

# **CRISPR Therapeutics AG**

## **Compensation Committee Charter**

### **I. General Statement of Purpose**

The Compensation Committee of the Board of Directors (the “Compensation Committee”) of **CRISPR Therapeutics AG** (the “Company”) on behalf of the Board of Directors (the “Board”), supports the Board’s responsibilities relating to compensation of the Company’s directors and executives, oversees the Company’s overall compensation structure, policies and programs, reviews the Company’s processes and procedures for the consideration and determination of director and executive compensation, and is responsible for preparing a report for inclusion in the Company’s proxy statement relating to the general meeting of shareholders or annual report on Form 10-K, in accordance with applicable rules and regulations. A primary objective of the Compensation Committee is to develop and implement compensation policies and plans that are appropriate for the Company in light of all relevant circumstances and which provide incentives that further the Company’s long-term strategic plan and are consistent with the culture of the Company and the overall goal of enhancing shareholder value.

### **II. Compensation Committee Composition**

The number of individuals serving on the Compensation Committee shall be fixed by the general meeting of shareholders from time to time but shall consist of no fewer than three members, each of whom shall satisfy the independence standards established pursuant to Rule 5605(a)(2) of the Listing Rules of the NASDAQ Stock Market LLC, subject to any applicable exceptions contained in the NASDAQ Stock Market Rules. In determining the members of the Compensation Committee, the Board will consider whether the members qualify as “non-employee directors” as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and as “outside directors” as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended and whether the members comply with the requirements pursuant to the Swiss ordinance against excessive compensation in listed companies of November 20, 2013 (the “Ordinance”).

The general meeting of shareholders appoints the members of the Compensation Committee. The Board appoints the chairperson of the Compensation Committee. The members of the Compensation Committee shall serve until they resign or are removed, or their term as a Board member expires and they are not re-elected for a subsequent term. In the case of a vacancy on the Compensation Committee during the year the Board shall elect a member of the Board for the remaining term of office.

### **III. Meetings**

The Compensation Committee generally is to meet at least two times per year in person or by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, with any additional meetings as deemed necessary or appropriate by the Compensation Committee. A majority of the members of the Compensation Committee shall constitute a quorum for purposes of holding a meeting and the Compensation Committee may act by a vote of a majority of members present at such meeting. In lieu of a meeting, the Compensation Committee may act by unanimous written consent. The chairperson of the Compensation Committee, in consultation with the other members and management, may set meeting agendas consistent with this Charter.

### **IV. Compensation Committee Activities**

The Compensation Committee's purpose and responsibilities shall be to:

#### **A. Review of Charter**

- Review and reassess the adequacy of this Charter annually and submit any proposed changes to the Board for approval.

#### **C. Processes and Procedures for Considering and Determining Director and Executive Compensation**

- Review and reassess periodically (and where appropriate, make such recommendations to the Board as the Compensation Committee deems advisable with regard to) the Company's processes and procedures for the consideration and determination of director and executive compensation, and review and discuss with management any description of such processes and procedures to be included in the Company's proxy statement.

#### **D. Compensation Committee Report**

- Review and discuss with management the Compensation Discussion and Analysis to be included in the Company's proxy statement or annual report on Form 10-K ("CD&A"), when and if applicable.
- Based on the Compensation Committee's review and discussions with management of the CD&A, make a recommendation to the Board that the CD&A be included in the Company's proxy statement or annual report on Form 10-K, when and if applicable.
- Prepare, recommend or ratify, as applicable, one or more Compensation Committee Reports to be adopted or ratified by the Board and to be included in the Company's proxy statement or annual report on Form 10-K in

accordance with the applicable rules and regulations of the Securities and Exchange Commission, any securities exchange on which the Company's securities are traded, art. 13 to 16 of the Ordinance, and any other rules and regulations applicable to the Company.

- Cause the auditors of the Company to audit the applicable Compensation Committee Report in compliance with Swiss law.

**E. Incentive-Compensation and Equity-Based Plans**

- Review and approve grants and awards under incentive-based compensation plans and equity-based plans for all participants under such plans other than the Chief Executive Officer (“CEO”) and other officers (the CEO together with the other officers the “Executive Committee”) described in G below, in each case consistent with the terms of such plans, provided that such grants and awards shall be within the bounds of the maximum compensation approved by the general meeting of shareholders.
- Review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to policies and procedures for the grant of equity-based awards by the Company.

**F. Matters Related to Compensation of the Company's Board**

- Review and propose to the Board the resolution to be submitted to the general meeting of shareholders for the maximum total compensation of the Board.

**G. Matters Related to Compensation of the Executive Committee**

- Review and recommend to the Board for approval grants and awards under incentive-based compensation plans and equity-based plans for the Executive Committee, in each case consistent with the terms of such plans, provided that such grants and awards shall be within the bounds of the maximum compensation approved by the general meeting of shareholders.
- Review and propose to the Board the resolution to be submitted to the general meeting of shareholders for the maximum total compensation of all officers of the Company pursuant to art. 2 cipher 4 (*Geschäftsleitung*) of the Ordinance.
- Review and recommend to the Board for approval the corporate goals and objectives that may be relevant to the compensation of the Executive Committee.

- Evaluate the Executive Committee's performance in light of the goals and objectives that were set for the Executive Committee and make recommendations to the Board for approval of the Executive Committee's compensation based on such evaluation. In connection with reviewing and making a recommendation to the Board regarding the long-term incentive component of the Executive Committee's compensation, the Compensation Committee should consider the Company's performance and relative shareholder return, the value of similar incentive awards to members of Executive Committee at comparable companies, and the awards given to the Company's Executive Committee in past years.
- Review periodically the aggregate amount of compensation being paid or potentially payable to the Executive Committee through the use of tally sheets or such other method as the Compensation Committee may determine.
- The members of the Executive Committee may not be present during voting or deliberations concerning his or her compensation.

**V. Additional Compensation Committee Authority**

The Compensation Committee is authorized, on behalf of the Board, to do any of the following, as the Compensation Committee deems necessary or appropriate in its discretion:

**A. Matters Related to Compensation of the Company's Directors and Members of Senior Management**

- Review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to the compensation of the directors of the Company, including with respect to any equity-based plans.
- Determine the compensation of all members of senior management of the Company (other than the Executive Committee), including with respect to any incentive-compensation plans and equity-based plans.
- Review periodically the aggregate amount of compensation being paid or potentially payable to members of the Company's senior management (other than the Executive Committee) through the use of tally sheets or such other method as the Compensation Committee may determine.

**B. Matters Related to Compensation Consulting Firms or Other Outside Advisors**

- Retain or obtain the advice of compensation consultants, legal counsel and/or other advisers; provided that:

- The Compensation Committee is authorized to, and must, have direct responsibility for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other adviser retained by the Compensation Committee and the Company must provide for appropriate funding, as determined by the Compensation Committee, for payment of reasonable compensation to any such compensation consultant, legal counsel or other adviser; and
- Before any compensation consultant, legal counsel or other adviser (other than (1) in-house legal counsel or (2) any compensation consultant, legal counsel or other adviser whose role is limited to the following activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K: (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 compensation consultant, legal counsel or other adviser and about which the compensation consultant, legal counsel or other adviser does not provide advice) is selected by, or provides advice to, the Compensation Committee, the Compensation Committee shall take into consideration the following factors:
  - The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
  - The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
  - The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
  - Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Compensation Committee;
  - Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
  - Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.
- Prohibit the Company from engaging a compensation consultant engaged by the Compensation Committee, or an affiliate of any such compensation

consultant, to provide any other services to the Company without the approval of the Compensation Committee.

## **VI. General**

- The Compensation Committee shall make regular reports to the Board concerning areas of the Compensation Committee's responsibility.
- In carrying out its responsibilities, the Compensation Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management and such experts, advisors and professionals with whom the Compensation Committee may consult. The Compensation Committee shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditor or any other professional retained by the Company to render advice to the Company attend a meeting of the Compensation Committee or meet with any members of or advisors to the Compensation Committee. The Compensation Committee shall also have the authority to engage legal, accounting or other advisors to provide it with advice and information in connection with carrying out its responsibilities and shall have sole authority to approve any such advisor's fees and other retention terms.
- The Compensation Committee may perform such other functions as may be requested by the Board from time to time.

ADOPTED: December 6, 2016