

# **CERUS CORPORATION**

## **CHARTER OF THE COMPENSATION COMMITTEE**

As adopted by the Board of Directors on December 14, 2017

### **PURPOSE AND POLICY**

The primary purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Cerus Corporation, a Delaware corporation (the “Company”), shall be to act on behalf of the Board in fulfilling the Board’s responsibilities to (i) oversee the Company’s compensation policies, plans and programs, (ii) review and determine the compensation to be paid to the Company’s officers, (iii) review and discuss with management the Company’s disclosures contained under the caption “Compensation Discussion and Analysis” (“CD&A”) for use in any of the Company’s annual reports on Form 10-K, registration statements, proxy statements or information statements; and to prepare and review the Committee report included in the Company’s annual proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission (the “SEC”) in effect from time to time. The term “compensation” shall include salary, long-term incentives, bonuses, perquisites, equity incentives, severance arrangements, retirement benefits and other related benefits and benefit plans.

### **COMPOSITION**

The Committee shall consist of at least two 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, when and as required by Nasdaq, including any exceptions permitted by these requirements. At least two of the members of the Committee shall satisfy (i) the “non-employee director” standard within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and (ii) 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 shall be appointed by and serve at the discretion of the Board. The members of the Committee and the Committee chairperson shall be appointed by the Board.

### **MEETINGS AND MINUTES**

The Committee shall hold such regular or special meetings as its members shall deem necessary or appropriate. Minutes of each meeting of the Committee shall be prepared by the Secretary of the Company and approved by the chairman of the Committee. The Committee shall provide an update to the Board following each regular or special meeting and shall further report to the Board from time to time and whenever requested to do so by the Board.

## **AUTHORITY**

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. The Committee shall have the authority, in its sole discretion, to retain, or obtain advice and assistance from internal or external legal, accounting or other advisors and consultants. In addition, the Committee shall have authority, in its sole discretion, to retain, obtain advice from or terminate any compensation consultant used to assist in the evaluation of chief executive officer or senior executive compensation. The Committee's authority with respect to the foregoing advisors or consultants includes the authority to approve such consultant's reasonable fees and other retention terms, all at the Company's expense. Other reasonable expenditures for external resources that the Committee deems necessary or appropriate in the performance of its duties are, unless prohibited by Nasdaq Listing Rules or applicable law, permitted. 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. 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.

## **RESPONSIBILITIES**

To implement the policy of the Committee, the Committee shall be charged with the following functions and processes with the understanding, however, that the Committee may supplement or (except as otherwise required by applicable laws or rules or requirements of Nasdaq) deviate from these activities as appropriate under the circumstances:

- 1. Overall Compensation Strategy.** The Committee shall review, modify (as needed) and approve the overall compensation strategy and policies for the Company, including:
  - reviewing and approving 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 and other senior management, as appropriate;
  - evaluating and recommending to the Board the compensation plans and programs advisable for the Company, as well as modification or termination of existing plans and programs;
  - establishing policies with respect to equity compensation arrangements;
  - reviewing regional and industry-wide compensation practices and trends to assess the adequacy and competitiveness of the Company's executive compensation programs among comparable companies in the Company's

industry; *provided, however*, that the Committee shall exercise independent judgment in determining the appropriate levels and types of compensation to be paid;

- reviewing and approving the terms of any employment agreements, severance arrangements, change-of-control protections and any other compensatory arrangements for the Company's executive officers and other senior management, as appropriate;
- reviewing and approving any compensation arrangement for any executive officer involving any subsidiary, special purpose or similar entity, taking into account the potential for conflicts of interest in such arrangements and whether the arrangement has the potential to benefit the Company;
- reviewing and considering the results of any advisory vote on executive compensation; 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 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 corporate 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.

In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall seek to achieve an appropriate level of risk and reward, taking into consideration the Company's performance and relative stockholder return, the potential benefits and costs to the Company of the award, 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, and such other criteria as the Committee deems advisable.

The Chief Executive Officer may not be present during the voting or deliberations regarding his or her compensation.

**3. *Compensation of Other Officers.*** The Committee shall review and approve the individual and corporate performance goals and objectives of the Company's other officers that are periodically established. The Committee shall determine and approve the compensation and other terms of employment of these officers, taking into consideration the officer's success in achieving his or her individual performance goals and objectives and the corporate performance goals and objectives deemed relevant to the officer as established by the Committee, as well as in fostering a corporate culture that promotes the highest levels of integrity and the highest ethical standards.

**4. *Director Compensation.*** The Committee shall periodically review the compensation paid to non-employee directors for their service on the Board and its committees and recommend any changes considered appropriate to the full Board for its approval.

**5. *Selection of Compensation Consultants, Legal Counsel and Other Advisers.*** The Committee shall have the authority, in its sole discretion, to retain (or obtain the advice of) any compensation consultant, legal counsel or other advisers (referred to collectively as "advisers") to assist it in the performance of its duties, only after taking into consideration the factors specified in Nasdaq Listing Rule 5605(d)(3) or any successor provision. However, nothing in this provision requires that any advisers be independent. The Committee need not conduct this independence assessment with respect to: (a) in-house legal counsel; or (b) any adviser whose role is limited to (i) 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; or (ii) providing information that either is not customized for a particular company or that is customized based on parameters that are not developed by the adviser and about which the adviser does not provide advice. The Committee shall have direct responsibility for the appointment, compensation and oversight of the work of any advisers engaged for the purpose of advising the Committee, and such advisers shall report directly, and be accountable, to the Committee. The Committee shall have sole authority to approve the reasonable fees and the other terms and conditions of such engagement, including authority to terminate the engagement. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such adviser retained by the Committee. Nothing in this provision requires the Committee to implement or act consistently with the advice or recommendations of any adviser or affects the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

**6. *Compensation Discussion and Analysis.*** The Committee shall review and discuss with management the CD&A and recommend to the Board whether the CD&A should be approved for inclusion in the Company's annual reports on Form 10-K, proxy statements or information statements.

- 7.** *Committee Report.* The Committee shall prepare and review the Committee report on executive compensation to be included in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.
- 8.** *Conflict-of-Interest Disclosure.* The Committee shall review and discuss with management, if appropriate, any conflicts of interest raised by the work of any compensation consultant that had any role in determining or recommending the amount or form of executive or director compensation (except as set forth in clause (a) and (b) of Section 5 above) or was retained by the Committee or management and how such conflict is being addressed for disclosure in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.
- 9.** *Administration of Benefit Plans.* The Committee shall recommend to the Board the adoption, amendment and termination of the Company's stock option plans, stock appreciation rights plans, pension and profit sharing 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, 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.
- 10.** *Insurance Coverage.* The Committee shall review and establish appropriate insurance coverage for the Company's directors and officers.
- 11.** *Committee Self-Assessment.* The Committee shall review, discuss and assess its own performance at least annually. The Committee shall also review and assess the adequacy of this Charter at least annually, including the Committee's role and responsibilities as outlined in this Charter, and shall recommend any proposed changes to the Board for its consideration.
- 12.** *Succession Planning.* The Committee is responsible for planning for succession to the position of Chief Executive Officer as well as other senior management positions. To assist the Committee, the Chief Executive Officer shall periodically provide the Committee with an assessment of other senior managers and their potential to succeed him or her. He or she shall also provide the Committee with an assessment of persons considered potential successors to certain senior management positions