

# Compensation Committee Charter

## Purpose

The purposes of the Synthetic Biologics' Compensation Committee are: (a) to assist the Board of Directors in fulfilling its oversight responsibilities relating to compensation of the Chief Executive Officer and other senior executive officers of Synthetic Biologics (the "Company"), including evaluating and approving that officer's benefits, bonus, incentive compensation, severance, equity-based compensation, and other compensation arising from other programs of the Company; and (b) to provide the Compensation Committee Report for inclusion in the Company's annual report on Form 10-K or proxy statement that complies with the rules and regulations of the Securities and Exchange Commission (the "SEC").

## Membership and Organization

- The Compensation Committee shall consist of at least two members of the Board of Directors, as the Board shall determine from time to time.
- Each member shall be: (a) "independent" as that term is defined from time to time by the listing standards of the NYSE MKT, LLC ("NYSE MKT"); (b) a "non-employee director" as that term is defined under SEC Rule 16b-3; and, (c) an "outside director" as that term is defined for the purposes of the Internal Revenue Code, section 162(m). In addition, at least one member shall be, or within such period after his or her appointment determined by the Board shall become, financially literate as determined by the Board in its business judgment.
- The members of the Committee are appointed annually by the Board, and serve until their successors are duly elected and qualified, or until their earlier death, resignation or removal, with or without cause, in the discretion of the Board. Unless a Chair is elected by the Board of Directors, the members of the Committee shall designate a Chair by a majority vote of the full Committee membership.
- The Committee may delegate its authority to a subcommittee or subcommittees.
- The Committee shall promptly inform the Board of the recommendations for actions to be taken or issues discussed at its meetings. This will generally take place at the Board meeting following a meeting of the Committee.

## Responsibilities

The Compensation Committee's primary responsibilities include:

- Establishing on an annual basis performance goals and objectives for purposes of determining the compensation of the Company's Chief Executive Officer and other senior executive officers, evaluating the performance of such officers in light of those goals and objectives, and setting the compensation level for those officers based on this evaluation. In determining the long-term incentive component of compensation, the Committee shall consider such factors as the Company's performance and relative shareholder return, the value of similar incentive grants or awards to similar officers at comparable companies, and the grants or awards given to the Company's Chief Executive Officer and other senior executive officers in past years.
- Recommending to the Board the compensation for Board members (including retainer, committee and committee chair's fees, stock options and other similar items as appropriate).

- Reviewing the competitive position of, and making recommendations to the Board with respect to, the cash-based and equity-based compensation plans and other programs of the Company relating to compensation and benefits.
- Reviewing the financial performance and the operations of the Company's major benefit plans.
- Overseeing the administration of the Company's stock option plan, including making recommendations to the Board of Directors regarding the granting of options and/or other awards under the plans, and overseeing the administration of other executive incentive plans, and making recommendations to the Board of Directors regarding the participation of individual employees in those plans.
- Reviewing and making recommendations to the Board of Directors for the Company's Chief Executive Officer and other senior executive officers regarding: (a) employment agreements; (b) severance agreements; (c) change in control agreements/provisions; and, (d) any other material perquisites or other in-kind benefits.
- Providing the Compensation Committee Report for inclusion in the Company's annual report on Form 10-K or proxy statement that complies with the rules and regulations of the SEC.
- Reviewing appropriate insurance coverage for directors and officers.
- Reviewing and reassessing this charter and submitting any suggested changes to the Board for review.

### **Meetings**

The Committee shall meet as often as the Committee or the Committee Chairperson determines, but not less frequently than annually. Any member of the Committee may call a meeting of the Committee upon written notice to each other member at least 48 hours prior to the meeting. Two members shall constitute a quorum. Attendance and participation in a meeting may take place by conference telephone or similar communications equipment such that all persons participating in the meeting can hear each other. Any action to be taken at any meeting of the Committee may be taken without a meeting, if all members of the Committee consent thereto in writing and such writing or writings are filed with the minutes of the Committee. A majority of the members present shall decide any question brought before the Committee.

### **Advisors**

The Committee shall have the exclusive authority, at the expense of the Company, to retain (including authority to approve fees and other retention terms) any compensation consultants to be used to assist the Committee in the evaluation and determination of the Company's compensation for its Chief Executive Officer, other senior executive officers and board members, and may retain such other independent consulting, legal and other advisors, at the expense of the Company, as it shall deem appropriate without management approval.

### **Performance Review**

The performance of the Committee shall be evaluated annually by the Board of Directors.

## **General**

The Compensation Committee's responsibilities and powers as delegated by the Board of Directors are set forth in this Charter. These responsibilities and powers are set forth as a guide with the understanding that the Committee may diverge from this guide in accordance with applicable law. Unless the Committee member has knowledge that makes reliance unwarranted, the Committee members, in discharging their duties to the Company, may rely on information, opinions, reports, or statements, any of which may be written or oral, formal or informal, including financial statements, valuation reports, and other financial data, if prepared or presented by: (a) one or more officers or employees of the Company whom the Committee member believes in good faith to be reliable and competent in the matters presented; (b) legal counsel, independent auditors, or other persons as to matters which the Committee member believes in good faith to be within the professional or expert competence of such person; or, (c) another committee of the Board of which the Committee member is not a member if the Committee member believes in good faith that such committee merits confidence.