

# **CYCLERION THERAPEUTICS, INC.**

## **Compensation Committee Charter**

### **Statement of Purpose**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Cycleron Therapeutics, Inc. (the “Company”) is to oversee the Company’s compensation policies and human resources philosophy, ensure their linkage to the value creation strategy of the company, seek to ensure that compensation decisions represent sound fiscal policy and enable the Company to attract and motivate qualified personnel and advise the Board regarding, and facilitate the Board’s oversight of, the compensation of members of the Board, the Company’s Chief Executive Officer (the “CEO”) and the other executive officers of the Company.

### **Organization**

The Committee shall be comprised of at least two members of the Board who shall satisfy the independence requirements of the Nasdaq Stock Market (regardless of whether shares of Company common stock are listed on that exchange), unless otherwise permitted by applicable phase-in rules and exceptions. In addition, each member of the Committee shall be a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee of the Board. The Board may remove members of the Committee from the Committee with or without cause. Unless a Chair of the Committee (the “Chair”) is selected by the full Board, the members of the Committee shall designate a Chair by majority vote of the full Committee membership. The Chair will preside over all regular sessions of the Committee and set the agendas for Committee meetings. In the absence of the Chair, the Committee shall select another member to preside.

### **Duties and Responsibilities**

The following functions shall be the recurring activities of the Committee in carrying out its responsibilities. The functions are set forth as a guide and may be varied from time to time as appropriate under the circumstances.

#### **1. CEO and other Executive Officer Compensation.**

- a. Review and approve the Company’s overall compensation philosophy.
- b. Review and recommend to the Board annually corporate goals and objectives relevant to the CEO and other executive officer compensation and evaluate and approve the performance of executive officers in light of such strategy, goals, and objectives.
- c. Review and approve annually the CEO and other executive officer compensation, including salary, bonus and incentive compensation, deferred compensation, perquisites, equity compensation, benefits provided upon retirement, severance or other termination of

employment or any change in control or other significant corporate transaction, and any other forms of executive compensation.

d. The Committee will deliberate and vote on the CEO's compensation outside the presence of the CEO.

e. Review and make recommendations to the full Board of Directors, or approve, any contracts or other transactions with current or former executive officers of the Company, including consulting arrangements, employment contracts, severance or termination arrangements and loans to employees made or guaranteed by the Company.

f. Annually review and approve the Company's peer companies and data sources for purposes of evaluating the Company's compensation competitiveness and establishing the appropriate competitive positioning of the levels and mix of compensation elements and compensation practices.

g. If applicable, in evaluating and determining CEO and other named executive officer compensation, the Committee shall consider the results of the most recent stockholder advisory vote on named executive compensation required by Section 14A of the Exchange Act.

2. **CEO Performance Evaluation.** The Committee shall annually evaluate the CEOs performance and future development expectations relative to the company's strategic, operating and organizational goals.
3. **Plan Recommendations and Approvals.** The Committee shall make recommendations to the Board regarding the adoption of new incentive compensation plans and equity-based plans and any amendments to existing plans, as well as the Company's 401(k) plan, and administer the Company's existing incentive compensation plans and equity-based plans, including reviewing and approving stock option grants and other equity awards. To the extent permitted by applicable law and the provisions of a specific equity-based plan, the Committee may delegate to one or more executive officers of the Company the power to grant options or other equity awards, and amend the terms of such 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, such power to be limited to the parameters set forth in the applicable resolutions adopted by the Compensation Committee.
4. **Director Compensation.** The Committee shall annually review the compensation and benefits paid to directors for service on the Board and the committees of the Board and shall recommend any changes in such compensation and benefits to the Board as the Committee deems appropriate.
5. **Succession Planning and Organization Health.** The committee shall annually review the company's management succession and development plans. It shall from time to time review the overall organization's health, informed by management perspectives and data as may be available, relative to the company's strategic needs, diversity goals, etc.
6. **Filings.** The Committee shall:

- a. review and discuss with Company management any compensation discussion and analysis required to be included in the Company's filings with the Securities and Exchange Commission (the "SEC") and, based on such review and discussion, in the case of compensation discussion and analysis proposed to be included in the Company's annual proxy statement or annual report on Form 10-K, shall recommend to the Board whether such compensation discussion and analysis should be included in such proxy statement or annual report;
  - b. annually review and discuss the risks associated with the Company's compensation polices and practices, and review and approve any required disclosure to be included in the Company's proxy statement or annual report on Form 10-K regarding such risk assessment; and
  - c. prepare an annual Committee report, if required to be included in the Company's filings with the SEC, for inclusion in the Company's annual proxy statement.
7. **Compliance.** The Committee shall:
- a. monitor the Company's compliance with the requirements under the Sarbanes-Oxley Act of 2002, relating to loans to directors and officers, and with all other applicable laws affecting employee compensation and benefits; and
  - b. oversee the Company's compliance with applicable rules and regulations promulgated by the SEC regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes and applicable Nasdaq rules regarding shareholder approval of equity compensation plans.
8. **Generally.** The Committee shall review such other matters as the Board or the Committee shall deem appropriate.

### **Procedures and Administration**

1. **Meetings.** The Committee shall hold regularly scheduled meetings and such special meetings as circumstances dictate. The Committee shall report regularly to the Board on its activities.
2. **Action.** Action may be taken by the Committee (or any subcommittee of the Committee) upon the affirmative vote of a majority of the members of the Committee (or subcommittee); provided, however, at any time the Committee consists of two members, if one member recuses himself or herself due to a potential conflict of interest, action may be taken by the other member. Action may be taken by the Committee without a meeting if all of the members of the Committee indicate their approval thereof in writing.
3. **Notice.** Any member of the Committee may call a meeting of the Committee upon due notice to each other member delivered by mail, telephone, facsimile or electronic transmission at least twenty-four hours prior to the meeting. Notice of a meeting need not be given to any member of the Committee if a waiver of notice, signed by such member before or after the meeting, or delivered by such member by means of electronic transmission, is

filed with the minutes of the Committee or to any member of the Committee who attends the meeting without objecting to holding the meeting or transacting business at the meeting at the beginning of, or promptly upon such member's arrival at, such meeting or who thereafter votes for or assents to any action taken at such meeting. A notice or waiver of notice need not specify the purpose of the meeting.

4. **Sub-Committees.** The Committee shall have the authority to delegate to subcommittees of the Committee any responsibilities of the full Committee.
5. **Charter.** The Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
6. **Outside Advisors and Compensation Consultants.** The Committee is authorized, without further action by the Board, to engage such outside legal, accounting, compensation consultants and other advisors as it deems necessary or appropriate to carry out its responsibilities. The Committee may, in its sole discretion, engage and terminate any compensation consultant used to assist in the evaluation of executive officer or Board compensation, and approve the consultant's fees and other retention terms. The Committee may also commission various compensation studies as it deems appropriate. When selecting any compensation consultant or other advisor, the Committee will consider whether the work raises a conflict of interest and, if so, how the conflict will be addressed. When evaluating independence, the Committee will consider, prior to selecting or receiving advice from any advisor or compensation consultant, (a) the provision of other services to the Company by the person that employs the advisor or compensation consultant; (b) the amount of fees paid by the Company to such employer, as a percentage of the total revenue of such employer; (c) the policies and procedures of such employer that are designed to prevent conflicts of interest; (d) any business or personal relationship between the advisor or compensation consultant, or the employer thereof, and any member of the Committee; (e) any Company stock owned by the advisor or compensation consultant; and (f) any business or personal relationship of the advisor or compensation consultant, or the employer thereof, with any executive officer of the Company. However, the Committee is not required to conduct an independence assessment of a compensation consultant or advisor whose role is limited to (a) 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 available generally to all salaried employees or (b) providing information that either is not customized for the Company or that is customized based on parameters that are not developed by the advisor, and about which the advisor does not provide advice.
7. **Expenses.** The Committee is authorized, without further action by the Board, to cause the Company to pay the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
8. **Committee Self-Evaluation.** The Committee shall review its performance against the requirements of this Charter annually and shall report to the Board on the results of such evaluation. The Committee's performance evaluation shall be conducted in such manner as the Committee deems appropriate.