

PolyMedix, Inc.

COMPENSATION COMMITTEE  
CHARTER

STATUS

The Compensation Committee is a committee of the Board of Directors (the “Board”). The Compensation Committee shall review and reassess its charter at least annually and obtain the approval of the Board of Directors of any proposed changes in compliance with applicable rules and requirements of the American Stock Exchange (the “Amex”), the Securities and Exchange Commission (the “SEC”), and any other applicable body (collectively, the “Applicable Rules”).

The members of the Compensation Committee shall be elected by the Board on the recommendation of the Nominating and Corporate Governance Committee and shall serve until their successors have been duly elected and qualified. 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.

The Compensation Committee shall meet at least two times each year and at such other times as it deems necessary to fulfill its responsibilities.

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

MEMBERSHIP

The Compensation Committee shall consist of at least three directors each of whom shall be (i) “independent” as defined by Amex 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.

PURPOSE

The purpose of the Compensation Committee is to:

- Develop and recommend to the Independent Directors of the Board (as defined by Amex listing standards) meeting in executive session the annual compensation (base salary, bonus, stock options and other benefits) for President/CEO of the Company;

- Review, approve and recommend to the Independent Directors of the Board the annual compensation (base salary, bonus and other benefits) for all senior executives (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 below the level of Vice President;
- Ensure that a significant portion of executive compensation is reasonably related to the long-term interest of the Company's stockholders; and
- Prepare certain portions of the Company's annual proxy statement, including an annual report on executive compensation.

### RESPONSIBILITIES

The Compensation Committee is charged with the following responsibilities:

- Reviewing and approving corporate goals and objectives relevant to compensation and benefits for the President/CEO, evaluating the President/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 President/CEO based on such evaluation;
- Administering the Company's stock incentive plans, including the review and approval of all stock option grants to senior executives (Vice Presidents and above), non-employee directors and consultants/advisors, and the aggregate number of stock options to be granted to employees below the level of Vice President. The President/CEO shall have authority to administer stock incentive plans (and such other plans as the Compensation Committee may direct) with respect to all other employees.
- Reviewing, commenting on and recommending to the Board all new executive compensation programs that the Company proposes to adopt;
- The CEO is authorized by the Compensation Committee to hire and fill personnel positions. The Compensation Committee will be required to pre-approve all hiring of personnel that have any/or all of the following compensation considerations:
  - Salary compensation on an annual basis of \$125,000 or greater;
  - Issuance of stock or stock options of 30,000 shares or greater;
  - Hiring of an employee as an Officer of the Company;
  - Entering any proposed employment agreement;
  - Exceeding compensation guidelines as approved by the Board of Directors (i.e. Attachment D – New Hires 2006 Cash Compensation Chart included in Stock Option Plan Review) for a particular position considering salary, percent of bonus target or stock options grants.

- On a periodic basis review the annual compensation for the Company's Board;
- Annually 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;
- Ensuring that the Company undertakes appropriate planning for management succession and advancement; and
- Acting on behalf of the Board on compensation matters that require action between scheduled Board meetings.

#### REPORT

The Chairman of the Compensation Committee shall report to the Board of Directors at least two times a year.

#### OTHER

The Committee shall have available to it such outside advisers, including outside auditors, attorneys and consultants, as it deems necessary to discharge its responsibilities. 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, President/CEO or senior executive compensation, including sole authority to approve the search firm's fees and other retention terms.