

Balchem Corporation

Charter of the Compensation Committee of the Board of Directors

Role:

The Compensation Committee (the “Committee”)’s role is to discharge the Board of Directors (the “Board”) of Balchem Corporation (the “Company”)’s responsibilities with respect to the compensation of the Company’s executive officers, and review and approval of the Company’s compensation and benefit plans.

The Committee ensures that compensation and benefit plans are aligned with the interests of shareholders and meet the needs of the Company and its employees. Compensation plans should be designed to motivate employees to meet company objectives and to adequately and fairly reward employees for their efforts. Benefit plans should provide adequate health and insurance protection for all employees.

Both plans should be a balance between being affordable to the company and competitive within similar industries and like-size companies, supported by independent research.

Membership:

The Committee shall be comprised of three (3) or more Directors of the Company, each of whom is determined by the Board to be “independent” pursuant to the requirements of the Nasdaq Stock Market, LLC and applications laws and regulations. Additionally, no director may serve unless he or she is a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.. Membership will be reviewed annually by the Corporate Governance and Nominating Committee with other members of the Board rotating onto the Committee, as appropriate. The Company’s management shall nominate the CEO to be the Company’s management contact.

The Committee shall meet, in person or telephonically, at least three (3) times per calendar year, or more frequently as circumstances dictate. The Chair shall review and approve an agenda in advance of each meeting and chair all sessions of the Committee. In the absence of the Chair of the Committee for any session, the Committee shall select another member to preside.

Responsibilities of the Compensation Committee:

1. Review and approve the various compensation plans, any amendments or changes thereto, and overall plan merit increases for all employees. This will be done annually.
 - a. Non-executive employee compensation will be approved as a percent of total payroll. Management will then allocate the monies accordingly.

- b. CEO's and other executive officers' compensations will be specifically reviewed and approved by the Committee. The CEO may not be present during Committee deliberations or voting on his/her compensation.
2. Review and approve the various incentive compensation plans.
3. Review, approve and recommend for Board approval for all stock option plans/grants.
4. Review, approve and recommend for Board approval all benefit plans for all employees.
5. Interpret, construe and administer the Company's Incentive-Based Compensation Recovery Policy, including reviewing such policy from time to time and recommending any changes to the Board for adoption.
6. The Committee will work with management, through the management contact, to guide and assist management in preparing and developing compensation, performance reviews and benefit programs. The goal will be to develop a complete performance/ compensation package.
7. Review and recommend to the Board the form and amount of Director compensation and any additional compensation to be paid for service on Board committees or for service as a chairperson of a committee. In making its recommendations, the Committee shall give due consideration to what is customary compensation for Directors of comparable companies, among such other factors it deems appropriate.
8. Review and re-assess the adequacy of the Charter of the Committee on an annual basis and recommend any changes to the Board for adoption.
9. Retain outside consultants, legal counsel, or other advisors, as necessary, in the discretion of the Committee. No less than annually, and prior to selection of, or receiving advice from, any such outside consultant, legal counsel or other advisor, the Committee will consider independence of such consultant, legal counsel or other advisor in accordance with NASDAQ rules.
10. The Committee will maintain compliance with all SEC and NASDAQ Compensation Committee rules and regulations.

Responsibilities of Balchem Management:

1. Prepare and submit compensation plans for all levels of employees. Management should obtain data on similar companies of similar size and from similar geographic areas. Inflation should also be a consideration. Total cost and a comparison to the previous year should be included.

2. Have or develop a performance appraisal system that takes into consideration job descriptions, job level ratings, salary ranges and salary range mid-points; utilize the system in determining and implementing salary increases.
3. Prepare and submit all incentive plans to the Committee. Incentive plans below the executive level can be submitted as a general plan. Incentive plans for executives should be submitted in complete detail and as a package, not individually. Total cost and a comparison to previous year should be included.
4. Administer the currently approved stock option plans, and make change proposals, based on industry norms, for Committee approval.
5. Administer the benefit plans, and make change proposals, based on industry norms, for Committee approval.
6. Annual compensation and benefit plans should be submitted to the Committee with adequate advance distribution, allowing time for review, approval and inclusion in the following year's budget.

Last updated: December 9, 2024