

ONESPAN INC.

MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS CHARTER

Purpose of the Management Development and Compensation Committee

The Board of Directors (the "**Board**") of OneSpan Inc. (the "**Company**") has constituted and established a Management Development and Compensation Committee (the "**Committee**") with authority, responsibility, and specific duties as described in this Management Development and Compensation Committee Charter (the "**Charter**").

The purposes of the Committee are:

- To act on behalf of the Board to establish the compensation of the Company's executive officers;
- To make recommendations to the Board regarding compensation of the Company's non-employee directors;
- To administer the 2019 Omnibus Incentive Plan and other equity-based compensation plans of the Company; and
- To prepare the Committee report required to be included in the Company's annual report and proxy statement and approve other compensation related disclosures in accordance with applicable rules and regulations of the Securities and Exchange Commission (the "**SEC**").

The Committee shall also have such other duties as may be delegated from time to time by the Board.

Composition of the Management Development and Compensation Committee

The Committee shall consist of not less than three members. Each member of the Committee (including any appointments to fill vacancies on the Committee) shall be appointed by the Board upon the recommendation of the Corporate Governance and Nominating Committee. The Board may remove members of the Committee from the Committee, with or without cause.

Except as otherwise permitted by applicable Nasdaq rules, each Committee member shall be an "independent director" as defined by Nasdaq Rule 5605(a)(2). Each Committee member shall also be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. In addition, members of the Committee shall qualify as "non-employee directors" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and shall satisfy any other necessary standards of independence under the federal securities and tax laws.

The Committee's chairperson (the "**Chair**") shall be designated by the full Board or, if the full Board does not do so, the Committee members shall elect a Chair by vote of a majority of the full

Committee.

The compensation of the Committee members shall be as determined by the Board.

Authority and Responsibilities of the Management Development and Compensation Committee

The Committee's primary responsibility is to assure that the Company's compensation programs and plans for executive officers are consistent with the Company's objectives and policies, competitive practice, and the requirements of applicable laws and regulatory agencies.

More specifically, the Committee shall:

- a) Review, from time to time, the Company's compensation strategy to ensure that the Company's compensation programs and plans allow the Committee to structure the compensation of the chief executive officer ("**CEO**") and the other executive officers in a manner that is consistent with the Company's goals and objectives and stockholders' interests.
- b) Review and approve annually the Company's goals and objectives relevant to the compensation of the CEO and other executive officers, including both quantitative and qualitative goals and objectives, evaluate the CEO's and other executive officers' performance against those goals and objectives and set the CEO's and other executive officers' compensation based on this evaluation.
- c) Review and, as appropriate, discuss with the CEO and other executive officers the Company's compensation policies and practices for all employees, considering factors such as the general design philosophy of the Company's compensation policies and practices, the Company's assessment as to any material risks of the Company that result from the Company's compensation policies and practices (including how such policies and practices relate to risk management and risk taking incentives), and the extent to which the Company monitors its compensation policies and practices to determine whether its risk management objectives are being met with respect to incentivizing employees. To the extent the Committee identifies any material risks in such policies or practices, the Committee shall discuss with management actions the Company may take to mitigate such risks.
- d) Review and discuss with management the Company's Compensation Discussion and Analysis (the "**CD&A**") required by the applicable rules and regulations of the SEC and, if appropriate, recommend to the Board that the CD&A be included in the Company's annual report and/or proxy statement, as required by the rules of the SEC.
- e) Review and discuss with management and, if appropriate, approve, any other compensation-related disclosure to be made in the Company's filings with the SEC.
- f) Prepare the Committee report required to be included in the Company's annual report or proxy statement by the applicable rules and regulations of the SEC.
- g) Review and periodically make recommendations, if needed, to the Board with respect to changes that should be considered to the Company's 2019 Omnibus Incentive Plan and all other equity-based compensation plans maintained by the

- Company or proposed to be adopted by the Company.
- h) Exercise all rights, authority and functions of the Board under (i) the Company's 2019 Omnibus Incentive Plan and (ii) all other cash incentive compensation plans in respect of the Company's executive officers, including, but not limited to, establishing qualitative and quantitative targets, payout curves, and guidelines regarding the payment of the cash incentive compensation, and reviewing and approving all payments of cash incentive compensation to executive officers.
 - i) Exercise all rights, authority and functions of the Board under the Company's 2019 Omnibus Incentive Plan and all other equity-based compensation plans including, but not limited to, establishing policies and procedures with respect to grants of stock options and/or other equity-based awards, and reviewing and approving all grants of stock options and/or other equity-based awards; provided, however, that the Committee will recommend to the Board, for the Board's consideration and approval, the number of shares (or changes in the number of shares) to be reserved for issuance under any equity-based compensation plan. At the Committee's option, it may also establish guidelines for the executive officers' use in proposing equity awards for new employees of the Company.
 - j) Establish and periodically review policies with respect to executive officer perquisites.
 - k) Review and determine the terms of any employment agreement or any amendment to an employment agreement or arrangement proposed between the Company and any executive officer.
 - l) Review and provide oversight of the Company's management development programs and succession planning efforts.
 - m) Review and provide oversight of the Company's talent development program, including recruiting, retention, and training, as well as diversity and inclusion.
 - n) Review and periodically make recommendations to the Board with respect to non-employee director compensation (including compensation for members of committees of the Board).
 - o) Subject to applicable rules and regulations, form and delegate authority to one or more subcommittees when the Committee deems appropriate. Any subcommittee may consist of at least one of the Committee's members.
 - p) Perform such other duties and responsibilities:
 - i. As may be assigned to the Committee, from time to time, by the Board and/or the Chairman of the Board,
 - ii. As are set forth in the By-Laws of the Company, or
 - iii. As are designated in the plan documents of any equity-based compensation plan of the Company.

Meetings of the Management Development and Compensation Committee

The Committee will meet as often as necessary to carry out its responsibilities. The Committee may also act by unanimous written consent in lieu of a meeting. Reports of meetings of the Committee shall be made regularly to the Board.

The Chair will preside at each meeting of the Committee and, in consultation with the other members of the Committee, shall set the date, time, duration and the agenda of items to be addressed at each upcoming meeting. A majority of the members of the Committee present in

person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

Although the Committee may solicit the input of (1) the Chief Executive Officer regarding his compensation and the compensation of the other executive officers, and (2) the other executive officers regarding their own compensation, no executive officer shall be present during any deliberations or voting by the Committee regarding his or her own compensation.

Evaluation of the Management Development and Compensation Committee

The Committee shall, on a periodic basis, consider ways to improve its performance under this Charter. In reviewing its performance, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee shall also consider all matters that the Committee deems relevant to its performance, including, but not limited to, the adequacy, appropriateness and quality of the information and recommendations presented to the Committee by the management of the Company and other advisors, the manner in which issues were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner. The Committee shall report to the Board on the results of its periodic performance evaluations.

At least annually, the Committee shall reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

Investigations and Studies; Outside Advisors

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities under this Charter. The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and shall have the authority to request any officer, employee, or advisor of the Company to meet with the Committee or its Advisors (as defined below).

The Committee may retain, at the Company's expense, such compensation consultants, independent counsel, or other consultants or advisors ("Advisors") as it deems necessary or appropriate. The Committee shall have the sole authority to retain or terminate any Advisor to assist the Committee in carrying out its responsibilities, including sole authority to approve the Advisor's fees and other retention terms. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such Advisors as approved by the Committee. The Compensation Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor, only after taking into consideration the applicable factors affecting independence that are specified in Nasdaq Rule 5605(d)(3)(D).