



## **Compensation Committee Charter**

### **Composition and Meetings of the Compensation Committee**

There shall be a committee of the Board of Directors (the “**Board**”) of ReShape Lifesciences Inc. (the “**Company**”) to be known as the Compensation Committee (the “**Committee**”). The Committee shall be composed of two or more directors as determined by the Board, each of whom shall be independent of the management of the Company, and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a Committee member. All members of the Committee shall satisfy (i) the independence and experience requirements of the Securities and Exchange Commission (“**SEC**”) and The Nasdaq Stock Market (“**Nasdaq**”), subject to any exceptions permitted by these requirements, (ii) the “outside director” standard within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “**Code**”) and (iii) the “non-employee director” standard under Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) (as such requirements may be modified or supplemented from time to time).

The members of the Committee shall be appointed and replaced by the Board on the recommendation of the Nominating and Governance Committee. If a Committee Chair is not designated by the Board or present, the members of the Committee may designate a Chair by majority vote of the Committee membership. The term of appointment of each Committee member is at the discretion of the Board.

The compensation of Committee members will be as determined by the Board. No member of the Committee may receive, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries, other than fees paid in his or her capacity as a member of the Board of a committee of the Board.

The Committee shall meet at least two times a year, or more frequently as circumstances dictate and at such other times as any member of the Committee may request. The Committee may meet in person or by telephone or videoconference and may take action by written consent. The Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee shall maintain minutes of each meeting and report to the Board and propose any necessary action to the Board following each Committee meeting. A member of management, normally the Company’s Secretary, may be appointed by the Committee to serve as non-voting Secretary to the Committee.

The Committee may invite such members of management to its meetings as it may deem desirable or appropriate, consistent with the maintenance of the confidentiality of compensation and other discussions. The Company’s Chief Executive Officer (the “**CEO**”) shall not be present during voting or deliberations on his or her compensation.

## **Purpose of the Compensation Committee**

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities and to:

1. oversee the administration of the Company's compensation programs;
2. review and approve the compensation of executive officers;
3. make recommendations concerning the compensation of non-employee directors;
4. prepare and review the Committee report included in the Company's annual proxy statement in accordance with the rules and regulations of the SEC; and
5. perform such other duties as assigned to it from time to time by the Board.

## **Duties and Responsibilities of the Compensation Committee**

The policies and procedures of the Committee shall remain flexible in order to best react to changing conditions. In carrying out their responsibilities, the Committee shall have authority and duty to:

1. Annually review and approve corporate goals and objectives relevant to the CEO's compensation, evaluate the CEO's performance in light of those goals and objectives and determine and approve the CEO's compensation based on this evaluation.

In determining the long-term incentive component of the CEO's compensation, the Committee shall consider, among other factors, the Company's performance and relative stockholder return, the awards given to the CEO in past years and any other relevant factors.

The Committee shall also review market data of appropriate peer group companies to assess the Company's competitive position for three principal components of executive compensation – base salary, annual incentives and long-term incentives.

2. Through the Chair of the Committee, in consultation with the other independent members of the Board, (i) consult with the CEO about his or her annual and long-term objectives, (ii) consult with the CEO in preparation for an annual appraisal of his or her job performance, (iii) consult with the CEO in preparation for any interim performance appraisal requested by him or her or by the Board, and (iv) communicate with the CEO concerning the Board's appraisal of his or her performance. (Alternately, the entire Board may wish to discuss performance with the CEO.)
3. Periodically review and approve the amount and nature of compensation to be paid by the Company to each of its non-CEO executive officers as well as key employees designated by the Board.

4. Periodically review and make recommendations to the Board of the amount and nature of compensation to be paid by the Company to each of its non-employee directors.
5. Administer all stock option plans, executive incentive and deferred compensation plans, and other executive benefit plans of the Company as provided for in such plans. Provide oversight of pension, retirement and other employee benefit plans. Review periodically the adequacy and reasonableness of all such plans and the desirability and approval of any amendments to the provisions of such plans, as well as the costs thereof to the Company.
6. Review and approve incentive compensation awards for participants in incentive plans to the extent that such awards are authorized by the plans. The Committee also shall make recommendations to the Board for approval of awards where Board approval is required under the plans or Board resolutions.
7. Review periodically the adequacy and reasonableness of the salary structure, salary grades and grade ranges applicable to various levels of management and employment within the Company. The Committee also shall review and approve salary changes for the CEO's direct reports and business unit heads.
8. Review periodically the strategy, philosophy and effectiveness of the mix of fixed and variable compensation, perquisites and similar benefits available to executive officers and other senior managers and the Company's policies and procedures with respect thereto.
9. Consider periodically the competitiveness of the Company's executive compensation and other compensation programs with respect to relevant industries and the business community generally.
10. In consultation with senior management, oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Code.
11. Review and approve, for the CEO and the other executive officers and senior managers of the Company, when and if appropriate, employment agreements, severance agreements and change in control provisions/agreements and any severance or similar termination payments proposed to be made to any current or former executive officer of the Company.
12. In coordination with the CEO, annually review the succession plan for senior management of the Company and other key talent and organizational issues (including major organizational changes, work force demographics and key organizational capability issues) and report on the plan to the Board at the Board's next regular meeting to allow Board members the opportunity to review and discuss the plan.
13. Prepare a compensation committee report and review and/or prepare, as applicable, other compensation-related disclosures, including the Compensation Discussion and Analysis,

for inclusion in the Company's annual proxy statement or other report filed with the SEC, as applicable, as required by the rules and regulations of the SEC.

14. Oversee the Company's compliance with SEC rules and regulations regarding stockholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and the requirement under the NASDAQ rules that, with limited exceptions, stockholders approve equity compensation plans.
15. Review and discuss the Company's compensation policies and practices as they affect all employees and relate to risk management practices and risk-taking incentives.
16. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
17. Conduct a periodic performance evaluation of the Committee.
18. Perform such other duties or responsibilities, consistent with this Charter and governing laws, as may be delegated to the Committee from time to time by the Board.

#### **Other Matters**

1. The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other advisor (each, an "**advisor**"). The Company shall provide appropriate funding to the Committee, as determined by the Committee, for payment of reasonable compensation to any advisors retained by the Committee. The Committee shall have direct access to the officers and employees of the Company.

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to use internal personnel and sole authority to retain, or obtain the advice of, an advisor as the Committee deems appropriate. The Committee has sole authority to approve the compensation and other retention terms related to the retention of an advisor, and shall be directly responsible for the oversight of the work of any advisor retained by the Committee.

Prior to the retention of an advisor, and from time to time as the Committee deems appropriate, the Committee shall assess the independence of an advisor by taking into consideration the factors specified in the NASDAQ listing standards and the rules and regulations of the SEC.

If, upon consideration of the above factors, the Committee determines that the work of a compensation consultant would raise a conflict of interest, the Committee shall determine how the conflict of interest would be addressed.

2. The Committee may delegate its authority to subcommittees established by the Committee from time to time (except to the extent such delegation would be inconsistent with the requirements of the SEC, the U.S. Internal Revenue Service or the listing rules of Nasdaq (as such requirements may be modified or supplemented from time to time)),

which subcommittees shall consist of one or more members of the Committee and shall report to the Committee.

3. The Committee may delegate to one or more officers of the Company the authority to grant equity incentive awards under the Company's incentive compensation or other equity-based plans to individuals who are not: (a) subject to Section 16 of the Exchange Act, (b) "Covered Employees" under Section 162(m) of the Code, or (c) officers of the Company to whom such authority has been delegated; provided, however, any such delegation of authority will only be permitted to the extent it is in accordance with the terms of such plan and applicable law.
4. The Board shall have the authority to amend or modify any provision of this Charter at any time.

Adopted March 14, 2018