

# HENNESSY ADVISORS, INC.

## COMPENSATION COMMITTEE CHARTER

*Revised October 14, 2019*

### **Purpose**

The Compensation Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of Hennessy Advisors, Inc. (the “Company”). The primary purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to (i) the compensation of the Chief Executive Officer, President, and other executive officers of the Company and (ii) the Company’s long-term incentive compensation or equity plans, programs, or similar arrangements.

### **Composition**

The Committee shall consist of at least three members of the Board. Each Committee member shall meet the requirements of The NASDAQ Stock Market LLC (“NASDAQ”) regarding the independence of compensation committee members. In addition, at least two members of the Committee shall each also be a non-employee director within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (“Rule 16b-3”). To the extent necessary to comply with Rule 16b-3, such non-employee directors, acting as a subcommittee, have the authority to act on behalf of the Committee.

The Board shall appoint the Committee members and designate the Chair of the Committee based upon the recommendation of the Nominating Committee. Any member of the Committee may be removed, with or without cause, by the Board.

### **Meetings**

The Chair of the Committee, in consultation with the other Committee members, shall determine the schedule and frequency of the Committee meetings. The Committee shall invite members of management or others to attend meetings and provide pertinent information as necessary or appropriate. The Committee may, at its discretion, meet in executive session with or without the presence of the members of management.

### **Resources and Authority**

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain or obtain the advice of a compensation consultant, legal counsel, or other advisor, and to be directly responsible for the appointment, compensation, and oversight of the work of any such advisor.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to such persons retained by the Committee and for any ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

## Responsibilities

The following shall be the principal recurring functions of the Committee in carrying out its oversight responsibilities. These functions are set forth as a guide with the understanding that the Committee may modify or supplement them as appropriate.

1. The Committee shall approve and oversee the total compensation packages for the Company's executive officers including, without limitation, their base salaries, annual incentive compensation, deferred compensation, long-term compensation, equity-based compensation, special benefits, perquisites, severance, and other benefits. The Committee shall make all determinations and take any actions that are reasonably appropriate or necessary in the course of establishing the compensation of the Company's executive officers, including, but not limited to, consideration of the recommendations of the Chief Executive Officer, the President, and other members of management. The Chief Executive Officer shall not be present during voting or deliberations on his compensation.
2. The Committee shall review periodically and make recommendations to the Board regarding any long-term incentive compensation or equity plans, programs, or similar arrangements that the Company establishes for, or makes available to, its directors, employees, or others (collectively, the "Plans"), the appropriateness of the allocation of benefits under the Plans, and the extent to which the Plans are meeting their intended objectives.
3. The Committee shall oversee the administration of the Plans in accordance with their terms, construe all terms, provisions, conditions, and limitations of the Plans, and make factual determinations required for the administration of the Plans.
4. The Committee shall review and make recommendations to the Board regarding all new or renewed employment, consulting, retirement, and severance agreements for the Company's executive officers, as well as modifications to any such agreements.
5. In consultation with management, the Committee shall oversee regulatory compliance with respect to executive compensation matters.
6. The Committee shall review periodically and make recommendations to the Board regarding the total compensation packages for all non-employee directors of the Company for service on the Board and its committees.
7. The Committee shall review the Company's policies and procedures with respect to related party transactions and perform the responsibilities assigned to the Committee as set forth therein.
8. The Committee shall review the results of any "Say-on-Pay" or other shareholder vote regarding compensation programs.
9. The Committee shall report to the Board regarding Committee activities.
10. The Committee shall perform such other activities as requested by the Board.

11. The Committee shall maintain minutes or other records of meetings and activities of the Committee.
12. The Committee shall review, on at least an annual basis, the adequacy of this charter and submit any proposed changes to the Board.