



## CHARTER OF THE COMPENSATION COMMITTEE

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### **PURPOSE OF THE COMMITTEE**

The purpose of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Hexcel Corporation (the "Company") is to oversee, review and approve the Company's compensation and benefit plans and programs and define the goals of compensation policy.

### **COMPOSITION OF THE COMMITTEE**

The Committee shall consist of between three and five directors, inclusive, the actual number to be fixed by the Board from time to time. Members of the Committee shall be appointed by the Board. Each member of the Committee shall be qualified to serve on the Committee pursuant to the requirements of the New York Stock Exchange (the "NYSE"), and any additional requirements that the Board deems appropriate.

If the Board does not designate a chair of the Committee, the members of the Committee shall designate a chair.

The Board shall fill any vacancy on the Committee. No member of the Committee shall be removed except by the Board.

### **MEETINGS AND PROCEDURES OF THE COMMITTEE**

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less frequently than two times annually. The Committee may ask members of management or others to attend its meetings and to provide information to the Committee.

The Committee may form subcommittees and may delegate to subcommittees such authority as the Committee deems appropriate, but the Committee shall not delegate any authority required by any law, regulation, the NYSE or Board resolution to be exercised by the Committee as a whole.

A majority of the members of the Committee shall constitute a quorum.

The Committee shall maintain minutes of its meetings and regularly deliver to the Board a report, which may be oral, on its activities.

**DUTIES AND  
RESPONSIBILITIES  
OF THE COMMITTEE**

The Committee shall:

Annually review and approve, subject to the ratification by the independent directors as a group, the goals and objectives relevant to the compensation of the Chief Executive Officer, and evaluate annually the performance of the Chief Executive Officer in light of these goals and objectives and approve, subject to the ratification by the independent directors as a group, the Chief Executive Officer's compensation based on this evaluation, including salary, bonus and long-term incentive compensation. In approving the compensation of the Chief Executive Officer, the Committee shall consider the individual performance of the Chief Executive Officer as well as all other factors it deems relevant, including the Company's performance and stockholder return, the compensation of chief executive officers of comparable companies, and the compensation of the Chief Executive Officer of the Company in past years.

After receiving recommendations from the Chief Executive Officer, annually review, determine and approve the compensation of executive officers, including salary, bonus and long-term incentive compensation. In determining the compensation for the other executive officers, the Committee shall consider factors similar to those used to determine the compensation of the Chief Executive Officer, together with any other factors deemed relevant by the Committee. The Committee shall remain current on compensation trends and practices in order to ensure the hiring and retention of qualified executives.

Periodically review the Company's compensation and benefits plans to determine their effectiveness in attracting, retaining and motivating employees, and amend or adopt such plans as appropriate, except that the adoption of any equity incentive plan shall require approval of the Board.

Establish financial performance and other goals and aggregate target award amounts with respect to cash incentive plans and equity incentive plans covering senior management, and certify as to whether such goals have been achieved.

Periodically review whether cash and equity incentive plans and arrangements are likely to promote excessive risk taking behavior and review the effectiveness of any policies and practices that mitigate against such behavior. In the event the Committee determines that incentive plans or arrangements, as implemented from time to time, may incentivize risk taking behavior that reasonably may have a material adverse effect on the company, it shall review the nature and extent of such potential effect with the Audit Committee.

Grant and approve awards under the Company's equity incentive plans to participants under these plans. The Committee shall approve for submission by the Board to the Company's stockholders all equity incentive plans or amendments to equity incentive plans that are required to be submitted for stockholder approval under the NYSE listing standards.

Determine director and officer stock ownership guidelines and monitor compliance with such guidelines.

Take appropriate action to qualify all grants of equity-based awards to executive officers as exempt from Section 16(b) of the Securities Exchange Act of 1934.

Oversee and periodically review and appoint the fiduciaries and plan administrators of the Company's employee benefit plans.

Perform such duties and responsibilities as may be assigned to the Committee under the terms of any compensation or benefit plan.

Review and approve any proposed employment or severance agreement or severance policy, or any amendment, extension or termination of any such agreement or policy, to be made with or applicable to any executive officer of the Company; if the agreement or policy is renewable for successive terms, affirmatively determine to continue such agreement or policy at each renewal date; if the agreement or policy continues from year to year unless notice is given, annually review them prior to the required notice period to determine whether notice of termination or amendment should be given.

Review and approve supplemental benefits and perquisites to the Company's executive officers and directors; provided that the Company shall not make any loan, or extend any credit, to any executive officer or director in violation of applicable law.

Review and approve all compensation for non-employee members of the Board, including all fees and equity-based compensation.

Review and discuss with management the Company's compensation discussion and analysis ("CD&A") to be included in the Company's annual proxy statement filed with the SEC, and based on that

discussion recommend to the Board whether the CD&A should be included in the annual proxy statement.

Review and recommend to the Board a Company position with respect to stockholder proposals related to compensation matters.

Produce a Committee report as required by the SEC and the NYSE to be included in the Company's annual proxy statement filed with the SEC.

Evaluate Say-on-Pay vote outcomes and other stockholder input on executive compensation pay programs as part of the Committee's ongoing assessment of executive compensation programs and policies.

Review the description of the Committee's processes and procedures for the consideration and determination of executive and non-employee director compensation to be included in the Company's annual proxy statement.

Keep abreast of and maintain compliance with regulatory developments applicable to the approval and disclosure of the compensation of directors and executive officers at public companies

**EVALUATION OF THE COMMITTEE**

The Committee shall, on an annual basis, evaluate its performance and deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended changes to this Charter or to the Committee's composition, policies or procedures.

**INVESTIGATIONS AND STUDIES; OUTSIDE ADVISERS**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Company's expense, such independent counsel or other consultants or advisers as it deems necessary. The Committee shall have the sole authority to retain or terminate any compensation consultant to assist the Committee in evaluating the compensation of non-employee directors, the Chief Executive Officer or senior executives, including sole authority to approve the consultant's fees and other retention terms. Compensation consultants retained by the Committee may communicate with members of management regarding proposals and other matters for consideration by the Committee.

The Committee shall, at least on an annual basis, assess the independence of any consultant or adviser it retains based on considerations it deems appropriate but which must include those required pursuant to the NYSE listing standards: (1) the provision of other services to the Company by the person that employs the compensation adviser; (2) the amount of fees received from the Company by the person that employs the compensation adviser as a percentage of the total revenue of the person that employs the compensation adviser; (3) the policies and procedures of the person

that employs the compensation adviser that are designed to prevent conflicts of interest; (4) any business or personal relationship of the compensation adviser with a member of the Committee; (5) any stock of the Company owned by the compensation adviser; and (6) any business or personal relationships between the executive officers of the Company and the compensation adviser or the person employing the compensation adviser.