



Charter

Amended and Restated Charter of the  
Compensation Committee of the  
Board of Directors

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Revision: 3.0

**Amended and Restated Charter of the  
Compensation Committee of the  
Board of Directors**

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**Notice of Proprietary Information**

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**Amended and Restated Charter of the  
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## PURPOSE

The primary purposes of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") is to: (a) establish the compensation policy of Avid Bioservices, Inc. (the "Company"); (b) ensure that the compensation of the Board of Directors, Chief Executive Officer and other corporate officers of the Company enables it to attract and retain high-quality leadership and is consistent with such policy; (c) review the performance and development of the Company's Chief Executive Officer and other corporate officers in achieving Company goals and objectives and to assure that senior executives of the Company are compensated effectively in a manner consistent with the strategy of the Company; and (d) produce an annual report on executive compensation for inclusion in the Company's proxy statements, in accordance with applicable rules and regulations.

## COMPOSITION OF THE COMMITTEE

The Committee will consist of not less than two directors, each of whom is determined by the Board to be "independent" as defined in (i) Section 10C of the Securities Exchange Act of 1934 (as amended, the "Exchange Act") and Rule 10C-1(b)(1) promulgated under the Exchange Act and (ii) Rule 5605(a)(2) of The Nasdaq Stock Market ("Nasdaq"), all as may be amended from time to time. Each Committee member shall also be a "non-employee director" within the meaning of Rule 16b-3 issued by the Securities and Exchange Commission ("SEC"). No member of the Compensation Committee may accept directly or indirectly any consulting, advisory or other compensatory fee, except fees for board or committee service, from the Company or any subsidiary thereof. Each appointed Committee member will be subject to annual reconfirmation and may be removed by the Board at any time.

## AUTHORITY

In discharging its role, the Committee is empowered to inquire into any matter it considers appropriate to carry out its responsibilities and duties, with access to all books, records, facilities and personnel of the Company. The Committee shall be provided with whatever resources it deems necessary and appropriate to fulfill its responsibilities, and may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal advisor or other advisor. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any such compensation consultant, independent legal counsel or other advisor, including having the sole authority to retain, terminate and determine the fees of any such consultant, legal counsel or advisor. For the avoidance of doubt, (a) the Committee is not required to implement or act consistently with the advice or recommendations of such compensation consultant, independent legal counsel or other advisor and (b) retaining or obtaining the advice of a compensation consultant, independent legal counsel or other advisor does not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties. Prior to engaging a compensation consultant, legal counsel or other advisor, the Committee shall take into consideration the following independence-related factors, as well as any other factors that may, from time to time, be identified as relevant by the SEC or Nasdaq:

- Whether the advisor's firm provides other services to the Company;

- The amount of fees received by the advisor's firm from the Company, as a percentage of the total revenue of such firm;
- Conflict of interest policies and procedures of the advisor's firm;
- Any business or personal relationship of the advisor with any member of the Committee;
- Any stock ownership by the advisor in the Company; and
- Any relationships (whether business or personal) between the advisor and the advisor's firm with any executive officer of the Company.

The Committee may retain, or receive advice from, any compensation advisor they prefer, including ones that are not independent, after considering the above specified factors.


The Company shall provide adequate resources, including, without limitation, appropriate funding, to support the Committee's activities, including payment of reasonable compensation to the compensation consultants, independent legal counsel and any other advisors retained by the Committee.

## RESPONSIBILITIES AND DUTIES

In carrying out its purpose, the Committee will have the following responsibilities and duties:

- Review annually and approve the Company's compensation strategy to ensure that employees of the Company are rewarded appropriately for their contributions to company growth and profitability.
- Review annually and approve corporate goals and objectives relevant to executive compensation and evaluate performance in light of those goals.
- Review annually and determine the individual elements of total compensation for the Chief Executive Officer and all other corporate officers. The Chief Executive Officer may not be present during the voting or deliberations regarding his or her compensation.
- Provide annually a report of the Compensation Committee on executive officer compensation matters for inclusion in the Company's annual report and/or proxy statement in accordance with the regulations of the Securities and Exchange Commission and other applicable requirements, stating that in such report whether the Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis ("CD&A") with Company management and whether it has determined to recommend to the Board of Directors that the CD&A be included in the Company's annual report and/or annual proxy statement.
- Approve all special perquisites, special cash payments and other special compensation and benefit arrangements for the Company's executive officers.
- Review and recommend to the Board the compensation for non-employee members of the Board of Directors, including but not limited to the following elements: retainer, meeting fees, committee fees, committee chair fees, equity or stock compensation, benefits and perquisites.
- With sole and exclusive authority, make and approve stock option grants and other discretionary awards under the Company's stock option or other equity incentive plans to all persons who are Board members or executive officers within the meaning Rule 16b-3 issued by the SEC.

- Grant stock options and other discretionary awards under the Company's stock option or other equity incentive plans to all other eligible individuals in the Company's service. The Committee may delegate to one or more officers designated by the Committee the authority to make grants to eligible individuals (other than any such officer) who are not executive officers, provided that the Committee shall have fixed the price (or a formula for determining the price) and the vesting schedule for such grants, approved the form of documentation evidencing such grants, and determined the appropriate number of shares or the basis for determining such number of shares by position, compensation level or category of personnel. Any officer(s) to whom such authority is delegated shall regularly report to the Committee the grants so made. Any such delegation may be revoked at any time by the Committee.
- Amend the provisions of the Company's stock option or other equity incentive plans, to the extent authorized by the Board, and make recommendations to the Board with respect to incentive compensation and equity-based plans.
- Approve for submission to the stockholders, stock option or other equity incentive plans or amendments thereto.
- Oversee and periodically review the operation of all of the Company's employee benefit plans. Responsibility for day-to-day administration, including the preparation and filing of all government reports and the preparation and delivery of all required employee materials and communications, will be performed by Company personnel.
- Ensure that the annual incentive compensation plan is administered in a manner consistent with the Company's compensation strategy and the terms of such plan, including but not limited to the following: participation, target annual incentive awards, corporate financial goals, actual awards paid to executive officers, and total funds reserved for payment under the plan.
- Review matters related to management performance, compensation and succession planning and executive development for executive staff.
- Approve separation packages and severance benefits for executive officers.
- Have full access to the Company's executives and personnel as necessary to carry out its responsibilities.
- Obtain such data or other resources as it deems necessary to perform its duties, including but not limited to obtaining external consultant reports or published salary surveys, and engaging independent compensation consultants and other professionals to assist in the design, formulation, analysis and implementation of compensation programs for the Company's executive officers and other key employees.
- Provide recommendations to the Board on compensation-related proposals to be considered at the Company's annual meeting of stockholders, including advisory votes on executive compensation and the frequency of such votes.
- Have responsibility for the review and approval of all reports and summaries of compensation policies and decisions as may be appropriate for operational purposes or as may be required under applicable law.
- Perform any other activities consistent with this Charter, the Company's Bylaws and governing law as the Committee or the Board deems necessary or appropriate.
- Review on at least an annual basis the Committee Charter and recommend any changes to the Board.
- Report to the Board of Directors on the major items covered at each Committee meeting.

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Notwithstanding the foregoing, any action of the Committee, other than the grant of stock options or other discretionary awards under the Company's stock option or other equity incentive plans, may be subject to Board review and may be revised, modified or rescinded by the Board.

**COMMITTEE MEETINGS**

The Committee will meet as often as necessary to carry out its responsibilities. Meetings may be called by the Chairman of the Committee and/or by the management of the Company. Minutes of each meeting will be duly filed in the Company records. Reports of meetings of the Committee will be made to the Board of Directors at its next regularly scheduled meeting following the Committee meeting accompanied by any recommendations to the Board of Directors approved by the Committee.

The Committee will also meet as and when necessary to act upon any other matters within its jurisdiction under this Charter. A majority of the total number of members of the Compensation Committee will constitute a quorum at all Committee meetings. All meetings shall be held subject to and in accordance with Section 141 (including without limitation notice, quorum and votes/actions of the committee) and other applicable sections of the Delaware General Corporation Law. Minutes will be kept of each meeting of the Committee.

*Last updated: June 25, 2020*