



DIAMEDICA THERAPEUTICS INC. COMPENSATION COMMITTEE CHARTER

Organization

The compensation committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) of DiaMedica Therapeutics Inc. (the “Company”). This charter will govern the operations of the Committee.

Purpose and Authority

The primary purpose of the Committee is to assist the Board by:

- determining all compensation for the Company’s Chief Executive Officer (“CEO”) and other executive officers;
- administering the Company’s equity-based compensation plans;
- reviewing, assessing and approving overall strategies for attracting, developing, retaining and motivating Company management and employees;
- overseeing the development and implementation of succession plans for the CEO and other key executive officers and employees;
- reviewing, assessing and approving overall compensation structure on an annual basis; and
- recommending and leading a process for the determination of non-employee director compensation.

The Committee has the power and authority to retain or obtain the advice of a compensation consultant, legal counsel or other adviser and will have the sole authority to select, retain, oversee and terminate such consultants, counsel and advisors and approve the fees and other retention terms of such consultants, counsel and advisors, as it deems appropriate. If required under applicable laws, rules and regulations, however, before selecting any such consultant, counsel or advisor and from time to time as the Committee deems appropriate, the Committee will review and consider factors relevant to the independence of such consultant, counsel or advisor from management in accordance with applicable laws, rules and regulations. The Company will provide adequate and appropriate funding, as determined by the Committee, for payment of reasonable

compensation to a compensation consultant, legal counsel or any other adviser retained by the Committee and to fund other ordinary administrative expenses that are necessary or appropriate for the Committee in carrying out its responsibilities.

Membership and Structure

The Committee will consist of at least two directors. Each member of the Committee will be an “independent director” within the meaning of the Listing Rules of the Nasdaq Stock Market, a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and otherwise independent as required under the Exchange Act, and the rules and regulations promulgated thereunder. The Board will be responsible for determining whether a Committee member is an “independent director” and meets the other qualifications. Notwithstanding the foregoing, the Board may decide at any time and in its sole discretion to waive one or more of the foregoing qualifications with respect to a member of the Committee for a transitional time period if then permitted under applicable laws, rules and regulations.

Appointment to the Committee, including the designation of the Chair of the Committee, will be made on an annual basis by the full Board. Committee members will serve until their successors are appointed and qualify. Committee members may be removed by the Board at any time. The Chair of the Committee will report on activities of the Committee to the full Board.

Meetings of the Committee will be held at such times and places as the Committee will determine, including by written consent. The Committee may invite members of management, compensation consultants or other advisors to attend meetings and provide pertinent information. When necessary, the Committee will meet in executive session outside of the presence of any senior executive officer of the Company.

In fulfilling its responsibilities, the Committee will have authority to delegate its authority to subcommittees, in each case to the extent permitted by applicable law, and in each case each member of such subcommittee must be an “independent director” within the meaning of the Listing Rules of the Nasdaq Stock Market, a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act, and otherwise independent as required under the Exchange Act, and the rules and regulations promulgated thereunder.

Duties and Responsibilities

The Committee will have the power and authority of the Board to perform the following duties and to fulfill the following responsibilities:

- Determine the annual salaries, incentive compensation, long-term incentive compensation, perquisites and any and all other compensation applicable to the Company’s Chief Executive Officer (“CEO”) and other executive officers; provided, however, that notwithstanding the Committee’s authority to invite members of Company management to attend Committee meetings, the Company’s executive officers may not be present during deliberations or voting concerning their specific compensation arrangements.

- Determine the terms of the Company’s incentive compensation plans applicable to the CEO and other executive officers, including the annual establishment of (i) eligible employees, (ii) performance goals, and (iii) target incentive compensation levels.
- Establish, and from time to time review and revise, corporate goals and objectives with respect to compensation for the CEO and establish and lead a process for the full Board to evaluate the performance of the CEO in light of those goals and objectives.
- Review and approve employment, severance, change in control, retention, retirement, deferred compensation, perquisite or similar compensatory agreements, plans, programs or arrangements with executive officers, in each case as, when and if appropriate, for the Company’s executive officers.
- Administer the Company’s equity-based compensation plans and grant of options or other equity-based awards for executive officers, employees and independent consultants thereunder.
- Recommend to the Board any new equity-based compensation plans or amendments to any existing equity-based compensation plans.
- Review and make recommendations to the Board on compensation-related proposals to be considered at the Company’s annual meeting of shareholders, including the frequency with which the Company should submit to shareholders an advisory vote on executive compensation, or say-on-pay vote, if required.
- Review periodically the Company’s material employee benefit plans, the appropriateness of the allocation of benefits under such plans, and the extent to which such plans are meeting their intended objectives and review and approve any new employee benefit plan or change to an existing plan that creates a material long-term financial commitment by the Company.
- Review and discuss with the CEO and report periodically to the Board plans for executive officer development and corporate succession plans for the CEO and other executive officers and key employees, which will include transitional leadership in the event of an unplanned vacancy.
- Review and make recommendations to the Board regarding non-employee director compensation.
- Establish and from time to time review and revise processes and procedures for the consideration and determination of executive compensation, including the role of executive officers in determining or recommending the amount or form of executive compensation and any role of compensation consultants in determining the amount or form of executive compensation.
- Review and discuss with management the “Compensation Discussion and Analysis” section to be included in the Company’s annual proxy statement or annual report on

Form 10-K, if required, and based on such discussions, recommend to the Board whether the “Compensation Discussion and Analysis” section should be included in the Company’s annual proxy statement or annual report on Form 10-K, and prepare, in accordance with applicable SEC rules and regulations, an annual “Compensation Committee Report on Executive Compensation” for inclusion in the Company’s annual proxy statement or annual report on Form 10-K, if required.

- Review and discuss at least annually, if required, the Company’s compensation policies and practices as they affect all employees and relate to risk management practices and risk-taking incentives, and review and monitor all significant compensation policies and benefit plans to ensure continued appropriateness, including overall employee salary policies and equity-based programs for all categories of employees.
- Perform any other activities consistent with this charter, the Company’s articles of incorporation and bylaws, and governing law as the Committee or the Board deems appropriate.
- Evaluate periodically the performance of the Committee.
- Review, at least annually, the compliance of the Committee with this charter and review and reassess the adequacy of this charter at least annually and recommend to the Board any changes to this charter, as necessary and appropriate.

Approved by the
Board of Directors of DiaMedica Therapeutics Inc.:
October 5, 2018