

# MEI PHARMA, INC.

## CHARTER OF THE COMPENSATION COMMITTEE

### PURPOSE AND POLICY

The purpose of the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of MEI Pharma, Inc. (the “**Company**”) shall be (i) to act on behalf of the Board in fulfilling the Board’s responsibilities to oversee the Company’s compensation policies, plans and programs, (ii) to review and determine, as appropriate, the compensation to be paid to the Company’s executive officers and directors, (iii) to review and discuss with management the Company’s disclosures contained under the caption “Compensation Discussion and Analysis” (“**CD&A**”), to the extent such disclosure is required by applicable Securities and Exchange Commission (“**SEC**”) rules and regulations, or other disclosures of the Company’s compensation philosophy, policies and practices (“**Compensation Overview**”), and make recommendations to the Board that such CD&A or Compensation Overview be approved for inclusion in any of the Company’s annual reports on Form 10-K, registration statements, proxy statements or information statements, and (iv) prepare and review the Committee’s report on executive compensation to the extent such report is required to be included in the Company’s annual proxy statement or annual report on Form 10-K in accordance with applicable rules and regulations of the SEC, as in effect from time to time. For purposes of this Charter, the term “compensation” shall include salary, long-term incentives, bonuses, performance based cash incentive plans, perquisites, equity incentives, severance arrangements, change of control related arrangements, retirement benefits, tax gross up provisions and other related benefits and benefit plans.

The policy of the Committee shall be as follows:

- **Compensation Structure.** The Committee shall seek to maintain an overall compensation structure designed to attract, retain and motivate management and other employees by providing appropriate levels of risk and reward, assessed on a relative basis at all levels within the Company and in proportion to individual contribution and performance, and
- **Long-Term Focus.** The Committee shall seek to establish appropriate incentives for management to further the Company’s long-term strategic plan and avoid undue emphasis on short-term market value.

### COMPOSITION

The Committee shall consist of at least Three (3) members of the Board. All members of the Committee shall satisfy the independence requirements of the NASDAQ Stock Market (“NASDAQ”) applicable to compensation committee members, as in effect from time to 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 members of the Committee and the Committee chairperson shall be appointed by and

serve at the discretion of the Board. Vacancies occurring on the Committee shall be filled by the Board. The Committee's chairperson shall be designated by the Board or, if it does not do so, the Committee members shall elect a chairperson by vote of a majority of the full Committee. The Chair (or in his or her absence, a member designated by the Chair) shall preside at all meetings of the Committee.

## **MEETINGS**

The Committee shall hold such regular or special meetings as its members deem necessary or appropriate, but in no event shall the Committee meet less than one time per year. The Chairman of the Committee shall report to the Board from time to time, whenever so requested by the Board.

## **AUTHORITY**

The operation of the Committee shall be subject to the Bylaws of the Company as in effect from time to time and Section 141 of the Delaware General Corporation Law. The approval of this Compensation Committee Charter shall be construed as a delegation of authority to the Committee with respect to the responsibilities set forth herein.

**Access to Books and Records.** 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, including human resources, legal counsel or other personnel assisting in the preparation of the CD&A or CD for the Company's filings with the SEC.

**Advisors.** The Committee shall have the authority, in its sole discretion, to retain or obtain the advice of a compensation consultant, legal counsel or other advisors as the Committee may determine to assist it in the performance of its duties and responsibilities. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other advisor retained by the Committee. The Committee shall receive appropriate funding from the Company, as determined by the Committee, for the payment of reasonable compensation to a compensation consultant, legal counsel or other advisor retained by the Committee. Other reasonable expenditures for external resources that the Committee deems necessary or appropriate in the performance of its duties are permitted.

Prior to the selection of or receipt of any advice from any such compensation consultant, legal counsel, or other adviser, other than in-house counsel, the Committee must first consider the following factors:

- The provision of other services to the Company by the advisor's employer;
- The amount of fees received from the Company by the advisor's employer, as a percentage of the total revenue of the employer;
- The policies and procedures of the advisor's employer that are designed to prevent conflicts of interest;
- Any business or personal relationship of the advisor with a member of the compensation committee;

- Any stock of the Company owned by the advisor; and
- Any business or personal relationship of the advisor or the advisor's employer with an executive officer of the listed company.

Notwithstanding the foregoing, the Committee is not required to assess the independence of any compensation consultant or other advisor to the extent permitted under the NASDAQ listing rules.

In addition, the Committee shall not be required to implement or act consistently with the advice or recommendations of any compensation consultant, legal counsel, or other adviser, but rather is expected to exercise its own independent judgment in fulfillment of its duties and responsibilities under this Charter, including whether to retain or obtain advice from any such adviser, including ones who are not independent, after considering the foregoing independence factors.

**Subcommittees.** 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 Board 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.

## RESPONSIBILITIES

To implement 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) and approving (or, if it deems appropriate, making recommendations to the full Board regarding) the overall compensation strategy and policies for the Company, including:

- reviewing and approving (or, if it deems appropriate, making recommendations to the full Board regarding) corporate performance goals and objectives, which shall support and reinforce the Company's long-term strategic goals, relevant to the compensation of the Company's executive officers;
- evaluating and approving (or, if it deems appropriate, making recommendations to the full Board regarding) the compensation plans and programs advisable for the Company, as well as the modification or termination of existing plans and programs;
- establishing policies with respect to equity compensation arrangements;

- establishing policies on the timing and pricing of equity awards for newly hired employees, promotions and annual grants for executives and non-executive employees and directors;
- reviewing regional and industry-wide compensation practices and trends to assess the propriety, 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;
- Evaluating the Company's compensation programs as they relate to risk-management and risk-taking incentives, including whether the compensation programs encourage unnecessary or excessive risk taking by the Company's officers;
- reviewing and approving (or, if it deems appropriate, making recommendations to the full Board regarding) the terms of any employment agreements, severance arrangements, change-of-control protections and any other compensatory arrangements (including, without limitation, any material perquisites and any other form of compensation) for the Company's executive officers;
- reviewing and approving any compensation arrangement for any executive officer involving any subsidiary, special purpose or similar entity;
- considering and, if appropriate, establishing a policy designed to encourage executive officers and directors to acquire and hold a meaningful equity interest in the Company; and
- evaluating the efficacy of the Company's compensation policy and strategy in achieving expected benefits to the Company and otherwise furthering the Committee's policies.

## **2. *Compensation of Chief Executive Officer.***

The Committee shall determine and approve (or, if it deems appropriate, recommend to the Board for determination and approval) 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 performance goals and objectives, taking into account, among other things, the policies of the Committee and the Chief Executive Officer's performance in:

- fostering a corporate culture that promotes the highest levels of integrity and the highest ethical standards;

- developing and executing the Company's long-term strategic plan and conducting the business of the Company in a manner appropriate to enhance long-term stockholder value;
- achieving any other corporate performance goals and objectives deemed relevant to the Chief Executive Officer as established by the Committee; and
- achieving the Chief Executive Officer's individual performance goals and objectives established by the Committee.

In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall take into consideration the Company's performance and relative stockholder return, 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, the results of the most recent stockholder advisory vote on executive compensation ("**Say-on-Pay Vote**") required by Section 14A of the Exchange Act, and such other criteria as the Committee deems advisable. The Company's Chief Executive Officer may not be present during the voting or deliberations regarding his or her compensation.

**3. Compensation of Other Executive Officers.** The Committee shall review and approve (or, if it deems appropriate, recommend to the Board for determination and approval) the individual and corporate performance goals and objectives of the Company's other officers (as that term is defined in Section 16 of the Exchange Act and Rule 16a-1 thereunder) that are periodically established. The Committee shall determine and approve (or, if it deems appropriate, recommend to the Board for determination and approval) the compensation and other terms of employment of each such executive officer, taking into consideration the executive officer's success in achieving his or her individual performance goals and objectives and the corporate performance goals and objectives deemed relevant to the executive officer as established by the Committee, as well as the results of the most recent Say-on-Pay Vote.

**4. Compensation of Directors.** The Committee shall annually assess, review and make recommendations to the full Board regarding the type and amount of compensation to be paid or awarded to Board members, including consulting, retainer, Board meeting, committee and committee chair fees, equity incentives, and any deferred compensation arrangements or similar programs.

**5. Administration of Benefit Plans.** The Committee shall recommend to the Board the adoption, amendment and termination of the Company's stock option plans, incentive plans, stock bonus plans, stock purchase plans, bonus plans, deferred compensation plans and similar programs. The Committee shall have full power and authority to administer these plans if adopted, establish guidelines, interpret plan documents, select participants, approve grants and awards, and exercise such other power and authority as may be permitted or required under such plans.

**6. Insurance Coverage.** The Committee shall review and establish appropriate insurance coverage for the Company's directors and executive officers.

**7. Compensation Disclosures.** The Committee shall review and discuss with management the Company's CD&A, to the extent such disclosure is required to be made by the Company pursuant to applicable SEC rules and regulations, or Compensation Overview to be included in any of the Company's annual reports on Form 10-K, registration statements, proxy statements or information statements and make recommendations to the Board that such CD&A or Compensation Overview be approved for inclusion in the Company's annual reports on Form 10-K, registration statements, proxy statements or information statements. The Committee shall prepare and review the Committee's report on executive compensation to the extent such report is required to be included in the Company's annual proxy statement or annual report on Form 10-K in accordance with applicable rules and regulations of the SEC, as in effect from time to time.

**8. Annual Evaluation and Charter Review.** The Committee shall review, discuss and assess its own performance at least annually. The Committee shall also review and reassess the adequacy of this Charter at least annually.