

COMPENSATION COMMITTEE CHARTER

TONIX PHARMACEUTICALS HOLDING CORP.

COMPENSATION COMMITTEE CHARTER

November 30, 2021

I. PURPOSE

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Tonix Pharmaceuticals Holding Corp. (the “Company”) is to evaluate, recommend, approve and review executive officer and director compensation arrangements, plans and programs of the Company and to administer the Company’s cash-based and equity-based plans for employees and consultants. The Committee’s principal functions are to:

1. review and approve all forms of non-equity and equity-based compensation of the Company’s executive officers and directors;
2. administer the Company’s equity-based compensation plans; and
3. produce an annual report on executive compensation for use in the Company’s proxy statement to the extent required under the federal securities laws.

The Committee serves a board-level oversight role in which it provides advice, counsel and direction to management on the basis of the information it receives, discussions with management and the experience of the Committee members.

COMPOSITION

The Committee shall be composed of two (2) or more directors, as determined by the Board, each of whom shall (i) be independent in accordance with the provisions of Rule 10C-1(b)(1) under the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) and the standards set forth in the NASDAQ listing rules, or, if the Company is not listed on NASDAQ, the listing rules of the applicable exchange, (ii) qualify as a “Non-Employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, (iii) qualify as an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, (iv) be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member, and (v) meet any other requirements imposed by applicable law, regulations or rules, subject to any applicable exemptions and transition provisions. Members shall be appointed to and removed from the Committee by the Board.

RESPONSIBILITIES

Within the scope of the role of the Committee described above, the Committee is charged by the Board with the responsibility to:

1. Develop and periodically review compensation policies and practices applicable to executive officers, including the criteria upon which executive compensation is based, the specific relationship of corporate performance to executive compensation and the composition in terms of base salary, deferred compensation and incentive or equity-based compensation and other benefits.

2. Review and approve corporate goals and objectives relevant to Chief Executive Officer (“CEO”) compensation, evaluate at least annually the CEO’s performance in light of these goals and objectives and, determine and approve the CEO’s compensation level, (including annual base salary and annual incentive opportunities) based on such evaluation and consistent with existing contractual requirements, provided that the CEO shall not be present during voting or deliberations on the CEO’s compensation.
3. Determine bases for and fix compensation levels for other executive officers.
4. Supervise, administer and evaluate incentive, equity-based and other compensatory plans of the Company in which executive officers and key employees participate, including approving guidelines and size of grants and awards, making grants and awards, interpreting and promulgating rules relating to the plans, modifying or canceling grants or awards, designating employees eligible to participate and imposing limitations and conditions on grants or awards.
5. Review and approve, subject to stockholder approval as required, the creation or amendment of any incentive, equity-based and other compensatory plans of the Company in which executive officers and key employees participate, other than amendments to tax-qualified employee benefit plans and trusts, and any supplemental plans thereunder, that do not substantially alter the costs of such plans to the Company or are to conform such plans to applicable laws or regulations and which are permitted by the terms of the plans to be approved by the officers of the Company.
6. Review and approve any employment agreements, severance arrangements, change-in-control arrangements or special or supplemental employee benefits, and any material amendments to any of the foregoing, applicable to executive officers (provided that the Board shall also possess the authority to review and approve any such agreements, arrangements, benefits and amendments).
7. Report to the Board on any significant matters arising from the Committee’s work.
8. To the extent applicable under the federal securities laws, review and discuss the “Compensation Discussion and Analysis” disclosure as well as (i) any narrative disclosure regarding the Company’s compensation policies and practices as they relate to its risk management prepared in response to the requirement of Item 402(b) and (s), respectively, of Regulation S-K (or any successor disclosure item), (ii) any narrative disclosure related to compensation to consultants in determining or recommending the amount or form of executive and director compensation whose work has raised any conflict of interest in response to the requirement of Item 407(e)(3)(iv) of Regulation S-K and (iii) any other “say on pay” voting material to be included in the proxy statement. Based on such review and discussion, recommend to the Board whether such “Compensation Discussion and Analysis” disclosure and narrative disclosure regarding compensation risk, compensation to consultants or any other “say on pay” voting material should be included in the Company’s annual report on Form 10-K, proxy statement, information statement or similar document, and prepare a report of the Committee for inclusion in the annual report or the proxy statement for the Company’s annual meeting

in accordance with the applicable Securities and Exchange Commission (“SEC”) rules, so long as the Company is subject to the periodic reporting requirements of the Exchange Act.

9. Periodically evaluate the performance of the Committee, review and reassess this charter of the Committee and, if appropriate, recommend changes to the Board.
10. At least annually, evaluate the adequacy of director’s fees and the composition of such fees.
11. Perform such other duties and responsibilities as may be assigned to the Committee by the Board or as designated in plan documents.

AUTHORITY

By adopting this charter of the Committee, the Board delegates to the Committee full authority to:

1. Delegate such of its authority and responsibilities as the Committee deems proper to subcommittees thereof, subject to all applicable laws and regulations.
2. Appoint a chair of the Committee, unless a chair is designated by the Board.
3. Have the sole authority and right, at the expense of the Company, to retain legal and other consultants, experts and advisers of its choice to assist the Committee in connection with its functions, including any studies or investigations, and shall have direct oversight of the work performed by such advisers. In connection with the retention of such advisers (other than in-house legal counsel), the Committee shall consider the factors related to the independence of such advisers, including with respect to each such adviser (or the adviser’s employer): (a) the provision of other services to the Company by such adviser (or their employer); (b) the amount of fees received from the Company, as a percentage of the total revenue of such adviser (or their employer); (c) the policies and procedures of such adviser (or their employer) that are designed to prevent conflicts of interest; (d) any business or personal relationship of such adviser (or their employer) with a member of the Committee or an executive officer of the Company; (e) any shares of Company capital stock or other Company securities owned by such adviser (or their employer); and (f) such other factors as the Committee deems relevant or may be required from time to time pursuant to the applicable SEC rules or the Exchange Act; provided, that, nothing herein requires that compensation advisers must be independent – rather that the enumerated independence factors be considered before selecting or otherwise receiving advice from such an adviser. The Committee will have the sole authority to approve the fees and other retention terms of such advisers. The Company will provide for appropriate funding, as determined by the Committee, for:
 - a. payment of compensation to any such advisers retained by the Committee;
 - b. ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its functions; and

- c. as appropriate, (i) the commission of any necessary studies or surveys concerning the levels of executive compensation payable in the industry in which the Company is engaged and in other related industries or (ii) obtaining recommendations from outside consultants concerning comparable compensation programs.

Irrespective of the retention of compensation and other consultants, legal counsel, accountants, experts and advisers to assist the Committee, the Committee shall exercise its own judgment in fulfillment of its functions.

COMMITTEE STRUCTURE AND OPERATIONS

1. The Committee shall meet in person or telephonically at such times and places as shall be determined by the Committee chairperson. The chairperson, with input from the other members of the Committee, shall set the agendas for Committee meetings. A majority of the members of the Committee shall constitute a quorum for purposes of holding a meeting and the Committee may act by a vote of a majority of members present at such meeting. In lieu of a meeting, the Committee may act by unanimous written consent.
2. The Committee shall maintain minutes containing a summary of the actions taken at each Committee meeting and shall make regular reports to the Board with respect to actions taken by the Committee and areas of the Committee's responsibilities.

DELEGATION OF AUTHORITY

The Committee may from time to time, as it deems appropriate and to the extent permitted under applicable law, the rules promulgated under the Exchange Act and the SEC, and the Company's Certificate of Incorporation, as amended, and Bylaws, form, and delegate authority to, subcommittees that satisfy the requirements set forth in Paragraph II, to the extent applicable.

PUBLICATION

The Company shall make this charter freely available to stockholders on request and, provided the Company is subject to the periodic reporting requirements of the Exchange Act, shall publish it on the Company's website.

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