

PERNIX THERAPEUTICS HOLDINGS, INC.

CHARTER OF THE COMPENSATION COMMITTEE

EFFECTIVE AS OF MARCH 3, 2017

1. MEMBERSHIP

- 1.1 The Compensation Committee (the “**Committee**”) of the board of directors (the “**Board**”) of Pernix Therapeutics Holdings, Inc. (the “**Company**”) shall consist of two or more directors. Each member of the Committee shall be independent in accordance with the provisions of Rule 10C-1(b)(1) under Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and the rules of The NASDAQ Stock Market LLC (“**NASDAQ**”).
- 1.2 Each member of the Committee must qualify as a “non-employee director” for the purposes of Rule 16b-3 under the Exchange Act, and as an “outside director” for the purposes of Section 162(m) of the Internal Revenue Code, as amended.
- 1.3 The members of the Committee shall be appointed by the Board based on the recommendations from the Nominating Committee of the Board. The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.
- 1.4 The Board may designate a Committee Chairperson. If the Board does not designate a Committee Chairperson, the members of the Committee may designate a Committee Chairperson by majority vote of the full Committee. The Board may remove a Committee member as Committee Chairperson at any time, from time to time, at its discretion.

2. PURPOSE

The purpose of the Committee is to carry out the responsibilities delegated by the Board relating to the review and determination of executive and director compensation.

3. DUTIES AND RESPONSIBILITIES

- 3.1 The Committee shall have the following authority and responsibilities:
 - (i) To review and approve annually the goals and objectives applicable to the compensation of the chief executive officer (“**CEO**”), evaluate at least annually the CEO’s performance in light of those goals and objectives, and determine and approve the CEO’s compensation level based on such evaluation(s). In determining the long-term incentive component of CEO compensation, the Committee may consider the Company’s performance and relative stockholder return, the value of similar incentive awards given

to CEOs at comparable companies and the awards given to the Company's CEO in past years and any other factors it deems appropriate. In evaluating and determining CEO compensation, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation ("**Say on Pay Vote**") required by Section 14A of the Exchange Act. The CEO cannot be present during any voting or deliberations by the Committee on his or her compensation.

- (ii) To approve the compensation of all other executive officers. In evaluating and determining executive compensation, the Committee shall consider the results of the most recent Say on Pay Vote.
- (iii) To review, amend, adopt, and approve and terminate the Company's incentive compensation plans and equity-based plans, making recommendations to the Board and where appropriate or required, to the stockholders of the Company. Subject to the provisions of each plan, the Committee shall also have the authority to administer the Company's incentive compensation plans and equity-based plans, including designation of the individuals to whom the awards are to be granted, the amount of the award or equity to be granted and the terms and conditions applicable to each award or grant. Any Committee determination to adopt, amend or terminate incentive compensation plans and equity-based plans shall include consideration of the most recent Say on Pay Vote results.
- (iv) To review and discuss with management the Company's Compensation Discussion and Analysis ("**CD&A**") and the related executive compensation information; to recommend to the Board that the CD&A and related executive compensation information be included in the Company's annual report on Form 10-K or proxy statement, as applicable; and to produce the compensation committee report on executive officer compensation that is required to be included in the Company's proxy statement or annual report on Form 10-K, as applicable.
- (v) To review, approve and recommend to the Board for approval any employment agreements and any severance arrangements or plans, as well as any agreements that adopt, amend or terminate such employment agreements, severance agreements or plans, including but not limited to change in control provisions that impact the CEO or other executive officers.
- (vi) To determine stock ownership guidelines, if any, for the CEO and other executive officers and to monitor compliance with such guidelines.
- (vii) To review and discuss annually the Company's compensation policies, practices and arrangements to determine: (a) whether they encourage the

appropriate level of risk-taking; and (b) whether the relationship between risk management policies and practices and compensation are appropriately aligned.

- (viii) To annually review and recommend to the Board for approval: (a) 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 frequency of Say on Pay Votes as required by Section 14A of the Exchange Act; and (b) proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement, as applicable.
- (ix) To, at least annually, review director compensation and benefits for service on the Board and Board committees and make recommended modifications and/or amendments as necessary.

4. OUTSIDE ADVISORS

- 4.1 The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant, outside legal counsel and other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation and oversee the work of such consultants and advisors and shall receive funding from the Company for the payment of fees and costs incurred by such consultants and advisors at the direction of the Committee. The Committee shall not be required to implement or act consistently with the advice or recommendations of its consultants and advisors, provided it acts in accordance with applicable laws and regulations. The authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.
- 4.2 The Committee may select consultants and advisors only after conducting an independence assessment in which the Committee takes into consideration all relevant factors, including the following: (i) the provision of other services to the Company by the person that employs the consultant or advisor; (ii) the amount of fees received from the Company by the person that employs the consultant or advisor as a percentage of the total revenue of said person; (iii) the conflict of interest policies and procedures of the person that employs the consultant or advisor ; (iv) any business or personal relationship of the consultant or advisor with a member of the Committee; (v) any stock of the Company owned by the consultant or advisor; and (vi) any business or personal relationship of the consultant or advisor or the person employing the consultant or advisor with any executive officer of the Company. The Committee may retain, or receive advice

from any consultant or advisor they prefer, including ones that are not independent, after considering the above factors.

- 4.3 The Committee is not required to assess the independence of any consultant or advisor provided that the consultant or advisor only: (i) consults on a broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and is generally available to all salaried employees; or (ii) provides 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.
- 4.4 The Committee shall evaluate whether any compensation consultant or other consultant or advisor retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

5. STRUCTURE AND OPERATIONS

5.1 Meetings.

- (a) In order to discharge its responsibilities, the Committee shall meet as often as it determines is necessary to carry out its responsibilities, but in no event, less than annually.
- (b) The Committee Chairperson or a majority of the members of the Committee may call meetings of the Committee that are outside of the schedule of meetings established by the Committee.
- (c) Any one or more of the members of the Committee may participate in a meeting of the Committee by means of conference call or similar communication device through which all persons participating in the meeting can hear each other.

5.2 Action of the Committee. Except as otherwise provided by statute, a majority of the members of the Committee shall represent a quorum of the Committee for the transaction of business at any meeting. Formal action to be taken by the Committee shall be by unanimous written consent or by the affirmative vote of at least a majority of the members of the Committee present (in person or by telephone conference call) at a meeting at which a quorum is present, unless the concurrence of a greater proportion is required for such action by the Company's bylaws or any other applicable policy or procedure approved by the Board.

5.3 Agenda, Minutes and Reports.

- (a) The Chairperson of the Committee will be responsible for establishing the agendas for meetings of the Committee. An agenda, together with

materials relating to the subject matter of each meeting, will be sent to members of the Committee prior to each meeting.

(b) Minutes for all meetings of the Committee will be prepared to document the Committee's discharge of its responsibilities. The Committee minutes will be circulated in draft form to all Committee members to ensure an accurate final record, will be approved at a subsequent meeting of the Committee and will be distributed periodically to the full Board.

(c) The Committee will make regular reports to the Board.

5.4 *Charter.* At least annually, this Charter will be reviewed and reassessed by the Committee and any proposed changes will be submitted to the Board for approval.

5.5 *Management Participation.* The Committee may invite such members of management to its meetings as it deems appropriate. However, the Committee shall meet regularly without such members present, and in all cases the CEO and any other such officers shall not be present at meetings at which their compensation or performance is discussed or determined.

6. DELEGATION OF AUTHORITY

Subject to applicable law and NASDAQ rules, the Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion. Subject to applicable law and NASDAQ rules, the Chair may represent the entire Committee, as a subcommittee, with respect to functions of the Committee undertaken between meetings. Any actions of a subcommittee shall be presented to the full Committee at its next scheduled meeting.

7. PERFORMANCE EVALUATION

The Committee shall conduct an annual evaluation of the performance of its duties under this charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.