



Delivering Quality of Life

Compensation Committee Charter

Purpose

The purpose of the Compensation Committee of the Board of Directors (the “**Board**”) of Valeritas Holdings, Inc. (the “**Company**”) is to oversee the discharge of the responsibilities of the Board relating to compensation of the Company’s executive officers.

Structure and Membership

Number

The Compensation Committee shall consist of at least two members of the Board.

Independence

All members of the Compensation Committee shall meet the independence requirements of Rule 10C-1(b)(1) under the Securities and Exchange Act of 1934, as amended (the “**Exchange Act**”), and each shall be an “independent director” as defined by NASDAQ Rule 5605(a)(2) and otherwise meet the applicable criteria for independence set forth in Rule 5605(d)(2) of the NASDAQ rules, and all members shall also qualify as “outside directors” for the purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “**Code**”) and as “non-employee” directors as defined in Rule 16b-3 under the Exchange Act.

Chair

Unless the Board elects a Chair of the Compensation Committee, the Compensation Committee shall elect a Chair by majority vote.

Compensation

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

Selection and Removal

Members of the Compensation Committee shall be appointed by the Board. The Board may remove members of the Compensation Committee from such committee, with or without cause.

Authority and Responsibilities

General

The Compensation Committee shall discharge its responsibilities, and shall assess the information provided to it by the Company’s management and others, in accordance with its business judgment.

Compensation Matters

Executive Officer Compensation

The Compensation Committee shall review and approve, or recommend for approval by the Board, the compensation of the Company’s Chief Executive Officer (the “**CEO**”) and the Company’s other executive

officers, including salary, bonus and incentive compensation levels; deferred compensation; executive perquisites; equity compensation (including awards to induce employment); severance arrangements; change-in-control benefits and other forms of executive officer compensation. The Compensation Committee shall meet without the presence of executive officers when approving or deliberating on CEO compensation but may, in its discretion, invite the CEO to be present during the approval of, or deliberations with respect to, other executive officer compensation. Subject to the phase-in rules that may be applicable, the Compensation Committee shall consider the results of the most recent stockholder advisory vote on executive compensation required by Section 14A of the Exchange Act (the “**Say on Pay Vote**”) when evaluating and determining executive officer compensation.

Plan Recommendations and Approvals

The Compensation Committee shall periodically review and approve new compensation plans that are not subject to stockholder approval or approval by the Board, review and approve material changes to existing compensation to the extent stockholder or Board approval of such changes is not required, make recommendations to the Board with respect to the Company’s incentive compensation plans and equity-based plans subject to stockholder or Board approval, oversee the activities of the individuals and committees responsible for overseeing the Company’s compensation plans and discharge any responsibilities imposed on the Compensation Committee by any of these plans.

Administration of Equity-Based Plans

The Compensation Committee shall exercise all rights, authority and functions of the Board under all of the Company’s stock option, stock incentive, employee stock purchase and other equity-based plans, including without limitation, the authority to interpret the terms thereof, to grant options thereunder and to make stock awards thereunder, except to the extent the terms of any such plan require administration by the full Board; provided, however, that, except as otherwise expressly authorized to do so by this charter, any such plan or a resolution of the Board, the Compensation Committee shall not be authorized to amend any such plan. To the extent permitted by and consistent with applicable law and the provisions of a given equity-based plan, the Compensation Committee may delegate to one or more executive officers of the Company the power to grant options or other stock awards pursuant to such equity-based plan to employees of the Company or any subsidiary of the Company who are not directors or executive officers of the Company. The Compensation Committee shall approve, or recommend for approval by the Board, any inducement awards to be granted in reliance on the exemption from stockholder approval contained in NASDAQ Rule 5635(c)(4).

Director Compensation

The Compensation Committee shall periodically review and make recommendations to the Board with respect to director compensation.

Review and Discussion of Compensation Discussion and Analysis Recommendation to the Board

To the extent that the Company is required to include the “Compensation Discussion and Analysis” required by Item 402(b) of Regulation S-K (“**CD&A**”) in the Company’s Annual Report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C (collectively, the “**Proxy Documents**”), the Compensation Committee shall review and discuss with management the Company’s CD&A and shall consider whether it will recommend to the Board that the Company’s CD&A be included in the Proxy Documents.

Say on Pay

Subject to the phase-in rules that may be applicable, the Compensation Committee shall review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on the frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Proxy Documents.

Risk Assessment of Compensation Programs

The Compensation Committee shall assess the Company's various compensation plans, programs and practices, including those in which non-executive officers participate, to determine whether there exists a reasonable likelihood that one or more of those plans, programs or practices would have a material adverse effect upon the Company or would otherwise encourage executive officers and other participating employees to engage in unnecessary or excessive risk taking.

Compensation Committee Report

If required, the Compensation Committee shall prepare the annual Compensation Committee Report pursuant to Item 407(e)(5) of Regulation S-K.

Compensation Consultants, Counsel and Other Advisors

The Compensation Committee shall have the authority, in its sole discretion, to retain or obtain the advice of such compensation consultants, legal counsel and other advisors as the Compensation Committee deems necessary or appropriate to carry out its responsibilities ("***Compensation Advisers***"). In connection with retaining or obtaining the advice of any Compensation Advisers, the Compensation Committee shall take into consideration the factors affecting independence required by applicable laws, U.S. Securities and Exchange Commission rules and NASDAQ rules, including taking into consideration the applicable factors affecting independence as specified in NASDAQ Rule 5605(d)(3). The Committee is not required to assess the independence of any Compensation Adviser or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice. The Compensation Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Compensation Advisers that it retains. The Compensation Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such Compensation Advisers as established by the Compensation Committee.

Additional Duties

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

Procedures and Administration

Meetings

The Compensation Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Compensation Committee may also act by unanimous written consent in lieu of a meeting. The Compensation Committee shall keep such records of its meetings as it shall deem appropriate.

Subcommittees

The Compensation Committee may form and delegate authority to one or more subcommittees as it deems appropriate from time to time under the circumstances (including (a) a subcommittee consisting of a single member and (b) a subcommittee consisting of at least two members, each of whom qualifies as a “non-employee director,” as such term is defined from time to time in Rule 16b-3 promulgated under the Exchange Act, and an “outside director,” as such term is defined from time to time in Section 162(m) of the Code).

Reports to Board

The Compensation Committee shall report regularly to the Board.

Charter

The Compensation Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

Investigations

The Compensation Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Compensation Committee or any advisors engaged by the Compensation Committee.

Self-Evaluation

The Compensation Committee shall periodically evaluate its own performance and report to the Board on that self-evaluation.