

# COMPENSATION COMMITTEE CHARTER

## Adopted by the Board of Directors of Depomed, Inc.

### *Purpose*

The purpose of the Compensation Committee (the “Committee”) of the board of directors (the “Board”) of Depomed, Inc. (the “Company”) is to assist the Board in the discharge of its responsibilities relating to executive compensation, to oversee incentive, equity-based and other compensatory plans in which executive officers of the Company participate and to produce an annual report on executive compensation for inclusion as required in the Company’s proxy statement.

### *Composition*

The Committee shall be composed of two or more directors, as determined by the board of directors, each of whom shall (i) satisfy the independence requirements of Nasdaq, (ii) qualify as a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (iii) qualify as an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended. Members shall be appointed to, and removed from, the Committee by the Board.

### *Responsibilities*

The Committee is charged by the Board with the responsibility to:

1. Develop and periodically review compensation policies and practices applicable to executive officers, including the criteria upon which executive compensation is based, the specific relationship of corporate performance to executive compensation and the composition of executive compensation in terms of base salary, deferred compensation, incentive or equity-based compensation and other benefits.
2. Review and approve corporate goals and objectives relevant to the Chief Executive Officer’s compensation, evaluate the CEO’s performance in light of these goals and objectives, and recommend to the Board for its determination the CEO’s compensation based on this evaluation.
3. Recommend to the Board for its determination compensation for executive officers in accordance with the policies and practices developed under item no. 1 above.
4. Review and approve, or recommend to the Board for its approval, any employment agreements, severance arrangements, change-in-control arrangements or special or supplemental employee benefits, and any material amendments to any of the foregoing, applicable to executive officers.
5. Supervise, administer and evaluate all incentive, equity-based and other compensatory plans of the Company applicable to executive officers.

6. Provide an annual report on the CEO and other executive compensation for inclusion in the Company's proxy statement.
7. Report to the Board on any significant matters arising from the Committee's work.
8. Periodically review and reassess this Charter and, if appropriate, recommend changes to the Board.
9. Perform such other duties and responsibilities as may be assigned to the Committee by the Board or as designated in plan documents.

***Authority***

By adopting this Charter, the Board delegates to the Committee full authority in its discretion to:

1. Perform each of the responsibilities of the Committee described above.
2. Delegate such of its authority and responsibilities as the Committee deems proper and consistent with legal requirements to members of the Committee.
3. Appoint a chair of the Committee, unless a chair is designated by the Board.
4. Engage and terminate compensation consultants, independent counsel and such other advisers as the Committee determines necessary to carry out its responsibilities, and approve reasonable fees and other terms of retention of any such advisers.
5. Cause the officers of the Company to provide such funding as the Committee shall determine to be appropriate for payment of reasonable compensation to any compensation consultants, independent counsel or other advisers engaged by the Committee.