

# PACIRA PHARMACEUTICALS, INC.

## COMPENSATION COMMITTEE CHARTER

### A. Purpose

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

### B. Structure and Membership

1. Number. The Compensation Committee shall consist of at least two members of the Board.
2. Independence. Except as otherwise permitted by the applicable NASDAQ rules, each member of the Compensation Committee shall be “independent” for purposes of compensation committee membership, as defined by such rules.
3. Chair. Unless the Board elects a Chair of the Compensation Committee, the Compensation Committee shall elect a Chair by majority vote.
4. Compensation. The compensation of Compensation Committee members shall be as determined by the Board.
5. Selection and Removal. Members of the Compensation Committee shall be appointed by the Board, upon the recommendation of the Nominating and Corporate Governance Committee. The Board may remove members of the Compensation Committee from such committee, with or without cause.

### C. Authority and Responsibilities

#### General

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

#### Compensation Matters

1. Executive Officer Compensation. The Compensation Committee shall be responsible for determining, or recommending to the Board for determination, 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 any executive officers, including the CEO, 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.

2. Evaluation of Senior Executives. The Compensation Committee shall be responsible for overseeing the evaluation of the Company's senior executives, which shall include the Company's CEO and other officers reporting directly to the CEO. The Compensation Committee shall determine the nature and frequency of the evaluation, supervise the conduct of the evaluation and prepare assessments of the performance of the Company's senior executives, to be discussed periodically with the Board.
3. Plan Recommendations and Approvals. The Compensation Committee shall periodically review and make recommendations to the Board with respect to incentive-compensation and equity-based plans that are subject to approval by the Board. In addition, the Compensation Committee shall approve any tax-qualified, non-discriminatory employee benefit plans (and any parallel nonqualified plans) for which stockholder approval is not sought and pursuant to which options or stock may be acquired by officers, directors, employees or consultants of the Company.
4. 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; 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 applicable law and the provisions of a given equity-based plan, and consistent with the requirements of applicable law and such 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 any inducement awards granted in reliance on the exemption from stockholder approval contained in NASDAQ Rule 5635(c)(4).

5. Director Compensation. The Compensation Committee shall periodically review and make recommendations to the Board with respect to director compensation.
6. Management Succession. The Compensation Committee shall, at the request of the Board, periodically review and make recommendations to the Board relating to management succession planning, including policies and principles for CEO selection and performance review, as well as policies regarding succession in the event of an emergency or the retirement of the CEO.
7. Review and Discussion of Compensation Discussion and Analysis; Recommendation to Board. The Compensation Committee shall review and discuss annually with management the Company's "Compensation Discussion and Analysis" required by Item 402(b) of Regulation S-K (the "CD&A"). The Compensation Committee shall consider annually whether it will recommend to the Board that the CD&A be included in the Company's Annual Report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C.
8. Compensation Committee Report. The Compensation Committee shall review and approve the annual Compensation Committee Report required by Item 407(e)(5) of Regulation S-K.
9. Consultants and Advisers. The Compensation Committee shall have the authority, in its sole discretion, to retain and terminate (or obtain the advice of) a compensation consultant, independent legal counsel or other adviser ("Compensation Adviser") to assist the Compensation Committee with the discharge of its duties under this charter. The Compensation Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Compensation Adviser retained by the Compensation Committee. The Company shall provide for appropriate funding, as determined by the Compensation Committee, for payment of reasonable compensation to any Compensation Adviser engaged by the Compensation Committee.

The Compensation Committee may select, or receive advice from, a Compensation Adviser only after taking into consideration the following factors:

- (a) The provision of other services to the Company by the person that employs the Compensation Adviser;
- (b) The amount of fees received from the Company by the person that employs the Compensation Adviser, as a percentage of the total revenue of the person that employs the Compensation Adviser;
- (c) The policies and procedures of the person that employs the Compensation Adviser that are designed to prevent conflicts of interest;

- (d) Any business or personal relationship of the Compensation Adviser with a member of the Compensation Committee;
- (e) Any stock of the Company owned by the Compensation Adviser; and
- (f) Any business or personal relationship of the Compensation Adviser or the person employing the Compensation Adviser with any executive officer.

After considering the independence factors outlined above, the Compensation Committee may select, or receive advice from, any Compensation Advisers it prefers, including ones that are not independent.

The Compensation Committee is not required to conduct the independence assessment outlined above for in-house counsel or any Compensation Adviser whose role is limited to the following activities: (i) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; and/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 Compensation Adviser, and about which the Compensation Adviser does not provide advice.

If the Compensation Committee determines that the work performed by a Compensation Adviser retained by the Compensation Committee has raised any conflict of interest, the Compensation Committee shall disclose to the Board the nature of such conflict of interest and how it is being addressed. In determining whether a conflict of interest exists, the Compensation Committee shall consider the factors described above and the applicable laws and regulations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

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

## **D. Procedures and Administration**

1. 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.
2. 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 Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder).

3. Reports to Board. The Compensation Committee shall report regularly to the Board.
4. Charter. At least annually, the Compensation Committee shall review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
5. 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.
6. Self-Evaluation. The Compensation Committee shall, from time to time as it deems appropriate, evaluate its own performance.