

PIERIS PHARMACEUTICALS, INC.

COMPENSATION COMMITTEE CHARTER

(EFFECTIVE DATE: APRIL 30, 2019)

I. General Statement of Purpose

The Compensation Committee of the Board of Directors (the “Compensation Committee”) of Pieris Pharmaceuticals, Inc. (the “Company”), on behalf of the Board of Directors (the “Board”), discharges the Board’s responsibilities relating to compensation of the Company’s directors and executives, oversees the Company’s overall compensation structure, policies and programs, oversees the annual process of evaluation of the performance of the Company’s management, reviews the Company’s processes and procedures for the consideration and determination of director and executive compensation, and is responsible for producing a report for inclusion in the Company’s proxy statement relating to its annual meeting of stockholders or annual report on Form 10-K, in accordance with applicable rules and regulations. The primary objective of the Compensation Committee is to develop and implement compensation policies and plans that ensure the attraction and retention of key management personnel, the motivation of management to achieve the Company’s corporate goals and strategies, and the alignment of the interests of management with the long-term interests of the Company’s stockholders.

II. Compensation Committee Composition

The number of individuals serving on the Compensation Committee shall be fixed by the Board from time to time but shall consist of no fewer than two members, each of whom shall satisfy the independence standards established pursuant to Rule 5605(a)(2) of the Nasdaq Stock Market Rules, subject to any applicable exceptions contained in the Nasdaq Stock Market Rules. In addition to the general independence standard required for membership on the Committee, the Board must consider all factors specifically relevant to determining whether the director has a relationship to the Company which is material to that director’s ability to be independent from management in connection with the duties of a Committee member, including but not limited to (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to the director and (ii) whether the director is affiliated with the Company, any of its subsidiaries or an affiliate of a subsidiary. In determining the members of the Compensation Committee, the Board will consider whether the members qualify as “non-employee directors” as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

The members of the Compensation Committee shall be appointed annually by the Board and may be replaced or removed by the Board at any time, with or without cause. Resignation or removal of a Director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from the Compensation Committee. Vacancies occurring, for whatever reason, may be filled by the Board. The Board shall designate one member of the Compensation Committee to serve as Chairman of the Compensation Committee.

III. Meetings

The Compensation Committee shall meet as often as it determines is appropriate to carry out its responsibilities, which meetings shall be in person or by telephone conference or other communications equipment by means of which all persons participating in the meeting can hear each other. In lieu of a meeting, the Compensation Committee may act by unanimous written consent in accordance with the Company's bylaws. The Chairman of the Compensation Committee, in consultation with the other members and management, may set meeting agendas consistent with this Charter.

The Committee shall keep full and complete minutes of the proceedings of the Committee. In addition to the specific matters set forth herein requiring reports by the Committee to the full Board, the Committee shall report such other significant matters as it deems necessary concerning its activities to the full Board. The Committee may appoint a Secretary whose duties and responsibilities shall be to keep records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board and to perform all other duties as may from time to time be assigned to him or her by the Committee, or otherwise at the direction of a Committee member. The Secretary need not be a member of the Committee or a director and shall have no membership or voting rights by virtue of the position.

IV. Compensation Committee Activities

The Compensation Committee's purpose and responsibilities shall be to:

A Review of Charter

- Review and reassess the adequacy of this Charter annually and submit any proposed changes to the Board for approval.

B Processes and Procedures for Considering and Determining Director and Executive Compensation

- Review and reassess periodically (and where appropriate, make such recommendations to the Board as the Compensation Committee deems advisable with regard to) the Company's processes and procedures for the consideration and determination of director and executive compensation, and review and discuss with management any description of such processes and procedures to be included in the Company's proxy statement.

C Compensation Committee Report

- Review and discuss with management the Compensation Discussion and Analysis if required to be included in the Company's proxy statement or annual report on Form 10-K ("CD&A").
- Based on the Compensation Committee's review and discussions with management of the CD&A, make a recommendation to the Board that the CD&A be included in the Company's proxy statement or annual report on Form 10-K.

- Prepare the Compensation Committee Report to be included in the Company's proxy statement or annual report on Form 10-K in accordance with the applicable rules and regulations of the Securities and Exchange Commission, any securities exchange on which the Company's securities are traded, and any other rules and regulations applicable to the Company.

D Annual Performance Evaluation of the Compensation Committee and Management

- Perform an annual performance evaluation of the Compensation Committee and report to the Board on the results of such evaluation.
- Oversee the annual process of performance evaluations of the Company's management.

E Incentive-Compensation and Equity-Based Plans

- Review and approve grants and awards under incentive-based compensation plans and equity-based plans, in each case consistent with the terms of such plans. To the extent permitted by and consistent with applicable law and the provisions of a given equity-based plan, the Compensation Committee may delegate to one or more executive officers of the Company the power to grant options or other stock awards pursuant to such equity-based plan to employees of the Company or any subsidiary of the Company who are not directors or executive officers of the Company.
- Review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to policies and procedures for the grant of equity-based awards by the Company.
- Approve and administer cash incentives and deferred compensation plans for executive officers (including any modification to such plans) and oversight of performance objectives and funding for executive incentive plans.

F Matters Related to Compensation of the Company's Chief Executive Officer

- Review and approve the corporate goals and objectives that may be relevant to the compensation of the Company's Chief Executive Officer ("CEO").
- Evaluate the CEO's performance in light of the goals and objectives that were set for the CEO and determine or recommend to the Board the CEO's compensation based on such evaluation. In connection with determining the long-term incentive component of the CEO's compensation, the Compensation Committee should consider the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs

at comparable companies, and the awards given to the Company's CEO in past years.

- Review periodically the aggregate amount of compensation being paid or potentially payable to the CEO through the use of tally sheets or such other method as the Compensation Committee may determine.
- The CEO may not be present during voting or deliberations concerning his or her compensation.

G Matters Related to Compensation of the Officers Other Than the Chief Executive Officer

- Evaluate the performance in light of the previous year's corporate goals and objectives, and approve the compensation, of all officers of the Company other than the CEO; for purposes hereof the term "officer" has the meaning defined in Section 16 of the Exchange Act and Rule 16a-1 promulgated thereunder.
- Review periodically the aggregate amount of compensation being paid or potentially payable to the Company's officers through the use of tally sheets or such other method as the Compensation Committee may determine.

H Additional Matters Related to Compensation of Employees

- As the Compensation Committee deems appropriate, review the compensation of other management employees in light of relevant corporate goals and objectives.
- Review all compensation policies and practices for all employees to determine whether such policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.
- As deemed necessary or appropriate, approve US employment contracts, severance arrangements, change in control provisions and other agreements.
- Periodically review and make recommendations to the Board with respect to incentive-compensation and equity-based plans that are subject to approval by the Board. The Compensation Committee shall oversee the Company's compliance with the requirement under Nasdaq rules that, with limited exceptions, stockholders approve equity compensation plans. Subject to such stockholder approval, or as otherwise required by the Exchange Act, or other applicable law, the Compensation Committee shall have the power to manage, periodically review and, where appropriate, terminate all annual bonus, long-term incentive compensation, stock option, employee pension and welfare benefit plans including 401(k) plans,

employee stock purchase plans, long-term incentive plans, management incentive plans and others.

V. Additional Compensation Committee Authority

The Compensation Committee is authorized, on behalf of the Board, to do any of the following, as the Compensation Committee deems necessary or appropriate in its discretion:

A Matters Related to Compensation of the Company's Directors and Members of Senior Management

- Review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to the compensation of the directors of the Company, including with respect to any equity-based plans.
- Provide oversight of management's decisions regarding the compensation of all members of senior management of the Company (other than the CEO and other officers described above), including with respect to any incentive-compensation plans and equity-based plans.
- Review periodically the aggregate amount of compensation being paid or potentially payable to members of the Company's senior management through the use of tally sheets or such other method as the Compensation Committee may determine.
- Approve and oversee reimbursement policies for directors and executive officers.
- Periodically review executive supplementary benefits and, as appropriate, the organization's retirement, benefit, and special compensation programs involving significant cost.
- Review competitive practices and trends to determine the adequacy of the executive compensation program.
- Review and consider participation and eligibility in the various components of the total executive compensation package.
- Recommend to the Board that the stockholders of the Company approve, on an advisory basis, the compensation of the named executive officers of the Company, as disclosed in the Company's proxy statement.
- Recommend to the Board the frequency of holding a vote on the compensation of the Company's named executive officers.

B Matters Related to Compensation Consulting Firms or Other Outside Advisors

- Retain or obtain the advice of compensation consultants, legal counsel and/or other advisers; provided that:
- The Compensation Committee is authorized to, and must, have direct responsibility for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other adviser retained by the Compensation Committee and the Company must provide for appropriate funding, as determined by the Compensation Committee, for payment of reasonable compensation to any such compensation consultant, legal counsel or other adviser; and
- Before any compensation consultant, legal counsel or other adviser (other than (1) in-house legal counsel or (2) any compensation consultant, legal counsel or other adviser whose role is limited to the following activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K: (i) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees or (ii) providing information that either is not customized for a particular company or that is customized based on parameters that are not developed by the compensation consultant, legal counsel or other adviser and about which the compensation consultant, legal counsel or other adviser does not provide advice) is selected by, or provides advice to, the Compensation Committee, the Compensation Committee shall take into consideration the following factors:
 - The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
 - The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
 - The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
 - Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Compensation Committee;
 - Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and

- Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.
- Prohibit the Company from engaging a compensation consultant engaged by the Compensation Committee, or an affiliate of any such compensation consultant, to provide any other services to the Company without the approval of the Compensation Committee.

C Succession Planning

- Review and discuss with the Board corporate succession plans for the CEO and other key officers of the Company.

VI. General

- The Compensation Committee may establish and delegate authority to one or more subcommittees consisting of one or more of its members, when the Compensation Committee deems it appropriate to do so in order to carry out its responsibilities.
- The Compensation Committee shall make regular reports to the Board concerning areas of the Compensation Committee's responsibility.
- In carrying out its responsibilities, the Compensation Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management and such experts, advisors and professionals with whom the Compensation Committee may consult. The Compensation Committee shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditor or any other professional retained by the Company to render advice to the Company attend a meeting of the Compensation Committee or meet with any members of or advisors to the Compensation Committee.
- The Compensation Committee may perform such other functions as may be requested by the Board from time to time.