

**SUNESIS PHARMACEUTICALS, INC.**

**Charter of the Compensation Committee  
Of the Board of Directors**

**I. Purpose**

The Compensation Committee (“*Committee*”) is appointed by the Board of Directors (“*Board*”) of Sunesis Pharmaceuticals, Inc. (“*Company*”) to act on behalf of the Board with regard to the matters set forth below. The Committee’s purposes shall be:

- A. To fulfill the Board’s responsibilities to oversee the Company’s compensation policies, plans and programs;
- B. To review and determine in accordance with applicable laws, regulations and listing standards the compensation to be paid to the Company’s officers and directors, including the Company’s Chief Executive Officer;
- C. To review and discuss with management the Company’s disclosures contained under the caption “Compensation Discussion and Analysis” (“*CD&A*”) for use in any of the Company’s annual reports on Form 10-K, registration statements, proxy statements or information statements;
- D. To prepare and review the Committee report on executive compensation included in the Company’s annual proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission (the “*SEC*”) in effect from time to time; and
- E. To supervise the administration of the Company’s stock option plans, employee stock purchase plan and other compensation and incentive programs and to administer any plans and programs designed and intended to provide compensation for officers and directors of the Company.

For purposes of this Charter, the term “compensation” shall include salary, long-term incentives, bonuses, perquisites, equity incentives, severance arrangements, retirement benefits and other related benefits and benefit plans.

The approval of this Charter by the Board shall be construed as a delegation of authority to the Committee with respect to the responsibilities set forth herein.

**II. Membership**

The Committee shall be composed of at least two members of the Board, each of whom must satisfy (i) the independence requirements of The Nasdaq Stock Market, LLC (“*Nasdaq*”) and other regulatory requirements applicable to compensation committee members, as they may be in effect from time to time, when and as required by Nasdaq, including any exceptions permitted by these requirements; (ii) the “non-employee director” standard within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended from time to time (the “Exchange Act”); and (iii) the “outside director” standard within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended from time to time (the “*Code*”).

The members of the Committee shall serve until their resignation, death, or removal by the Board. The Board shall have the power at any time to change the membership of and fill vacancies in the Committee, consistent with this Charter and subject to the satisfaction of such new member(s) of the membership requirements.

### **III. Meetings and Procedures**

The Committee shall meet as often as it may deem necessary and appropriate in its judgment, but in any event, it must meet at least twice per year, either in person or telephonically. A majority of the members of the Committee shall constitute a quorum.

The Committee may delegate authority to subcommittees as appropriate, including, but not limited to, a subcommittee composed of one or more members of the Board to grant stock options under the Company's equity incentive plans to persons who are not (a) "Covered Employees" under Section 162(m) of the Code; (b) individuals with respect to whom the Company wishes to comply with Section 162(m) of the Code or (c) then subject to Section 16 of the Exchange Act, but no such delegation shall be permitted if the authority is required by a law, regulation or listing standard to be exercised by the Committee as a whole.

The Committee may request that any directors, officers, or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting to provide such information as the Committee requests, subject to the limitations set forth in this Charter or under applicable law or regulations. The Committee also may exclude from its meetings any persons it deems appropriate, including but not limited to, any non-management director that is not a member of the Committee.

Written minutes of all meetings, including telephone meetings, and copies of all consents in lieu of meeting shall be maintained with the books and records of the Company and furnished to members of the Committee, the Board and the Secretary of the Company.

The Committee shall report to the full Board on the matters discussed at each meeting of the Committee, including describing all actions taken by the Committee at the meeting.

The Committee may utilize any relevant data, including internal and external compensation studies and surveys, that it deems appropriate to form the basis for its compensation determinations and policies.

### **IV. Duties and Responsibilities**

To implement the Committee's purposes, the Committee shall be charged with the following duties and responsibilities. The following rules shall apply unless otherwise determined by the Board in accordance with applicable laws and regulations. The Committee may supplement and, except as otherwise required by applicable law or the requirements of Nasdaq, deviate from these activities as appropriate under the circumstances:

### *A. Compensation Strategy and Philosophy*

The Committee shall review, modify (as needed) and approve the overall compensation strategy and policies for the Company, including:

- reviewing and approving corporate performance goals and objectives relevant to the compensation of the Company's executive officers and other senior management, as appropriate;
- evaluating and recommending to the Board for approval the compensation plans and programs advisable for the Company, as well as evaluating and recommending to the Board for approval the modification or termination of existing plans and programs;
- establishing policies with respect to equity compensation arrangements;
- reviewing regional and industry-wide compensation practices and trends to assess the adequacy and competitiveness of the Company's executive compensation programs among comparable companies in the Company's industry; however, the Committee shall exercise independent judgment in determining the appropriate levels and types of compensation to be paid;
- reviewing and approving the terms of any employment agreements, severance arrangements, change-of-control protections and any other compensatory arrangements (including, without limitation, perquisites and any other form of compensation) for the Company's executive officers and other senior management, as appropriate; and
- evaluating the efficacy of the Company's compensation policy and strategy in achieving expected benefits to the Company and otherwise furthering the Committee's policies.

### *B. Compensation of Directors*

The Committee shall review and recommend to the Board the type and amount of compensation to be paid or awarded to Board members, including consulting, retainer, Board meeting, committee and committee chair fees and stock option grants or awards.

### *C. Compensation of Chief Executive Officer and Other Members of Senior Management*

The Committee shall review and approve the Company's corporate performance goals and objectives and the individual performance goals and objectives of the Company's Chief Executive Officer and other members of the Company's senior management, as appropriate, including other executive officers (as that term is defined in Section 16 of the Exchange Act and Rule 16a-1 thereunder). The Committee shall review and determine in accordance with applicable laws, regulations and listing standards the compensation and other terms of employment of the Company's Chief Executive Officer taking into consideration the Chief Executive Officer's success in achieving the individual performance goals and objectives and the corporate performance goals and objectives deemed relevant as established by the Committee or Board. The Committee shall determine and approve the compensation and other terms of employment of other members of senior management, as appropriate, taking into consideration the officer's success in achieving his or her individual performance goals and objectives and the

corporate performance goals and objectives deemed relevant to the officer as established by the Committee or Board. In determining senior management compensation, the Committee shall take into account each officer's performance, the Company's overall performance, the compensation paid to similarly situated officers at comparable companies, the compensation paid to officers in past years and any other factors it deems appropriate.

In determining the long-term incentive component of senior management compensation, the Committee should consider the Company's performance and relative stockholder return, the value of similar incentive awards given to senior management of comparable companies, the awards given to members of the Company's senior management in past years, and such other criteria as the Committee deems appropriate.

The Chief Executive Officer may not be present during the voting or deliberations regarding his or her compensation.

#### *D. Compensation Consultants, Legal Counsel and Other Advisers*

The Committee shall have the authority, in its sole discretion, to retain (or obtain the advice of) any, compensation consultant, legal counsel or other advisers (referred to collectively as "advisers") to assist it in the performance of its duties, only after taking into consideration the factors specified in NASDAQ Listing Rule 5605(d)(3) or any successor provision. However, nothing in this provision requires that any advisers be independent. The Committee need not conduct this independence assessment with respect to (i) in-house legal counsel; or (ii) any adviser whose role is limited to (1) 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 (2) providing information that either is not customized for a particular company or that is customized based on parameters that are not developed by the adviser and about which the adviser does not provide advice. The Committee shall have direct responsibility for the appointment, compensation and oversight of the work of any advisers engaged for the purpose of advising the Committee, and such advisers shall report directly, and be accountable, to the Committee. The Committee shall have sole authority to approve the reasonable fees and the other terms and conditions of such engagement, including authority to terminate the engagement. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such adviser retained by the Committee. Nothing in this provision requires the Committee to implement or act consistently with the advice or recommendations of any adviser or affects the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

#### *E. Administration of Benefit Plans*

The Committee shall recommend to the Board the adoption, amendment and termination of the Company's stock option plans, stock appreciation rights plans, pension and profit sharing plans, incentive plans, stock bonus plans, stock purchase plans, bonus plans, deferred compensation plans and similar programs. The Committee shall have full power and authority to administer these plans, establish guidelines, interpret plan documents, select participants, approve grants and awards, and exercise such other power and authority as may be permitted or required under such plans.

#### *F. Compensation Discussion and Analysis*

The Committee shall review and discuss with management the Company's disclosures contained in its CD&A report for use in any of the Company's annual reports on Form 10-K, registration statements, proxy statements or information statements and make recommendations to the Board that the CD&A be approved for inclusion in the Company's annual reports on Form 10-K, registration statements, proxy statements or information statements in accordance with applicable SEC rules and regulations.

#### *G. Committee Report*

The Committee shall prepare and review the Committee report on executive compensation to be included, if required, in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.

#### *H. Committee Self-Assessment*

The Committee shall evaluate the Committee's own performance on an annual basis, including its compliance with this Charter, and provide any written material with respect to such evaluation to the Board, including any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.

#### *I. Section 162(m) Policy*

The Committee shall review periodically the need for a Company policy regarding compensation paid to the Company's officers in excess of limits deductible under Section 162(m) of the Code.

#### *J. Charter Review*

The Committee shall review and reassess this Charter at least annually and recommend any proposed changes to the Board for its approval.

#### *K. Other Matters*

The Committee shall perform such other functions and to have such powers as may be necessary or appropriate in the efficient and lawful discharge of the foregoing.