

# **BIOSPECIFICS TECHNOLOGIES CORP.**

## **AMENDED AND RESTATED COMPENSATION COMMITTEE CHARTER**

**Revised as of October 21, 2019**

### **1. Purpose**

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of BioSpecifics Technologies Corp. (the “Company”) is to (a) discharge of the responsibilities of the Board relating to compensation of the Company’s executive officers, (b) oversee the Company’s overall compensation programs, (c) develop, implement and administer the Company’s compensation policies and plans, (d) produce an annual report on executive compensation for inclusion in the Company’s proxy statement, and (e) carry out the other responsibilities delineated in this charter, in accordance with applicable rules and regulations.

### **2. Committee Membership**

2.1 The Committee shall consist of at least two members of the Board, each of whom shall qualify (a) as independent under the Company’s Corporate Governance Guidelines, (b) as an “independent director” as such term is defined under the listing rules of The Nasdaq Stock Market, Inc. (the “Nasdaq Rules”), (c) as a “non-employee” director for purposes of Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and (d) be an outside director, as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended (“Section 162(m)”), as long as necessary to comply with requirements of Section 162(m) with respect to equity grants that were outstanding as of November 2, 2017 (consistent with the 2017 Tax Cuts and Jobs Act). In addition, in affirmatively determining the independence of any director who will serve on the Committee, the Board must determine whether a director has a relationship to the Company that is material to that director’s ability to be independent from management in connection with the duties of a Committee member, including, but not limited to (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director, and (ii) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

2.2 Each member of the Committee shall be nominated and elected periodically by the Board. Committee members shall serve for such term or terms as the Board may determine and may be removed or replaced by the Board with or without cause. Resignation or removal of a director from the Board, for whatever reason, shall automatically and without any further action constitute resignation or removal, as applicable, from the Committee. Any vacancy on the Committee, occurring for whatever reason, may be filled only by the Board.

2.3 The Chairperson of the Committee shall be elected by a majority vote of all of the Committee members; provided, however, the foregoing shall not apply if the Board decides to elect the Chairperson of the Committee. For the avoidance of doubt, if there are only two members on the Committee then such Chairperson, if elected by the members, shall be elected by the affirmative vote of both members.

### **3. Compensation**

The compensation of the Committee members shall be as determined by the Board.

### **4. Meeting**

4.1 The Committee shall meet at least one time annually or more frequently as circumstances dictate or as the Committee or its Chairperson deem advisable. The Committee may meet in person or telephonically or by similar communications equipment.

4.2 A majority of the members of the Committee shall constitute a quorum for purposes of holding a meeting and the Committee may act by a vote of a majority of the members present at such meeting. In lieu of a meeting, the Committee may act by unanimous written consent.

4.3 The Chairperson of the Committee, in consultation with the other Committee members, may determine the frequency and length of the Committee meetings and may set meeting agendas consistent with this charter.

4.4 The Committee will meet periodically in executive session without management present at least annually.

4.5 The Committee will cause adequate minutes of all its proceedings to be kept, and will report on its actions and activities at the next meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent.

4.6 The Committee is authorized to adopt its own rules of procedure not inconsistent with (a) any provision of this charter, (b) any provision of the Amended and Restated By-laws of the Company, or (c) the laws of the State of Delaware. In the absence of such adoption of its own rules, the Committee shall be governed by the same rules regarding meetings (including meetings held telephonically or via similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

4.7 The Committee is authorized to request that any officer or employee of the Company, the Company's outside legal counsel, the Company's compensation consultant or any other professional retained by the Company to render advice to the Company attend a meeting of the Committee or meet with any members of or advisors to the Committee.

### **5. Authority**

5.1 The Committee shall have the resources and funding necessary or appropriate for the Committee to discharge its duties and responsibilities as set forth in this charter and as required by law or regulation.

5.2 The Committee may form and delegate authority to subcommittees consisting of one or more of its members, other Board members and officers of the Company as the

Committee deems appropriate and permitted to do so under applicable rules and regulations in order to carry out its responsibilities.

5.3 In carrying out its responsibilities, the 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 Committee may consult.

5.4 The Committee shall have the authority to engage independent legal counsel and other advisers, as it determines necessary to carry out its responsibilities and powers. If such advisers are engaged, the Committee shall have sole authority to determine and/or approve the related fees and retention terms. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

5.5 The Committee shall have the authority to retain and terminate any compensation consultant and shall have the authority to approve the compensation consultant's fees and other retention terms.

5.6 The Committee may perform such other functions consistent with this charter as the Committee deems necessary or appropriate or as may be requested by the Board from time to time.

5.7 The Committee shall have the authority to conduct and/or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate.

## **6. Responsibilities**

### ***Management Succession Planning***

6.1 The Committee shall assist the Board in assuring maintenance of a succession plan for the Company's Chief Executive Officer (the "CEO") and other senior executive officers, including an emergency succession plan for the CEO.

6.2 At least annually, the Committee shall review the Company's succession plan with the Board and the CEO.

### ***Compensation Matters***

6.3 The Committee shall annually review and approve corporate goals and objectives relevant to the compensation of the Company's President and/or CEO, as applicable, evaluate the CEO's performance in light of those goals and objectives, and, either as a committee or together with other independent directors (as determined from time to time by the Committee), establish and approve the CEO's compensation. CEO may not be present during voting or deliberation on the CEO's compensation.

6.4 The Committee, following the guidelines set forth above, shall periodically review and approve, or make recommendations to the Board with respect to, compensation of the Company's executive officers (other than the CEO).

6.5 The Committee shall be responsible for overseeing the evaluation of the Company's senior executives. The Committee shall determine the nature and frequency of the evaluation and the persons subject to the evaluation, supervise the conduct of the evaluation and prepare assessments of the performance of the Company's senior executives, to be discussed periodically with the Board.

6.6 The Committee shall periodically review and make recommendations to the Board with respect to such incentive-compensation plans and other plans that have been approved by the Board.

6.7 The Committee shall exercise all rights, authority and functions of the Board under all of the Company's incentive compensation plans, including both annual plans and long-term plans, and both cash and equity-based plans, including without limitation, the authority to interpret the terms thereof, to grant awards, and to establish and confirm satisfaction of performance goals; provided, however, that, except as otherwise expressly authorized to do so by this charter or a plan or resolution of the Board, the Committee shall not be authorized to amend any such plan.

6.8 To the extent permitted by applicable law and the provisions of a given equity-based plan, and consistent with the requirements of applicable law and such equity-based plan, the Committee may delegate to one or more executive officers of the Company the power to grant options or other stock awards pursuant to such equity-based plan to employees of the Company or any subsidiary of the Company who are not directors or executive officers of the Company.

6.9 The Committee shall review and recommend to the Board for approval the compensation and benefits for the Company's non-employee directors, including Board and committee member fees, equity compensation and benefits.

#### ***Matters Relating to the Compensation Consultant***

6.10 The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser; provided, however, that the Committee may select, or receive advice from a compensation consultant, legal counsel or other adviser only after taking into consideration the following factors:

(a) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;

(b) 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;

(c) 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;

(d) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;

(e) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and

(f) any business or personal relationship of the compensation consultant, legal counsel or other adviser with an executive officer of the Company.

6.11 The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other adviser retained by the Committee. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or other adviser retained by the Committee.

#### ***Proxy Disclosure***

6.12 The Committee shall review and discuss the Compensation Discussion and Analysis (“CD&A”) with management and determine whether to recommend to the Board that it be included in the Company’s proxy statement relating to its annual meeting of stockholders and in the Company’s Annual Report on form 10-K.

6.13 The Committee shall produce an annual report on executive compensation for inclusion in the Company’s proxy statement relating to its annual meeting of stockholders, in accordance with the applicable rules and regulations of the Securities and Exchange Commission, any securities exchange or automated quotation system on which the Company’s securities are traded, and any other rules and regulations applicable to the Company.

6.14 The Committee shall oversee matters relating to stockholder advisory voting on executive compensation for the Company’s named executive officers (“say-on-pay”), the frequency of such voting, and stockholder advisory voting regarding change of control or “golden parachute” payments.

#### ***Review and Determination of Risks Related to Compensation Practices***

6.15 The Committee shall oversee the risks related to the Company’s officer compensation practices. The Committee shall review the results of the Company’s annual compensation risk assessment and enterprise business risk assessment, with particular attention to risks related to the Company’s use of, and degree of use of, equity and incentive-based compensation as a portion of the total compensation paid to the Company’s officers.

#### ***Annual Performance Evaluation and Charter Review***

6.16 The Committee shall engage in an annual self-assessment with the goal of continuing improvement. Such assessment shall include an evaluation of the performance of the

Committee with respect to the duties and responsibilities of the Committee as set forth in this charter. The Committee will report the results of such evaluation to the Board.

6.17 The Committee shall review and assess the adequacy of this charter, and recommend any amendments it deems appropriate.

**7. Regular Reports to the Board**

The Committee shall report to the Board on a regular basis on the activities of the Committee and make such recommendations with respect to the above matters as the Committee may deem necessary or appropriate.