

## Approved by the Haynes International, Inc.

Board of Directors on December 14, 2016

### **HAYNES INTERNATIONAL, INC. Risk Committee of the Board of Directors Charter**

#### **Purpose of the Committee**

The purpose of the Risk Committee (the “Committee”) of the Board of Directors (the “Board”) of Haynes International, Inc. (the “Company”) is to assist and actively advise the Board in fulfilling its oversight responsibilities with regard to management’s identification, evaluation and treatment of major strategic and operating risks inherent in the business that could materially impact the Company’s operating results, customers, suppliers, employees and/or reputation, and also to provide oversight on the Company’s risk management framework, including policies, procedures and practices employed to assess and manage its major strategic and operating risks.

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 laws.

#### **Composition and Structure**

The membership of the Committee shall consist of at least three directors who 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 as set forth in applicable NASDAQ and SEC rules.

The Board shall appoint one member of the Committee as chairperson. He or she shall be responsible for the leadership of the Committee, including preparing the agenda, presiding over the meetings, making Committee assignments and reporting to the Board.

Committee members shall serve at the pleasure of the Board and for such terms as the Board may determine, in consultation with 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 in consultation with the Governance Committee. Any vacancy on the Committee shall be filled by the majority vote of the Board in consultation with the Governance Committee.

#### **Meetings**

The Committee shall meet at least quarterly, and special meetings can be called as necessary. Directors who are not members of the Committee may attend meetings at the

discretion of the 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 the Committee members present at a duly held meeting. The Committee may meet in person or telephonically, and may act by unanimous written consent when deemed duly 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 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 and Duties**

Risk assessment and management are the responsibility of the Chief Executive Officer (the "CEO") and the Company's Management Team. The Committee's responsibility with respect to risk assessment and management will be to provide oversight and review and to engage management and the Board regarding actions required.

A member of the Company's Management Team will be designated by the CEO to act as the Risk Officer and will coordinate and enable the Company's processes of identifying, assessing, and mitigating the risks undertaken or encountered by the Company. The Risk Officer will provide a report on the Company's key operational, strategic, compliance and financial risks (the "Risk Report") at least quarterly. The Risk Officer will also provide an annual report regarding the Company's strategic and operating risks to the full Board. The Board will retain oversight responsibility on the key strategic and operating risks (with the Committee acting as a liaison with the Management Team and directing and prompting the full Board), while the Audit Committee will retain primary oversight responsibilities for financial and compliance risks.

The Committee shall have the following authority and responsibilities:

1. Review and, as applicable, approve the Company's risk governance framework.

2. Set the tone and develop a culture within the Company regarding risk, promote open risk discussion, and promote integration of risk management into the Company's processes and goals.
3. Review the strategic and operating risks identified in the Risk Report, designating some or all of those risks to be subject to the Committee's oversight.
4. Meet at least quarterly, or more often as deemed necessary, with the Company's Risk Officer to discuss risk assessment and risk management guidelines, policies and processes and actions.
5. Review periodic reports from management on the metrics used to measure, monitor and manage risks, including management's views on acceptable and appropriate levels of exposures.
6. Review periodic reports on selected risk topics as the Committee deems appropriate.
7. Review the independence, authority and effectiveness of the risk management function, including staffing levels and qualifications.
8. Approve the appointment of the CEO's designated Risk Officer and, when and if appropriate, request the replacement of the Risk Officer, who shall functionally report to the Chair of the Committee.
9. Other matters as the Chair or other members of the Committee determine relevant to the Committee's oversight of strategic and operating risk assessment and management.

### **Committee Reports**

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

1. Report to the Board on a regular basis the activities of the Committee and make such recommendations with respect to the above matters as the Committee may deem necessary or appropriate.
2. 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 Risk 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.