



CHARTER FOR THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF CUTERA, INC.

(As amended, February 11, 2020)

This Charter (“**Charter**”) governs the operations of the Compensation Committee (the “**Compensation Committee**”) of the Board of Directors (the “**Board of Directors**”) of Cutera, Inc. (the “**Company**”). This Charter was originally adopted and approved by the Board of Directors on January 13, 2004, amended on April 13, 2007, April 25, 2008, on August 27, 2014, and further amended to read as set forth below on January 26, 2020 pursuant to due authorization from the Board of Directors.

The Compensation Committee has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake such other specific duties as the Board of Directors from time to time prescribes.

PURPOSE

The purpose of the Compensation Committee of the Board is to:

- Provide oversight of the Company’s compensation policies, plans and benefits programs;
- Assist the Board in discharging its responsibilities relating to (i) oversight of the compensation of the Company’s Chief Executive Officer (the “**CEO**”), the Chief Financial Officer (“**CFO**”) and other members of Executive Management (as defined herein), and (ii) approving and evaluating the Executive Management compensation plans, policies and programs of the Company; and
- Assist the Board in administering the Company’s equity compensation plans for its employees.

For purposes of this Charter, Executive Management consists of the Company’s CEO, CFO, President or Chief Operating Officer, direct reports of the CEO with a designation of Vice President or above, and those individuals designated as Executive Vice President, without regard to whom they report.

The compensation programs for the Company’s Executive Management will be (i) designed to attract, motivate and retain talented executives responsible for the success of the Company, (ii) determined within a competitive framework and (iii) based on the achievement of the Company’s overall financial results, strategic priorities, individual contributions and a compensation philosophy of “pay for performance.”

STATEMENT OF PHILOSOPHY

The philosophy of the Compensation Committee is to provide competitive compensation in order to attract and retain highly qualified directors, Executive Management and employees.

MEMBERSHIP

The Compensation Committee must consist of a minimum of two (2) independent directors, each of whom will be: (i) a “non-employee director” (as such term is defined in Rule 16b-3(b)(3)(i) of the Securities Exchange Act of 1934, as amended); (ii) an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “**IRC**”); and (iii) an “independent director” as defined under applicable NASDAQ rules. The Compensation Committee members are appointed by and serve at the discretion of the Board of Directors, and may be replaced by the Board. The Board may designate one member of the Compensation Committee as its chairperson. The Compensation Committee may form and delegate to subcommittees when appropriate.

RESPONSIBILITIES

The responsibilities of the Compensation Committee include:

Executive and other Compensation

(i) Reviewing and approving annually for the Company’s Executive Management as appropriate, (a) annual base salary, (b) annual incentive bonus, which may include the setting of specific goals and amounts, (c) equity compensation (including all “plan” compensation, as such term is defined in Regulation S-K promulgated by the SEC, and all non-plan compensation), (d) employment agreements, severance arrangements, and change in control agreements/provisions, and (e) any other benefits, compensation or arrangements, other than benefits generally available to the Company’s employees.

(ii) Reviewing and making recommendations to the Board of Directors, at such intervals as may be decided by the Committee from time to time, regarding general compensation goals and guidelines for the Company’s employees and the criteria by which bonuses and stock compensation awards to the Company’s employees are determined.

(iii) Reviewing and approving annually, as appropriate, recommended compensation for non-Executive Management Vice Presidents whose proposed annual compensation is outside of the pre-approved Company guidelines, as revised and approved from time to time, for their position.

(iv) Reviewing and making recommendations to the Board of Directors regarding other policies and plans that are proposed for adoption or adopted by the Company for the provision of compensation to employee, or consultants to the Company.

(v) Acting as Administrator of the Company’s 1998 Stock Plan, 2004 Equity Incentive Plan, 2004 Employee Stock Purchase Plan, and any other equity compensation plans adopted by the Board of Directors (the “**Plans**”) within the authority delegated by the Board of Directors. In its administration of the Plans, the Compensation Committee may, (1) grant stock options, restricted stock/share units, performance stock/share units or stock purchase rights to individuals eligible for such grants (including grants to individuals subject to Section 16 of the Securities Exchange Act of 1934, as amended, in compliance with Rule 16b-3 thereunder), (2) amend such stock options, restricted stock/share units, performance stock/share units or stock purchase rights, and (3) take all other actions permitted under the Plans.



(vi) Reviewing and making recommendations to the Board of Directors with respect to amendments to the Plans and changes in the number of shares reserved for issuance thereunder.

(vii) Reviewing and making recommendations to the Board of Directors with respect to policies relating to the issuance of equity incentives to employees, or consultants.

(viii) Preparing a report to be included in the Company's proxy statement that describes those items required to be disclosed pursuant to applicable rules and regulations. The Compensation Committee reviews with management the Compensation, Discussion & Analysis report and other similar reports before they are included in the Company's proxy statement and other filings with the SEC.

(ix) Authorizing the repurchase of shares from terminated employees pursuant to applicable law.

(x) Reviewing the Compensation Committee's own charter, structure, processes and membership requirements.

(xi) Evaluating, on a periodic basis, the competitiveness of (i) the compensation of the Executive Management of the Company and (ii) the Company's overall compensation plans.

In addition, at its discretion, the Compensation Committee has the authority to designate a Non-Executive Management Equity Committee with the authority to grant equity to each new non-Executive Management employee of the Company. Such Committee must consist of a minimum of two (2) members of the Company's Board of Directors, which may include the Chief Executive Officer and at least one member of the Compensation Committee. If designated, the Non- Executive Management Equity Committee will establish its own schedule and maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

(xii) Performing such other duties as may be requested by the Board of Directors.

Related Duties and Authority

- Annually reviewing this Charter and its processes and recommending any proposed changes to the Board;
- Consulting with outside consultants to assist in the evaluation of Executive Management compensation and approving the consultants' fees and other retention terms. The Compensation Committee may, in its sole discretion retain or obtain the advice of a compensation consultant, independent legal counsel or other advisor;
- Being directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other advisor retained by the Compensation Committee. The Company will provide the appropriate funding, as determined by the Compensation Committee, for payment of compensation to a compensation consultant, legal counsel or any other advisor retained by the Compensation Committee that the Compensation



Committee deems appropriate, and for payment of administrative expenses of the Compensation Committee that are necessary or appropriate in carrying out its duties;

- Before selecting, or receiving advice from, a compensation consultant, legal counsel or other advisor to the Compensation Committee, other than in-house legal counsel, taking into consideration the independence factors set forth in SEC Rule 10C-1 and NASDAQ Rule 5605(d)(3)(D) and other SEC and NASDAQ rules, as applicable;
- Reviewing and discussing with management the Company's Compensation Discussion and Analysis included in the Company's annual proxy statement, and producing a report on executive compensation for inclusion in the Company's annual proxy statement that complies with the rules and regulations of the SEC and any other applicable rules and regulations; and
- Conducting an annual evaluation of the Compensation Committee's own performance.

INVESTIGATIONS, STUDIES AND OUTSIDE ADVISORS

The Compensation Committee may conduct or authorize investigations into or studies of matters within the Compensation Committee's scope of responsibility with full access to all books, records, facilities and personnel of the Company.

As it deems appropriate, the Compensation Committee will obtain advice and assistance from outside compensation consultants and outside legal, accounting or other advisors at the Company's expense.

MEETINGS

It is anticipated that the Compensation Committee will meet at least twice each year. However, the Compensation Committee may establish its own schedule, which it will provide to the Board of Directors in advance. At a minimum of one of such meeting annually, the Compensation Committee will consider stock plans, performance goals and incentive awards, and the overall coverage and composition of the compensation package. The CEO and CFO will be excluded from any portion of a meeting where deliberation or voting on his or her compensation is occurring.

MINUTES

The Compensation Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

REPORTS

The Compensation Committee also reports regularly to the full Board of Directors on any action taken or issue that the Compensation Committee believes should be brought to the attention of the full Board of Directors. Such reports may be made orally or in writing.



COMPENSATION

Members of the Compensation Committee will receive such fees, if any, for their service as Compensation Committee members, as may be determined by the Board of Directors.