

## iCAD, INC.

### COMPENSATION COMMITTEE CHARTER March 12, 2019

#### **Purpose**

The Compensation Committee of iCAD, Inc. (the “*Corporation*”) is appointed by the Board of Directors to assist the Board in carrying out the Board’s responsibilities relating to compensation of the Corporation’s directors and officers. The Compensation Committee has overall responsibility for evaluating and approving the director and officer compensation plans, policies and programs of the Corporation.

The Compensation Committee is also responsible for overseeing the disclosures on executive compensation for inclusion in the Corporation’s annual proxy statement, in accordance with applicable rules and regulations.

#### **Composition**

The Compensation Committee shall consist of no fewer than two members. Each member of the Compensation Committee must (i) be an independent director of the Corporation satisfying the independence requirements of the NASDAQ Stock Market and other applicable regulatory requirements; (ii) qualify as an “outside director” under Section 162(m) of the Internal Revenue Code, as amended; and (iii) meet the requirements of a “non-employee director” for purposes of Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In addition to the general independence standard required for membership on the Compensation Committee, the Board must consider all factors relevant to determining whether the director has a relationship to the Corporation which is material to that director’s ability to be independent from management in connection with the duties of a Compensation Committee member, including the source of the director’s compensation, including any consulting, advisory or other compensation fees (other than director fees), and any affiliate relationships between the director and the Corporation. Notwithstanding anything contained herein to the contrary, if not all members of the Compensation Committee qualify as non-employee directors, any grant of equity compensation to directors and officers (as defined by Rule 16a-1(f) of the Exchange Act) shall be made by the full Board or a subcommittee of the Compensation Committee comprised of at least two members who qualify as non-employee directors.

The Board of Directors, upon recommendation of the Nominating and Corporate Governance Committee, shall appoint the members of the Compensation Committee. Subject to earlier removal by the Board of Directors, each member shall serve until he or she is no longer a director of the Corporation, and one year terms; serve until term is up until his or her successor shall have been duly elected and qualified. A Compensation Committee member may be removed by the Board of Directors at any time in its discretion, whereupon the resulting vacancy may be filled by the Board of Directors upon recommendation of the Nominating and Corporate Governance Committee. The Compensation Committee members shall elect a chairperson by a vote of a majority of the full Compensation Committee, or, if the members have failed to do so, then the Board of Directors shall designate a chairperson. The chairperson shall establish such rules as may from time to time be necessary and proper for the conduct of the business of the Compensation Committee.

The Compensation Committee may form and delegate authority to subcommittees of this Compensation Committee when appropriate. Any such subcommittee, to the extent provided in the resolutions of the Compensation Committee and to the extent not limited by applicable law, shall have and may exercise all the powers and authority of the Compensation Committee. Each subcommittee shall keep regular minutes of its meetings and report the same to the Compensation Committee or the Board when required.

#### **Structure and Meetings**

The Compensation Committee shall meet not less than once annually. The chairperson of the Compensation Committee shall preside at each meeting of the Compensation Committee, except that in the absence of the chairperson at any particular meeting, then the Compensation Committee member designated by the chairperson shall preside at such meeting. The chairperson shall, after consultation with the other members of the Compensation Committee, (i) determine the dates, times and places for meetings of the Compensation Committee, and (ii) set the agenda for each meeting and ensure that proper notice is given. A majority of the total number of Compensation Committee members then in office shall constitute a quorum for the transaction of committee business and all matters to be decided by the Compensation Committee shall be decided by the affirmative vote of a majority of the members present in person or by proxy at a duly called meeting of the Compensation Committee.

### **Duties and Responsibilities**

The Compensation Committee shall have the following power, authority and direct responsibilities:

- Based upon corporate goals and objectives approved by the full Board of Directors, review and approve annually corporate goals and objectives relevant to the compensation of the Corporation's Chief Executive Officer ("CEO"), annually evaluate the CEO's performance in light of those goals and objectives, and, consistent with the requirements of any employment agreement, recommend the CEO's compensation levels to the Board based on this evaluation. The CEO shall not be permitted to be present during voting or deliberations relating to CEO compensation.
- Make recommendations to the Board with respect to director and non-CEO officer compensation, incentive compensation plans and equity-based plans. The CEO may be present during voting or deliberations relating to non-CEO compensation.
- Oversee the production of compensation-related disclosures as required by the SEC to be included in the Corporation's annual proxy statement or annual report on Form 10-K filed with the SEC. Further, the Compensation Committee shall, if required by SEC rules, review and discuss with the Corporation's management the Compensation Discussion and Analysis ("CD&A") required by Securities and Exchange Commission Regulation S-K, Item 402. Based on such review and discussion, the Compensation Committee shall determine whether to recommend to the Board of Directors that the CD&A be included in the Corporation's annual report or proxy statement for the annual meeting of stockholders, if the Corporation is then required to include a CD&A in such disclosures.
- The Compensation Committee shall annually review and recommend to the Board the following items with respect to the CEO and the executive officers of the Corporation (as defined by Section 16 and Rule 16a-1(f) of the Securities Exchange Act of 1934): (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) employment agreements, severance agreements, and change in control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits, in each case subject to the terms of any existing applicable employment agreement terms.
- The Compensation Committee shall annually review and reassess the adequacy of this Charter and recommend to the Board for approval any proposed changes to this Charter.
- The Compensation Committee shall perform such other duties and responsibilities as may be assigned to the Compensation Committee from time to time by the Board of Directors, including without limitation:
  - a. The implementation and administration of the Corporation's incentive and equity-based compensation plans to the extent permitted by such plans;
  - b. Review and make recommendations to the Board of Directors on (i) the competitiveness of the Corporation's compensation and benefit plans for directors and key management employees and the employee relations policies and procedures applicable to key management employees; and (ii) such other matters relating to the organization of the Corporation and the compensation of executive officers and key management employees as the Compensation Committee may in its own discretion deem desirable.

## Operating Policies

1. The Compensation Committee shall keep the minutes of all Compensation Committee meetings (designating in its discretion an individual to record the minutes) and approve the minutes by subsequent action. The Compensation Committee shall circulate the approved minutes of the Compensation Committee meetings to the full Board of Directors for review.

2. The Compensation Committee shall determine its rules of procedure in accordance with the Corporation's principles of corporate governance and its Bylaws.

3. At each regular meeting of the Board of Directors held following a Compensation Committee meeting, the Compensation Committee shall report to the Board of Directors regarding the actions, activities and findings of the Compensation Committee since the last Board of Directors meeting, as well as any recommendations for action by the Board of Directors, when appropriate.

4. In discharging its responsibilities, the Compensation Committee shall have full access to any relevant records of the Corporation and may also request that any officer or employee of the Corporation or the Corporation's outside counsel meet with members of, or consultants to, the Compensation Committee. The Committee may also retain, at the Corporation's expense, such experts and other professionals as it deems necessary in discharging its responsibilities. The Compensation Committee shall be directly responsible for the oversight of the work of any such advisor retained by the Compensation Committee. The Corporation shall provide appropriate funding for the payment of reasonable compensation, as determined by the Compensation Committee in its sole discretion, to any such advisors retained by the Compensation Committee. Before selecting or receiving advice from any compensation advisors, the Compensation Committee shall take into consideration all factors relevant to the advisor's (or its employer's) independence from the Corporation, its executive officers and the Compensation Committee, including the following six independence factors:

- a) whether the advisor (or its employer) provides any other services to the Corporation;
- b) how much the advisor (or its employer) has received in fees from the Corporation, as a percentage of that party's total revenue;
- c) what policies and procedures have been adopted by the advisor (or its employer) to prevent conflicts of interest;
- d) whether the advisor has any business or personal relationship with a member of the Compensation Committee;
- e) whether the advisor owns any stock or other equity of the Corporation; and
- f) whether the advisor (or its employer) has any business or personal relationship with an executive officer of the Corporation.