

## ARRAY BIOPHARMA INC.

### COMPENSATION COMMITTEE CHARTER

May 3, 2018

#### I. PURPOSE

The purpose of the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Array BioPharma Inc. (the “**Company**”) is to assist the Board in establishing and implementing the compensation policies of the Company and monitoring compliance with such policies. The Company’s compensation policies are intended to attract, motivate and retain experienced and qualified executives with compensation that is fair in relation to comparable public companies and that recognizes individual merit and overall business results. The policies are also intended to support the attainment of the Company’s strategic objectives by tying the interests of executives with those of stockholders through operational and financial performance goals and equity-based compensation.

#### II. COMPOSITION

The Committee shall be comprised of not less than three members of the Board. Each Committee member shall (i) meet the independence requirements of The Nasdaq Stock Market (“**Nasdaq**”), (ii) be a “non-employee director” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended, (the “**Exchange Act**”) and (iii) be an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

The members of the Committee shall be appointed by the Board upon the recommendation of the Corporate Governance Committee. The Board shall annually appoint a Chair of the Committee.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; *provided, however*, that no subcommittee shall consist of fewer than two members; and *provided further* that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

#### III. MEETINGS; ATTENDANCE

The Committee shall meet as frequently as the Committee deems appropriate. A majority of Committee members shall constitute a quorum, but members of the Committee should endeavor to be present, in person or by telephone, at all meetings. As necessary, the Chair of the Committee may request members of management be present at meetings, however no member of management shall be present at the portion of the meeting during which his or her compensation or performance is deliberated.

#### **IV. MINUTES OF MEETINGS; WRITTEN CONSENT**

Minutes of each meeting shall be prepared and provided to Committee members and made available to Company Directors who are not members of the Committee. Any action required or permitted to be taken at a meeting of the members of the Committee may be taken without a meeting if a consent in writing setting forth the action is signed by all of the members of the Committee. Such consent shall have the same force and effect as a unanimous vote. The Committee will file all written consents with the minutes of the proceedings of the Committee.

The Chief Executive Officer may be asked to participate in meetings of the Committee held to discuss the compensation or performance goals of other members of senior management. However, the Chief Executive Officer may not be present during any voting or deliberations held by the Committee in setting his or her compensation.

#### **V. RESPONSIBILITIES AND DUTIES**

**Executive Compensation.** The Committee's responsibilities with respect to compensation of the executive officers and other key employees of the Company include the following:

1. Meet at least annually to review the total compensation package of the Chief Executive Officer and other members of senior management, and recommend for approval by the independent Directors of the Board the compensation for the Chief Executive Officer and other members of senior management and key employees for the upcoming year. In connection therewith, the Committee shall consider the results of the most recent stockholder advisory "say-on-pay" vote.

2. Meet at least annually to discuss the performance evaluation of the Chief Executive Officer based on achievement of performance objectives established in the prior year and individual merit. Based on this evaluation, recommend for approval by the independent Directors of the Board the annual cash and any bonus compensation for the Chief Executive Officer.

3. Meet at least annually with the Chief Executive Officer and, as applicable, other senior management to discuss the performance evaluation of senior management and other key employees based on achievement of performance objectives established in the prior year and individual merit. Based on these evaluations, determine the annual cash and any bonus compensation for senior management and other key employees, other than the Chief Executive Officer.

4. Administer, review and approve any performance bonus plans applicable to the Chief Executive Officer and other members of senior management, including the terms of awards made thereunder.

5. Meet at least annually to develop appropriate performance goals and target percentage bonus amounts applicable to the Chief Executive Officer and other members of senior management for the next fiscal year for purposes of determining performance based bonus

compensation. The Chair of the Committee will present the performance goals and target percentage bonus amounts to the independent Directors for approval.

6. Meet at least annually to review and discuss the performance of the Company against performance goals established by the Committee under any performance bonus plans. Approve the award of any performance bonuses to be paid pursuant to the terms of such plans for senior management and other key employees, other than the Chief Executive Officer, and recommend the award of any performance bonus to be paid to the Chief Executive Officer for approval by the independent Directors of the Board.

7. Review market data of comparable publicly traded companies to assess the Company's competitive position for all components of compensation for the Chief Executive Officer and senior management.

8. Approve any employment, separation, severance and retirement agreements, and amendments to or waivers of any such employment agreements, between the Company and the Chief Executive Officer or any other executive officer.

9. Prepare and discuss with the Company's management the Compensation Discussion and Analysis (the "CD&A") to be included in the Company's annual meeting proxy statement and recommend to the Board that the CD&A be included in the annual meeting proxy statement.

10. Prepare the "Report of the Compensation Committee" to be included in the Company's annual meeting proxy statement, as required by the rules of the Securities and Exchange Commission.

11. Meet regularly to identify any risks created by the Company's compensation policies and practices, determine whether any mitigating steps or controls designed to limit the risks of its compensation arrangements are appropriate, and evaluate whether the risks presented by the Company's compensation policies and practices are reasonably likely to have a material adverse effect on the Company.

**Equity Plans.** With respect to the administration of any stock option and restricted stock plan, employee stock purchase plan, profit-sharing plan, deferred compensation plan or other, similar plan of the Company (a "Plan"), the Committee shall:

1. Have and is hereby delegated the full power and authority to administer any Plan, including, without limitation, the power to select persons to whom grants thereunder are made, the power to determine the terms and type of any such grant under any discretionary-grant plan (including the number of shares subject to such grant), the power to establish vesting schedules and the type and amounts of consideration, if any, paid to the Company for any award issuable or paid under any Plan and the power to otherwise administer any Plan.

2. Recommend to the Board the adoption of amendments to any Plans or modifying or canceling any existing grants under such Plans.

3. Periodically review the sufficiency of the shares available for grant under the Company's equity Plans based on the Company's goals for hiring, bonus and retention grants, and assess the Company's competitive position with respect to levels of equity compensation, vesting schedules and other terms with comparable public companies.

**Director Compensation.** The Committee shall annually review and recommend for approval by the full Board the fees for non-employee members of the Board and committees of the Board and the terms and awards of stock compensation for members of the Board under the Company's Stock Option and Incentive Plan, or similar equity incentive plan adopted by the Company and approved by the stockholders.

**Consultants and Advisors.** The Committee has the power and authority to retain consultants, experts or advisors of its selection to advise it with respect to the Company's salary and incentive compensation and benefits programs. The Committee may also utilize the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any experts, counsel or other advisors retained by the Committee, and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. It shall have the sole authority to approve such advisors' fees and other retention terms. The Committee may select any such advisor only after taking into consideration all factors relevant to that advisor's independence from management, including those set forth in the Nasdaq listing standards. It shall address any conflicts of interest raised by such advisor's work and have the sole authority to approve the advisor's fees and other retention terms.

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall also annually perform a self-assessment of its performance.

The Committee will also perform any other activities consistent with this Charter, the Company's Bylaws, the Certificate of Incorporation and governing law as the Committee or the Board deems necessary or appropriate.

All actions of the Committee will be reported to the Board at the next meeting succeeding such action.

While the members of the Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under applicable federal or state law.

\* \* \* \* \*