

CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF ONCOTHYREON INC.

1. PURPOSE

The principal purposes of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Oncothyreon Inc. (the “Corporation”) shall be to:

- provide oversight of the Corporation’s compensation policies, plans and benefits programs;
- discharge the Board’ responsibilities relating to (1) oversight of the compensation of the Chief Executive Officer (“CEO”) and other executive officers (including officers reporting under Section 16 of the Securities Exchange Act of 1934, as amended (the “1934 Act”), (2) the evaluation and approval of the Corporation’s CEO and executive officer compensation plans, policies and programs, and (3) executive employment and termination agreements;
- administer the Corporation’s equity compensation plans for its executive officers and employees; and
- prepare the compensation disclosure and analysis report required by the rules of the Securities and Exchange Commission to be included in the Corporation’s annual Proxy Statement.

2. COMPOSITION

The composition of the Committee shall be as follows:

- **Membership:** The members of the Committee shall be appointed by and serve at the discretion of the Board. The Committee shall consist of a minimum of two (2) members of the Board, appointed annually.
- **Independence:** The members of the Committee shall meet all independence requirements of the Nasdaq Stock Market, Inc. Market Place Rules, the non-employee director definition of Rule 16b-3 promulgated under Section 16 of the 1934 Act, the outside director definition of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the requirements of such other securities exchange or quotation systems or regulatory agencies as may from time to time apply to the Corporation.
- **Chairman:** The Board shall elect, by a majority vote, one member of the Committee to be its Chairman.

3. AUTHORITY AND RESPONSIBILITIES

The specific responsibilities of the Committee shall be as follows:

- The Committee shall review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate his or her performance in light thereof, and consider identified and other factors related to the performance of the Corporation in approving the compensation level of the CEO.
- The Committee shall annually review and approve with respect to each officer of the Company (including each vice president or more senior position) the following elements of compensation (1) annual base salary, (2) annual incentive bonus, including the specific goals and amount, (3) equity compensation, (4) any offer letter, employment agreement, severance arrangement and change in control agreement/provision, (5) any signing bonus or payment of relocation costs and (6) any other benefits, compensation or arrangements. In determining, the long-term incentive component of CEO compensation, the Committee will consider, among other things, the Corporation's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies and the awards give to the Corporation's CEO in past years.
- With respect to any offer proposed to be made to any person who will become an officer of the Company (including each vice president or more senior position), the Committee shall review and approve, prior to delivery to the prospective employee, the proposed offer letter and/or terms of employment.
- The Committee shall administer the Corporation's equity incentive plans. In its administration of the plans, the Committee may, pursuant to authority delegated by the Board, (i) grant stock options or stock purchase rights to individuals eligible for such grants (including grants to individuals subject to Section 16 of the 1934 Act in compliance with Rule 16b-3 promulgated thereunder) and in accordance with procedures and guidelines as may be established by the Board and (ii) amend such stock options or stock purchase rights. The Committee shall also make recommendations to the Board with respect to amendments to the plans and changes in the number of shares reserved for issuance thereunder.
- The Committee shall provide oversight of the Corporation's overall compensation plans and benefits programs. The Committee shall also make recommendations to the Board with respect to improvements or changes to such plans or the adoption of new plans when appropriate.
- The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate.
- The Committee shall make regular reports to the Board.

- The Committee shall review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval.
- The Committee shall annually review its own performance.
- The Committee shall have the authority to retain and terminate any compensation consultant to be used by the Corporation to assist in the evaluation of CEO or executive officer compensation and shall have authority to approve the consultant's fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
- The Committee will set its own schedule of meetings and will meet at least quarterly, with the option of holding additional meetings at such times as it deems necessary. The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.
- The Committee shall perform such other functions as assigned by law, the Corporation's certificate of incorporation or bylaws or the Board.

4. MEETINGS AND PROCEDURES

- The Committee will meet as often as may be deemed necessary or appropriate in its judgment, as circumstances dictate. Meetings may be conducted with members present, or by telephone or other communications facilities that permit all persons participating in the meeting to hear or communicate with each other.
- Meetings may be called by the Chairman or by a majority of the Committee members. A quorum for the transaction of business at any meeting of the Committee is a majority of appointed members.
- The Committee may request that any directors, officers or employees of the Corporation, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Committee shall also meet in executive session without management present.
- The Committee may retain outside consultants at the expense of the Corporation, if it considers it to be appropriate in order to properly carry out its responsibilities (with prior notice to the President and CEO).
- The Chairman will ensure that adequate notice is provided of meetings, with appropriate materials provided, where possible, seven days in advance of the meeting and that minutes of the proceedings of all meetings of the Committee are maintained and delivered to the Corporate Secretary for inclusion in the Corporate Records. Copies of the Committee minutes will be provided for information to the Board.

5. AMENDMENTS TO CHARTER AND ANNUAL PERFORMANCE REVIEW

- The Committee will receive for consideration annually the Corporate Governance and Nominating Committee's ("CGNC's") evaluation of this Charter and any recommended changes, and review and assess the CGNC's recommended changes and, in the Committee's discretion, make recommendations to the Board for consideration.
- The Committee will annually evaluate its own performance as a Committee and review this Charter and report any recommendations to the CGNC. Recommended amendments to this Charter shall require the approval of at least a majority of members of the Board.

Approved by the Board of Directors on March 13, 2008.