

## **CELCUITY INC.**

### **COMPENSATION COMMITTEE CHARTER**

Adopted September 18, 2017

The Board of Directors (“Board”) of Celcuity Inc., a Delaware corporation (“Company”), has adopted this charter to govern the operation of the Compensation Committee (“Committee”).

#### **I. PURPOSE**

The Committee will be responsible, on behalf of the Board, for matters relating to the compensation policies of the Company, the Board, the Chief Executive Officer (“CEO”) of the Company and the other “executive officers” of the Company (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended (“1934 Act”)).

#### **II. COMMITTEE ORGANIZATION**

##### **A. Composition, Appointment, and Removal**

The Committee will be comprised of two or more directors as appointed by the Board. The Board will designate a member of the Committee as Chairperson. Committee members may be removed or replaced by the Board with or without cause.

##### **B. Requirement of Independence**

Each member must be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. Each member of the Committee must satisfy the applicable standards for independence set forth in the rules and regulations of the NASDAQ Stock Market (“NASDAQ”) and the 1934 Act. Each member of the Committee must also qualify as a “non-employee director” for the purposes of Rule 16b-3 under the 1934 Act and as an “outside director” for the purposes of Section 162(m) of the Internal Revenue Code, as amended.

#### **III. RESPONSIBILITIES**

The Committee has the following responsibilities:

##### **A. Compensation Philosophy**

- Periodically review the Company’s compensation philosophy with management, taking into consideration enhancement of stockholder value from a short, intermediate and long-term perspective, fair and equitable compensation of employees, and the Company’s need to attract, retain and motivate highly qualified personnel.

- Annually consider whether the various compensation plans for which the Committee is responsible are fair, appropriate, and justifiable and successfully implement the Company's compensation philosophy.

**B. Compensation of the Chief Executive Officer**

Annually review and approve the individual and Company performance goals and objectives applicable to the compensation of the CEO, evaluate at least annually the CEO's performance in light of those goals and objectives, and determine and approve appropriate compensation levels and equity grants for the CEO. In evaluating and determining CEO compensation, the Committee must consider the results of the most recent stockholder advisory vote on executive compensation ("Say on Pay Vote") required by Section 14A of the Exchange Act. All voting and deliberations regarding the compensation of the CEO must occur outside the presence of the CEO.

**C. Compensation of Other Executive Officers**

Annually review and approve the individual and Company performance goals and objectives of executive officers other than the CEO, oversee the CEO's evaluation of the performance of those executive officers at least annually in light of these goals, and determine and approve appropriate compensation levels and equity grants for those executive officers. In evaluating and making recommendations regarding executive compensation, the Committee must consider the results of the most recent Say on Pay Vote.

**D. Other Compensation Plans**

- Periodically review, and advise the Board and, as applicable, make recommendations to stockholders, with respect to, benefits, perquisites, deferred compensation plans, incentive compensation plans and equity-based plans. In reviewing and making recommendations regarding incentive compensation plans and equity-based plans, including whether to adopt, amend or terminate any such plans, the Committee must consider the results of the most recent Say on Pay Vote.
- Administer the Company's incentive compensation, benefits and equity-based plans, including review of related registration statements, designation of the employees or other service providers to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant, subject to the provisions of each plan.
- Periodically review, and advise the Board with respect to, director compensation plans for service on the Board and Board committees.

**E. Required Compensation Disclosure**

Review and discuss with management the Compensation Discussion and Analysis ("CD&A") required by SEC rules to be included in the annual report or proxy statement, if applicable. Based on such review and discussion, the Committee must determine

whether to recommend to the full Board that the CD&A be included in the annual report or proxy statement. The Committee must provide, over the names of the members of the Committee, the required compensation committee report on executive compensation required by SEC rules to be included in the Company's annual report or proxy statement.

**F. Risk Management**

- At least annually, (i) review and discuss the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking; (ii) review and discuss the relationship between risk management policies and practices and compensation; and (iii) evaluate compensation policies and practices that could mitigate any such risk.
- Recommend to the Board for adoption a "claw back policy" with respect to the incentive compensation of the CEO, other executive officers and directors. Such a policy must provide for the recovery of excess incentive compensation paid based on financial statements that have been later restated due to material noncompliance with any financial reporting requirements and must apply to the three-year period preceding any such restatement. Such a policy must also provide for disclosure of the claw back policy.

**G. Say On Pay Vote**

- Recommend to the Board the frequency of the Say on Pay Vote required by Section 14A of the Exchange Act regarding the compensation of named executive officers, taking into account the results of the most recent Say on Pay Vote.
- Review and approve the proposals regarding the Say on Pay Vote to be included in the Company's proxy statement.

**H. Periodic Review and Evaluation**

- Conduct an evaluation of its performance of its duties under this charter at least annually and present the results of the evaluation to the Board. This evaluation must address subjects including the Committee's composition, independence, responsibilities, structures, processes, and effectiveness. As appropriate, make recommendations to the Nominating and Corporate Governance Committee or the Board as a result of the Committee's performance evaluation.
- Annually review and assess the adequacy of this charter and obtain the approval of the Board for any proposed changes to the charter.

**I. Other Responsibilities**

- Periodically review with management, and advise the Board with respect to, management's assessment of the effectiveness of the Company's human resources policies, strategies and programs, including employee compensation levels, deferred compensation plans and benefits, and the ability to attract, motivate and retain talent.

- Review and approve employment agreements, severance agreements, arrangements or plans, change in control agreements, including any benefits to be provided in connection with a change in control, indemnification agreements and other material agreements between the Company and its CEO and other executive officers.
- As determined by the Committee to be advisable, develop and recommend to the Board for approval a succession plan (the “Succession Plan”) for the CEO and, if desired, other executive officers. Review the Succession Plan periodically with the CEO, develop and evaluate potential candidates, and recommend to the Board any changes to, and any candidates for succession under, the Succession Plan.

#### **IV. AUTHORITY**

When necessary or appropriate to the functions of the Committee, the Committee has the authority to complete the following tasks:

- At the expense of the Company, if required, conduct such studies, analyses, and evaluations the Committee deems necessary to perform the duties and fulfill the responsibilities assigned to it by the Board.
- Have full and independent access to Company management and personnel, provided that the Committee must provide prior notice to at least one of the persons serving as Chief Executive Officer or Chief Financial Officer of its intention to interview personnel.
- Request information from any person serving as Chief Executive Officer or Chief Financial Officer and rely upon advice and information, whether given orally or in writing, concerning the Company’s business operations and financial information relevant to the functions of the Committee.
- Retain compensation consultants, outside legal counsel and such other advisors as the Committee may deem necessary or appropriate in its sole discretion. The Committee is directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, outside legal counsel or other advisor retained by the Committee. The Company must provide appropriate funding, as determined by the Committee, for the payment of reasonable compensation to any such compensation consultant, outside legal counsel and such other advisors. The Committee is not required to implement or act consistently with the advice or recommendations of any compensation consultant, outside legal counsel or other advisor retained by it, and the authority granted in this charter does not affect the ability or obligation of the Committee to exercise its own judgment in fulfilling its duties under this charter.

In selecting or seeking advice from compensation consultants, outside legal counsel and other advisors (other than the Company’s in-house counsel, if any), the Committee must consider the independence factors specified by NASDAQ and other applicable rules, including:

- The provision of other services to the Company by the person that employs the compensation consultant, outside legal counsel, or other advisor;
- The amount of fees received from the Company by the person that employs the compensation consultant, outside legal counsel, or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, outside legal counsel or other adviser;
- The policies and procedures of the person that employs the compensation consultant, outside legal counsel or other adviser that are designed to prevent conflicts of interest;
- Any business or personal relationship of the compensation consultant, outside legal counsel or other adviser with a member of the Committee;
- Any stock of the Company owned by the compensation consultant, outside legal counsel or other adviser; and
- Any business or personal relationship of the compensation consultant, outside legal counsel or other adviser or the person employing the adviser with an Executive Officer of the Company.

The Committee may retain, or receive advice from any compensation advisor they prefer, including ones that are not independent, after considering all factors relevant to such person's independence from management; provided, however, that the Committee must oversee disclosure regarding any conflict of interest found to exist with respect to a compensation consultant.

Notwithstanding the foregoing, the Committee is not required to assess or disclose the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.

- Incur ordinary administrative expenses that are necessary or appropriate in carrying out the Committee's responsibilities, which will be funded by the Company.
- Take all action appropriate to the performance of the Committee's duties.

## **V. MEETINGS AND MINUTES**

The Committee must meet no fewer than two times per year. The Committee may meet in person or by means of a telephone conference call, and may also act by means of unanimous written consent. The Committee will establish its own schedule of meetings and will maintain

written minutes of its meetings. Committee minutes must be promptly made available to the members of the Board and filed with the minutes of the meetings of the Board.

A majority of members will constitute a quorum and will be able to conduct the business of the Committee. As it may deem necessary, permissible, or desirable, the Committee may request that members of management or others, including the Company's advisors, be present at meetings of the Committee.

## **VI. MANAGEMENT COOPERATION**

Management of the Company must cooperate with the Committee and render to the Committee such assistance as the Committee requests for the purpose of carrying out its functions.

## **VII. DELEGATION OF AUTHORITY**

To the extent permissible under applicable laws and regulations, the Committee may delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more members of the Committee or a subcommittee as the Committee may deem appropriate.

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