

Charter of the Compensation Committee of the Board of Directors

As approved by the Board of Directors on April 27, 2023

Organization and Membership

There shall be a Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Advanced Energy Industries, Inc. (the “Corporation” or “AE”) whose members are appointed by the Board on the recommendation of the Nominating, Governance and Sustainability Committee. The Committee shall consist of at least two members of the Board, each shall (i) be independent as determined in accordance with Nasdaq listing rules, (ii) be a “non-employee director” under Rule 16b-3 under the Securities Exchange Act of 1934 (the “Exchange Act”), and (iii) meet the requirements for compensation committee members under the Nasdaq rules. No member of the Committee shall be an officer or former officer of the Corporation. Interlocking relationships (e.g., company chief executive officers sitting on each other’s compensation committees) shall be avoided.

Director's fees are the only compensation that a Committee member may receive directly or indirectly from or on behalf of the Corporation.

The Board will appoint one of the members of the Committee to serve as Committee Chair. The Committee may also appoint a Secretary, who need not be a member of the Board.

Purpose of the Committee

The Committee's primary purpose is to:

Discharge the Corporation's responsibilities relating to the compensation of the Corporation's executive officers and Board members. The Committee has overall responsibility for evaluating and approving the benefit, bonus, and severance agreements, plans, policies and programs of the Corporation and its subsidiaries. The Committee also has overall responsibility for evaluating and approving the incentive compensation, equity-based and other compensation agreements, plans, policies and programs of the Corporation and its subsidiaries, and to review and discuss with the Company's management the Compensation Discussion and Analysis (the “CD&A”) to be included in the Company's annual meeting proxy statement and determine whether to recommend to the Board that the CD&A be included in the proxy statement, and provide a Committee report for inclusion in the Corporation's proxy statement in accordance with applicable rules and regulations.

Responsibility and Authority of the Committee

Charter Review

- Review and reassess the adequacy of this charter from time to time (at least annually) and recommend to the Board any proposed changes to this charter; and
- Publicly disclose this charter and any such amendments at the times and in the manner required by the SEC or Nasdaq, and in all events post this charter and such amendments on the Corporation's website.

Executive Compensation/Approval of Transactions; Director Compensation

- Annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and recommend to the Board the CEO's compensation levels based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee will consider the Company's performance and shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years.
- Annually review and approve compensation of the CEO and the senior executives of the Corporation, namely (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) employment agreements, severance agreements, and change in control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits. "Senior executives" are those individuals who have been determined by the Board to be "officers" for purposes of Section 16 of the Securities Exchange Act of 1934 and "executive officers" pursuant to Rule 3b-7 of the Securities Exchange Commission. The CEO may not be present during voting or deliberation on his or her compensation.
- Review executive management succession below the CEO.
- Review CEO and management succession planning in the context of executive compensation.
- Adopt, administer, approve and ratify the Corporation's incentive compensation and stock plans and awards thereunder, including amendments to the plans or awards made under any such plans, and review and monitor awards under such plans (with delegation per the plan permitted for non-senior executive awards).
- Review and approve the selection of the companies in AE's peer group for the purposes of benchmarking senior executives' compensation.
- Review and propose to the Board from time to time changes in director compensation.

Plan and Regulatory Compliance Oversight

- Periodically review the Corporation's benefit, incentive compensation and stock plans, compensation agreements, plans, policies and arrangements, and adopt amendments or changes to the same, and establish procedures and mechanisms designed to cause the same to comply with all applicable securities, tax, banking, ERISA and other laws and regulations and the requirements of Nasdaq including those regarding: reimbursement of the Corporation for, or forfeiture of, any profits, bonus or equity-based compensation by the Corporation's CEO and senior executives in connection with an accounting restatement; related party or affiliate transactions with the Corporation; and Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.
- Review and discuss the Compensation Discussion and Analysis (CD&A) section of the proxy statement with management, and, based on such review and discussion, determine whether or not to recommend to the Board of Directors that the CD&A be included in the company's annual report and proxy statement, and review and approve the Compensation Committee report required by SEC rules for inclusion in the company's annual report and proxy statement.

Human Resources Strategies

- Review the Company's human resources management strategy, including initiatives and programs with respect to the Company's culture, talent recruitment, training, development, retention, employee engagement, and diversity, equity, and inclusion.

General

- Form and delegate authority to subcommittees when appropriate.
- Report to the Board on the Committee's activities at Board meetings and otherwise when appropriate.
- Annually review the performance of the Committee.
- May retain or obtain the advice of a compensation consultant, legal counsel or other advisor. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or any other advisor retained, have sole authority to approve the consultant or advisor's fees and other retention terms, and the Corporation shall appropriately fund such activity. The Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor only after taking into consideration the factors set forth in Nasdaq Rule 5605(d)(3)(D).

In performing their responsibilities, Committee members are entitled to rely in good faith on information, opinions, reports and statements prepared or presented by:

- One or more officers or employees of the Corporation whom the Committee members reasonably believes to be reliable and competent in the matters presented;
- Counsel, independent auditors, and other persons as to matters which the Committee members reasonably believes to be within the professional or expert competence of such person; and
- Another committee of the Board as to matters within its designated authority which committee the Committee members reasonably believes to merit confidence.

Administration

Committee meetings generally will be held in conjunction with Board meetings, and at any additional time as either the Board or the Committee deems advisable. Meetings of the Committee may be held by telephone or other communications equipment. A simple majority of the Committee members shall constitute a quorum. Any permitted actions may be passed by a simple majority of the members present or by the unanimous written consent of all of the Committee members. The Committee will meet in executive session as a committee to discuss any matters that the Committee members believe should be discussed.