



## **KARUNA THERAPEUTICS, INC.**

### **Compensation Committee Charter**

#### **I. General Statement of Purpose**

The purpose of the Compensation Committee (the “Compensation Committee”) of the Board of Directors (the “Board”) of Karuna Therapeutics, Inc. (the “Company”) is to discharge certain of the Board’s responsibilities relating to compensation of the Company’s non-employee directors and executives, oversee the Company’s overall compensation structure, policies and programs, review the Company’s processes and procedures for the consideration and determination of non-employee director and executive compensation, and oversee the Company’s strategies and policies related to human capital management. The primary objective of the Compensation Committee is to develop and implement compensation policies and plans that ensure the attraction and retention of key management personnel, the motivation of management to achieve the Company’s corporate goals and strategies, and the alignment of the interests of management with the long-term interests of the Company’s stockholders.

#### **II. Compensation Committee Composition**

The number of individuals serving on the Compensation Committee shall be fixed by the Board from time to time but shall consist of no fewer than three members, each of whom shall satisfy the independence standards established pursuant to Rule 5605(a)(2) of the Nasdaq Stock Market Rules, subject to any applicable exceptions contained in the Nasdaq Stock Market Rules. In determining the members of the Compensation Committee, the Board will consider whether the members qualify as “non-employee directors” as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

The members of the Compensation Committee shall be appointed annually by the Board and may be replaced or removed by the Board at any time, with or without cause. Resignation or removal of a director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from the Compensation Committee. Vacancies, occurring for whatever reason, may be filled only by the Board. The Board shall designate one member of the Compensation Committee to serve as Chair of the Compensation Committee (the “Chair”).

#### **III. Meetings**

The Compensation Committee shall meet as often as it determines is appropriate to carry out its responsibilities, which meetings may be in person, by video or telephone conference or by other means of communication by which all persons participating in the meeting can hear each other. A majority of the members of the Compensation Committee shall constitute a quorum for purposes of holding a meeting and the Compensation Committee may act by a vote

of a majority of members present at such meeting. In lieu of a meeting, the Compensation Committee may act by unanimous written consent (which may include electronic consent) in accordance with the Company's By-laws. The Chair of the Compensation Committee, in consultation with the other members and management, may set meeting agendas consistent with this Compensation Committee Charter (this "Charter").

#### **IV. Compensation Committee Activities**

The Compensation Committee's purpose and responsibilities shall be to:

##### **A. Matters Related to Compensation of the Company's Chief Executive Officer**

- Annually, review and recommend to the Board for determination the corporate goals and objectives that may be relevant to the compensation of the CEO.
- Evaluate the CEO's performance in light of the goals and objectives that were set for the CEO and recommend to the Board for determination the CEO's equity and non-equity compensation (including cash-based incentive compensation) based on such evaluation. In formulating its recommendation regarding the long-term incentive component of the CEO's compensation, the Compensation Committee should consider the Company's performance, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company's CEO in past years.
- Periodically review the aggregate amount of compensation being paid or potentially payable to the CEO.
- Periodically review and recommend to the Board for approval (a) any employment agreements, severance arrangements and change in control agreements (or provisions) with the CEO, in each case, when and if appropriate, and (b) any special or supplemental benefits being paid or potentially payable to the CEO.
- Exclude the CEO during voting or deliberations regarding the CEO's compensation.

##### **B. Matters Related to Compensation of the Officers Other Than the CEO**

- Determine the non-equity compensation (including cash-based incentive compensation) for all Officers (other than the CEO) and, at the discretion of the Compensation Committee, other members of senior management. Recommend to the Board for determination the equity compensation for all Officers (other than the CEO), and, at the discretion of the Compensation Committee, other members of senior management. For purposes hereof, the term "Officer" shall mean any "officer" as defined in Rule 16a-1 promulgated under the Exchange Act.

- Oversee an annual evaluation of all Officers (other than the CEO) and, at the discretion of the Compensation Committee, other members of senior management.
- Review periodically the aggregate amount of compensation being paid or potentially payable to all Officers (other than the CEO) and, at the discretion of the Compensation Committee, other members of senior management.
- For the Officers of the Company (other than the CEO) and, at the discretion of the Compensation Committee, other members of senior management, periodically review and approve (a) any employment agreements, severance arrangements and change in control agreements or provisions, in each case, when and if appropriate, and (b) any special or supplemental benefits.

**C. Matters Related to Compensation of the Company’s Non-Employee Directors**

- Review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to the compensation of the directors of the Company, including with respect to any equity-based plans.

**D. Processes and Procedures for Considering and Determining Non-Employee Director and Executive Compensation**

- Review and reassess periodically (and where appropriate, make such recommendations to the Board as the Compensation Committee deems advisable with regard to) the Company’s processes and procedures for the consideration and determination of non-employee director and Officer compensation, and review and discuss with management any description of such processes and procedures to be included in the Company’s proxy statement or annual report on Form 10-K.
- Review and assess the results of the most recent stockholder advisory vote on executive compensation and, to the extent the Compensation Committee deems appropriate, take such results into consideration in connection with its review and approval of compensation for Officers.

**E. Equity-Based Plans**

- For (i) the Company’s Officers, review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to awards under equity-based plans consistent with the terms of such plans, and (ii) all other service providers to the Company, review and approve grants and awards under equity-based plans consistent with the terms of such plans. To the extent permitted by applicable law and the provisions of a given equity-based plan, the Compensation Committee may delegate to one or more Officers of the Company the power to grant stock awards, and amend the terms of such awards, pursuant to such equity-based plan to employees and other service providers of the Company or any subsidiary of the

Company who are not directors or Officers of the Company, such power to be subject to the parameters and limitations set forth in the applicable resolutions adopted by the Compensation Committee.

- Review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to policies and procedures for the grant of equity-based awards by the Company.
- Review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to the size of equity-based plans.
- Act as the administrator under the Company's equity-based plans.
- Oversee administration of all incentive compensation and equity-based plans for employees and approve all forms of award agreement and/or sub-plans adopted thereunder.

**F. Compensation Committee Report**

- Review and discuss with management the Compensation Discussion and Analysis to be included in the Company's proxy statement or annual report on Form 10-K ("CD&A").
- Based on the Compensation Committee's review and discussions with management, make a recommendation to the Board that the CD&A be included in the Company's proxy statement or annual report on Form 10-K.
- Prepare the Compensation Committee Report to be included in the Company's proxy statement or annual report on Form 10-K in accordance with the applicable rules and regulations of the Securities and Exchange Commission, any securities exchange on which the Company's securities are traded, and any other rules and regulations applicable to the Company.

**G. Compensation Recovery Policy**

- Administer a compensation recovery policy including, without limitation, a policy designed to comply with any rules or regulations adopted by the Securities and Exchange Commission and the Nasdaq Stock Market pursuant to Section 10D of the Exchange Act.

**H. Succession Planning**

- Review and discuss with the Board corporate succession plans for the CEO and Officers.

- As a complement to the Board’s oversight of executive succession planning, the Compensation Committee will periodically review and discuss with management its talent development and related initiatives.

**I. Human Capital Management**

- Oversee and monitor the Company’s strategies, programs, initiatives and actions related to human capital management within the Company’s workforce, which may include employee health, safety and well-being; initiatives and programs related to corporate culture and employee engagement; pay equity; diversity and inclusion; and compliance matters related to employee well-being.

**J. Performance Evaluation of the Compensation Committee**

- Perform an annual performance evaluation of the Compensation Committee and report to the Board on the results of such evaluation.

**K. Review of Charter**

- Review and reassess the adequacy of this Charter annually and submit any proposed changes to the Board for approval.

**V. Additional Compensation Committee Authority**

The Compensation Committee is authorized, on behalf of the Board, to do any of the following, as the Compensation Committee deems necessary or appropriate in its discretion:

**A. Matters Related to Compensation Consulting Firms or Other Outside Advisers**

- Retain or obtain the advice of compensation consultants, legal counsel and/or other advisers.
- Have sole responsibility for the appointment, retention, compensation and oversight of the work of any compensation consultant, legal counsel or other adviser (each, a “Consultant”) it retains (payment, as determined by the Compensation Committee, of reasonable compensation to any such Consultant to be funded by the Company); and
- Before selecting a Consultant consider all factors relevant to the Consultant’s independence from management of the Company, including the following:
  - The provision of other services to the Company by the Consultant’s employer;

- The amount of fees received from the Company by the Consultant's employer, as a percentage of the total revenue of the Consultant's employer;
- The policies and procedures of the Consultant's employer that are designed to prevent conflicts of interest;
- Any business or personal relationship of the Consultant with a member of the Compensation Committee;
- Any stock of the Company owned by the Consultant; and
- Any business or personal relationship of Consultant or the Consultant's employer with an Officer of the Company.

The foregoing shall not apply to inside legal counsel or to a Consultant whose role is limited to the following activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K: (i) consulting on a broad-based plan that does not discriminate in scope, terms, or operation, in favor of Officers or non-employee directors of the Company, and that is available generally to all salaried employees or (ii) providing information that either is not customized for a particular company or that is customized based on parameters that are not developed by the Consultant and about which the Consultant does not provide advice.

- Prohibit the Company from engaging a compensation consultant engaged by the Compensation Committee, or an affiliate of any such compensation consultant, to provide any other services to the Company without the approval of the Compensation Committee.

#### **B. Employee Benefit Plans; Non-Executive Compensation Policies**

- The Compensation Committee shall periodically review the goals and objectives of the Company's non-executive compensation plans and other employee benefit plans. The Compensation Committee shall also perform such duties and responsibilities, and have such authority, related to employee benefit plans specifically assigned to the Board under the terms of such employee benefit plans or applicable law or regulation. To the extent permitted by applicable law and the provisions of any employee benefit plan, the Compensation Committee may delegate any of its duties, responsibilities or authority in connection with any employee benefit plan to members of management as the Compensation Committee deems appropriate.

### **VI. General**

- The Compensation Committee may establish and delegate authority to one or more subcommittees consisting of one or more of its members, when the

Compensation Committee deems it appropriate to do so in order to carry out its responsibilities.

- The Compensation Committee shall make regular reports to the Board concerning areas of the Compensation Committee's responsibility.
- In carrying out its responsibilities, the Compensation Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management and such experts, advisers and professionals with whom the Compensation Committee may consult.
- The Compensation Committee shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditor or any other professional retained by the Company to render advice to the Company attend a meeting of the Compensation Committee or meet with any members of or advisers to the Compensation Committee.
- The Compensation Committee may perform such other functions as may be requested by the Board from time to time.

Amended: June 21, 2023.