

## ENDOCYTE, INC.

### COMPENSATION COMMITTEE CHARTER

Adopted August 12, 2010 and effective as of  
the closing of the Company's initial public offering

As amended on April 18, 2013 and August 18, 2016

#### PURPOSE

The purpose of the Compensation Committee of the Board of Directors (the "*Board*") of Endocyte, Inc. (the "*Company*") shall be to:

- provide oversight of the Company's compensation policies, plans and benefits programs;
- assist the Board in discharging its responsibilities relating to (i) oversight of the compensation of the Company's Chief Executive Officer (the "*CEO*") and other executive officers (including officers reporting under Section 16 of the Securities Exchange Act of 1934), and (ii) approving and evaluating the executive officer compensation plans, policies and programs of the Company; and
- assist the Board in administering the Company's equity compensation plans for its employees.

The compensation programs for the Company's executive officers shall be (i) designed to attract, motivate and retain talented executives responsible for the success of the Company, (ii) determined within a competitive framework and (iii) based on the achievement of the Company's overall financial results, individual contributions and a compensation philosophy of "pay for performance".

In furtherance of these purposes, the Compensation Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

#### MEMBERSHIP

The Compensation Committee members shall be appointed by, and shall serve at the discretion of, the Board. The Compensation Committee shall consist of no fewer than three members of the Board. The Board may designate one member of the Compensation Committee as its Chair. The Compensation Committee may form and delegate authority to subcommittees when appropriate. Members of the Compensation Committee must meet the following criteria:

- the independent director definition of Rule 5605(2) of the Nasdaq Stock Market, Inc. Listed Company Manual (the "*Nasdaq Rules*");

- the other requirements for members of a compensation committee set forth in Rule 5605(d)(2) of the Nasdaq Rules (such requirements to be effective as of the Company's 2014 Annual Meeting of Stockholders);
- the non-employee director definition of Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended; and
- the outside director definition of Section 162(m) of the Internal Revenue Code of 1986, as amended.

Appointment to the Compensation Committee shall not signify that the appointee has a higher degree of liability than other members of the Board.

## **RESPONSIBILITIES AND DUTIES**

The responsibilities and duties of the Compensation Committee shall include:

### ***Executive and Other Compensation***

- Annually reviewing and approving for the CEO and the executive officers of the Company: (i) the annual base salary, (ii) the annual incentive bonus, including the specific goals and amount, (iii) equity compensation, (iv) any employment agreement, severance arrangement and change in control agreement/provision, (v) any signing bonus or payment of relocation costs and (vi) any other significant benefits, compensation or arrangements not available to employees generally. The CEO may not be present during voting or deliberations regarding CEO compensation. One of the Compensation Committee's objectives shall be to use compensation to align the interests of the executive officers with the long-term interests of the Company's stockholders, thereby incentivizing management to increase stockholder value;
- Reviewing and approving corporate goals and objectives relevant to the compensation of the CEO and the executive officers of the Company, evaluating performance in light thereof, and considering factors related to the performance of the Company, including accomplishment of the Company's long-term business and financial goals;
- Acting as Administrator of the Company's equity compensation plans (collectively, the "*Plans*"), including the authority to delegate some or all of the Administrator's authority under the Plans to a sub-committee comprised of one or more members of the Board or officers of the Company to the extent permitted by applicable law and as the Committee may deem appropriate;
- Making recommendations to the Board regarding the adoption of any new Plans and any proposed amendments to existing Plans, subject to obtaining stockholder

approval of any Plans or amendments as required by applicable law or the Nasdaq Rules;

- Providing oversight of the Company's overall compensation plans and benefits programs and making recommendations to the Board with respect to improvements or changes to such plans or the adoption of new plans when appropriate;
- Evaluating, on a periodic basis, the competitiveness of (i) the compensation of the CEO and the executive officers of the Company and (ii) the Company's annual salary budget, percentage increases therein, and overall compensation plans;

### ***Director Compensation***

- Evaluating director compensation and making recommendations to the Board regarding director compensation, and if so delegated the authority, approving director compensation;
- Reviewing and making recommendations to the Board with respect to director equity grants under any Plans;

### ***Related Duties***

- Annually reviewing this Charter and its processes and recommending any proposed changes to the Board;
- Reviewing and discussing with management the Company's Compensation Discussion and Analysis included in the Company's annual proxy statement, and producing a report on executive compensation for inclusion in the Company's annual proxy statement that complies with the rules and regulations of the Securities and Exchange Commission and any other applicable rules and regulations;
- Reviewing the results of stockholder advisory results on executive compensation and determining whether to revise the Company's compensation policies and programs in response thereto;
- Assessing the extent to which risks arising from the Company's compensation policies and practices for its employees are reasonably likely to have a material adverse effect on the Company;
- Determining whether the work of any compensation consultant involved in determining or recommending the amount or form of executive or director compensation has raised a conflict of interest that must be disclosed in the Company's annual proxy statement; and

- Reviewing the median of the annual total compensation of all of the Company's employees (other than the CEO), the annual total compensation of the CEO and the ratio of those two amounts, following the availability of such information calculated in accordance with the rules of the Securities and Exchange Commission.

## **RESPONSIBILITIES AND AUTHORITY REGARDING ADVISERS**

The Compensation Committee shall have the following responsibilities and authority:

- The Compensation Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser;
- The Compensation Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Compensation Committee;
- The Company must provide for appropriate funding, as determined by the Compensation Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Compensation Committee;
- The Compensation Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Compensation Committee, other than in-house legal counsel, only after taking into consideration the following factors:
  - (i) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
  - (ii) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
  - (iii) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
  - (iv) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Compensation Committee;
  - (v) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
  - (vi) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company,

provided that these factors need not be considered before selecting or receiving the advice from a compensation adviser that acts in a role 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 of the Company and that is available generally to all salaried employees, and/or (b) providing information that either is not customized for a particular issue or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

## **MEETINGS**

As the Chair of the Compensation Committee deems advisable, the Compensation Committee shall meet as often as may be necessary or appropriate to fulfill its responsibilities. The Compensation Committee may meet either in person or telephonically, and at such times and places as the Compensation Committee determines. The Compensation Committee may establish its own meeting schedule, which it will provide to the Board. The Compensation Committee may invite to its meetings other Board members, Company management and such other persons as the Chair of the Compensation Committee deems appropriate in order to carry out its responsibilities.

A majority of the members of the Compensation Committee shall represent a quorum, and, if a quorum is present, any action approved by at least a majority of the members present shall represent the valid action of the Compensation Committee. Any actions taken by the Compensation Committee during any period in which one or more members fail for any reason to meet the membership requirements set forth above shall be nonetheless duly authorized actions of the Compensation Committee for all corporate purposes.

## **MINUTES**

The Compensation Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

## **REPORTS**

The Compensation Committee shall make regular reports to the full Board on the actions and recommendations of the Compensation Committee.

## **COMPENSATION**

Members of the Compensation Committee shall receive such fees, if any, for their service as Compensation Committee members as may be determined by the Board in its sole discretion.