senior internal audit executive the annual internal audit plan and scope of internal audits, including the procedure for assuring implementation of accepted recommendations made by the independent auditors. Advise the senior internal audit executive that he or she is expected to provide the Committee with summaries of any significant identified control issues and management's response thereto, and inform the Committee of any significant changes to the internal audit department charter, staffing or budget.
25. Review with management the progress and results of all internal audit projects, and, when deemed necessary or appropriate by the Committee, assign additional internal audit projects.
26. Review and approve the appointment, reassignment, and replacement of the senior internal audit executive.

## **Ethical Compliance, legal compliance and risk management**

27. Review at least annually the Company's Code of Business Conduct and Ethics and approve, and recommend to the Board for its approval, any revisions thereto.
28. In accordance with the Company's Code of Business Conduct and Ethics, activate the procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters or otherwise; and the confidential, anonymous submission by employees of the Company and its affiliates of concerns regarding questionable accounting, internal control, auditing matters or otherwise.
29. Discuss with the Company's General Counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.
30. Review the status of compliance with laws, regulations, and internal procedures, contingent liabilities and risks that may be material to the Company, the scope and status of systems designed to assure Company compliance with laws, regulations and internal procedures, through receiving reports from management, legal counsel and other third parties as determined by the Committee on such matters, as well as major legislative and regulatory developments which could materially impact the Company's contingent liabilities and risks.

## **Other responsibilities**

31. On a periodic basis, and without others present, meet separately with the independent auditors, the senior internal audit executive, the controller, the general counsel, and other members of management as appropriate.
32. Conduct or authorize investigations into any matters within the Committee's scope of responsibility, consistent with procedures to be adopted by the Committee, and retain, at the Company's expense, such independent counsel or other consultants or advisers as it deems necessary.
33. Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.
34. Evaluate, on an annual basis, its performance. The evaluation shall address all matters that the Committee considers relevant to its performance, including a review and assessment of the adequacy of this charter, and shall be conducted in such manner as the Committee deems appropriate. Deliver to the Board a report, which may be oral, setting forth the results of its evaluation,

including any recommended amendments to this charter.

### **Committee Reports**

35. Report to the Board on a regular basis on the activities of the Committee and make such recommendations with respect to the above matters as the Committee may deem necessary or appropriate. This report shall include a review of any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors, or the performance of the internal audit function.
36. Transmit to the Board notices of Committee meetings, agendas, and meeting minutes.
37. Recommend that the audited financial statements be included in the Company's Form 10- K and prepare a report for inclusion in the annual proxy statement, if any, that specifies the Directors who sit on the Committee, describes the Committee's responsibilities as outlined in this charter, and discusses how these responsibilities were discharged during the year.
38. At the time of or in advance of the Annual Directors Meeting held each year, present an annual performance evaluation of the Committee, which shall assess the performance of the Committee in relation to its duties and responsibilities under this charter, recommend any amendments to this charter, and set forth the goals and objectives of the Committee for the ensuing twelve months.
39. Report on matters required by the rules of the U.S. Securities & Exchange Commission to be disclosed in the Company's annual proxy statement.

### **Delegation of Authority**

The Committee may, in its discretion, delegate certain of its duties and responsibilities to a subcommittee of the Committee.

The Committee may delegate to one or more of its members the authority to grant pre- approvals of auditing and non-audit services to be performed by the Company's independent auditor subject to such guidelines as the Committee may determine. Any such decisions to pre- approve shall be presented to the full Committee at its next following regular meeting.



## **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 an audit 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.