



Charter of The Compensation Committee of the Board of Directors

(A Delaware Corporation)

As adopted by the Board of Directors on December 24, 2003

The Board of Directors (the "Board") of Celsion Corporation (the "Corporation") has determined that the Compensation Committee of the Board shall assist the Board in carrying out certain of its executive and employee compensation responsibilities, and consequently has adopted this charter (the "Charter") to establish the governing principles of the Compensation Committee.

I. ROLE OF THE COMPENSATION COMMITTEE

The role of the Compensation Committee is to act on behalf of the Board in fulfilling the following responsibilities:

- A. To determine, or recommend to the Board of Directors for determination, the compensation for the chief executive officer of the Corporation;
- B. To determine, or recommend to the Board of Directors for determination, the compensation for the other executive officers of the Corporation;
- C. To establish, review and administer, or provide for the administration of, the Corporation's benefit plans and programs, including incentive plans and to ensure appropriate public disclosure with respect thereto; and
- D. To establish, review and administer any other compensation arrangements.

II. COMPOSITION AND OPERATION OF THE COMPENSATION COMMITTEE

- A. The Board shall appoint the members of the Compensation Committee at the Board's annual organizational meeting or, if such action is not taken at such annual organizational meeting, then as soon as practicable thereafter, by majority vote of the directors present at a meeting of the Board at which a quorum is present, or by unanimous written consent of the entire Board of Directors, and each member of the Compensation Committee shall serve until his or her successor is duly elected by the Board at the next such annual meeting or thereafter or until such member's earlier death, resignation or removal. Any member of the Compensation Committee may be removed, with or without cause, by a majority vote of the directors present at a meeting of the Board at which a quorum is present, or by unanimous written consent of the entire Board of Directors.
- B. The Compensation Committee shall consist of at least three members, each of whom is independent of management and the Corporation. Members of the Compensation Committee shall be considered independent if they meet the independence requirements of the rules of the principal market or transaction reporting system on which the Corporation's securities are traded or quoted (i.e., the New York Stock Exchange, The American Stock Exchange or the Nasdaq Stock Market) and the rules and regulations of the Securities and Exchange Commission (the "SEC Rules").
- C. If a Chairperson has not been elected by the Board of Directors, the members of the Compensation Committee shall designate a Chairperson by majority vote. The Chairperson shall preside at sessions of the Compensation Committee at which he or she is present and shall set the agenda for each Compensation Committee meeting. In the absence of the Chairperson, the members of the Compensation Committee present at a meeting thereof may designate a Chairperson for such meeting. The Chairman of the Board of Directors or the Chairperson of the Compensation Committee, and each of them, may call meetings of the Compensation Committee. Meetings of the Compensation Committee also may be called by a majority of the directors constituting the Compensation Committee and by such persons, or in such manner, as from time to time may be required by applicable Exchange Rules or SEC Rules. The Compensation Committee shall cause to be made and shall retain complete and accurate minutes of its meetings and records of its other actions.
- D. Formal action to be taken by the Compensation Committee shall be by unanimous written consent or by the affirmative vote of a majority of the Compensation Committee members present (in person or by conference telephone or other electronic means) at a meeting at which a quorum is present. A majority of the authorized number of members of the Compensation Committee, provided by the resolutions of the Board of Directors then in effect regarding the size of the Compensation Committee, shall constitute a quorum for the transaction of business, except to adjourn as provided by Sections 4.2 and 3.11 of the Corporation's Bylaws. The chief executive officer shall not be present during voting or deliberations by the Compensation Committee or the Board of Directors with respect to

compensation of the chief executive officer.

III. MEETINGS OF THE COMPENSATION COMMITTEE

The Compensation Committee shall meet not less than twice during each year and more frequently as may be necessary or appropriate to fulfill its responsibilities under this Charter. The Compensation Committee should meet at least annually with the Corporation's chief executive officer and such other executive officers as the Compensation Committee deems appropriate. The Compensation Committee should meet periodically, and no less frequently than twice each year, in executive session outside of the presence of management.

IV. AUTHORITY AND RESPONSIBILITIES OF THE COMPENSATION COMMITTEE

- A. The Compensation Committee shall have the authority to undertake such specific duties and responsibilities as the Board from time to time may prescribe, including, without limitation, to:
- i. Oversee and review the Corporation's employee benefits programs and the Corporation's policies and terms and conditions applicable to its employees;
 - ii. Review and make recommendations to the Board of Directors with respect to the compensation of non-management directors and directors' and officers' indemnity and insurance matters;
 - iii. Review and make recommendations to the Board of Directors with respect to existing or proposed incentive compensation, equity-based compensation plans and overall compensation and benefits;
 - iv. Approve and administer the Corporation's incentive plans and executive compensation programs, including, without limitation, the Corporation's stock option plan and any other equity-based plans that may be established in the future;
 - v. Review and recommend to the Board of Directors, or approve, any contracts or transactions with current or former executive officers of the Corporation, including consulting or employment contracts, severance or termination arrangements and loans to employees made or guaranteed by the Corporation;
 - vi. Review and make its recommendation to the Board of Directors regarding any proposed new compensation arrangement that varies materially from the Corporation's established compensation programs;
 - vii. Monitor compensation trends, investigate any matter of interest or concern that the Compensation Committee deems appropriate, and solicit independent advice when appropriate. To this end, the Compensation Committee is authorized to engage, retain or terminate, at the Corporation's expense, such independent legal counsel or such other independent advisors or experts as the Compensation Committee deems necessary or appropriate in the performance of its duties and to approve fees payable to such advisors or experts and the terms of their engagement;
 - viii. Inform the Board of the funding needs of the Compensation Committee with respect to the engagement of advisors as set forth in subsection vii. above or other administrative expenses of the Compensation Committee that are necessary or appropriate in carrying out its duties;
 - ix. Prepare the compensation committee report on executive compensation required to be included in the Corporation's proxy statement for the Corporation's annual meeting of stockholders and as required for any proxy statement for a special meeting of the stockholders of the Corporation;
 - x. Review public disclosures relating to compensation matters, including those contained in the Corporation's proxy statement, periodic reports and other public announcements pursuant to the federal securities laws, the SEC Rules, the rules of any securities exchange or interdealer quotation system on or through which the Corporation's securities are traded, and shall prepare disclosure to be included in its annual report to security holders for the year covered thereby regarding (a) the number of unoptioned shares available for grant at the beginning and end of the year under its stock option plan(s) and (b) any changes in exercise price of outstanding options, whether through cancellation and reissuance or otherwise, except changes resulting from the normal operation of anti-dilution provisions of such options.
 - xi. Regularly report to the Board of Directors on the Compensation Committee's activities and the matters discussed at each meeting of the Compensation Committee;
 - xii. Annually review the Compensation Committee's performance of its responsibilities and duties;
 - xiii. Review periodically, but no less frequently than annually, this Charter, the structure, the processes and membership requirements of the Compensation Committee and recommend to the Board of Directors any improvements or amendments to the Charter that the Compensation Committee considers appropriate or necessary;
 - xiv. Obtain the approval of the Board of Directors for any amendments to this Charter; and
 - xv. Perform any other activities as the Compensation Committee deems appropriate, or as are requested by the Board of Directors, consistent with this Charter, the Corporation's Bylaws and applicable laws and regulations.
- B. The Compensation Committee shall:
- i. Review and approve corporate goals and objectives relevant to the compensation of the chief executive officer, evaluate performance of the chief executive officer in light of those goals and objectives, and determine, or recommend to the Board of Directors for determination, the chief executive officer's compensation based on such evaluation; and
 - ii. Determine, or recommend to the Board of Directors for determination, the base and incentive compensation of

the Corporation's other officers.