

CHARTER OF THE COMPENSATION COMMITTEE OF CIPHER PHARMACEUTICALS INC.

GENERAL

1. PURPOSE OF THE COMMITTEE

1.1 Compensation

The Committee's purpose includes assisting the Board in its oversight of executive and Director compensation and includes responsibility for:

- (a) reviewing and making recommendations to the Board with respect to compensation of the CEO;
- (b) recommending to the Board non-CEO compensation, incentive-based plans and equity-based plans; and
- (c) reviewing compensation disclosure in public documents, including the Committee's annual report on executive compensation for inclusion in the Corporation's information (proxy) circular, in accordance with applicable rules and regulations.

1.2 General

The Committee's purpose includes responsibility for such other matters as are set out in this Charter or as may otherwise be assigned to the Committee by the Board.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Charter:

- (a) **"Board"** means the Board of Directors of the Corporation;
- (b) **"CEO"** means the Chief Executive Officer of the Corporation.;
- (c) **"Chair"** means the chair of the Committee;
- (d) **"Committee"** means the Compensation Committee of the Board;
- (e) **"Corporation"** means Cipher Pharmaceuticals Inc.; and
- (f) **"Directors"** means the directors of the Corporation.

Any words or terms with initial capital letters which are not defined herein shall have the meanings ascribed thereto in the charter of the Directors.

2.2 Interpretation

The provisions of this Charter are subject to any Applicable Laws.

CONSTITUTION AND FUNCTIONING OF THE COMMITTEE

3. ESTABLISHMENT AND COMPOSITION OF COMMITTEE

3.1 Establishment of the Compensation Committee

The Committee is hereby established with the constitution, function and responsibilities herein set forth.

3.2 Appointment and Removal of Members of the Committee

- (a) *Board Appoints Members.* The members of the Committee shall be appointed by the Board.
- (b) *Annual Appointments.* The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.
- (c) *Vacancies.* The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors.
- (d) *Removal of Member.* Any member of the Committee may be removed from the Committee by a resolution of the Board.

3.3 Number of Members

The Committee shall consist of three or more Directors, a majority of whom shall be Residents.

3.4 Qualification and Independence of Members

- (a) *Qualification of Members.* A Director is not required to have any specific qualifications in order to serve as a member of the Committee.
- (b) *Independence of Members.* Each member of the Committee shall be independent as defined under Applicable Laws.

4. COMMITTEE CHAIR

4.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee (or if it fails to do so, the members of the Committee shall appoint the Chair of the Committee from among its members).

4.2 Chair to be Appointed Annually

The appointment of the Committee's Chair shall take place annually at the first meeting of the Board after a meeting of the shareholders of the Corporation at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5. COMMITTEE MEETINGS

5.1 Quorum

A quorum of the Committee shall be a majority of its members provided that a majority of the members comprising the quorum shall be Residents.

5.2 Secretary

The Chair shall designate from time to time a person who may, but need not, be a member of the Committee, to be Secretary of the Committee.

5.3 Time and Place of Meetings

The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee in accordance with the by-laws of the Corporation.

5.4 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee.

5.5 Invitees

The Committee may invite Directors, officers and employees of the Corporation or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

5.6 Regular Reporting

The Committee shall report to the Board at the Board's next meeting the proceedings at the meetings of the Committee and all recommendations made by the Committee at such meetings.

6. AUTHORITY OF COMMITTEE

6.1 Retaining and Compensating Advisors

The Committee shall have the sole authority to retain and terminate:

- (a) any firm engaged to assist in the evaluation of Director, CEO or senior executive compensation; and
- (b) outside counsel and any other advisors as the Committee may deem appropriate in its sole discretion.

The Committee shall have sole authority to approve related fees and retention terms of any such firm and other advisors. In retaining any consulting firm, legal, financial or other advisor, the Committee shall consider the factors specified in the applicable listing requirements of the NASDAQ Global Market as well as the factors published by any stock exchange on which the Corporation's securities are then listed.

6.2 Subcommittees

The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee.

6.3 Recommendations to the Board

The Committee shall have the authority to make recommendations to the Board, but shall have no decision-making authority other than as specifically contemplated in this Charter.

7. REMUNERATION OF COMMITTEE MEMBERS

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

SPECIFIC DUTIES AND RESPONSIBILITIES – COMPENSATION

8. COMPENSATION MATTERS

8.1 Compensation of Chief Executive Officer

The Committee shall:

- (a) review and approve corporate goals and objectives relevant to CEO compensation;
- (b) evaluate the CEO's performance in light of those corporate goals and objectives;
- (c) determine and make recommendations to the Board with respect to the CEO's compensation level (considering all elements of the compensation package including incentive compensation plans and equity-based plans) based on this evaluation; and

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- (d) in determining the long-term incentive component of the CEO's compensation, consider:
 - (i) the Corporation's performance and relative shareholder return;
 - (ii) the value of similar incentive awards to Chief Executive Officers at comparable organizations; and
 - (iii) the awards given to the CEO in past years.

The CEO may not be present during voting or deliberations on his or her compensation.

8.2 Non-CEO Compensation Matters

The Committee shall make recommendations to the Board with respect to:

- (a) non-CEO officer and Director compensation;
- (b) incentive compensation plans, and
- (c) equity-based plans.

8.3 Review of Bonuses Paid

The Committee shall monitor the administration of the Corporation's executive officer incentive and other compensation-related plans and shall report to the Board annually on whether incentives and bonuses awarded or paid to the CEO and each of the other executive officers have been awarded or paid in accordance with the applicable plans.

9. DISCLOSURE AND REPORTING TO THE BOARD

9.1 Executive Compensation Disclosure

The Committee shall review and recommend to the Board for approval, any public disclosure of information relating to the Corporation's executive compensation, including the disclosure to be included in the Corporation's information circulars.

9.2 Report of the Committee

The Committee shall prepare and recommend to the Board for approval, the Report of the Committee to be included in the Corporation's information circulars.

SPECIFIC DUTIES AND RESPONSIBILITIES – COMMITTEE ADMINISTRATION

10. ANNUAL PERFORMANCE EVALUATION

On an annual basis, the Committee shall follow the process established by the Board and overseen by the Nominating and Governance Committee for reviewing the performance and effectiveness of the Committee.

11. CHARTER REVIEW

The Committee shall review and assess the adequacy of this Charter annually and recommend to the Board any changes it deems appropriate.

August 3, 2006 and amended October 28, 2014 and August 10, 2023.