

**CHARTER OF THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
WINDTREE THERAPEUTICS, INC.  
Adopted June 11, 2013**

**PURPOSE**

The Compensation Committee (“Committee”) of the Board of Directors (“Board”) of Windtree Therapeutics, Inc. (the “Company”) assists the Board in fulfilling its oversight responsibilities by discharging the Board’s responsibilities relating to compensation and benefits programs of the Company, including executive compensation, stock incentive and option plans, performance incentive award programs, and other employee plans. The Committee will fulfill these responsibilities and duties primarily by carrying out the activities enumerated in this Charter. To the extent the Committee deems appropriate, or as required by applicable rules and regulations, the Committee produces an annual report on executive compensation for inclusion in the Company’s proxy statement.

**COMPOSITION AND MEMBERSHIP**

The Committee shall be comprised of three directors, one of whom shall be designated Chairman as nominated by the Nominating Committee of the Board, each of whom shall be: (i) a "non-employee director" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended; (ii) an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended; (iii) "independent" within the meaning of The NASDAQ Stock Market, LLC (“Nasdaq”) listing requirements then in effect, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member; and (iv) otherwise selected and retained in compliance with all applicable rules, regulations and statutes. The Committee members shall be appointed and serve until such member's resignation or removal from the Board or the Committee. The members of the Committee may be removed from the Committee, with or without cause, by a majority vote of the directors other than the affected director.

**AUTHORITY**

The Committee shall have the full authority of the Board, in its place and stead, to discharge its obligations under this Charter and, at its option, may recommend actions to the full Board. The Committee may form and delegate its authority under this Charter to subcommittees or other committees of the Board in compliance with applicable law when deemed appropriate by the Committee. The Committee shall have the authority to retain or obtain the advice of such compensation consultants, outside legal counsel, or other advisors as it may consider appropriate from time to time, and to approve the fees and other terms related to such advisers; provided, however, that the Committee must first consider the independence of any such compensation consultants, outside legal counsel, or other advisors prior to selecting or receiving advice from them, in accordance with Nasdaq listing requirements. The Committee may request any officer or employee of the corporation or its outside counsel or consultants to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

## **MEETINGS**

The Compensation Committee shall meet as needed at stated times without notice, or on notice to all by order of the Chairman of the Board of Directors, the Chief Executive Officer, or by one of the members of the Compensation Committee. The Committee shall hold executive sessions as necessary and/or as convened by the Chairman of the Committee. A majority of the Committee members shall constitute a quorum for the transaction of business. The action of a majority of those present at a meeting, at which a quorum is present, shall be the act of the Committee. The Committee may also take action by unanimous written consent or by conference communication by means of telephone or similar communications equipment by which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting. The Committee shall meet separately with the Chief Executive Officer and any other corporate officer or officers as it deems appropriate, as part of its review and in connection with establishment of performance criteria and compensation arrangements for executives; however, the Chief Executive Officer may not be present during deliberations or voting on his or her compensation.

## **RESPONSIBILITIES**

The Compensation Committee shall have the following powers and duties:

1. Review with management the Company's policies regarding compensation policies relating to executive and general compensation;
2. Review annually and approve corporate goals and objectives relating to compensation of the Chief Executive Officer, executive officers and other senior officers, evaluate performance of executive officers and other senior officers, as determined by the Committee, in light of those goals and objectives, and either as a Committee or together with the other independent directors of the Board (as directed by the Board), determine the Chief Executive Officer's and other executive officers' compensation level based on this evaluation;
3. Review and approve, for executive officers and other senior officers as determined by the Committee, any employment agreements, severance arrangements, change in control agreements or provisions, and any special or supplemental benefits, in each case as, when and if appropriate;
4. Oversee the key employee benefits programs, policies and plans relating to the compensation, benefits and equity incentives of the Company's executives and, where deemed appropriate by the Committee, those programs, policies and plans relating to the Company's other employees;
5. Review, approve, and establish guidelines for the compensation of Board directors, including appropriate levels of compensation for service on Board committees.
6. Review and discuss with management the Company's annual report and proxy statement with respect to executive compensation matters;

7. Meet separately and independently from the Company's management as the Committee deems necessary and appropriate to carry out the Committee's responsibilities;
8. Meet periodically and separately with compensation and other consultant(s) as the Committee deems necessary and appropriate to carry out the Committee's responsibilities;
9. Form and delegate authority to subcommittees where appropriate, and delegate authority to executive management where appropriate for matters not relating to directors or executive officers;
10. Review and reassess annually the adequacy of this Charter and recommend to the Board of Directors improvements to this Charter that the Committee deems necessary or appropriate; and
11. Consider such other matters in relation to the Company's compensation matters as the Compensation Committee may, in its discretion, determine to be advisable.