



Monopar Therapeutics

Compensation Committee Charter

Adopted by the Board of Directors on May 9, 2020
(as amended on May 4, 2020)

Purpose and Responsibilities of the Committee

The purpose of the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Monopar Therapeutics Inc. (the “**Company**”), shall be to act on behalf of the Board in fulfilling the Board’s responsibilities to 1) oversee the Company’s compensation policies, plans and programs, 2) review and approve or recommend to the Board the compensation to be paid to the Company’s executive officers, non-employee directors, and other senior management as designated, 3) review, discuss with management and approve the Company’s disclosures contained under the caption “Compensation Discussion and Analysis” (“**CD&A**”) for use in any of the Company’s annual reports on Form 10-K, registration statements, proxy statements or information statements, 4) prepare and review the Committee report on executive compensation included in the Company’s annual proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission (the “**SEC**”), as in effect from time to time.

For purposes of this Charter, the term “compensation” shall include base salary, long-term equity incentives, short-term cash and/or equity bonuses, performance-based cash and/or equity incentive plans, perquisites, severance agreements, change of control related plans or agreements, retirement benefits or savings plans, tax gross-up provisions, benefit plans, consulting fees and non-employee director Board and committee fees.

The approval of this Charter shall be construed as a delegation of authority by the Board to the Committee with respect to the responsibilities and duties set forth herein.

The responsibilities of the Committee shall be as follows:

- **Compensation Structure.** The Committee shall develop and maintain an overall compensation structure that is designed to be effective in attracting, retaining and motivating management, non-employee directors, and other employees by providing appropriate levels of risk and reward, assessed on a relative basis at all levels within the Company, relative to the Company’s peers, and in proportion to individual responsibilities, contributions and performance; and
- **Near-Term and Long-Term Focus.** The Committee shall establish appropriate incentives for management, non-employee directors, and staff to execute the near-term and long-term goals of the Company’s strategic plan and avoid undue emphasis on short-term market value.

Membership of The Committee

The Committee shall consist of at least three members of the Board. All members of the Committee shall satisfy, as determined by the Board, the independence requirements of the Nasdaq Stock Market ("**Nasdaq**") applicable to compensation committee members, in effect at that time, including any exceptions permitted by these requirements. At least two of the members of the Committee shall satisfy the "non-employee director" standard within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended from time to time (the "**Exchange Act**") and the "outside director" standard within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended from time to time (the "**Code**").

The Committee Chair and the other members of the Committee shall be appointed by and serve at the discretion of the Board. Members of the Committee shall serve until a successor is duly appointed or the member is removed or resigns. Committee members may otherwise be removed or replaced by vote of the Board. Vacancies occurring on the Committee shall be filled by the Board. A member of the Committee shall be automatically removed if the member is 1) no longer a director of the Company, 2) determined by the Board to no longer be "independent" as that term is defined by Nasdaq and, if applicable, the Sarbanes Oxley Act of 2002, or 3) ineligible because of other rules or requirements.

Meetings and Minutes

The Committee shall hold such regular or special meetings as its members deem necessary or appropriate to discharge its responsibilities. In general, at least two meetings per year are necessary to administer compensation cycles. The Chair (or in his or her absence, a member designated by the Chair) shall preside at all meetings of the Committee. The Committee may invite such members of management or other persons to its meetings as it may deem desirable or appropriate. The Chairman or a majority of the members may call meetings of the Committee upon reasonable notice, which may be given by telephone, email or writing. Attendance at any meeting shall be deemed to constitute waiver of notice. The Committee may meet in person, by telephone or video conference and may take actions by consent, if all of the members of the Committee consent thereto, in writing or by electronic transmission. At each meeting of the Committee, a majority of the members shall constitute a quorum, and a majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee.

The accounting rules for stock options require that the exercise price be the closing price on the stock exchange on the date of the award of the stock options. The Committee shall set schedules to allow the Committee to determine the exercise price of the stock options, the Black-Scholes fair value, and the appropriate number of shares subject to the stock options to be awarded per the Company's procedures. This is expected to require that the Committee and the Board are able to approve the final equity award program by holding meetings and approving the equity awards on the award date (possibly by two meetings both completed after the close of the market on the award date).

At each meeting, upon request, members of the Committee shall have the opportunity to meet in executive session and shall have direct access to senior management of the Company and to any advisor retained by the Committee.

Minutes of each meeting of the Committee shall be prepared and distributed promptly after the meeting to each member of the Committee for review and comment as needed. After resolution of member inputs, the minutes will be approved by the members of the Committee at the next Committee meeting or by other means. Signed approved minutes will be forwarded to the Secretary

with copies distributed to each director of the Company who did not receive a copy in the Committee meeting. The Committee shall report regularly to the Board summarizing the Committee's actions and any significant issues considered by the Committee. This reporting requirement may be satisfied by the timely distribution of minutes to the Board. The Committee will also report on Committee responsibilities or assignments whenever requested to do so by the Board.

Authority

1. The Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge his or her responsibilities hereunder. This includes human resources and finance personnel, legal counsel and other personnel managing or assisting in the preparation of the CD&A for the Company's filings with the SEC or who maintain and manage Company records relevant to the responsibilities of the Committee.

3. The Committee may, in its sole discretion, retain or obtain the advice of one or more compensation consultants, internal or external legal counsel, accountants or other advisors (collectively "Advisors"). The Committee shall 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 funding, as determined by the Committee, for payment of reasonable compensation to each Advisor retained by the Committee and for the ordinary administrative expenses of the Committee. Other reasonable expenditures for external resources, such as compensation surveys and other reports, that the Committee deems necessary or appropriate in the performance of its duties are permitted at the Company's expense. Prior to selecting or receiving advice from an Advisor (other than in-house legal counsel), the Committee shall consider, in addition to any other factors the Committee deems relevant, the factors set forth in Rule 10C-1(b)(4) of the Exchange Act, as well any other factors prescribed by applicable Nasdaq listing rules. The Committee will conduct an independence assessment of the Advisor taking into consideration the following factors: 1) the provision of other services to the Company by the Advisor's employer or the Advisor himself or herself, if self-employed; 2) the amount of fees received from the Company by the Advisor's employer or the Advisor, if self-employed, as a percentage of the total revenues of the Advisor's employer or Advisor, if self-employed; 3) the policies and procedures of the Advisor's employer or Advisor, if self-employed, that are designed to prevent conflicts of interest; 4) any current or prior business or personal relationship of the Advisor's employer or the Advisor with a member of the Committee; 5) any current or prior business or personal relationship of the Advisor's employer or the Advisor with any executive officer of the Company; and 6) any equity of the Company owned by the Advisor's employer or the Advisor.

The Committee will provide to the Board a report on the above six factors. However, nothing in this provision requires that any Advisors be independent.

4. The Committee may form and delegate authority to subcommittees as appropriate, including, but not limited to, a subcommittee composed of one or more members of the Committee to grant stock awards under the Company's equity incentive plans to persons who are not (a) "Covered Employees" under Section 162(m) of the Code; (b) individuals with respect to whom the Company wishes to comply with Section 162(m) of the Code; or (c) then subject to Section 16 of the Exchange Act. Without limiting the generality of the foregoing, the Committee may form and delegate authority to a subcommittee composed solely of employees of the Company to serve as an administrative and/or investment committee, with fiduciary responsibilities under the Employee Retirement Income Security Act of 1974 ("**ERISA**"), with respect to one or more Company plans

that are subject to ERISA.

The operation of the Committee shall be subject to the Amended and Restated Certificate of Incorporation of the Company as in effect from time to time and Section 141 of the Delaware General Corporation Law, as may be amended, updated or replaced from time to time.

Detailed Responsibilities

To achieve the Committee's purpose and policies, the Committee shall be charged with the following duties and responsibilities, with the understanding, however, that the Committee may supplement and, except as otherwise required by applicable law or the requirements of Nasdaq, deviate from these activities as appropriate under the circumstances:

1. Overall Compensation Strategy. The Committee shall be responsible for reviewing, modifying (as needed), approving and, as applicable, making recommendations to the full Board regarding the overall compensation strategy and policies for the Company, including:

- A. reviewing and approving (or, if it deems appropriate, making recommendations to the Board regarding) corporate performance goals and objectives, which shall support and reinforce the Company's near-term and long-term strategic goals and promote increased shareholder value, relevant to the compensation of the Company's executive officers, other senior management and staff, as appropriate;
- B. evaluating and approving (or, if it deems appropriate, making recommendations to the Board regarding) the compensation plans and programs advisable for the Company, as well as the modification or termination of existing plans and programs;
- C. establishing procedures with respect to equity compensation arrangements, which appropriately balance the perceived value of the equity compensation and its dilutive and other costs to the Company. This may be executed in conjunction with cash-based compensation and the Company's ability to afford various levels of cash expenditures.
- D. establishing procedures for allocating compensation between long-term and currently paid-out (available to the recipient) compensation, between cash and non-cash compensation and the factors used in deciding among the various forms of compensation;
- E. establishing measurement parameters of corporate performance for purposes of increasing, maintaining or decreasing compensation;
- F. establishing procedures for the timing and pricing of equity awards for newly hired employees, promotions and periodic grants for executive officers, non-employee directors, management and staff;
- G. reviewing regional and peer companies in the industry to monitor compensation practices and trends to assess the appropriateness, adequacy and competitiveness of the Company's executive compensation programs among comparable companies in the Company's industry. However, the Committee shall exercise independent judgment in determining the appropriate levels and types of compensation to be paid;
- H. reviewing and annually assessing the adequacy including the competitiveness of non-employee director compensation and making recommendations for adjustments, if needed, to the Board;
- I. reviewing and approving (or, if it deems appropriate, making recommendations to

the Board regarding) the terms of any employment agreements, severance arrangements, change-of-control protections and any other compensatory arrangements (including, without limitation, perquisites and any other form of compensation) for the Company's executive officers and other senior management, as appropriate;

- J. reviewing and approving (or, if it deems appropriate, making recommendations to the Board regarding) any compensation agreements or arrangement for any executive officer involving any subsidiary, special purpose or similar entity, taking into account the potential for conflicts of interest in such arrangements and if it has the potential to benefit or harm the Company;
- K. reviewing the Company's practices and policies of employee compensation to ensure the Company does not create compensation incentives that could potentially create a conflict of interest or harm the Company;
- L. reviewing and considering the results of any annual meeting proxy advisory vote on executive compensation;
- M. considering and, if appropriate, recommending to the Board the adoption of a policy to encourage executive officers and non-employee directors to acquire and hold a meaningful equity interest in the Company; and
- N. evaluating the efficacy of the Company's compensation policy and strategy in achieving desired objectives and benefits for the Company.

2. Compensation of Chief Executive Officer. The Committee shall review and make recommendations to the Board regarding the compensation and other terms of employment of the Company's Chief Executive Officer and shall evaluate the Chief Executive Officer's performance in light of relevant pre-set and pre-approved corporate performance goals and objectives, taking into account, among other things, the policies of the Committee and the Chief Executive Officer's performance in:

- A. fostering a corporate culture that promotes the high levels of integrity and the high ethical standards appropriate to the situation and in accordance with the Company's Code of Business Conduct and Ethics;
- B. developing and executing the Company's long-term strategic plan and conducting the business of the Company in a manner to enhance long-term shareholder value;
- C. achieving corporate performance goals and objectives deemed relevant to the Chief Executive Officer as recommended by the Committee and approved by the Board; and
- D. achieving the Chief Executive Officer's individual performance goals and objectives as recommended by the Committee and approved by the Board.

In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall endeavor to achieve an appropriate level of risk and reward, taking into consideration the Company's performance and shareholder return (with consideration of external factors which may be beyond the Chief Executive Officer's anticipation and/or control), the potential benefits and costs to the Company of the award, the value of similar incentive awards given to chief executive officers of comparable companies, the awards given to the Company's Chief Executive Officer in past years, other elements of the Chief Executive Officer's compensation including total compensation and such other criteria as the Committee deems advisable. The Chief Executive Officer may not be present during the deliberations or voting regarding his or her compensation.

3. Compensation of Other Officers and Senior Management. The Committee shall review and make recommendations to the Board regarding the individual and corporate performance goals and objectives of the Company's other officers and senior management, as appropriate. The Committee shall review and recommend to the Board, for determination and approval, the compensation and other terms of employment of these other senior management taking into consideration the officer's/senior manager's success in achieving his or her individual performance goals and objectives and the corporate performance goals and objectives deemed relevant to the officer/senior manager as established by the Committee, as well as in fostering a corporate culture that promotes the highest levels of integrity and the highest ethical standards. The Committee may request that the Chief Executive Officer prepare a written annual performance report and compensation recommendation for each of his or her direct reports. The responsible managers of other senior management may also be requested to prepare written annual performance reports for the consideration of the Committee. A Board member who is also an Officer or Executive may not be present during the deliberations or voting regarding his or her compensation.

4. Non-Employee Director Compensation. The Committee shall review and make recommendations to the Board regarding the type and amount of compensation to be paid or awarded to non-employee members of the Board, including consulting, retainer, Board meeting fees (if any), Board and committee membership and Board and committee chair fees, equity incentives, and any deferred compensation arrangements or similar programs.

5. Compensation Programs for Company Employees Generally. The Committee shall review material compensation programs applicable generally to Company employees. The Committee shall review general compensation actions such as the base percent merit salary raise (if any) and recommend such actions to the Board for approval.

6. Administration of Benefit Plans. The Committee shall review and approve (or, if it deems appropriate, make recommendations to the Board regarding) the adoption, amendment and termination of the Company's equity compensation plans such as stock option plans, stock appreciation rights plans, pension and profit sharing plans, incentive plans, stock bonus plans, stock purchase plans, incentive bonus plans, deferred compensation plans and other similar compensation plans. The Committee shall have full power and authority to administer these plans, establish guidelines, interpret plan documents, select participants, approve grants and awards, authorize the filing of registration statements related to such plans and exercise such other power and authority as may be permitted or required under such plans.

7. Insurance Coverage. The Committee shall review and recommend to the Board the establishment and/or continuation of appropriate directors' and officers' liability insurance coverage for the Company's officers and non-employee directors. The Committee shall also review healthcare and other insurance coverages that may be included in employee benefit plans.

8. Compensation Discussion and Analysis. The Committee shall review and discuss with management the Company's disclosures contained under the caption "Compensation Discussion and Analysis" for use in any of the Company's annual reports on Form 10-K, registration statements, proxy statements or information statements and recommend the CD&A for inclusion in the Company's annual reports on Form 10-K, registration statements, proxy statements or information statements. The Committee shall discuss with and receive reports from management regarding the Company's regulatory compliance with respect to compensation matters.

9. Compensation Proposals. The Committee shall provide recommendations to the Board on compensation-related proposals to be considered at the Company's annual meeting, including the frequency of proxy advisory votes on executive compensation.

10. Committee Report. The Committee shall prepare and review the Committee report on executive compensation to be included in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.

11. Risk Assessment. The Committee shall evaluate risks associated with the Company's compensation policies and practices and assess whether such policies and practices unintentionally incentivize the Company's officers to create additional risks which are likely to have a material adverse effect on the Company, independent of the primary operational and other risks the Company faces.

12. Committee Self-Assessment and Charter Review. The Committee shall review, discuss and assess its own performance at least annually. The Committee shall also review and assess the adequacy of this Charter at least annually, and shall recommend any proposed changes to the Board for its consideration. The Board shall annually approve a Charter to be effective for approximately one year or until a newly reviewed and approved Charter is effective.