

# COMPENSATION COMMITTEE CHARTER

## ATHENEX, INC.

### I. PURPOSE AND AUTHORITY

The purpose of the Compensation Committee (“Committee”) of Athenex, Inc. (the “Company”) is to discharge the responsibilities of the Board of Directors (“Board”) relating to compensation of the Company's Executive Officers and Directors. The Committee shall review and make recommendations to the Board concerning the compensation and benefits of the Company's Executive Officers and Directors, administer the Company's stock option and employee benefit plans, and review general policies relating to compensation and benefits. The Committee has all authority necessary to fulfill the duties and responsibilities assigned to the Committee in this Charter or otherwise assigned to it by the Board. The Committee adopts the principle that a diverse mix of compensation for the board and management can foster the right incentives and prevent a short-term focus or a narrow emphasis on particular aspects of the Company's business.

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser. The Committee shall have direct responsibility for the selection, oversight, fees and retention terms for any such advisers. The Company shall provide the Committee with appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such advisers.

To the extent required by Nasdaq rules, the Committee shall assess the independence of any advisor taking into account the factors specified by applicable Nasdaq rules. The Committee shall also have authority to obtain advice and assistance from any officer or employee of the Company and shall have full, unrestricted access to Company books, records and facilities.

As the Committee deems appropriate, the Committee may consult with the Chief Executive Officer (“CEO”) concerning any compensation matters, provided that, the CEO shall not be present during voting or deliberations on his or her compensation.

The Committee, when appropriate, may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee. The operation of the Committee shall be subject to the Bylaws of the Company as in effect from time to time and applicable state law. The approval of this charter by the Board shall be construed as delegation of authority to the Committee with respect to the responsibilities set forth herein.

## **II. COMPOSITION**

### **Independence**

The Committee shall be composed of three or more directors, as determined by the Board, each of whom shall, when and as required:

1. meet the independence requirements established by the Board, Nasdaq rules and any other regulations as applicable to Committee members as in effect from time to time,
2. be a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, and
3. be an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code.

Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

### **Appointment and Removal of Members**

The Board may appoint or remove any member from the Committee at any time with or without cause. The Board will appoint the Chairman of the Committee.

## **III. DUTIES AND RESPONSIBILITIES**

The Committee shall have the following duties and responsibilities, in addition to any duties and responsibilities assigned to the Committee from time to time by the Board.

### **Compensation Philosophy and Goals**

- Develop executive compensation philosophy and establish and annually review and approve policies regarding executive compensation programs and practices.

### **CEO and Executive Compensation**

Review and recommend to the Board:

- Corporate goals and objectives relevant to the CEO's compensation.
- An evaluation of the CEO's performance in light of those goals and objectives.
- CEO compensation based on this evaluation.
  - In determining the long-term incentive component of CEO compensation, the Committee shall consider the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive

officers at comparable companies, and the awards given to the CEO in past years.

- Annual compensation for the Executive Officers of the Company.

### **Board Compensation**

- Review and recommend to the Board compensation for Directors.

### **Compensation Plans, Policies, Programs and Agreements**

Review and recommend to the Board:

- Annual and long-term incentive compensation plans for Executive Officers of the Company, and administer such plans.
- Where appropriate, submission to the Company's shareholders of incentive compensation plans for Executive Officers and equity-based plans.
- Changes to executive compensation policies and programs.
- All Executive Officer employment, compensation and retirement arrangements.

### **Tax-Qualified Plans**

- Recommend to the Board for Board action all Internal Revenue Service tax-qualified retirement plans and all plan amendments that are non-administrative in nature.
- Fulfill ERISA fiduciary and non-fiduciary functions by approving and recommending to the Board for Board action:
  - the designation of the trustee and the execution of trust agreements for any such plan or plans;
  - the termination, merger or consolidation of any such plan or plans; and
  - the extension of plan participation to employees of affiliates or subsidiaries.

### **Nonqualified Benefit Plans**

- Recommend to the Board for Board action all nonqualified benefit plans and all plan amendments that are non-administrative in nature; approve and recommend to the Board for its action:
  - the designation of the trustee and the execution of trust agreements for any such plan or plans;
  - the termination, merger or consolidation of any such plan or plans; and

- the extension of plan participation to employees of affiliates or subsidiaries.
- Periodically review plan administration, participation and regulatory compliance of nonqualified plans.

#### **Other Plans**

- Carry out such duties under stock option, stock incentive compensation or other plans approved by the Company as may be assigned to the Committee by the Board from time to time.

#### **Other Duties**

- Consider (in conjunction with the Audit Committee) at least annually whether risks arising from the Company's compensation plans, policies and programs for its employees are reasonably likely to have a material adverse effect on the Company, including whether the Company's incentive compensation plans encourage excessive or inappropriate risk taking.
- With respect to any compensation consultant who has been engaged to make determinations or recommendations on the amount or form of executive or director compensation, annually or from time to time as the Committee deems appropriate, assess whether the work of any such compensation consultant has raised any conflicts of interest, and review the engagement and the nature of any additional services provided by such consultant to the Committee or to management, as well as all remuneration provided to such consultant.
- Review the results of any advisory stockholder votes on executive compensation and consider whether to recommend adjustments to the Company's executive compensation policies and practices as a result of such votes.
- Develop and implement policies with respect to the recovery or "clawback" of any excess compensation (including stock options) paid to any of the Company's Executive Officers based on erroneous data.
- Determine stock ownership guidelines for the CEO and other Executive Officers of the Company and monitor compliance with such guidelines.
- Perform such other duties and responsibilities, consistent with this Charter, the Company's Bylaws, governing law, Nasdaq rules and regulations, the federal securities laws and such other requirements applicable to the Company, delegated to the Committee by the Board or required under the provisions of any compensation or benefit plan maintained by the Company.

#### **Reports**

- Report to the Board on Committee findings and recommendations, and any significant matters arising from the Committee's work, including awards for

Executive Officers and Executive Officer employment, compensation and retirement arrangements.

- Review and discuss with management the compensation discussion and analysis required to be included in the Company's annual report or proxy statement. Based on such review and discussion, the Committee shall make a recommendation to the Board as to whether such compensation discussion and analysis shall be included in such annual report or proxy statement and shall prepare the report of the Committee required by the rules of the Securities and Exchange Commission to be included in the Company's annual meeting proxy statement.

#### **IV. MEETINGS**

The Committee may hold such meetings as are necessary or appropriate in order for the Committee to fulfill its responsibilities. When appropriate, the Committee may meet in separate executive session and in separate sessions with management, employees, internal audit and the independent auditor to discuss matters that the Committee or the other groups believe warrant Committee attention. The Chairman (or in his or her absence, a member designated by the Chairman) shall preside at all meetings of the Committee.

#### **V. ANNUAL PERFORMANCE EVALUATION AND CHARTER REVIEW**

The Committee shall conduct an annual evaluation of the performance of the Committee and report to the Nominating and Governance Committee and the full Board. The Committee shall review and reassess this Charter at least annually and, if appropriate, propose changes to the Board.

Adopted by the Board of Directors on May 22, 2017.