

USA RARE EARTH, INC.
CHARTER OF THE
COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS
(Adopted March 13, 2025)

The Board of Directors (the “Board”) of USA Rare Earth, Inc. (the “Company”) has established the Compensation Committee of the Board (the “Committee”) having the authority, responsibilities and specific duties set forth in this Compensation Committee Charter (this “Charter”).

I. Purposes

The purposes of the Committee are to:

- A.** Oversee the Company’s overall compensation philosophy that applies to all Company employees, including with respect to the management and mitigation of compensation-related risks;
- B.** Review, evaluate and approve the agreements, plans, policies and programs of the Company to compensate the Company’s executive officers. Such review, evaluation and approval will not be required for any such agreements, plans, policies and programs that are generally available to all employees and do not discriminate in scope, terms or operation in favor of such executive officers;
- C.** Otherwise discharge the Board’s responsibilities relating to compensation of the Company’s directors and executive officers;
- D.** Review and discuss with the Company’s management (“Management”) the Compensation Discussion and Analysis (“CD&A”) to be included in the Company’s proxy statement for each annual meeting of stockholders (“Proxy Statement”) or annual report on Form 10-K (the “Form 10-K”), as applicable, and to determine whether to recommend to the Board that the CD&A be included in the Company’s Proxy Statement, Form 10-K, or otherwise in accordance with applicable rules and regulations, as applicable;
- E.** If the Company is required to include a Compensation Committee Report in its Proxy Statement or Form 10-K pursuant to applicable rules and regulations, produce such report;
- F.** Direct all matters relating to succession planning for the Chief Executive Officer (“CEO”) and other executive officers of the Company;
- G.** Provide general oversight over succession planning for the Company’s non-executive officers and key employees; and
- H.** Perform such other functions as the Board may assign to the Committee from time to time.

The Committee's goal is to ensure that the Company's compensation program(s) are designed to provide a competitive level of compensation to attract and retain talented executive officers and leaders, reward and encourage maximum corporate and individual performance, promote accountability and assure that executive officer and director interests are aligned with the interests of the Company's stockholders.

II. Membership

The Committee shall consist of not less than three members of the Board. Each member of the Committee must be "independent" in accordance with the requirements of The Nasdaq Stock Market LLC ("Nasdaq"), and the requirements of Rule 10C-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In addition, at least two members of the Committee must be "Non-Employee Directors" for the purposes of Rule 16b-3 under the Exchange Act ("Rule 16b-3"). Notwithstanding the foregoing membership requirements, no action of the Committee shall be invalid by reason of any such requirement not being met at the time such action is taken.

The members of the Committee and its Chairperson (the "Committee Chair" or "Chair") shall be selected annually by the Board, taking into consideration the recommendation of the Nominating and Governance Committee, and shall serve at the pleasure of the Board or until their earlier resignation or death. The Board shall have power at any time to fill vacancies on, to change the membership of, or to dissolve the Committee. If a Chair is not designated by the Board or present at a meeting, the Committee may designate a Chair by majority vote of the Committee members then in office.

III. Delegation of Authority

The Board delegates all authority to the Committee as may be required or advisable to fulfill the purposes and responsibilities of the Committee. Without limiting the generality of the preceding statements, the Committee shall have authority, and is entrusted with the responsibility, to take the following actions:

- A. *Investigations.*** Conduct or authorize investigations into any matter within the scope of the responsibilities delegated to the Committee, including the authority to request any officer, employee or advisor of the Company to meet with the Committee or any advisors engaged by the Committee;
- B. *Experts, Advisors and Consultants.*** Retain, approve the fees payable to, amend the engagement with, oversee the work of, and terminate independent legal counsel and other experts, advisors and consultants as it deems necessary or appropriate to fulfill its responsibilities, including one or more compensation consultants to assist the Committee in the evaluation of director or executive officer compensation. The Committee may also utilize the services of the Company's regular outside legal counsel or other advisors to the Company. Any communications between one or more members of the Committee, on the one hand, and the Committee's outside legal counsel, on the other hand, will be privileged communications. The Company shall provide for appropriate funding, as determined by the Committee, for payment of (i) compensation to any counsel, experts, consultants and advisors, including any

compensation consultants, retained by the Committee; and (ii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties; and

- C. *Delegation.*** Delegate to the Committee Chair, any one of its members or any subcommittee it may form the responsibility and authority to take action in relation to any particular matter, as it deems appropriate from time to time under the circumstances. However, no subcommittee shall have the authority to engage independent legal counsel or other experts and advisors unless expressly granted such authority by the Committee. Any subcommittee formed for purposes of approving executive compensation arrangements, equity awards or transactions with the Company shall consist solely of Non-Employee Directors. Each subcommittee shall keep minutes and regularly report to the Committee.

IV. Responsibilities

The Committee shall have the following responsibilities:

A. *Executive Compensation*

1. The Committee shall exercise oversight of all matters relating to executive compensation policy.
2. Each year, the Committee shall:
 - (a) Review, modify (if necessary) and approve the Company's peer companies and data sources for purposes of evaluating the Company's compensation competitiveness and establishing the appropriate levels and mix of compensation elements in order to attract and retain talent;
 - (b) Review, modify (if necessary) and approve the corporate metrics and corresponding targets relevant to the annual cash incentive and long-term incentive awards of the Company's CEO and other executive officers;
 - (c) Evaluate the Company's actual performance against the applicable corporate metrics and corresponding targets with respect to the annual cash incentive and long-term incentive awards of the Company's CEO and other executive officers;
 - (d) Review, modify (if necessary) and approve the Company's executive compensation program in light of the Company's goals and objectives relative to executive compensation;
 - (e) Evaluate the performance of the Company's CEO and, in consultation with the CEO, the Company's other executive officers

in light of the Company's executive compensation goals and objectives; and

- (f) Review, recommend, and/or approve the compensation for the Company's CEO and other executive officers as described below:
- Review and recommend to the Board for approval the compensation of the Company's CEO, including: annual base salary; annual cash incentive targets; long-term incentive targets; employment agreements, severance and termination arrangements and change-in-control agreements and provisions; and special or supplemental benefits; and
 - In consultation with the CEO, approve the compensation for the Company's other executive officers, including: annual base salary; annual cash incentive targets; long-term incentive targets; employment agreements, severance and termination arrangements and change-in-control agreements and provisions; and special or supplemental benefits.

In reviewing, recommending, and/or approving executive compensation, the Committee should consider the Company's performance and relative stockholder return, the value of similar awards to executive officers at comparable companies and the awards given to the CEO and other executive officers historically. In evaluating and recommending to the Board the compensation of the CEO and approving the compensation of all other executive officers, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation ("Say-on-Pay Vote") required by Section 14A of the Exchange Act. The CEO may not be present during voting or deliberations on his or her compensation.

3. The Committee shall review and discuss with Management the CD&A to be included in the Company's Proxy Statement or Form 10-K and, based on that review, determine whether to recommend to the Board that the CD&A be included in the Proxy Statement or Form 10-K in accordance with applicable rules and regulations.
4. Each year, if required by applicable rules and regulations, the Committee shall prepare a Compensation Committee Report and publish the report in the Company's Proxy Statement or Form 10-K.
5. The Committee shall periodically review and approve the perquisites offered to executive officers, if any.

B. *Incentive and Equity Compensation*

1. The Committee shall administer the Company's incentive and equity compensation plans and shall have the authority to authorize the issuance of equity securities pursuant to the provisions of the Company's equity compensation plans.
2. The Committee shall ensure that stockholders are given the opportunity to vote on equity compensation plans, to the extent required by law, the Company's certificate of incorporation or the Company's bylaws (in each case, as amended from time to time), the Company's Corporate Governance Guidelines and rules of Nasdaq.

C. *Director Compensation*

1. Each year, the Committee shall review director compensation and make a recommendation to the Board regarding the form and amount of director compensation. Directors who are employees of the Company shall not receive any additional compensation for service on the Board.
2. The Committee shall periodically review and approve the perquisites offered to directors, if any.

D. *Succession Planning*

1. Periodically, the Committee shall review succession planning, whereby the Committee shall identify, and update, the qualities and characteristics required for the CEO and the other named executive officers to be effective, and monitor and review the development and progression of potential succession candidates against these criteria.
2. The Committee shall periodically review, in consultation with the CEO, the CEO's succession planning for the Company's other executive officers and key employees.

E. *Other Powers and Responsibilities*

1. The Committee (or a subcommittee consisting of at least two Non-Employee Directors) shall review and approve, or review and recommend to the Board for its approval, any transaction in equity securities of the Company, or derivatives of those equity securities, between the Company and any executive officer or director of the Company who is subject to the reporting and short-swing liability provisions of Section 16 of the Exchange Act.
2. The Committee will review, as it deems necessary, appropriate matters related to the Company's compliance with applicable laws and regulations affecting employee and director compensation and benefits including, but not limited, to Section 13(k) of the Exchange Act.

3. The Committee shall review and approve, or review and recommend to the Board for its approval, any contracts or other transactions with former executive officers, including consulting arrangements.
4. If the Committee engages independent legal counsel, a compensation consultant or other advisor, then the Committee will be directly responsible for the appointment, compensation and oversight of such counsel, consultant or advisor. Prior to such engagement, the Committee will analyze the relationships such counsel, consultant or advisor has with members of the Committee, as well as Management and the Company as a whole, to evaluate whether any conflict of interest exists. This analysis will include the specific factors identified by the U.S. Securities and Exchange Commission (the “SEC”) and Nasdaq that are deemed to affect the independence of compensation consultants and other advisors. However, the Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to: (i) consulting on any broad-based plan that (A) does not discriminate in scope, terms or operation in favor of executive officers or directors and (B) is generally available to all salaried employees; or (ii) providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.
5. The Committee shall review and recommend to the Board for approval the frequency with which the Company will conduct Say-on-Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say-on-Pay Votes required by Section 14A of the Exchange Act.
6. The Committee shall review significant stakeholder concerns and stockholder proposals relating to executive compensation matters, including engagement with proxy advisory firms on executive compensation matters.
7. As frequently as the Committee deems necessary from time to time, the Committee will review and reassess the adequacy of the Company’s clawback policy and recommend any proposed changes to the Board for approval that comply with applicable rules and regulations, including the rules and regulations of the SEC, and the listing standards of the Nasdaq. The Committee shall be responsible for oversight of the compliance with and administration of such policy.
8. The Committee will evaluate the compensation policies and practices for all employees for any material risks that are reasonably likely to have a material adverse effect on the Company in order to align the compensation programs with stockholders’ best interests and avoid motivating the Company’s employees to take excessive risks.

V. Procedures

- A. **Meetings.** The Committee shall meet at the call of its Chair, two or more members of the Committee or the Chairman of the Board. The Committee shall meet at least four times annually or more frequently as the Committee or its Chair deems necessary or appropriate. The Committee Chair will lead all regular sessions of the Committee and set the agenda for Committee meetings. Meetings of the Committee may be in person, by conference call, or by video conference link, in each case in accordance with the Company's Bylaws. Meetings of the Committee shall be held at such time and place, and upon such notice, as the Committee Chair may from time to time determine.

Meetings may, at the discretion of the Committee, include non-independent directors, members of Management, other Company employees, independent advisors and consultants or any other persons whose presence the Committee believes to be necessary or appropriate. Those in attendance may observe meetings of the Committee but shall not participate in any discussion or deliberation unless invited to do so by the Committee Chair, and in any event shall not be entitled to vote. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including, but not limited to, any director that is not a member of the Committee.

- B. **Quorum and Approval.** A majority of the Committee's members shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting.
- C. **Rules.** The Committee may determine additional rules and procedures, including designation of a Chair pro tempore in the absence of its Chair and designation of a secretary of the Committee at any meeting thereof.
- D. **Reports.** The Committee shall maintain minutes of its meetings and make regular oral or written reports to the Board, directly or through the Committee Chair, of its actions and any recommendations to the Board.
- E. **Review of Charter.** Each year, the Committee shall review the need for changes in this Charter and recommend any proposed changes to the Board for approval.
- F. **Self-Evaluation.** Each year, the Committee shall review and evaluate its own functioning and performance and shall submit itself to a review and evaluation by the Board.
- G. **Fees; Reimbursement of Expenses.** Each member of the Committee, including the Chair, may be paid a fee set by the Board for his or her services as a member or Chair, as the case may be, of the Committee. Subject to the Company's Corporate Governance Guidelines and other policies, Committee members, including the Chair, will be reimbursed by the Company for all reasonable expenses incurred in connection with their duties as Committee members.

VI. Posting Requirement

The Company shall post this Charter on the Company's website as required by applicable rules and regulations. In addition, the Company shall disclose in its Proxy Statement, in its Form 10-K, or otherwise in accordance with applicable rules and regulations, as applicable, that a copy of this Charter is available on the Company's website and provide the website address.

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While the Committee members have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the Committee members, except to the extent otherwise provided under applicable federal or state law. Further, nothing in this Charter is intended to preclude or impair the protection provided in Section 141(e) of the Delaware General Corporation Law for good faith reliance by Committee members on reports or other information provided by others.