

Compensation Committee Charter

(effective as of April 25, 2023)

Members

The Board of Directors of Douglas Dynamics, Inc. (the "Company") appoints a Compensation Committee (the "Committee") of at least three members, consisting entirely of independent directors, and designates one member as chairperson or delegates the authority to designate a chairperson to the Committee. For purposes hereof, an "independent" director is a director who meets the New York Stock Exchange ("NYSE") definition of "independence" and any other applicable requirements of law, regulation or listing standards, as determined by the Board. Each member of the Committee also qualifies as a "nonemployee director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

Purpose, Duties, and Responsibilities

The purpose of the Committee is to assist the Board in discharging its responsibilities relating to compensation of the Company's executive officers. Among its specific duties and responsibilities, the Committee will:

- a. Oversee the Company's overall compensation structure, policies and programs, and assess whether the Company's compensation structure establishes appropriate incentives for management and employees.
- b. Administer and make recommendations to the Board with respect to the Company's incentive-compensation and equity-based compensation plans that are subject to Board approval.
- c. Review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO"), evaluate the CEO's performance in light of those goals and objectives, and set the CEO's compensation level based on this evaluation.
- d. Oversee the evaluation of other executive officers and set the compensation of other executive officers based upon the recommendation of the CEO.
- e. Approve stock option and other equity incentive awards for executive officers.
- f. Review and approve the design of other benefit plans pertaining to executive officers.
- g. Review and approve employment agreements and severance arrangements for executive officers, including change-in-control provisions, plans or agreements.
- h. Approve, amend or modify the terms of any compensation or benefit plan that does not require stockholder approval.
- i. Review and discuss with management the Company's Compensation Discussion and Analysis ("CD&A") and related disclosures that Securities and Exchange Commission ("SEC") rules require be included in the Company's annual report and proxy statement,

recommend to the Board based on the review and discussions whether the CD&A should be included in the annual report and proxy statement, and prepare the compensation committee report required by SEC rules for inclusion in the Company's annual report and proxy statement.

- j. Determine and recommend to the Board a desired frequency, if any, for the advisory stockholder vote on the compensation of the Company's named executive officers (the "say on pay" vote) to be recommended to stockholders at the annual meeting at least once every six years in accordance with applicable law, SEC rules and NYSE listing requirements and prior stockholder votes on this subject.
- k. Oversee the Company's response to the outcome of stockholder votes on say on pay and the frequency of say on pay.
- l. Review the Company's compensation policies and practices for the purpose of risk oversight.
- m. Oversee, implement and monitor compliance with any policies with respect to the recovery or "clawback" of compensation.
- n. Review the peer group(s) used to evaluate or benchmark executive compensation levels, design practices and relative performance.
- o. Annually evaluate the performance of the Committee and the adequacy of the Committee's charter.

Subcommittees

The Committee may delegate any of the foregoing duties and responsibilities to a subcommittee of the Committee consisting of no fewer than two members of the Committee.

Outside advisors

The Committee will have the authority to retain, obtain the advice of and terminate such compensation consultants, outside counsel, other experts and other advisors as it determines appropriate to assist it in the full performance of its functions, but may select such advisors only after taking into consideration all factors relevant to the advisors' independence from management of the Company, including those specified in Section 303A.05(c) of the New York Stock Exchange Listed Company Manual or any successor provision of the Manual.¹ The Committee will be directly responsible for the appointment, compensation and oversight of the work of any advisor retained by the Committee. The Company will provide for appropriate

¹ Note: the factors specified in Section 303A.05(c) of the NYSE Listed Company Manual are the following: (a) the provision of other services to the Company by the person that employs the advisor; (b) the amount of fees received from the Company by the advisor's employer, as a percentage of the total revenue of the employer; (c) the policies and procedures of the advisor's employer that are designed to prevent conflicts of interest; (d) any business or personal relationship of the advisor with a member of the Committee; (e) any Company stock owned by the advisor; and (f) any business or personal relationship of the advisor or the advisor's employer with an Executive Officer.

funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other advisor retained by the Committee.

Meetings

The Committee will meet as often as may be deemed necessary or appropriate, in its judgment, either in person or telephonically, and at such times and places as the Committee determines. The majority of the members of the Committee constitutes a quorum. The Committee will report regularly to the full Board with respect to its activities.