

ENTREMED, INC.
Compensation Committee Charter

Organization and Membership

This charter governs the operations of the Compensation Committee of the Board of Directors (the “Board”) of EntReMed, Inc. (the “Company”). The Compensation Committee shall review and reassess the charter at least annually and recommend any necessary changes to the Board. The Committee shall be appointed by the Board. The Compensation Committee shall be comprised of not less than two Directors, each of whom shall be (i) “independent” as defined by Nasdaq listing standards, (ii) a “Non-employee Director” as defined in Rule 16b-3 under the Securities Exchange Act of 1934, and (iii) an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

Statement of Policy

The Compensation Committee’s primary purpose is to:

- Monitor the performance of, and develop and recommend to the Board the annual compensation (base salary, bonus, stock options and other benefits) for the Chief Executive Officer (“CEO”) of the Company;
- Monitor the performance of, and review, approve and recommend to the Board the annual compensation (base salary, bonus, and other benefits) for all other executive officers (Senior Vice Presidents and above) of the Company;
- Review, approve and recommend to the Board the aggregate number of stock options to be granted to employees;
- Review general policy matters relating to compensation and benefits of employees; and
- Prepare certain portions of the Company’s annual proxy statement, including an annual report on executive compensation.

Responsibilities and Processes

The Committee shall have available to it such outside advisers, including outside auditors, attorneys, and consultants, as it deems necessary to discharge its responsibilities. In addition, the Compensation Committee shall have sole authority to retain and terminate any compensation expert or consultant to be used to provide advice

on compensation levels or assist in the evaluation of Director, CEO or senior executive compensation, including sole authority to approve the search firm's fees and other retention terms.

The Compensation Committee may form and delegate authority to a subcommittee consisting of one or more members to perform any functions of the Compensation Committee.

The Compensation Committee is charged with the following responsibilities:

- Reviewing and approving corporate goals and objectives relevant to compensation and benefits for the CEO, evaluating the CEO's performance in light of those goals and objectives, and recommending to the Independent Directors of the Board meeting in executive session the level of compensation of the CEO based on such evaluation;
- Administering the Company's stock incentive plans, including the review and approval of all stock option grants to executive officers, non-employee Directors and consultants/advisors, and the aggregate number of stock options to be granted to employees;
- Reviewing, commenting on and recommending to the Board executive compensation plans, programs and policies of the Company or that the Company proposes to adopt;
- Periodically reviewing and making recommendations to the Board with respect to annual compensation for the Company's directors;
- Periodically reviewing the results of the Company's executive compensation and perquisite programs to ensure that they are properly coordinated to yield payments and benefits that are reasonably related to executive performance; and
- Acting on behalf of the Board on compensation matters that require action between scheduled Board meetings.

Other

- The Compensation Committee shall meet at such times as it deems necessary to fulfill its responsibilities.
- The Compensation Committee or its Chair shall periodically report to the Board.