



Amended October 2024

XTI AEROSPACE, INC.

COMPENSATION COMMITTEE CHARTER

Mission Statement

The purpose and mission of the Compensation Committee of the Board of Directors of XTI Aerospace (the “Company”) is to enhance shareholder value by ensuring that the compensation available to the Board of Directors, Chief Executive Officer, and other “Executive Officers” (as defined below) of the Company (base salary, bonus, stock options, and other benefits) enables the Company to attract and retain high-quality leadership and is consistent with the Company’s “Executive Compensation Policy” (as defined below). Subject to the Committee’s approvals as set forth in this Charter, the Board shall have final and sole authority to approve all terms and conditions of employment of executives other than compensation.

Composition

The Compensation Committee (the “Committee”) shall be comprised of two or more directors, all of whom in the judgment of the Board of Directors are independent accordance with applicable rules and regulations of the Securities and Exchange Commission and national securities exchange standards, and free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment as a Committee member.

Consultants and Subcommittee

The Compensation Committee may engage outside advisers, including outside auditors, attorneys and consultants, as it deems necessary to discharge its responsibilities. The Compensation Committee has sole authority to retain and terminate any compensation expert or consultant to be used to provide advice on compensation levels or assist in the evaluation of director, President, Chief Executive Officer, or senior executive compensation, including sole authority to approve the fees of any expert or consultant and other retention terms. In addition, the Compensation Committee considers, but is not bound by, the recommendations of the Company’s Chief Executive Officer with respect to compensation decisions within the Committee’s authority. The Compensation Committee may also form and delegate to a subcommittee consisting of one or more members to perform the functions of the Compensation Committee.

Definition

For purposes of determining the Committee’s scope of authority, the term “Executive Officer” shall mean any person with the title of Senior Vice President and above (including all “C-Suite”

positions), and/or any person who is a direct report to the Chief Executive Officer, including the position of General Counsel or Chief Legal Officer.

Executive Compensation Policy

The “Executive Compensation Policy” (the “Policy”) shall mean the Company’s use of its standard Executive Employment Agreement template, with the objective of maintaining uniformity among and between all Executive Officers, and shall include the following guidelines, which shall be reasonably applied by the Committee in its sole discretion, and which shall be consistent with the other express terms of this Charter:

- A. The Committee may use a third party compensation expert (such as Zayla) to provide market comparisons for each compensation package;
- B. The Committee shall consider third-party market compensation as a significant factor in determining overall executive suite compensation packages; and
- C. The Committee shall promptly respond to management’s recommendation after management provides the Committee with: (x) a summary of the employee's performance; and (y) background and comments on the reason for the request, including the timing and any objective criteria and data that could be helpful to the Committee.

Under the Policy, Compensation Committee approval of the recommended compensation package is a necessary pre-requisite for each Executive Officer’s employment agreement and for each stock or option grant to be effective, as further set forth below.

Principal Functions

The Committee shall be responsible for the following:

1. **Director Compensation.** Review and recommend to the Board of Directors for approval, all Director compensation, including retainers, meeting fees, equity compensation plans, deferred compensation plans, and any other components of Director compensation.
2. **Compensation Policy.** Review annually and determine whether the Company’s written Executive Compensation Policy, as defined above, is being applied properly to reward management appropriately for each Executive Officer’s contributions to Company growth and profitability and that the executive compensation strategy (including executive salary ranges, annual incentive compensation, and long-term incentive plans) supports the Company’s goals and objectives and the long-term interest of shareholders.
3. **Chief Executive Compensation.** Review annually and determine the individual elements of total compensation for the Chief Executive Officer. Establish, on an annual basis, performance criteria and objectives for the Chief Executive Officer, and, in conjunction with the Board of Directors, conduct an annual performance assessment of the Chief Executive Officer. Report annually to the shareholders on the factors and criteria on

which the Chief Executive Officer's compensation for the prior year was based affected the Chief Executive Officer's compensation for the current year.

4. **Compensation of Other Executive Officers.** Review annually and determine the individual elements of total compensation for Executive Officers (as used in Section 16 of the Securities Exchange Act of 1934 and defined in Rule 16a-1 thereunder). Consult with the Chief Executive Officer to ensure that Executive Officer compensation is consistent with the Executive Compensation Policy.

5. **Executive Officers Employment Agreements.** Review and determine: (a) the individual elements of total compensation (or range of compensation) for each Executive Officer under each existing, new, and proposed employment agreement; and (b) the proposed cash, stock, or option bonus or grant (collectively, the "Bonus"), whichever is applicable, after management provides the Committee with all material background information on the recommended or proposed agreement or Bonus, in accordance with the Policy.

6. **Equity Compensation Plans.** Annually review and approve the type, number, terms and conditions of equity compensation grants to the Chief Executive Officer and other Executive Officers, consistent with the terms of those plans and the compensation philosophy. For equity grants to all other employees, review and approve the list of grants for consistency with the Company's Employee Compensation Policy. Additionally, the Committee may provide for an equity pool, which may be granted by the Committee for new hires or other interim awards for employees other than Executive Officers.

7. **Employee Stock Option Plan.** Perform the responsibilities of the Administrator of the Company's Employee Stock Option Plan.

8. **Retirement Plan.** Review annual profit-sharing contribution, and make appropriate recommendations to the Board of Directors. Receive and review reports from Company management on 401(k) participation rates, fund choices, performance of funds, and other aspects of plan.

9. **Other Compensation and Benefit Plans.** As required, review and approve equity and other Executive compensation and benefit plans and programs to ensure consistency with the Company's compensation philosophy.

10. **Consultants.** In the Committee's sole discretion, engage independent consultants to report directly to the Committee and to advise the Committee in discharging its duties hereunder.

11. **Succession Planning.** Annually review the succession planning process with the Chief Executive Officer. Report annually to the Board of Directors on the Company's leadership succession planning for the Chief Executive Officer and other Executive Officers.

12. **Reporting to Shareholders.** Annually report to the shareholders on the compensation of the Chief Executive Officer and other Executive Officers, to the extent required by federal securities law requirements.

13. **Reporting to the Board.** Annually report to the Board of Directors on the Committee's discharge of its responsibilities outlined herein.

Meetings

The Committee will meet as often as necessary to carry out its responsibilities, but in any event, no less than three times each year. Meetings will be called by the Chairman of the Committee. Reports of meetings of the Committee shall be made to the Board of Directors at its next regularly scheduled meeting following the Committee meeting, and shall be recorded in Minutes of each meeting prepared by the Company's Secretary. The Chief Executive Officer may not be present at a meeting of the Committee during voting or deliberations on his or her compensation.
