

## **Amended and Restated Charter for the Compensation Committee of the Board of Directors of CTI BioPharma Corp.**

### **PURPOSE**

The purpose of the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of CTI BioPharma Corp. (the “**Corporation**”) shall be to carry out the Board’s responsibilities relating to compensation of the Corporation’s Chief Executive Officer (“**CEO**”), all other officers with the title of Executive Vice President and above and any other employee of the Corporation to the extent required under applicable law or NASDAQ Stock Market listing rules (collectively, including the CEO, the “**Executive Officers**”). The Committee shall also carry out any other Board responsibilities relating to the Corporation’s overall compensation and benefit structure, policies and programs.

### **COMMITTEE MEMBERSHIP AND ORGANIZATION**

The members of the Committee will be appointed by the Board on the recommendation of the Nominating and Governance Committee and will serve at the discretion of the Board. The Committee shall consist of at least three members of the Board. Members of the Committee must meet the following criteria, which shall be affirmed annually or whenever a change in status by a Committee member occurs:

- Each member of the Committee shall meet the applicable independence requirements of the NASDAQ Stock Market.
- Each member of the Committee shall be a “non-employee director” as defined in Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended.
- Each member of the Committee shall be an “outside director” as defined in the Treasury Regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended.
- Each member of the Committee shall not accept directly or indirectly any consulting, advisory or other compensatory fee from the Corporation or any subsidiary thereof other than (i) director’s fees or fees for services as a member of any Board committee; or (ii) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation (provided that such compensation is not contingent in any way on continued service).

The Board shall also consider whether a Committee member is affiliated with the Corporation, a subsidiary of the Corporation or an affiliate of a subsidiary of the Corporation to determine whether such affiliation would impair the director's judgment as a member of the Committee.

## COMMITTEE RESPONSIBILITIES AND AUTHORITY

The Committee shall have the authority and responsibility to:

- Periodically review and approve corporate (and other, to the extent the Committee determines appropriate) goals and objectives relevant to the compensation of the Executive Officers, and evaluate each Executive Officer's performance in light of those goals and objectives. Periodically review and approve the annual base salary and the annual incentive bonus for the Executive Officers based upon such evaluation and any other information the Committee may determine to be relevant in the circumstances.
- Periodically review and approve the following as they affect the Executive Officers: (a) equity compensation, (b) employment agreements, severance arrangements, and change in control agreements and provisions, and (c) any other benefits, compensation or arrangements, including any special or supplemental compensation and benefits for Executive Officers and persons who formerly served as Executive Officers, including termination or retirement benefits and perquisites provided to them during and after employment.
- Periodically review competitive practices and trends to determine the adequacy of the executive compensation program.
- Periodically review and make recommendations to the Board with respect to compensation of members of the Board.
- Approve and administer cash incentive and deferred compensation plans for Executive Officers (including any modification to such plans) and establish performance objectives and funding requirements for executive incentive plans.
- Approve and oversee compensation programs and awards involving the use of the Corporation's stock (except with respect to equity award grants to members of the Board, which grants shall be reviewed and approved by the full Board).
- As determined appropriate by the Committee, review with management the Corporation's other compensation and benefit policies, practices, plans and programs.
- Form and delegate authority to subcommittees as and when it deems appropriate, solely to the extent permitted by applicable law and NASDAQ Stock Market listing rules.
- Annually review and reassess the adequacy of its charter and recommend any proposed changes to the Board for approval.
- Annually review its own structure, processes, membership requirements and overall performance.
- Review and discuss with management the Corporation's Compensation Discussion and Analysis and, based upon such review and discussion, recommend to the Board for approval the inclusion of the Compensation Discussion and Analysis in the Corporation's annual report or proxy statement for its annual shareholders' meeting in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC"). In connection with any such filing, also prepare the Committee's report on executive compensation for inclusion in such filing in accordance with the rules and regulations of the SEC.

- Assess the independence of any compensation consultants, legal counsel or other advisers that provides advice to the Committee (“**Compensation Advisors**”) other than (i) in-house legal counsel or (ii) a Compensation Advisor that acts in a role limited to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of Executive Officers or directors of the Corporation, and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the Compensation Advisor, and about which the Compensation Advisor does not provide advice).
- Perform any other activities which the Committee or the Board determine to be necessary or appropriate and consistent with this charter and the governing laws and principles of the Corporation.

In performing its responsibilities, the Committee shall have the authority, in its sole discretion, to retain, obtain or terminate the advice of any Compensation Advisor(s) to assist it with undertaking its responsibilities hereunder, and the Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Compensation Advisor(s). The Corporation shall provide for appropriate funding, as determined by the Committee, of the reasonable compensation of such advisor(s). Prior to selecting or receiving advice from a Compensation Advisor (other than in-house legal counsel), the Committee shall take the following into consideration:

- the provision of other services to the Corporation by the person that employs the Compensation Advisor;
- the amount of fees received from the Corporation by the Compensation Advisor as a percentage of the total revenue of the person that employs the Compensation Advisor;
- the policies and procedures of the person that employs the Compensation Advisor that are designed to prevent conflicts of interest;
- any business or personal relationship of the Compensation Advisor with a member of the Committee;
- any stock of the Corporation owned by the Compensation Advisor; and
- any business or personal relationship of the Compensation Advisor or the person employing the Compensation Advisor with an Executive Officer of the Corporation.

Notwithstanding the foregoing, a Compensation Advisor is not required to be independent; the Committee is not required to implement or act consistently with the advice or recommendations of a Compensation Advisor to the Committee; and the Committee shall exercise its own judgment in fulfillment of the duties of the Committee.

## **DELEGATION OF AUTHORITY**

The Board reserves to itself all authority delegated hereunder to the Committee as well as the right at any time to revoke or change the authority delegated hereunder, solely to the extent permitted by applicable law and NASDAQ Stock Market listing rules. This reservation of authority does not in any way limit the Committee’s authority to act definitively on matters delegated to it hereunder.

## **MEETINGS**

The Committee will meet at least twice each year and at such other times as it deems necessary or appropriate to carry out its responsibilities. The Committee may establish its own schedule, which it will provide to the Board. Meetings may be called by the chair of the Committee, who shall be elected by the Board upon the recommendation of the Nominating and Governance Committee. The CEO shall not be present during voting or deliberations on the CEO's compensation.

The Committee may meet separately in executive sessions without management present.

## **MINUTES**

The Committee (or a delegate assigned by the Committee) will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

## **REPORTS**

The Committee will periodically report its examinations and actions to the Board.

*Approved on December 2, 2014*